

**Figure C5.F3. Sample Letter of Offer and Acceptance**

Lines and notes are included for illustration purposes only.



**United States of America  
Letter of Offer and Acceptance (LOA)**

BN-Q-SEH

Based on BN/MODAT/2312 dated 14 February 2011.

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Embassy of Bandaria Office of the Air Attaché 1234 Massachusetts Ave, NW Washington, DC 29999, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA provides for AGM-65F/G Maverick missiles and related support.

Estimated Cost: \$7,325,884 Initial Deposit: \$200,860

Terms of Sale:

- Cash Prior to Delivery
- Dependable Undertaking

This offer expires on 1 October 2011. Unless a request for extension is made by the Purchaser and granted by the USG, the offer terminates on the expiration date.

This LOA consists of page 1 through page 14.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

_____	_____	_____	_____
U.S. Signature	Date	Purchaser Signature	Date

_____	_____
Typed Name and Title	Typed Name and Title

<u>Defense Security Cooperation Agency</u>	_____
Implementing Agency	Agency

<u>DSCA Reviewed/Approved</u>	<u>01 Mar 2011</u>
DSCA	Date

**Information to be provided by the Purchaser:**

Mark For Code _____	Freight Forwarder Code _____	Purchaser Procuring Agency Code _____
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Name and Address of the Purchaser's Paying Office: \_\_\_\_\_

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**Items to be supplied (costs and months for delivery are estimates):**

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs		(5) SC/MOS/TA	(6) Ofr Rel Cde	(7) Del Trm Cde
			(a) Unit	(b) Total			
001 C4 47	B2G 9B2G00MAVERCK (Y)(M)(E) MAVERICK MISSILE (IV) AGM 65F/G	71 EA	\$63,339.53	\$4,497,107	X(16-30) TA4	Z	8
002 C4 47	B2G 810000MAVCONT (N)(N)(R) MAVERICK MISSILE (IV) CONTAINER	10 EA	\$95,000.00	\$950,000	P(18-30) TA5	A	2
003 C4 47	B2G 9B2G00MAVRCOM (N)(N)(R) MAVERICK COMPONENTS (IV) Guidance Control System	XX		\$750,000	P(-) TA5	A	4
004 C4 47	B2G 9B2G00MAVRSUP (N)(N)(R) MAVERICK SUPPORT (IV) EQUIPMENT Dolly NSN: 3920-00-609-0178	20 EA	\$30,000.00	\$600,000	S(12-24) TA3	A	4
005 B4 47	R9Z 079Z000THSERV (N)(N)(R) OTHER SERVICES (XXI)	XX		\$40,000	S(-) TA3	-	-

**Estimated Cost Summary:**

(8) Net Estimated Cost	\$ 6,837,107
(9) Packing, Crating, and Handling	\$ 154,722
(10) Administrative Charge	\$ 218,787
(11) Transportation	\$ 115,268
(12) Other	\$ 0
(13) Total Estimated Cost	\$ 7,325,884

**To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:**

ESTIMATED PAYMENT SCHEDULE

Payment Date	Quarterly	Cumulative
Initial Deposit		\$ 200,860
15 Mar 2007	\$ 222,605	\$ 423,465
15 Jun 2007	\$ 325,491	\$ 748,956
15 Sep 2007	\$ 185,199	\$ 934,155
15 Dec 2007	\$ 166,366	\$1,050,521
15 Mar 2008	\$ 431,093	\$1,481,560
15 Jun 2008	\$1,086,321	\$2,567,881
15 Sep 2008	\$2,019,944	\$4,587,825
15 Dec 2008	\$2,888,865	\$7,325,884

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance information."

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#### Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this Letter of Offer and Acceptance (LOA) to the Defense Finance and Accounting Service - Indianapolis, ATTN: Security Assistance Accounting, DFAS-JAX/IN, 8899 E. 56th Street Indianapolis, IN 46249-0230. Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this LOA document (if required) should be made to ABA# 021030004, U.S. Treasury NYC, Agency Location Code: 00003801, Beneficiary DFAS-JAX/IN Agency showing "BN-Q-SEH, payment from Bandaria"; or a check for the initial deposit, made payable to the US Treasury, mailed to Defense Finance and Accounting Services, ATTN: Disbursing Operations-FMS Processing Col 135D, 8899 E. 56th Street, Indianapolis, In 46249-0230 showing "BN-Q-SEH, payment from Bandaria". Wire transfer is preferred.
2. One signed copy should be returned to Director, Defense Security Cooperation Agency (DSCA), 2800 Defense Pentagon, Washington, D.C. 20301-2800

#### Note 1. LINE ITEM 001 - AGM-65F/G MISSILES.

Line Item 001 provides [Insert enough information to adequately describe each line included on the LOA (e.g., configuration, delivery schedule, etc.)]

#### Note 2. LINE ITEM 002 – MAVERICK MISSILE CONTAINERS.

Line Item 002 provides [Insert enough information to adequately describe each line included on the LOA (e.g., configuration, delivery schedule, etc.)]

#### Note 3. LINE ITEM 003 - MAVERICK COMPONENTS.

Line Item 003 provides [Insert enough information to adequately describe each line included on the LOA (e.g., configuration, delivery schedule, etc.)]

#### Note 4. LINE ITEM 004 - MAVERICK SUPPORT EQUIPMENT.

Line Item 004 provides [Insert enough information to adequately describe each line included on the LOA (e.g., configuration, delivery schedule, etc.)]

#### Note 5. LINE ITEM 005 - OTHER SERVICES.

Line Item 005 provides [Insert enough information to adequately describe each line included on the LOA (e.g., configuration, delivery schedule, etc.)]

#### Note 6. MAVERICK SYSTEM SALE.

[Insert case-unique notes as needed to provide more detailed information regarding the offer.]

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**Note 7. STATUS OF FORCES AGREEMENT.**

USG military and civilian personnel present in the territory of the purchaser for the purpose of implementing this Letter of Offer and Acceptance (LOA) shall be entitled to all of the rights, privileges, and immunities accorded in the Agreement Concerning the Status of U.S. Personnel in Bandaria regarding the status of their forces, dated September 4, 1992 and any related implementing agreements.

**Note 8. NONRECURRING COSTS - WAIVER.**

Nonrecurring Costs (NC) apply to line item(s) 001 of this Letter of Offer and Acceptance (LOA). The customer's request to waive these charges has been approved by DSCA memorandum 11123, dated March 12, 2011. Therefore, these costs have not been included in this case.

**Note 9. ESTIMATED CASE CLOSURE.**

The estimated closure date is 24 months after the date of projected final delivery.

**Note 10. TRANSPORTATION AND SERVICES.**

- A. USG agrees to provide, transportation services for the items identified in this Letter of Offer and Acceptance (LOA) to the Point of Delivery (POD). Purchaser's property will be transported at the Purchaser's risk.
- B. Purchaser will accept USG delivery listings as the basis for billing and proof of shipment.
- C. Purchaser will accept responsibility for clearance of materiel through its customs at the POD, and for movement of the materiel from its POD to the ultimate in-country destination.
- D. Purchaser will appoint a duly authorized official to accept and sign for materiel at the POD, and submit outturn message and report.
- E. Purchaser will absorb losses of materiel the USG does not in fact recover from an independent carrier or handler, including where the USG is self-insured.
- F. Purchaser will self-insure such shipments, or obtain commercial insurance without any right of subrogation of any claim against the United States.
- G. The USG will assist the Purchaser in processing any claims that may arise for lost or damaged shipments, in the same manner it processes claims for USG-owned materiel. Collection of revenue, if any, resulting from approved claims will be credited to the Purchaser's account.
- H. If the purchaser proposes to take delivery and custody of the classified material in the United States and use its own facilities and transportation for onward shipment to its territory, a Transportation Plan is required. The Transportation Plan is developed by the DoD Component that prepares the LOA in coordination with the purchasing Government as outlined in the SAMM, Chapter 3. Purchasers may obtain assistance in the development of the Transportation Plan with their cleared freight forwarder. Further, the purchaser will notify the Implementing Agency of any changes as they occur to the Transportation Plan. The Implementing Agency (IA)

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that initiates the Foreign Military Sales (FMS) transaction shall designate the security officials who are authorized to evaluate the Transportation Plan to determine whether the plan adequately ensures protection of the highest level of classified material involved. The purchaser will be notified of the approval or disapproval of the plan and any changes. If disapproved, the purchaser will be notified of the reason for disapproval and, when possible, changes that would be acceptable to the USG. As an alternative, the USG will ship the classified material by the Defense Transportation System (DTS).

#### **Note 11. CONTRACT ADMINISTRATION SERVICES (CAS) SURCHARGE.**

For any lines on this Letter of Offer and Acceptance (LOA) document with a Source of Supply of "X" or "P," the Contract Administration Services (CAS) surcharge rates apply: for Contract Administration, .65%; for Quality Assurance and Inspection, .65%; for Contract Audit, .2%; and for overseas CAS, .2%. CAS has only been applied to the portion of "X" coded line items expected to come from procurement.

#### **Note 12. ACCESSORIAL CHARGES.**

- a. A Packing, Crating, and Handling (PC&H) charge has been applied to the applicable portion of Lines 001 and 004.
- b. The Transportation Cost Look-up Table (Appendix 2 of the SAMM) was used to calculate transportation charges on Lines 001 and 004.

#### **Note 13. ADMINISTRATIVE SURCHARGE.**

An administrative surcharge of 3.2% has been applied to Lines 001-005.

#### **Note 14. SUPPLY DISCREPANCY REPORT TIME LIMITS**

"Pursuant to section 5.4 of the Standard Terms and Conditions with regard to Supply Discrepancy Reports (SDR), the Purchaser agrees to report misdirected or unordered shipments. The Purchaser further agrees to report such shipments containing items that are identified as classified/sensitive materiel, or arms, arms parts, or explosives, within 24 hours of discovery, regardless of dollar value, for disposition instructions from the USG. The Purchaser agrees to ship such classified/sensitive materiel, or arms, arms parts, or explosives within 30 days of USG direction for such return. For all other items, the Purchaser agrees to ship discrepant articles within 180 days of receiving USG direction for such return. When appropriate, the USG may direct an expedited return of an exemplar of the discrepant articles prior to issuing further direction."