

# Overview of Draft **DLA-LEAD-005**

**Basic Ordering Agreement (BOA) for  
DNSC Lead Sales**



**Lead Industry Meeting**  
**Hilton New York, February 12, 2002**

# LEAD BOA REVIEW

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# Total Lead Inventory

As of 02/27/02

## **Chemical (99.90%)**

	<b>LBS</b>	<b>Metric Tons</b>
Ft. Worth, TX	396,832	180
Hammond, IN	40,961,468	18,580
Mechanicsburg, PA	1,139,789	517
New Haven, IN	25,465,566	11,551
Somerville, NJ	17,637	8
Marietta, PA	8,968,076	4,068
Warren, OH	4,647,297	<u>2,108</u>
	<b><i>TOTAL:</i></b>	<b>37,012</b>

## **Common Desilverized (99.79%)**

Mechanicsburg, PA	17,079,191	7,747
Somerville, NJ	2,032,088	<u>922</u>
	<b><i>TOTAL:</i></b>	<b>8,669</b>

# Total Lead Inventory

As of 02/27/02

## Common Grade A (99.9%)

Mechanicsburg, PA	1,382,297	<u>627</u>
	<b>TOTAL:</b>	<b>627</b>

## Corroding (99.94%)

**LBS**

**Metric Tons**

Baton Rouge, LA	200,620	91
Ft. Worth, TX	108,026	49
Marietta, PA	26,908,636	12,206
Mechanicsburg, PA	156,078,278	70,796
Somerville, NJ	2,271	1
Warren, OH	91,806,158	<u>41,563</u>
	<b>TOTAL:</b>	<b>124,706</b>

# Total Lead Inventory

## Banding Project FY02 & FY03

### Corroding (99.94%)

Marietta, PA	26,908,636	12,206
Mechanicsburg, PA	156,078,278	70,796
Warren, OH	91,806,158	<u>41,563</u>
	<b>TOTAL:</b>	<b>124,565</b>

### Chemical (99.90%)

Warren, OH	4,647,297	<u>2,108</u>
		<b>2,108</b>

### Common Desilverized (99.79%)

	LBS	Metric Tons
Mechanicsburg, PA	17,079,191	<u>7,747</u>
	<b>TOTAL:</b>	<b>7,747</b>

### Common Grade A (99.9%)

Mechanicsburg, PA	1,382,297	<u>627</u>
	<b>TOTAL:</b>	<b>627</b>

# Lead Sales

<u>FY</u>	<u>AMP Qty</u>	<u>QTY Sold</u>	<u>% Of AMP Sold</u>
2000	60,000 ST	52,290	99
2001	60,000 ST	26,451	44
2002 YTD	60,000 ST	8,146	13



*Lead - New Haven*

# LEAD SALES



- ◆ **DLA-LEAD-005**, draft issued 2/5/2002
- ◆ **Sales Format: Basic Ordering Agreement (BOA)**
- ◆ **Sales/Offerings: depend on market dynamics**
- ◆ **Material offered by item number, storage location, grade and brand, and weight**
- ◆ **FY 2002 AMP: 60,000 Short Tons**
- ◆ **Current Balance: 51,854 Short Tons**

# NEW SALES APPROACH FOR DNSC LEAD



## ✦ New Features

- ✦ Material for sale posted to DNSC Web Site
- ✦ Participants pre-qualify to participate
- ✦ Sales forms, BOA available on web page
  - ✦ <https://www.dnsc.dla.mil>

# NEW SALES APPROACH FOR DNSC LEAD



## Current Approach

- ◆ Sealed Bid/Negotiated Format
- ◆ Set date/quantity sold each month
- ◆ Several pages constitute bid
- ◆ Each bid stands alone

## NEW Approach

- ◆ Basic Ordering Agreement (BOA)
- ◆ Offer material periodically, depending on market/needs
- ◆ One sheet (Quote/Award) to quote
  - ◆ I.1 + signed BOA = Contract
- ◆ Common terms and conditions

# NEW SALES APPROACH FOR DNSC LEAD



## Current Approach

- ◆ Up to two working days to review bids and award
- ◆ Fixed bid opening date may not meet customers' needs
- ◆ Cash and carry only
- ◆ Award information made public after award

## NEW Approach

- ◆ Shorter review/award time (discussion point)
- ◆ More responsive to customer needs; no delay in participating
- ◆ May request payment terms (max: 30 days from receipt of shipping instructions)
- ◆ Monthly aggregate sales notice issued

# NEW SALES APPROACH FOR DNSC LEAD



## VISION FOR FUTURE SALES

- ◆ Interactive Web Site
- ◆ No more hard copies of sales documents
- ◆ Quote on-line (interactive)
- ◆ Paper-free contracting

# Section A- Agreement/ Contract Form



- ◆ Agreement/Contract Form: an executed copy of the Basic Ordering Agreement and the Quote/Award Form (I.1) *together* will constitute a contract
  
- ◆ Material Description: (Analyses J.1)
  - ◆ Chemical - 35,318 Metric Tons
  - ◆ Common Desilverized - 5,024 Metric Tons
  - ◆ Corroding - 7,568 Metric Tons

# Section B - PreQualification



- ◆ Companies may register and qualify under the BOA at any time (ongoing process)
- ◆ Submittals to register and qualify under BOA:
  - ◆ Applicants must review and agree to conform to the terms and conditions of the Agreement by completing pertinent sections of the BOA cover sheet
  - ◆ Complete Identifications I.5 through I.7 (Sections I.3 and I.4 are self-certified by initialing at time of quote)
  - ◆ Financial statements and references

# Section B - PreQualification



- ◆ Government will review submittals
  - ◆ Government will evaluate and establish financial responsibility of applicant
  - ◆ Government will execute BOA and return copy to applicant
- ◆ All Applicants must submit the following for review:
  - ◆ Most recent income statement and balance sheet
  - ◆ References to support financial responsibility

# Section B - PreQualification



- ◆ In addition, Government will obtain current Dun & Bradstreet Report and will evaluate DNSC sales history (if applicable)
- ◆ Based on financial strength of a company, DNSC will determine the financial exposure limit extended to the company and weigh acceptance of requested payment terms.
  - ◆ In consideration of payment terms, the Government expects an equitable adjustment in quoted price

# Section B - PreQualification



- ◆ Notification of payment terms will be forwarded to Applicant by letter within ten (10) working days from receipt
- ◆ Re-evaluation of submittal documents and financial information will occur annually and as otherwise required
- ◆ Representations and Identifications must be renewed annually or when information changes
- ◆ Independent Pricing and Debarment/Suspended status is confirmed on Quote/Award Form (I.1)

# Section C - Quotes Sales Procedure



- ◆ Material available for sale will be posted on the DNSC website <https://www.dnsc.dla.mil> by 11:30 a.m., local time, Fort Belvoir, VA
- ◆ Problems accessing website? Call:
  - ◆ Alicia Turrentine (703) 767-6515
  - ◆ James Jenkins (703) 767-6529
- ◆ Contractual Issues? Call:
  - ◆ Dorothy Bowen (703) 767-5499
  - ◆ Martha Hochberg (703) 767-5503
  - ◆ DNSC Contracting Number (703) 767-6500

# Section C - Quotes



- ◆ Quotes shall be submitted on I.1 Quote/Award Form; quoter initials in space provided to designate compliance with Independent Pricing and Debarment/Suspension (I.3, I.4)
- ◆ Quotes must be faxed and received by date and time noted on web site
- ◆ Time is local time, Fort Belvoir, VA
- ◆ Fax quotes to: (703) 767-5541

# Section C - Quotes



- ◆ Quotes shall be a fixed price (cent per pound)
- ◆ The contract removal period shall be 30, 60, or 90 calendar days from contract award (depending upon award quantity-see E.1)
- ◆ Quotes shall be a minimum of 20 MT and maximum of 3,500 MT unless otherwise noted on web site
- ◆ Contracts will be awarded within one business day (24 hours)

# Section C - Quotes



- ◆ **Evaluation of Quotes**
  - ◆ Price and price alone
  - ◆ Must have completed and approved BOA package prior to quoting (DNSC letter)
  
- ◆ **Contract Award**
  - ◆ Completed and approved BOA
  - ◆ I.1 Quote/Award Form - completed and signed by Contracting Officer

# Section D - Payment



- ◆ **Cash and Carry**
  - ◆ Payment and shipment before contract expiration date
- ◆ **Payment Terms**
  - ◆ Must be requested and pre-approved (see Section B)
  - ◆ Maximum acceptable is 30 days from Government receipt of current, accurate, and complete Shipping Instructions

# Section D - Payment



- ◆ **DNOSC will monitor payment terms**
  - ◆ If contractor has delinquent account, **NO** material will be shipped until all delinquent charges are paid in full.
  
- ◆ **Set-Off of Funds**
  - ◆ All monies received by Government may be used to satisfy any outstanding Contractor debt

# Section E- Material Removal



## Removal

- ◆ Contract period based on quantity of material awarded (30, 60, or 90 calendar days) from contract award, includes Saturdays, Sundays, holidays
- ◆ Shipping Instructions must be received five (5) working days prior to requested shipment date
- ◆ If contractor fails to remove material by contract expiration date, may be assessed storage charges, interest, and may risk contract default (pay & perform)
- ◆ Contact us prior to with compliance difficulties

# Section F - Shipping



## Request for Shipment

- ◆ **J.3 Shipping Instructions** must be sent/faxed to the Contracting Officer to initiate material shipment
  - ◆ Delivery F.O.B Carrier's Conveyance
  - ◆ Contractor must furnish storage depot with commercial bills of lading five (5) working days prior to requested shipment date
  - ◆ Incomplete shipping instructions may cause a delay in processing material shipment

# Section F - Shipping



## Request for Shipment

- ◆ No material will be shipped until all outstanding delinquent charges and payments have been satisfied
- ◆ Shipping Instructions will only be accepted from individuals authorized to ship material (See Section I.6)

# Section G - Contract Administration



## ◆ Amendments and Modifications

- ◆ Shall be in writing and signed by Contracting Officer

- ◆ Minimum administrative fee for a contract modification is now \$1,500.00 (payable upon execution)

## ◆ Title

- ◆ Title of material shall pass to the Contractor upon payment or shipment of material, whichever occurs first (G.3)

# DNSC WEB SITE

<https://www.dnsc.dla.mil>



- ◆ Lead sales information will be accessible from the DNSC Home Page
- ◆ DNSC Home Page is currently undergoing revision to add a separate Lead Sales Tab/Button--ready by start date of BOA sales
- ◆ Quote/Award Form (I.1) can be accessed, completed, and printed from web site, but is not currently interactive

# **DNSC WEB SITE**

**<https://www.dnsc.dla.mil>**



- ◆ **The following areas will be updated as required on the Lead Web Page:**
  - ◆ Posting Date of Material Offering
  - ◆ Due Date of Quotes
  - ◆ Telephone number of POC (for questions)
  - ◆ Material posted for sale or “No Sales for Today”
  - ◆ Item Number
  - ◆ Storage Location
  - ◆ Grade/Brand
  - ◆ Quantity (Metric Tons)
  - ◆ Any additional information or notes for quoters
    - ◆ Link (button) to access material analyses

# DLA-LEAD-005

## Open Discussion



- ◆ Length of time needed to quote from time of notification of sale-- Hours/days?
- ◆ Contract awarded with one business day from receipt of quotes. What value would be added?
- ◆ Optimal quantities per sale
- ◆ Quantity of material for long-term negotiated sale
- ◆ Other issues or discussion points?

# Thank you for your participation in the DNSC Industry Meeting!



## To contact the DNSC Lead Sales Team:

■ **Dorothy Bowen**, [dorothy\\_bowen@hq.dla.mil](mailto:dorothy_bowen@hq.dla.mil)  
Contract Specialist, 703-767-5499

■ **Megan Oz**, [megan\\_oz@hq.dla.mil](mailto:megan_oz@hq.dla.mil)  
Market Analyst, 703-767-6480

■ **Mary Jackson**, [mary\\_jackson@hq.dla.mil](mailto:mary_jackson@hq.dla.mil)  
Storage Specialist, 703-767-7606

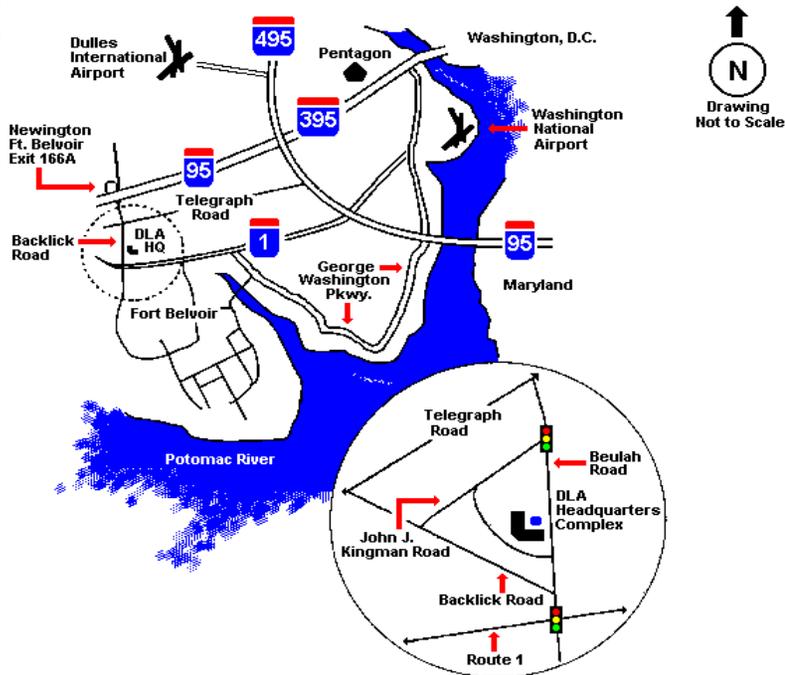
■ **Winnie McCray**, [winnie\\_mccray@hq.dla.mil](mailto:winnie_mccray@hq.dla.mil)  
Quality Specialist, 703-767-7616

# Come Visit Us

703-767-5500

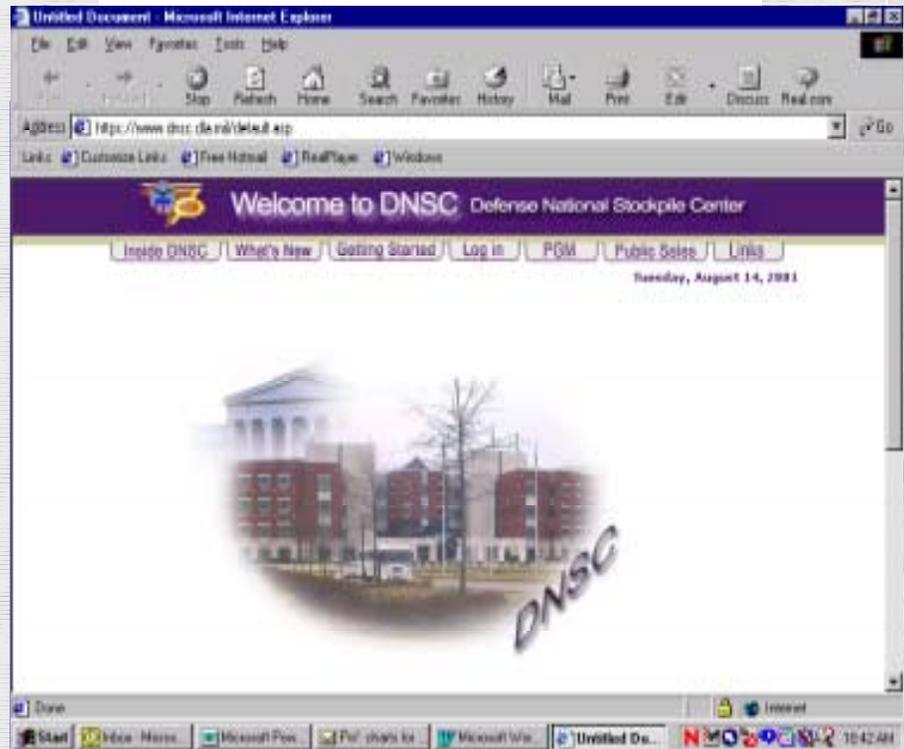


...at the office



**Fort Belvoir, VA**

...or on our website



**<https://www.dnsc.dla.mil>**