

Overview of Draft Solicitation **DLA-ZINC-004**

Basic Ordering Agreement (BOA) for DNSC Zinc Sales



Zinc Industry Meeting
Hilton New York, February 12, 2002

ZINC BOA REVIEW

◆ Anna Kerr

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ZINC SALES



- ◆ **DLA-ZINC-004 (draft issued 2/5/02)**
- ◆ **Sales Format: Basic Ordering Agreement (BOA)**
- ◆ **Sales/Offerings: depend on market dynamics**
- ◆ **Material offered by item number, storage location, grade, brand and weight**
- ◆ **FY 2002 AMP: 50,000 Short Tons (100,000 LBS)**
- ◆ **Current AMP Balance: 49,647 Metric Tons**

Zinc

Total Inventory 02/12/02

■ Available Inventory

■ High Grade	LBS	Metric Tons
■ Voorheesville, NY	71,740,539	32,541
■ New Haven, IN	56,006,166	25,404
■ Marietta, PA	28,411,764	12,887
■ Scotia, NY	1,300,726	590
■ Somerville, NJ	595	0
■ Total :		71,422
■ Prime Western		
■ Pt Pleasant, WV	41,272,060	18,721
■ Somerville, NJ	14,319,388	6,495
■ Voorheesville, NY	3,068,831	1,392
■ Warren, OH	260,873	118
■ Granite City, IL	760,594	345
■ Huntsville, AL	390,218	177
■ Hammond, IN	13,829	6
■ Total :		27,254

Zinc

Total Inventory 02/12/02

■ Intermediate	LBS	Metric Tons
■ Pt Pleasant, WV	168,480	76
■ Total :		76

■ Brass Special	LBS	Metric Tons
■ Scotia, NY	8,604,632	3,903
■ New Haven, IN	8,545,964	3,876
■ Hammond, IN	7,885,926	3,577
■ Pt Pleasant, WV	132,825	60
■ Total :		11,416

■ **Scheduled for Banding 3rd & 4th Qtr FY02**

■ High Grade		
■ New Haven, IN	56,006,166	25,404
■ Total :		25,404

Zinc Sales

<u>FY</u>	<u>AMP Qty</u>	<u>QTY Sold</u>	<u>% Of AMP Sold</u>
2000	50,000 ST	46,490 ST	93
2001	50,000 ST	26,546 ST	53
2002 YTD	50,000 ST	353 ST	1

NEW SALES APPROACH FOR DNSC ZINC



◆ New Features

- ◆ Material for sale posted to DNSC Web Site
- ◆ Participants prequalify to participate
- ◆ Web page becomes channel for notices, documents & forms, summary results:
 - ◆ <https://www.dnsc.dla.mil>

NEW SALES APPROACH FOR DNSC ZINC



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
- ◆ Common terms & conditions

NEW SALES APPROACH FOR DNSC ZINC



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 - better price? (discussion)
- ◆ More responsive to customer needs.
- ◆ May request payment terms (max: 30 days from receipt of shipping instructions)
- ◆ Monthly aggregate sales notice

NEW SALES APPROACH FOR DNSC ZINC



VISION FOR FUTURE SALES

- ◆ **Interactive Web Site**
- ◆ **No more hard copies of sales documents**
- ◆ **Quote on-line (interactive)**
 - ◆ **Direct DNSC submission**
 - ◆ **Pilot with FreeMarkets**
- ◆ **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:**
 - ◆ **Grade:** Prime Western, High Grade, Brass Special
 - ◆ **Form:** Slabs, Broken slabs in drums

Section B - PreQualification



- ◆ Companies may register and qualify under the BOA at any time (ongoing process)
- ◆ Submittals to register and qualify:
 - ◆ 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, the 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**
- ◆ **With payment terms, the Government will factor the cost and anticipates 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 or as otherwise required**
- ◆ **Representations and Identifications must be renewed annually or when information changes**
- ◆ **Independent Pricing and Debarred/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:
 - ◆ Anna Kerr (703) 767-5477
 - ◆ Martha Hochberg (703) 767-5503
 - ◆ DNSC Contracting (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 (timeframe of posting vs. due date is discussion point)**
- ◆ **Time is local time, Fort Belvoir, VA
Fax quotes to: (703) 767-5541**

Section C - Quotes



- ◆ **Quotes shall be fixed price (cents per pound)**
- ◆ **Removal period shall be 30, 60 or 90 calendar days, depending on the quantity awarded**
- ◆ **Quotes shall be for 40,000 lbs. minimum (or an entire line item if the quantity available on that line item is less than 40,000 lbs.)**
- ◆ **Contracts will be awarded within one business day (24 hours) (discussion)**

Section C - Quotes



- ◆ **Evaluation of Quotes**
 - ◆ **Price and price alone (including payment terms, if any)**
 - ◆ **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 before shipment**
 - ◆ **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 a delinquent account, NO material will be shipped until 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, not to exceed 90 days from award, includes Saturdays, Sundays, holidays
- ◆ Shipping Instructions must be received five (5) working days prior to requested shipment date
- ◆ A contractor failing to remove material by contract expiration date may be assessed storage charges and interest, and may risk contract default (pay & perform)
- ◆ Promptly notify DNSC of 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 (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**

DNSC WEB SITE

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



- ◆ **Zinc sales information will be accessible from the DNSC Home Page**
- ◆ **DNSC Home Page is currently undergoing revision to add a separate Zinc 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 Zinc 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**
 - ◆ **Material Grade / Brand**
 - ◆ **Quantity (by Item Number) for sale**

DLA-ZINC-004

Open Discussion



- ◆ Length of time needed to quote from time of notification of sale
- ◆ Optimal quantities per sale
- ◆ Timing - # or specific days per week/month
- ◆ Potential overlap of sales
- ◆ FreeMarkets Pilot
- ◆ 24 hours to review/award
- ◆ Other issues or discussion points?

Thank you for your participation in the DNSC Industry Meeting!



To contact the DNSC Zinc Sales Team:

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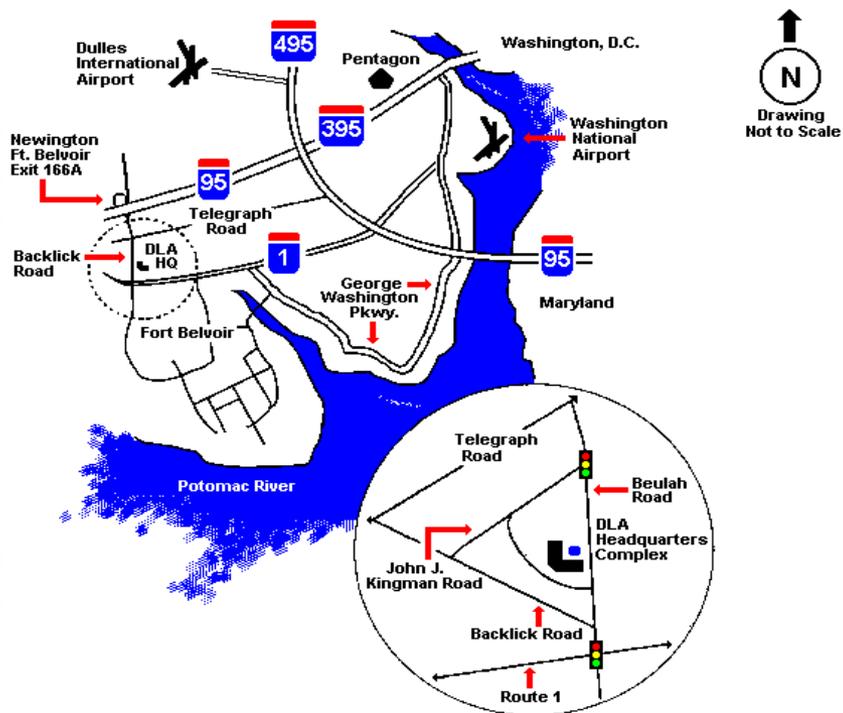
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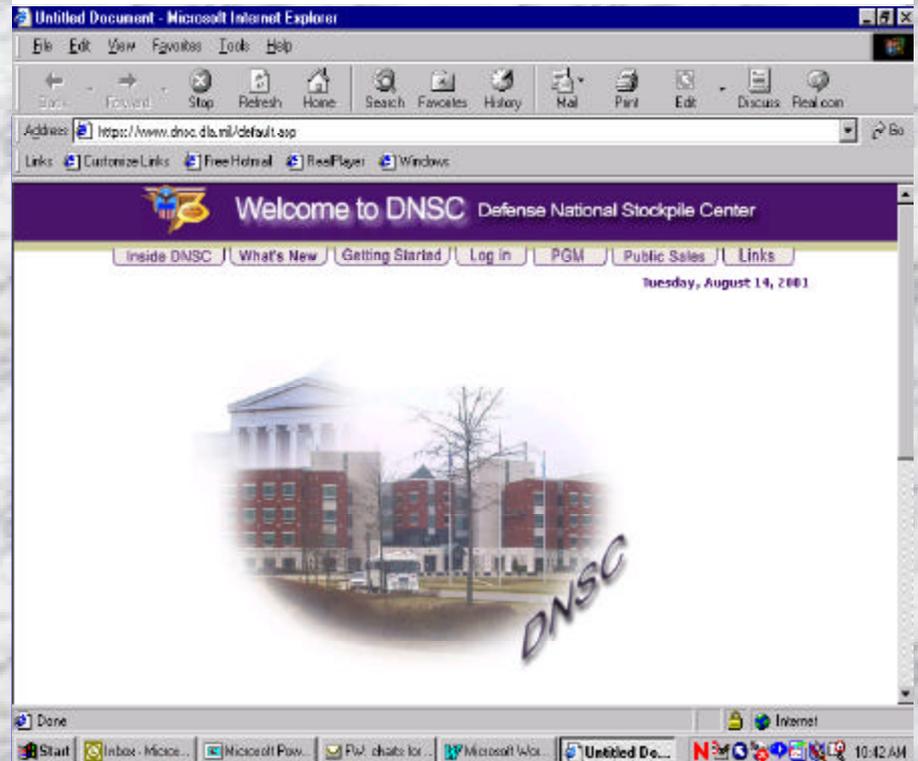


...at the office



Fort Belvoir, VA

...or on our website



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