

SMALL BUSINESS COURSE

DOING BUSINESS WITH THE DEFENSE LOGISTICS AGENCY

AN OVERVIEW FOR NEW VENDORS



January 2010
Update

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THE DEFENSE LOGISTICS AGENCY - WHO WE ARE AND WHAT WE DO

I. THE DEFENSE LOGISTICS AGENCY - WHO WE ARE AND WHAT WE DO

The DLA Enterprise

The Defense Logistics Agency has provided the nation's military services with logistics support for almost 50 years. We provide full spectrum support for the warfighter; the support needed to achieve success in their assigned mission, whether they are engaged in combat, peacekeeping or humanitarian assistance activities. We reach back to industry and partner with them, and lean forward to the front line with the warfighter or storeroom of a ship or the skin of an aircraft, linking demand with supply.

Mission – We are America's Combat Logistics Support Agency. We provide effective and efficient worldwide support to warfighters and our other customers.

Vision – Warfighter-focused, globally responsive supply chain leadership.

Values - Warfighter needs guide us; Integrity defines us; Diversity strengthens us; Excellence inspires us.

DLA has three strategic focus areas for Fiscal Year 2010 and beyond:

Warfighter Support Enhancement: Deliver agile and responsive logistics solutions to the warfighter.

Stewardship Excellence: Manage DLA processes and resources to deliver effective warfighter support at optimal cost

Workforce Development: Foster a diverse workforce and supporting culture to deliver sustained mission excellence.

Organization

The Defense Logistics Agency (DLA) is the largest U.S. Department of Defense (DoD) agency. The DLA Director reports to the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics. Our origins date back to World War II when America's huge military buildup required the rapid procurement of vast amounts of munitions and supplies. We are responsible for sourcing and providing nearly every consumable item used by our military forces worldwide, and we also procure Service-managed depot-level repairables. DLA provides a broad array of additional supply chain management services, including storage and distribution, enabling reutilization or disposal of surplus military assets, managing the defense national stockpile of strategic materiel, providing catalogs and other logistics information, and furnishing document automation and production services. We support U.S. allies through Foreign Military Sales and are a vital player whenever this country supports humanitarian relief efforts at home or abroad.

The items we manage include aviation, land and maritime weapon systems spare parts, fuel and energy, and critical troop-support items consisting of food, clothing, textiles, medical, and construction and barrier equipment.

Our Customers determine their requirements for materiel and supplies. DLA Supply Chains consolidate requirements and procure the supplies in sufficient quantities, or link demand to sources of supply, to meet our customers' projected needs. Many of DLA's procured items are delivered directly from a commercial vendor; the remainder of the items are stored and distributed through a complex of distribution depots worldwide.

DLA at a glance:

- Manages 4.8 Million Items via Eight Supply Chains.
- Provides 84 percent of all Military Services' repair parts
 - Fiscal Year 2009 revenues: nearly \$38 billion
 - Requisitions per day: 111,000
 - Contract actions per day: 8,000
 - Number of weapons systems supported: nearly 1,600
 - DLA does **Not** review or evaluate new items for possible use by the Military Services.

Eight Supply Chains at a glance:

- Class I: Subsistence (DSCP)
 - Food Service
 - Produce
 - Operational Rations
- Class II: Clothing & Textile (DSCP)
 - Recruit Clothing
 - Organizational Clothing & Individual Equipment
- Class III: Fuel/Energy (DESC)
 - DoD Executive Agent for all Bulk Petroleum
 - Natural Gas, Coal, Electricity
 - Aerospace Energy
- Class IV/VII: Construction & Equipment (DSCP)
 - Facilities Maintenance Equipment
 - Equipment
 - Wood Products
 - Safety & Rescue Equipment

- Class VIII: Medical (DSCP)
 - Pharmaceutical
 - Medical/Surgical Equipment

- Class IX: Aviation (DSCR)
 - Engine Components
 - Air Frames
 - Flight Safety Equipment
 - Maps
 - Environmental Products

- Class IX: Maritime (DSCC)
 - Parts for Ships, Submarines

- Class IX: Land (DSCC)
 - Parts for Vehicles, USMC – Army Equipment

DLA's top priority is always Warfighter support. This means logistics support of the readiness and sustainment of America's Warfighters themselves and of industrial activities and others whose own efforts are critical to preserving and enhancing our nation's and our allies' defense postures.

In our effort to support the Warfighter and expand our potential sources of supply, DLA is providing this training guide, in the hopes of increasing the number of competent and committed small businesses, capable of providing commodities and services that fulfill our customers' needs.

DEFENSE LOGISTICS AGENCY PURCHASING ACTIVITIES

II. DEFENSE LOGISTICS AGENCY PURCHASING ACTIVITIES

DLA is comprised of four major Defense Supply Centers (eight supply chains) that are responsible for purchasing commodities and services which are common to all Military Services and some Federal Civilian Agencies.

Defense Supply Centers

Defense Energy Support Center (DESC)

Energy Supply Chain – Is the DOD Executive Agent for all bulk petroleum resources used by the Military. DESC also buys and sells deregulated electricity and natural gas to DoD and other federal agency customers. <http://www.desc.dla.mil/default.asp>

Bulk Fuels - Jet fuels, distillate fuels, residual fuels, automotive gasoline's (for overseas locations only), specified bulk lubricating oils, aircraft engine oils, and fuel additives such as fuel system icing inhibitor, and crude oil in support of the Department of Energy Strategic Petroleum Reserve Program.

Direct Delivery Fuels - Ground Vehicle Fuel, Ships' Propulsion Fuel, Commercial Airport Fuel, and Installation Heating Oil.

Aerospace Energy - Missile fuels, propellants, and various chemicals and gases largely in support of the United States Air Force and the NASA space launch and satellite program. Also buys specialized petroleum products used primarily by Department of Defense customers.

Installation Energy - Natural gas, electricity and coal for DOD and federal civilian agencies in the continental United States, Germany, and Alaska.

Energy Enterprise - Utility System Privatization and Energy Savings Performance Contracts.

Small Business Office:

<http://www.desc.dla.mil/DCM/DCMPage.asp?LinkID=pgeSmallBusiness>

Defense Supply Center Columbus (DSCC)

Land and Maritime Supply Chains - Manages more than 2 million different items and accounts for more than \$3 billion in annual sales. <http://www.dsccl.dla.mil/>

Land – Manages the total supply support of consumable repair parts for over 600 land-based weapon systems. Items include Diesel Engine Components, Power Transmission Components, Vehicular Body, Frame and Chassis Components, Canvas Products (Covers, Cushions), Hoses and Guns (parts only).

Maritime – Provides logistical support for 1.6 million items: Mechanical Pumps, Compressors Valves, Hose & Tube, Fittings, Bearings, Packing & Gaskets, Electrical Wire & cable, switches, relays, transformers, antennas, resistors, and microcircuits.

Aerospace - Guided Missile Components, Water Turbines & Wheels, Miscellaneous Engine and Components, Torque Converters, Gears, Pulleys, Sprockets & Transmission Chains, Power Transmission Components, Fittings for Ropes, Cables & Chains, Communication Equipment.

Small Business Office:

<http://www.dsccl.dla.mil/offices/smbusiness/>

Defense Supply Center Philadelphia (DSCP)

Clothing & Textiles, Subsistence, Medical, and Construction & Equipment Supply Chains -

The Troop Support center of the Defense Logistics Agency, DSCP provides the Military Services members with food, clothing, textiles, medicines, medical equipment, and construction supplies and equipment. DSCP also supports U.S. humanitarian and disaster relief efforts.

<http://www.dscp.dla.mil/>

Clothing & Textiles – Uniforms, Outerwear, Undergarments, Tents, Cloth Hats, Hand Wear, Footwear, Individual Clothing and Equipment, Flags, and Ecclesiastical items.

Subsistence – The Food Service Division provides total dining hall support worldwide to military and other authorized federal customers. Through the Subsistence Prime Vendor (SPV) program and direct vendor delivery, customers can receive their food 48 hours after placing an order. Items include fresh, chill and freeze, semi-perishable and market-ready items; and operational rations, war readiness, humanitarian and emergency relief items for peacetime and contingency requirements. The Produce Division provides fresh fruits and vegetables to the Military Services, Military Exchanges and MWR Facilities, Job Corps Centers, VA Hospitals, Federal Prisons, as well as Schools and Native American Reservations in partnership with the US Department of Agriculture, National School Lunch Program and related Food and Nutrition Services Programs.

Medical – Pharmaceuticals, Biomedical and Hospital Equipment, and Med/Surgical supplies.

Construction & Barrier Equipment – Building Materials, Containers, Fire Emergency Service Equipment, Ground Support, Heavy Equipment, Imaging, Lighting, Maintenance Repair Operations, Metals, Misc Parts and Accessories, Miscellaneous Products, Plumbing, Rope and Rigging, ADP and Information Products, Special Operational Equipment - Marine Lifesaving and Diving, Telecommunications, Ventilation and AC, and Wood Products.

Small Business Office:

<http://www.dscp.dla.mil/sbo/index.htm>

Defense Supply Center Richmond (DSCR)

Aviation Supply Chain – Manages more than 1.3 million repair parts and operating supply items supporting 1,300 major weapon systems. More than 444,000 of the items are aviation parts, including spares for engines on fighters, bombers, cargo aircraft and helicopters; airframe and landing gear parts; flight safety equipment; and propeller systems. DSCR also manages depot-level repairable procurement operations at Robins, Tinker and Hill Air Force Bases, Navy Inventory Control Point Philadelphia, and at Army Aviation and Missile Life Cycle Management

Command, Huntsville, Ala. The aviation supply chain has personnel at over a dozen stateside sites directly supporting warfighters, including Philadelphia. DSCR also operates an industrial plant equipment repair facility at Navy Inventory Control Point, Mechanicsburg, Pa.

<http://www.dscr.dla.mil/>

Aviation - Engine Components, Bearings, Air Frames, Helicopter Components, Cargo Aviation Items, Cable Assemblies, Instrumentation and Gages, Aviation Life Support Items, Aircraft Landing Gear Components, Aircraft Ground Servicing Equipment, Chain and Wire Rope, Guided Missile Maintenance and Repair Equipment, Lugs, Terminals, Terminal Strips, Electrical Motors, Non-Rotating Electrical Converters, Electrical Control Equipment, Generators, and Chemicals, Chemical Products, and Industrial Gases and Cylinders, and Rings, Shims, and Spacers, which support most major weapons systems.

Environmental Products - Aircraft Cleaning Components, Alternative Refrigerants, Antifreeze, Aqueous Cleaners/Degreasers, Cold Climate Applications, Firefighting Equipment, Hydrocarbon-Based and Other Cleaners/Degreaser, Integrated Pest Management Products, Marine Cleaning Compounds, Petroleum, Oils and Lubricants, Remanufactured/Recycled Ink Jet Cartridges, Remanufactured/Recycled Laser Printer Toner Cartridges, Reusable Batteries and Battery Accessories, Semi-Aqueous Cleaners/Degreasers, Spill Control Products, Support Equipment/Recycling Products, Vehicular Wet Battery Program

Maps – Maps, Charts and Graphs.

Industrial Plant Equipment - Lathes, Milling machines, Grinders, Vertical Turret Lathes, Horizontal Boring Mills, Presses, Machining Centers, Bending Machines and other equipment primarily used in maintenance, production, and research and development facilities within DoD activities worldwide, both afloat and ashore.

Small Business Office:

<http://www.dscr.dla.mil/SBO/index.asp>

While the Defense Supply Centers are DLA's contracting activities, there are other DLA purchasing activities. These include a distribution center, three service centers, and an enterprise support component.

Defense Distribution Center

Defense Distribution Center (DDC) is the lead center for distribution for DLA. Responsibilities include receipt, storage, issue, packing, preservation, and transportation of all items placed under its accountability by the DLA and the military services. The DDC's 25 Distribution Depots located throughout the world store 4 million items. Using state-of-the-art radio frequency identification technology, or RFID, the DDC enables customers to track the movement of their supplies. <http://www.ddc.dla.mil/>

Service Centers

Document Automation and Production Service (DAPS) is the single manager for all DOD printing and duplicating, providing automated information products and services to DOD and

designated federal activities. This includes the digital conversion, storage, output and distribution of documents, in any format or medium customers require, whether on-line, compact disk, cassette or printed page. DAPS currently manages 191 service facilities, primarily located on U.S. military bases world-wide in 10 countries. Besides this robust organic capability, DAPS leverages the capabilities of the industry by outsourcing nearly 70 percent of the DOD's document requirements through more than 400 commercial service contracts, some of which are through the Government Printing Office. <http://www.daps.dla.mil/>

Defense Reutilization and Marketing Service (DRMS) provides DOD with worldwide reuse, recycling and disposal services. DRMS disposes of excess property received from the military services. The inventory changes daily and includes thousands of items from air conditioners to vehicles, clothing to computers, and much more. Property is first offered for reutilization within the Department of Defense, transferred to other federal agencies, or donated to state and local governments and other qualified organizations. Excess property that is not reutilized, transferred or donated may be sold to the public as surplus. DRMS also manages the disposal of hazardous property for DoD activities. <http://www.drms.dla.mil/>

Defense National Stockpile Center (DNSC) is responsible for providing safe, secure and environmentally sound stewardship for strategic and critical materials in the United States National Defense Stockpile (NDS). Commodities range from base metals such as zinc, lead, cobalt, and chromium to the more precious metals such as platinum, palladium, and industrial diamonds. There is no private sector company in the world that sells this wide range of commodities and materials. <https://www.dnsc.dla.mil/default.asp>

Enterprise Support

DLA Contracting Services Office (DCSO) manages DLA enterprise-wide requirements including major IT systems and programs, IT products and services, business and facilities services, and other enterprise services for DLA worldwide. DCSO.Smallbusiness@dla.mil

SOURCES OF INFORMATION

III. SOURCES OF INFORMATION

The following are important sources from which you can obtain information pertinent to doing business with the Defense Logistics Agency, the Department of Defense, the Military Services, the Small Business Administration, and the General Services Administration.

Procurement Technical Assistance Centers (PTACs) <http://www.dla.mil/db/ptap.asp>

The DoD Procurement Technical Assistance Cooperative Agreement Program was established by Congress in 1985. The program is funded through a Cooperative Agreement with the Department of Defense and with local, in-kind and/or cash support. The Defense Logistics Agency, on behalf of the Secretary of Defense, administers the DoD PTAP.

PTACs are a local resource available at no or nominal cost that can provide assistance to business firms in marketing their products and services. The purpose of the program is to generate employment and improve the general economy of locality by assisting business firms in obtaining and performing under Federal, state and local government contracts. They offer training to businesses on how to research and bid on contracts, assist with registration requirements, provide bid-matching services, and assist with pre and post contracting issues. Visit the web site for a list of PTACs and the regions they serve.

Defense Logistics Agency web page

<http://www.dla.mil/> or <http://www.facebook.com/dla.mil>

Small Businesses can go here to learn more about DLA and for links to business opportunities.

DLA Office of Small Business Programs <http://www.dla.mil/db/>

Office provides training, advice, guidance and strategies to maximize opportunities for small businesses to participate in DLA's acquisition program, both as prime contractors and subcontractors. Through this office, DLA administers the DOD Procurement Technical Assistance Program.

DLA Procurement Regulations <http://www.dla.mil/j-3/j-3311/dlad/rev5.htm>

DLA's official source for all procurement related regulations.

Supplier Information Resource Center <http://www.dla.mil/j-6/bsm/sirc/default.asp>

Our suppliers are integral to the success of our Enterprise Business System. You are key players in meeting our customers' requirements. By being informed and aware of changes, we can work together to ensure that the soldiers, sailors, airmen, and marines, have the right item at the right time and at the right place.

Office of the Secretary of Defense, Office of Small Business Programs (OSD OSBP)
<http://www.acq.osd.mil/osbp/index.html>

Mission is to advise the Secretary of Defense on all matters related to small business and is committed to maximizing the contributions of small business in DoD acquisitions. They provide leadership and governance to the Military Departments and Defense Agencies to meet the needs of the nation's warfighters, creating opportunities for small businesses while ensuring each tax dollar is spent responsibly.

Doing Business with the Department of Defense: The Basics
http://www.acq.osd.mil/osbp/doing_business/index.htm

Government Contracting: The Basic
http://www.acq.osd.mil/osbp/doing_business/GovtContractTheBasics.pdf

Department of Defense Subcontracting: The Basics
http://www.acq.osd.mil/osbp/doing_business/SubcontractingTheBasics.pdf

Marketing to the Department of Defense: The Basics
http://www.acq.osd.mil/osbp/doing_business/MarketingToDoD.pdf

Guide to Marketing your Business to DoD
http://www.acq.osd.mil/osbp/doing_business/DoD_Contracting_Guide.htm

Military Services' Office of Small Business Programs

Office of the Secretary of the Army Office of Small Business Programs

Address: 106 Army Pentagon
Washington, DC 20310-0106

Phone: 703-697-2868

Fax: 703-693-3898

Web: www.sellingtoarmy.info

HQ US Army Corps of Engineers Office of Small Business Programs

Address: GAO Bldg, 3rd Fl
441 G Street
Washington DC 20314-1000

Phone: 202-761-0732

Fax: 202-761-4609

Web: <http://www.usace.army.mil/CESB/Pages/Default.aspx>

**Office of the Secretary of the Navy
Office of Small Business Programs**

Address: 720 Kennon Street SE
Washington Navy Yard
Bldg. 36, Room 207
Washington, DC 20374-5015

Phone: 202-685-6485

Fax: 202-685-6865

Web: www.hq.navy.mil/sadbu

**Office of the Secretary of the Air Force
Office of Small Business Programs**

Address: 1060 Air Force Pentagon
Washington, DC 20330-1060

Phone: 703-696-1103

Fax: 703-696-1170

Web: www.selltoairforce.org

Other Defense Agencies (ODAs) http://www.acq.osd.mil/osbp/links/dod_osbp.htm

Non-Appropriated Fund Customers

Although small business program requirements do not apply to non-appropriated fund expenditures, you should not overlook these potential customers. Non-appropriated fund customers operate similar to non-profit organizations and include commissaries, exchanges, recreation and fitness centers, dining at officer/enlisted/civilian clubs, and barber/beauty services, just to name a few. For more information visit the following websites.

- Army & Air Force Exchange Service: <http://www.aafes.com/vendors/default.asp>
- Coast Guard Exchange Systems: <http://www.cg-exchange.com/>
- Marine Corps Community Services (MCCS): <http://www.usmc-mccs.org/>
- Navy Exchange: <http://www.navy-nex.com/>

Small Business Administration <http://www.sba.gov/>

The U.S. Small Business Administration (SBA) was created by Congress to help America's entrepreneurs form successful small enterprises.

Small Business Development Centers (SBDC) <http://www.sba.gov/sbdc/>

The SBA administers the Small Business Development Centers Program to provide management assistance to current and prospective small business owners.

SBA Offices and Services <http://www.sba.gov/services/>

Dynamic Small Business Search http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

The U.S. Small Business Administration (SBA), the Department of Defense (DoD), the Office of Management and Budget, and the General Services Administration took steps to simplify the federal contracting process by creating an integrated database of small businesses that want to do business with the government. Procuring agencies and contracting officers, to conduct market research and confirm eligibility for SBA's procurement preference programs, go to the CCR Web site and click on the "Dynamic Small Business Search" button.

Subcontracting Opportunities with DoD Major Prime Contractors
http://www.acq.osd.mil/osbp/doing_business/Subcontracting_Directory_0908.pdf

This directory, by state, provides the names and addresses of DoD prime contractors, the names and telephone numbers of Small Business Liaison Officers (SBLOs), and the products and services supplied to the DoD. The report is generated from data mined through DoD Prime Contractor's contracts and subcontracting plans. Please note that the DoD OSBP does not maintain the data in this directory. The directory reflects data as of September 15, 2008. We encourage you to investigate potential opportunities with these firms. Many also have websites that may be useful and we encourage you to explore teaming options.

SBA's SUB-Net <http://web.sba.gov/subnet/>

SUB-Net is a valuable resource for obtaining information on subcontracting opportunities. Solicitations or notices are posted by prime contractors as well as other government, commercial, and educational entities.

General Services Administration (GSA)
<http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0>

GSA is the federal government's business manager, buyer, real estate developer, telecommunications manager, and IT solutions provider. They contract for billions of dollars worth of products and services for federal agencies. Examples of items managed by GSA: Environmental Products; Furniture and Furnishings; IT/Telecom Products, Services and

Products; Office, Imaging and Document Solutions, Products and Services; Travel and Transportation; and Vehicles.

GSA Office of Small Business Utilization

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_OVERVIEW&contentId=10382&noc=T

GSA's Office of Small Business Utilization (OSBU) advocates for small, small disadvantaged, veteran, service-disabled veteran-owned, HUBZone, and women business owners. Its mission is to promote increased access to GSA's nationwide procurement opportunities.

GSA - Small Business Support

http://www.gsa.gov/Portal/gsa/ep/contentView.do?CONTACT_ID=Small+Business+Support&CONTACT_TYPE=GROUP&contentType=GSA_CONTACTS

This group provides access to GSA's nationwide procurement opportunities through outreach and training.

USA.gov <http://www.usa.gov/index.shtml>

As the U.S. government's official web portal, USA.gov makes it easy for the public to get U.S. government information and services on the web. USA.gov also serves as the catalyst for a growing electronic government.

Regulations Governing Federal Procurements

The basic contracting rules for most Federal Government agencies are set forth in the Federal Acquisition Regulations (FAR). The FAR outlines procurement policies and procedures that are used by members of the Acquisition Team. The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply, and procurement communities but also the customers they serve, and the contractors who provide the products and services. The role of each member of the Acquisition Team is to exercise personal initiative and sound business judgment in providing the best value product or service to meet the customer's needs. <http://www.arnet.gov/far/> Additional rules unique to Department of Defense are set forth in the DoD FAR Supplement (DFARS). <http://www.acq.osd.mil/dp/dars/dfars.html>

FAR Subpart 1.101 Purpose - The Federal Acquisition Regulations System was established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies. The Federal Acquisition Regulations System consists of the Federal Acquisition Regulation (FAR), which is the primary document, and agency acquisition regulations that implement or supplement the FAR.

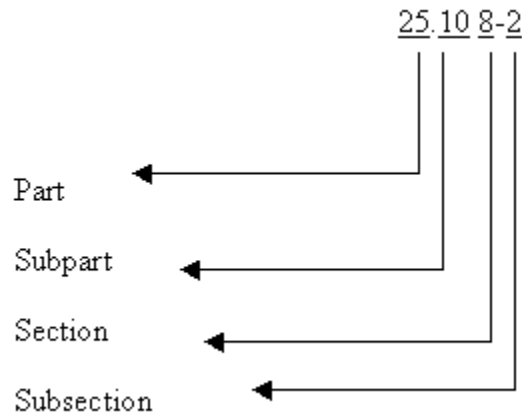
DFARS Subpart 201.104 Applicability - The FAR and DFARS also apply to purchases and contracts by DoD contracting activities made in support of foreign military sales or North Atlantic Treaty Organization cooperative projects without regard to the nature or sources of funds obligated, unless otherwise specified in this regulation.

Federal Acquisition Regulations (FAR) – General

The FAR is prepared, issued, and maintained, and the FAR System is prescribed jointly by the Secretary of Defense, the Administrator of General Services, and the Administrator, National Aeronautics and Space Administration, under their several statutory authorities. It is divided into parts (each of which covers a separate aspect of acquisition), subparts, sections, and subsections.

FAR – Numbering

The numbering system allows for the discrete identification of every FAR paragraph. The digits to the left of the decimal point represent the part number, which is a separate aspect of the acquisition. The numbers to the right of the decimal point and to the left of the dash represent, in order, the subpart (one or two digits), and the section (two digits). The number to the right of the dash represents the subsection. Subdivisions may be used at the section and subsection level to identify individual paragraphs. The following example illustrates the make-up of a FAR number citation (note that subchapters are not used with citations):



Subdivisions below the section or subsection level consist of parenthetical alpha numerics using the following sequence: (a)(1)(i)(A)(I)(i).

Using the FAR coverage at 9.106-4(d) as an illustration, reference to the:

- (i) Part would be "FAR Part 9"
- (ii) Subpart would be "FAR Subpart 9.1"
- (iii) Section would be "FAR 9.106"
- (iv) Subsection would be "FAR 9.106-4"
- (v) Paragraph would be "FAR 9.106-4 (d)"

FAR Part 19 and DFARS Part 219 - Small Business Programs

FAR Subpart 19.201 General Policy - These parts contain the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small

disadvantaged business, and women-owned small business concerns. Such concerns must also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by any executive agency.

ROLES AND RESPONSIBILITIES

IV. ROLES AND RESPONSIBILITIES

ROLES

Procurement Technical Assistance Centers (PTACs) www.dla.mil/pta

The PTAC Program helps small businesses, who would probably consider themselves too small, or the red tape too thick, to bid on contracts with the government. The government does a great deal of business with small companies and although the process is not simple, its mysteries can be unraveled by your local PTA center.

PTA centers provide day-to-day assistance, along with training, to firms seeking to do business with federal agencies and state and local governments, in the form of such services as:

- Identifying government agencies that purchase a firm's products or services
- Marketing to potential buyers
- Establishing electronic commerce capability
- Using the internet to sell to the government
- Prime & subcontracting opportunities
- Contracting fundamentals
- Helping to prepare bids/proposals
- Preaward & postaward administration issues
- Locating military and other government specifications and drawings
- Small business programs and certifications
- Registration in various programs
- Setting up or improving quality assurance and accounting systems
- Resolving payment problems

PTACs make a concerted effort to seek out and assist small businesses, small disadvantaged businesses (SDB), women-owned small businesses (WOSB), Historically Underutilized Business Zone (HUBZone) small business concerns, Veteran-Owned and Service-Disabled Veteran-Owned small businesses, and Historically Black Colleges & Universities and Minority Institutions (HBCU/MIs).

What is the difference between the PTACs and the Small Business Administration?

The Small Business Administration helps businesses get started and write business plans that will attract investors. PTACs help established businesses that wish to market their products or services to the various government agencies. Both the SBA and PTACs work together and share resources and knowledge.

DLA Office of Small Business Programs <http://www.dla.mil/db/>

DLA's small business office is responsible for ensuring that small businesses have an equitable, fair and impartial opportunity to participate in the DLA acquisition program.

DLA's small business office is Not a direct part of the Small Business Administration however, they act to support the programs of the Small Business Administration.

Through local Offices of Small Business Programs (OSBPs) at each DLA procuring activity, they advise and assist contracting, program manager, and requirements personnel on all matters which affect small businesses. Local OSBPs serve as an assistant to their Commander in developing and implementing strategies that broaden business opportunities for small businesses, small disadvantaged business concerns, small women owned businesses, Historically Underutilized Business Zone (HUBZone) small business concerns, Veteran-Owned and Service-Disabled Veteran-Owned small businesses, and Historically Black Colleges & Universities and Minority Institutions (HBCU/MIs), and Federal Prison Industries (UNICOR) within the framework of current acquisition programs. The procuring activity small business specialist is the primary activity focal point for interface with the SBA.

They also aid, counsel and assist small businesses by providing advice concerning acquisition procedures, information regarding proposed acquisitions, instruction on preparation of proposals in the interpretation of standard clauses, representations, and certifications, ensure that financial assistance, available under existing regulations, is offered and also assist small business concerns in obtaining payments under their contracts, late payment, interest penalties, or information on contractual payment provisions. They have outreach programs to locate small business suppliers.

What can the OSBP Office do for you?

- Explain Government procurement terminology, procedures and regulations
- Identify points of contact
- Assist in identifying Federal Stock Classes related to products
- Assist in understanding their web site
- Direct you to other useful web sites
- Act as an Ombudsman

Small Business Administration <http://www.sba.gov/>

The U.S. Small Business Administration (SBA) was created by Congress in 1953 to help America's entrepreneurs form successful small enterprises. Today, SBA's program offices in every state offer financing, training and advocacy for small firms. These programs are delivered by SBA offices in every state, the District of Columbia, the Virgin Islands and Puerto Rico. In addition, the SBA works with thousands of lending, educational and training institutions nationwide. For a list of SBA Offices and services, go to: <http://www.sba.gov/services/>

Small Business Development Centers (SBDC)

<http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html>

The SBA administers the Small Business Development Centers Program to provide management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations.

In addition to the SBDC Program, the SBA has a variety of other programs and services available. They include training and education, programs, advisory services, publications, financial programs and contract assistance. The agency also offers specialized programs for women business owners, minorities, veterans, international trade and rural development.

GSA's Small Business Utilization

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_OVERVIEW&contentId=10382&noc=T

Business activities are supported by program experts at GSA headquarters, through Small Business Utilization Centers in 11 regional offices, and by the Small Business Technical Advisors in the GSA Federal Supply Service, the GSA Federal Technology Service and the GSA Public Buildings Service. Specialists can provide you with information on how to get on the GSA's bidder's mailing lists, learn about current bidding opportunities with GSA, and review bid abstracts to learn the bidding history of various contract awards. They can provide you with counseling and guidance on contracting procedures and procurement opportunities within their service specialties.

For more information on GSA's Regional Small Business Centers and Small Business Technical Advisors, visit the GSA Web site.

RESPONSIBILITIES

Contracting Officer FAR Part 2.101

The Contracting Officer (CO) has the authority to enter into, administer, and/or terminate federal government contracts and make related determinations and findings. Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. A single or multiple contracting officer(s) may be responsible for duties on one contract, in any or all of the following areas:

Procuring Contracting Officer (PCO) enters into the contract and retains the original signed contract for the official contract file.

Administrative Contracting Officer (ACO) administers the contract.

Contract administration office means an office that performs--

- (1) Assigned postaward functions related to the administration of contracts and
- (2) Assigned preaward functions.

Termination Contracting Officer (TCO) settles the terminated contract.

Contracting Officer's Representative DFARS 201.602-2

Contracting officers may designate qualified personnel as their authorized representatives to assist in the technical monitoring or administration of a contract. A contracting officer's representative (COR) means an individual designated and authorized, in writing, by the contracting officer to perform specific technical or administrative functions.

The COR must be designated in writing, and a copy furnished the contractor and the contract administration office:

- (a) Specifying the extent of the CORs authority to act on behalf of the contracting officer;

(b) Identifying the limitations on the COR's authority and specifying the period covered by the designation.

The COR is NOT delegated authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract.

SOCIOECONOMIC PROGRAMS

V. SOCIOECONOMIC PROGRAMS

Types of Small Businesses:

- Small
- Small Disadvantaged
- 8(a)
- Historically Underutilized Business Zone (HUBZone)
- Woman-Owned
- Veteran-Owned/Service-Disabled Veteran-Owned
- Indian Owned Economic Enterprises & Organizations

Size Standards FAR Subpart 19.102

The term “size standard” describes the numerical definition of a small business. A business is considered “small” if it meets or is below an established “size standard”.

(a) The SBA establishes small business size standards on an industry-by-industry basis. (See 13 CFR Part 121.)

(b) Small business size standards are applied by—

(1) Classifying the product or service being acquired in the industry whose definition, as found in the North American Industry Classification System (NAICS) Manual (available via the Internet at <http://www.census.gov/epcd/www/naics.html>), best describes the principal nature of the product or service being acquired;

(2) Identifying the size standard SBA established for that industry; and

(3) Specifying the size standard in the solicitation so that offerors can appropriately represent themselves as small or large.

(c) For size standard purposes, a product or service shall be classified in only one industry, whose definition best describes the principal nature of the product or service being acquired even though for other purposes it could be classified in more than one.

(d) When acquiring a product or service that could be classified in two or more industries with different size standards, contracting officers shall apply the size standard for the industry accounting for the greatest percentage of the contract price.

(e) If a solicitation calls for more than one item and allows offers to be submitted on any or all of the items, an offeror must meet the size standard for each item it offers to furnish. If a solicitation calling for more than one item requires offers on all or none of the items, an offeror may qualify as a small business by meeting the size standard for the item accounting for the greatest percentage of the total contract price.

(f) Any concern submitting a bid or offer in its own name, other than on a construction or service contract, that proposes to furnish an end product it did not manufacture (a “nonmanufacturer”), is a small business if it has no more than 500 employees, and—

(1) Except as provided in paragraphs (f)(4) through (f)(7) of this section, in the case of Government acquisitions set-aside for small businesses, furnishes in the performance of the

contract, the product of a small business manufacturer or producer. The end product furnished must be manufactured or produced in the United States or its outlying areas. The term “nonmanufacturer” includes a concern that can, but elects not to, manufacture or produce the end product for the specific acquisition. For size determination purposes, there can be only one manufacturer of the end product being acquired. The manufacturer of the end product being acquired is the concern that, with its own forces, transforms inorganic or organic substances including raw materials and/or miscellaneous parts or components into the end product. However, see the limitations on subcontracting at FAR 52.219-14 that apply to any small business offeror other than a nonmanufacturer for purposes of set-asides and 8(a) awards.

(2) A concern which purchases items and packages them into a kit is considered to be a nonmanufacturer small business and can qualify as such for a given acquisition if it meets the size qualifications of a small nonmanufacturer for the acquisition, and if more than 50 percent of the total value of the kit and its contents is accounted for by items manufactured by small business.

(3) For the purpose of receiving a Certificate of Competency on an unrestricted acquisition, a small business nonmanufacturer may furnish any domestically produced or manufactured product.

(4) In the case of acquisitions set aside for small business or awarded under section 8(a) of the Small Business Act, when the acquisition is for a specific product (or a product in a class of products) for which the SBA has determined that there are no small business manufacturers or processors in the Federal market, then the SBA may grant a class waiver so that a nonmanufacturer does not have to furnish the product of a small business. For the most current listing of classes for which SBA has granted a waiver, contact an SBA Office of Government Contracting. A listing is also available on SBA’s Internet Homepage at <http://www.sba.gov/gc>. Contracting officers may request that the SBA waive the nonmanufacturer rule for a particular class of products.

(5) For a specific solicitation, a contracting officer may request a waiver of that part of the nonmanufacturer rule which requires that the actual manufacturer or processor be a small business concern if no known domestic small business manufacturers or processors can reasonably be expected to offer a product meeting the requirements of the solicitation.

(6) Requests for waivers shall be sent to the -

Associate Administrator for Government Contracting
United States Small Business Administration
Mail Code 6250
409 Third Street, SW
Washington, DC 20416.

(7) The SBA provides for an exception to the nonmanufacturer rule if—

(i) The procurement of a manufactured end product processed under the procedures set forth in Part 13—

(A) Is set aside for small business; and

(B) Is not anticipated to exceed \$25,000; and

(ii) The offeror supplies an end product that is manufactured or produced in the United States or its outlying areas.

(g) The industry size standards are published by the Small Business Administration and are available via the Internet at <http://www.sba.gov/size>.

Determination of size:

NAICS Code <http://www.census.gov/epcd/naics02/>

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the [Standard Industrial Classification \(SIC\) system](#).

SBA Size Standard

<http://www.sba.gov/contractingopportunities/officials/size/index.html>

Small Business

What qualifies you as a small business? The Small Business Act states that a small business concern is "one that is independently owned and operated and which is not dominant in its field of operation." The law also states that in determining what constitutes a small business, the definition will vary from industry to industry to reflect industry differences accurately. SBA's [Small Business Size Regulations](#) implement the Small Business Act's mandate to SBA. SBA has also established a [table](#) of size standards, matched to North American Industry Classification System (NAICS) industries.

Summary of Size Standards by Industry

<http://www.sba.gov/contractingopportunities/officials/size/summaryofssi/index.html>

To qualify as a small business concern for most SBA programs, small business size standards define the maximum size that a firm, including all of its affiliates, may be. A size standard is usually stated in number of employees or average annual receipts. SBA has established two widely used size standards—500 employees for most manufacturing and mining industries, and \$7 million in average annual receipts for most nonmanufacturing industries. While there are many exceptions, these are the primary size standards by industry. (For more complete information on size standards, see SBA's Small Business Size Regulations ([13 CFR §121](#)) or the [Table of Small Business Size Standards](#).)

Small Disadvantaged Business

Small Disadvantaged Businesses are small businesses that are at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals. African Americans, Hispanic Americans, Asian Pacific Americans, Subcontinent Asian Americans, and Native

Americans are presumed to qualify. Other individuals can qualify if they show by a preponderance of the evidence that they are disadvantaged.

All individuals must have a net worth of less than \$750,000, excluding the equity of the business and primary residence. The program is intended to help federal agencies achieve the government-wide goal of 5 percent SDB participation in prime contracting.

More information regarding the SDB Program can be found on the Small Business Administration (SBA) website at: <http://www.sba.gov/aboutsba/sbaprograms/sdb/index.html> or SBA's Small Disadvantaged Business Certification (SDB) Questions and Answers at: http://www.sba.gov/idc/groups/public/documents/sba_homepage/press_release_08_101.pdf

8(a) Business Development (BD) Program

<http://www.sba.gov/aboutsba/sbaprograms/8abd/index.html>

The mission of the 8(a) Business Development (BD) Program is to provide participating businesses with managerial, technical, and procurement assistance to assist them in achieving their full competitive potential. The 8(a) BD Program provides a logical, systematic approach to federal market access and enterprise growth to businesses owned and controlled by socially and economically disadvantaged individuals. The program promotes business development over a nine-year period. The participant's progress is monitored and measured, and developmental needs are determined by reviewing business plans annually. The program assists firms by facilitating the award of sole-source and limited-competition contracts and by providing business development assistance. The intent of this assistance is to enable firms to compete successfully in the open market.

The program provides the following management and technical assistance to program participants in support of their business plans:

- (1) Specialized training;
- (2) Individual counseling assistance; and
- (3) High-level executive development support.

Assistance is provided to program participants by SBA's Headquarters staffs, leveraged by resource partners including, but not limited to, Small Business Development Centers (SBDCs), the SCORE, national trade and professional associations, and state and local service providers.

HUBZone Small Business <http://www.sba.gov/hubzone/>

The Historically Underutilized Business Zone (HUBZone) Program is designed to stimulate economic development in urban and rural communities by providing contracting preference to small businesses located in such zones. "HUBZone" means a historically underutilized business zone that is an area located within one or more qualified census tracts, qualified nonmetropolitan counties, lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act.

To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:

- It must be a small business by SBA standards;

- It must be owned and controlled at least 51% by U.S. citizens, or a Community Development Corporation, or an agricultural cooperative or an Indian tribe;
- Its principal office must be located within a “Historically Underutilized Business Zone,” which includes lands considered “Indian Country” and military facilities closed by the Base Realignment and Closure Act; and
- At least 35% of its employees must reside in a HUBZone. Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35% of a HUBZone firm’s employees reside in the HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

Simply log onto the SBA HUBZone home page at <http://www.sba.gov/hubzone> and select the option: “Are You in a HUBZone?” You can search the system using several designations, including a specific address, a county or a full state.

Women-Owned Small Business

<http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>

In May 1979, Executive Order 12138 directed Agencies to take appropriate action to facilitate, preserve and strengthen women owned businesses and to ensure full participation by women in the free enterprise system.

Women owned businesses are small business concerns at least 51% owned by women who are United States citizens and who also control and operate the business. "Control" means exercising the power to make policy decisions. "Operate" means being actively involved in the day-to-day management of the business.

Currently there is a law in place, PL1005-664, that provides for a Women-Owned set-aside. The Small Business Administration first needs to complete implementation. Agencies have a goal to award 5% of their acquisition dollars to women-owned small businesses. While this program is one of special emphasis, regulations have not been finalized and do not provide procedures.

Service-Disabled Veteran-Owned Small Business (SDVOSB)

<http://www.sba.gov/aboutsba/sbaprograms/ovbd/index.html>

SDVOSB are small business concerns with: not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

Service-disable veteran means a veteran, as defined in 38 U.S.C. 101(2) as, “a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable” with a disability that is service-connected, as defined in 38 U.S.C. 101(16) as, “with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.”

FAR 19.1405 - Service-disabled veteran-owned small business set-aside procedures

(a) The contracting officer may set-aside acquisitions exceeding the micro-purchase threshold for competition restricted to service-disabled veteran-owned small business concerns when the requirements of paragraph (b) of this section can be satisfied. The contracting officer shall consider service-disabled veteran-owned small business set-asides before considering service-disabled veteran-owned small business sole source awards (see [19.1406](#)).

(b) To set aside an acquisition for competition restricted to service-disabled veteran-owned small business concerns, the contracting officer must have a reasonable expectation that—

(1) Offers will be received from two or more service-disabled veteran-owned small business concerns; and

(2) Award will be made at a fair market price.

FAR 19.1406 - Sole source awards to service-disabled veteran-owned small business concerns.

(a) A contracting officer may award contracts to service-disabled veteran-owned small business concerns on a sole source basis (see [19.501\(d\)](#) and [6.302-5](#)), provided—

(1) Only one service-disabled veteran-owned small business concern can satisfy the requirement;

(2) The anticipated award price of the contract (including options) will not exceed—

(i) \$5.5 million for a requirement within the NAICS codes for manufacturing; or

(ii) \$3 million for a requirement within any other NAICS code;

(3) The service-disabled veteran-owned small business concern has been determined to be a responsible contractor with respect to performance; and

(4) Award can be made at a fair and reasonable price.

Indian Owned Economic Enterprises & Organizations

The Department of Defense Indian Incentive Program (IIP) strives to provide opportunities to Indian organizations and Indian-owned economic enterprises, by providing for the payment of 5 percent of the amount subcontracted to an Indian organization or Indian-owned economic enterprise at any sub-tier, when authorized under the terms of the contract. DoD contracts with prime contractors that contain the FAR clause 52.226-1, *Utilization of Indian Organizations and Indian-Owned Economic Enterprises*, are eligible for incentive payments under the program. For actions after 13 September 2001, sub-tier contractors who subcontract to an Indian-owned firm are eligible for the incentive payments by the Prime inserting DFARS Clause 252.226-7001 in the contract. These clauses may be added at any time during the performance of the contract by the Prime.

An "Indian-Owned Economic Enterprise," is any Indian-owned (as determined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit, provided that the Indian ownership constitutes not less than 51% of the enterprise.

"Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or group or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Small Business Set-Asides FAR Subpart 19.501

The purpose of small business set-asides is to award certain acquisitions exclusively to small business concerns. A "set-aside for small business" is the reserving of an acquisition exclusively for participation by small business concerns. A small business set-aside may be open to all small businesses. A small business set-aside of a single acquisition or a class of acquisitions may be total or partial.

Each acquisition of supplies or services that has an anticipated dollar value exceeding \$3,000 (\$15,000 for acquisitions as described in FAR [13.201\(g\)\(1\)](#)), but not over \$100,000 (\$250,000 for acquisitions described in paragraph (1) of the Simplified Acquisition Threshold definition at FAR [2.101](#)), is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery.

If the contracting officer does not proceed with the small business set-aside and purchases on an unrestricted basis, the contracting officer shall include in the contract file the reason for this unrestricted purchase. If the contracting officer receives only one acceptable offer from a responsible small business concern in response to a set-aside, the contracting officer should make an award to that firm. If the contracting officer receives no acceptable offers from responsible small business concerns, the set-aside shall be withdrawn and the requirement, if still valid, shall be resolicited on an unrestricted basis.

For acquisitions exceeding the simplified acquisition threshold, the requirement to set aside an acquisition for HUBZone small business concerns (see FAR [19.1305](#)) takes priority over the requirement to set aside the acquisition for small business concerns.

Responsible Offeror FAR Subpart 9.104-1

To be determined responsible, a prospective contractor must—

(a) Have adequate financial resources to perform the contract, or the ability to obtain them (see FAR [9.104-3\(a\)](#));

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;

(c) Have a satisfactory performance record (see FAR [9.104-3\(b\)](#) and [Subpart 42.15](#)). A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in FAR [9.104-2](#);

(d) Have a satisfactory record of integrity and business ethics (for example, see [Subpart 42.15](#)).

(e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See FAR [9.104-3\(a\)](#).)

(f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see FAR [9.104-3\(a\)](#)); and

(g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations (see also inverted domestic corporation prohibition at FAR [9.108](#)).

Buy American Act FAR Subpart 25.101

(a) The Buy American Act restricts the purchase of supplies that are not domestic end products. For manufactured end products, the Buy American Act uses a two-part test to define a domestic end product.

(1) The article must be manufactured in the United States; and

(2) The cost of domestic components must exceed 50 percent of the cost of all the components. In accordance with [41 U.S.C. 431](#), this component test of the Buy American Act has been waived for acquisitions of COTS items (see FAR [12.505\(a\)](#)).

(b) The Buy American Act applies to small business set-asides. A manufactured product of a small business concern is a U.S.-made end product, but is not a domestic end product unless it meets the component test in paragraph (a)(2) of this section.

(c) Exceptions that allow the purchase of a foreign end product are listed at FAR [25.103](#). The unreasonable cost exception is implemented through the use of an evaluation factor applied to low foreign offers that are not eligible offers. The evaluation factor is not used to provide a preference for one foreign offer over another. Evaluation procedures and examples are provided in [Subpart 25.5](#).

Subcontracting FAR Subpart 19.702

It is the intent of Congress that a fair proportion of the government's procurements be awarded to Small Businesses. To promote this effort, Congress enacted Public Law 95-507 which requires that all acquisitions exceeding \$550,000 (\$1,000,000 for construction) and that has subcontracting possibilities, provide subcontracting opportunities for small business enterprises. Subcontracting offers small business firms an important means of participating in DLA purchasing; particularly, if your capabilities are such that prime contracts are not within your reach.

To be eligible as a subcontractor under the program, a concern must represent itself as a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or a woman-owned small business concern.

The Department of Defense (DoD) offers two markets for small business seeking defense contracting and defense subcontracting opportunities. The first market encompasses prime contracting opportunities; the second market encompasses defense subcontracting opportunities. The DoD encourages small businesses to enter the defense subcontracting market. By entering the market, goods and services flow to strengthen national security and the defense industrial base.

Subcontracting Opportunities with DoD Major Prime Contractors

http://www.acq.osd.mil/osbp/doing_business/Subcontracting_Directory_0908.pdf

This directory, by state, provides the names and addresses of DoD prime contractors, the names and telephone numbers of Small Business Liaison Officers (SBLOs), and the products and services supplied to the DoD. The report is generated from data mined through DoD Prime Contractor's contracts and subcontracting plans. Please note that the DoD OSBP does not maintain the data in this directory. The directory reflects data as of September 15, 2008. We encourage you to investigate potential opportunities with these firms. Many also have websites that may be useful and we encourage you to explore teaming options.

SBA's SUB-Net <http://web.sba.gov/subnet/>

SUB-Net is a valuable resource for obtaining information on subcontracting opportunities. Solicitations or notices are posted by prime contractors as well as other government, commercial, and educational entities.

The new web site has shifted the traditional marketing strategy from the shotgun approach to one that is more focused and sophisticated. Instead of marketing blindly to hundreds of prime contractors, with no certainty that any given company has a need for their product or service, small businesses can now use their limited resources to identify concrete, tangible opportunities and then bid on them.

Subcontractor Responsibility FAR Subpart 9.104-4

(a) Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors (but see [9.405](#) and [9.405-2](#) regarding debarred, ineligible, or suspended firms). Determinations of prospective subcontractor responsibility may affect the Government's determination of the prospective prime contractor's responsibility. A prospective contractor may be required to provide written evidence of a proposed subcontractor's responsibility.

(b) When it is in the Government's interest to do so, the contracting officer may directly determine a prospective subcontractor's responsibility (*e.g.*, when the prospective contract involves medical supplies, urgent requirements, or substantial subcontracting). In this case, the same standards used to determine a prime contractor's responsibility shall be used by the Government to determine subcontractor responsibility.

Mentor-Protégé Program

The Mentor-Protégé Program assists eligible Small Businesses firms (protégés) to successfully compete for prime contract and subcontract awards by partnering with major defense contractors (mentors) under individual, project-based agreements to help meet the Defense Logistics Agency mission.

Mentor companies:

- Provide developmental assistance and technology transfer to their protégés
- Are directly reimbursed for services provided to protégés

Protégés:

- Establish relationships with major DLA contractors
- Develop necessary business and technical capabilities to perform significant work on DLA contracts
- Expand and diversify their customer base

How to Participate

1. Establish a Counterpart - Mentors and Protégés are solely responsible for finding their counterpart. Legislatively, the DLA and DoD Offices of Small Business Programs participation in the teaming of partnering Mentors and Protégés is prohibited. Therefore, we strongly encourage firms to explore existing business relationships in an effort to establish a Mentor-Protégé relationship.
2. A Mentor firm must be currently performing under at least one active approved subcontracting plan negotiated with DLA pursuant to FAR 19.702, and be currently eligible for the award of Federal contracts.
3. New Mentor Applications must be approved and may be submitted to the OSBP of DLA (if concurrently submitting a reimbursable Agreement) or to the DoD OSBP office prior to the submission of an Agreement.
4. A Protégé firm must be either a small disadvantaged business (SDB), a qualifying organization employing the severely disabled, a women-owned small business (WOSB), a service-disabled veteran-owned small business (SDVOSB), or a historically underutilized business zone (HUBZone).

Determine the Type of Agreement

There are two types of DoD MPP Agreements, direct reimbursed or credit.

Direct Reimbursed

Direct reimbursed Agreements are those in which the Mentor receives reimbursement for allowable costs of developmental assistance provided to the Protégé. These Agreements are approved by the OSBP of the Cognizant Military Service or Defense Agency as outlined in DFARS Appendix I: http://www.acq.osd.mil/dpap/dars/dfars/html/current/appendix_i.htm

Credit

Credit Agreements are those in which the Mentor receives a multiple of credit toward their SB subcontracting goal based on the cost of developmental assistance provided to the Protégé. Credit agreements are currently approved by Elaine S. Howell at the Defense Contract Management Agency: elaine.howell@dcma.mil. In order to expedite the processing of credit agreements the use of electronic communications is encouraged and preferred.

For more information on the DOD Mentor Protégé Program, go to:

http://www.acq.osd.mil/osbp/mentor_protege/index.htm

DFARS Subpart 219.71:

http://www.acq.osd.mil/osbp/mentor_protege/participate/dfars21971.htm

DOD Major Prime Contractors List:

http://www.acq.osd.mil/osbp/doing_business/Subcontracting_Directory_0908.pdf

REGISTRATION

VI. REGISTRATION

Before starting, if you have Any questions, contact your local Procurement Technical Assistance Center (PTAC). Visit the Web site at <http://www.dla.mil/db/procurem.htm> for an up-to-date list of PTACs and the regions they serve.

Central Contract Registration <http://www.ccr.gov/>

The Defense Federal Acquisition Regulation Supplement (DFARS) requires contractor registration in the DoD Central Contractor Registration (CCR) database prior to the award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement.

Exception: Vendors who deal only in credit card purchases at a local level do not need to be registered in the CCR.

DUNS Number 1-800-333-0505 http://www.dnb.com/US/duns_update/index.html

To do business with DLA, vendors need a D-U-N-S number from Dun & Bradstreet (D&B). The D-U-N-S Number is a unique nine-digit identification sequence, which provides unique identifiers of single business entities, while linking corporate family structures together. D&B links the D-U-N-S Numbers of parents, subsidiaries, headquarters and branches on more than 64 million corporate family members around the world. Used by the world's most influential standards-setting organizations, it is recognized, recommended and/or required by more than 50 global, industry and trade associations, including the United Nations, the U.S. Federal Government, the Australian Government and the European Commission.

CAGE Code <http://www.dlis.dla.mil/cageserv.asp>

The Commercial and Government Entity (CAGE) Code is a five position code that identifies contractors doing business with the Federal Government, NATO member nations, and other foreign governments. The CAGE Code is used to support a variety of mechanized systems throughout the government and provides for a standardized method of identifying a given facility at a specific location. The code may be used for a Facility Clearance, a Pre-award survey, automated Bidders Lists, identification of Debarred Bidders, fast pay processes, etc. The Defense Logistics Information Service (DLIS) has sole responsibility for assigning and maintaining the CAGE Code Master File.

Register with DLA DIBBS (Suppliers) <https://www.dibbs.bsm.dla.mil/>

DLA's Internet Bid Board System (DIBBS) is a web-based application that provides the capability to search for, view, and submit secure quotes on Requests For Quotations (RFQs) for DLA items of supply (Not used for services). DIBBS also allows users to search and view Request For Proposals (RFPs), Invitations For Bid (IFBs), Awards and other procurement information.

Registration Guidelines

Central Contractor Registration (CCR) Data

DIBBS will pre-fill certain registration information (company name; business address; DUNS number; CCR registration point of contact (POC); contact telephone number; and, contact email/fax address) from the CCR the first time a representative for a CAGE starts the DIBBS registration process. Users cannot change this information on DIBBS, but updates occur daily from the CCR.

New User: When you have completed your registration with the CCR system, a status will show "active". Within one to two days, DLA DIBBS will automatically be notified by CCR that you are registered. At this time, you will be able register and to use the DLA DIBBS system.

Existing User: CCR registration is valid for one year. If your registration has expired, you will need to re-register with CCR then again with DLA DIBBS. Again, you will have a one to two-day waiting period. If you continue to have problems with the CCR registration, please contact them at (888) 227-2423 or at contact.ccr@pwcglobal.com or <http://www.ccr.gov/>. To determine your activity status, click the CCR database button, enter the CAGE code and click "Submit Query" button.

Registration for all other Suppliers

Registration is required to receive a login account and password to conduct transactions over the restricted portions of DLA DIBBS (e.g., submitting electronic quotes on RFQs; updating Subsistence BPAs), and to register email addresses for solicitation and award notification on DIBBS items.

Detailed system requirements and instructions for registration are located on the DLA DIBBS Home Page accessed on <https://Www.Dibbs.Bsm.Dla.Mil/>. A few highlights of the information include:

- a. On the DLA DIBBS Home Page, click the VENDOR REGISTRATION link to begin the registration process.
- b. In order to register on DLA DIBBS, the company you are representing must have a prior Central Contractor Registration (CCR) system registration. If you are a foreign company doing business outside the United States, or otherwise fall within the exceptions to CCR registration, please send an email to DibbsBSM@dla.mil requesting off-line registration.
- c. A CAGE's registration processes immediately. A User ID will appear on the registration screen and the system emails a temporary password to the email address of the Super User.
- d. If a registration for the CAGE already exists on DLA DIBBS, the name and email address of the Super User displays. Contact the Super User to set-up additional accounts, logons and passwords for their CAGE.

DIBBS Super User

The super user acts as the account administrator for a CAGE. They can add up to ninety-eight (98) additional users, provide user IDs and passwords, modify existing users, and control the login status of each user for their CAGES through My Account (Account Maintenance):

DIBBS Super User Options

- a. Change Your Password
- b. Vendor Profile: Update your company's representations and certifications, DIBBS Quote defaults, email accounts and other business information.
- c. User(s) Account Profile: Add/Delete users; modify user accounts; and change passwords.

If a registration for the CAGE already exists on DLA DIBBS, the name and email address of the person designated as your super user displays.

The representative who starts the DIBBS registration process has the option to accept their CCR registration POC as the DIBBS super user, or they can designate themselves or another person to act as the super user for the CAGE.

Submission of Representations and Certifications

DIBBS on-line registration requires the submission of default representations and certifications that are not part of DLA's special CCR download (Alternate Disputes Resolution). This default data is editable on individual quotes; however, the super user is the only person authorized to change the defaults themselves through My Account (account maintenance).

Email Addresses

The DIBBS on-line registration requires an email address for Vendor Notifications of Awards and Solicitations. A primary email address is required while an alternate email address is optional but encouraged.

The super user is, once again, the only person authorized to change/update this information. It is very important that the super user maintains and updates this information as needed to keep it current, complete, and accurate (even if their company never submits quotes on DIBBS), as DLA will be using the email to provide notice of solicitations.

OPTIONAL "Vendor Directed Solicitation Notification" Feature

DLA DIBBS registration contains an optional "Vendor Directed Solicitation Notification" feature. This allows the Super User to direct email notification of new solicitations that match selections for Federal Supply Class (FSC), National Stock Number (NSN), and Approved Manufacturer CAGE in their profile.

Processing the Registration

A CAGE's initial registration processes immediately. A User ID will appear on the registration screen and the system emails a temporary password to the email address of the Super User. Again, if a registration for the CAGE already exists on DLA DIBBS, the name and email address of the Super User displays. Contact the Super User to set-up additional accounts, logons and passwords for their CAGE.

Online Representations and Certifications Application (ORCA) <https://orca.bpn.gov/>

ORCA is an e-Government initiative that was designed by the Integrated Acquisition Environment (IAE) to replace the paper based Representations and Certifications (Reps and Certs) in Section K of solicitations with an Internet application. Prior to ORCA, vendors were required to submit Reps and Certs for each individual large purchase contract award. Now, using ORCA, a contractor can enter their Reps and Certs information once for use on all Federal contracts. This site not only benefits the contractor by allowing them to maintain an accurate and complete record, but also the Contracting Officer as they can view every record, including archives, with the click of a mouse.

Who needs to register in ORCA?

You must be registered in ORCA if the solicitation you are responding to requires that you have an active registration in CCR.

What is the difference between CCR and ORCA and why must I register in both systems?

CCR is the primary vendor database for the U.S. Federal Government. Since October 1, 2003, it is federally mandated that any business wishing to do business with the federal government under a FAR-based contract must be registered in CCR before being awarded a contract. In addition, vendors must maintain their CCR records annually.

ORCA replaces most of the paper based Representations and Certifications (Reps and Certs) in Section K of solicitations with an internet application. FAR 52.204-8 mandates the use of ORCA on or after January 1, 2005.

CCR and ORCA are complementary systems. ORCA reuses data pulled from CCR and pre-populates many of the required Representations and Certifications. Then, the vendor completes the remaining Reps and Certs with the understanding that with each solicitation they are certifying to current, accurate and complete information.

Where do I register?

ORCA is an on-line system that is located on the Internet. The ORCA site can be found by going to <http://www.bpn.gov> and clicking on "Online Reps and Certs Application" on the left side of the screen. If you do not have access to the Internet or feel you need extra internet help, contact your local PTAC (<http://www.dla.mil/db/procurem.htm>).

MARKETING TO THE DEFENSE LOGISTICS AGENCY

VII. MARKETING TO THE DEFENSE LOGISTICS AGENCY

- **DLA does Not buy all items for the Department of Defense, therefore, you first need to identify who in the Federal Government buys your product or service.**
- **DLA does Not review or evaluate new items for possible use by the Military Services.**
- **Products DLA buys are Demand Driven and must fit a need as Determined by our Customers.**

What DLA Buys

A complete list of items for which DLA has been designated as the integrated material manager for one or more consumable items of supply in the Federal Supply Class (FSC) can be found at: <https://www.dibbs.bsm.dla.mil/REFS/fsc.asp>. You can identify which Supply Chain purchases the FSC at: http://www.dla.mil/db/dla_buys.asp.

What the Military Services Buy

Products and Services Bought by the Department of Army Major Purchasing Offices can be found at: <https://acquisition.army.mil/asfi/>. This is the Army Single Face to Industry (ASFI) Acquisition Business Web Site.

Products and Services Bought by the Department of Navy Major Purchasing Offices can be found by going to: <http://www.donhq.navy.mil/OSBP/index.html>

Products and Services Bought by the Department of Air Force Major Purchasing Offices can be found by going to: <http://safsbadmin.mysite4now.net/Opportunities/default.aspx>

Marketing within DoD for smaller dollar value requirements, products which may be used by any command, can be done on a local basis. Identify your market geographically and then contact each of the small business specialists at the individual DoD activities within your region.

You can identify the small business specialist at each activity by accessing the DoD listing at http://www.acq.osd.mil/osbp/links/dod_osbp.htm. You may call these individuals and request information or arrange for an appointment. They can provide helpful information on how to market your product/service within their activity.

What GSA Buys

Products and Services Bought by the General Services Administration Major Purchasing Offices can be found by going to: <http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=2>

HOW TO FIND BUSINESS

VIII. HOW TO FIND BUSINESS

Interested firms must help themselves by learning how DLA conducts business, and by seeking out the small business office at the DLA site that buys the products or services they supply.

The Federal Supply System

The Federal Government buys, stocks, and uses over 7 million items. As a prospective supplier, you should know some basics about the system that manages those items.

Federal Supply Class

The Federal Supply Class (FSC) is a code for items that are sold to the federal government. The first two digits of the code identify the group and the last two digits identify the classes within each group. This field is available for DLA solicitations. Each item in the Federal Supply System is assigned to a specific Source of Supply (SOS) for management. FSCs indicate that DLA, General Services Administration (GSA), or a Military Service has been designated as the manager at the wholesale level for one or more consumable items of supply in the FSC.

Example:

FSC	1610
Manager (SOS)	DSCR
Item Description:	Aircraft Propellers and Components
National Stock Numbers	590
Description Details:	Includes Aircraft Propellers; Propeller Blades, Cams, Cones, Hubs, Nuts, and Spinners; Test Clubs; Synchronizers; Power Control Units; Integral Oil Control Measures and Propeller Governors. Excludes Rotary Rudder and Rotary Wing Blades (FSC 1615).

For a list of DLA Supply Chains designated as the integrated materiel manager at the wholesale level for one or more consumable items of supply in an FSC, go to:

http://www.dla.mil/db/dla_buys.asp

National Stock Number

A National Stock Number (NSN) is a thirteen (13) digit number assigned to an item of supply. It consists of the four digit Federal Supply Class (FSC) and the nine digit National Item Identification Number (NIIN). A NIIN is a unique nine character code assigned to each item of supply purchased, stocked or distributed within the Federal Government. The National Item Identification Number consists of a 2-digit National Codification Bureau number designating the central cataloging office (whether North Atlantic Treaty Organization or other friendly country) that assigned the number and a 7-digit (xxx-xxxx) non-significant number. The National Stock Number is arranged as follows: 9999-00-999-9999.

Example: NSN 1610-00-624-7188 - CAM and BEARING ASSEMBLY

NAICS Codes <http://www.census.gov/epcd/naics02/>

NAICS, the North American Industry Classification System, is a method of classifying groups of products. NAICS is erected on a production-oriented or supply-based conceptual framework. This means that producing units that use the same or similar production processes are grouped together in NAICS. It replaces the Standard Industry Classification (SIC) codes.

NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. The NAICS codes are maintained by the U.S. Census Bureau. To learn more about NAICS codes, visit the Census Bureau web site at: <http://www.census.gov/eos/www/naics/>.

DIBBS – DLA Internet Bid Board System <https://www.dibbs.bsm.dla.mil/>

DIBBS is a web-based application that provides the capability to search for, view, and submit secure quotes on Requests For Quotations (RFQs) for DLA items of supply (not for services). DIBBS also allows users to search and view Request For Proposals (RFPs), Invitations For Bid (IFBs), Awards and other procurement information. If you are unfamiliar with DIBBS, it is a web-based system, and as such, registration is on-line. Simply point your web browser to <https://Www.Dibbs.Bsm.Dla.Mil/Register/> and follow the instructions (see “Registration Guidelines,” pg. 38).

To search for DLA Solicitations & Opportunities on DIBBS, go to: <https://www.dibbs.bsm.dla.mil/Solicitations/>

To search DIBBS simplified acquisition database which contains all Requests for Quotations (RFQs) under \$100,000, do a Search at: <https://www.dibbs.bsm.dla.mil/RFQ/>

To search DIBBS large purchase database which contains DLA Requests for Proposal (RFP) / Invitations For Bid (IFB) \$100,000 or greater, do a Search at: <https://www.dibbs.bsm.dla.mil/RFP/>

Requests for Quotation Database Search Criteria

- Federal Supply Classification (FSC): The first four digits of an NSN identifying the group and class of an item (e.g., 5905).
- National Stock Number (NSN): A 13-digit number consisting of the FSC for the item followed by a nine-digit identification number. This number is used to label and categorize each item that is stocked.
- Solicitation Number: A 13-position alpha/numeric document identification number used to communicate government requirements to -prospective contractors.
- Purchase Request Number: A 10-position numeric document identification number, which describes the required supplies so that procurement can be initiated.

- Nomenclature: The basic noun designation by which an item is commonly known (e.g., filter element, fluid).
- Approved Part Number (P/N): This search is for approved part numbers on NSN buys described by manufacturer's CAGE and part numbers.
- Approved CAGE: Searches are approved for CAGEs on NSN buys described by the manufacturer's CAGE and part number.

FedBizOpps <https://www.fbo.gov/?&s=main&mode=list&tab=list&tabmode=list>

FedBizOpps (FBO) - is a government point-of-entry (GPE) for Federal government procurement opportunities over \$25,000. Government buyers are required to publicize their business opportunities by posting information directly to FedBizOpps via the Internet.

FedBizOpps provides two ways to find solicitations - a drill down via the list of agencies or via the field search. To locate a specific solicitation without the solicitation number you need to search other unique attributes of that solicitation.

Vendors can search for opportunities based on the following terms:

- keyword search
- opportunity/procurement type
- posting date
- response deadline
- last modified date
- place of performance zip code
- set-aside code (“set aside” solicitations allow only specified business concerns)
- classification code
- NAICS (North American Industry Classification System) code
- agency/Office(s)

Vendors can set up “search agents” based on detailed search elements, which highlight newly added opportunities which align with their search criteria. Vendors can add opportunities to a “watch list” list (ala “favorites” list). This allows for ease in referencing targeted opportunities. Additionally, vendors receive updates about opportunities on their Watch List.

To register, go to:

https://www.fbo.gov/?s=main&mode=list&tab=register&subtab=step1&_lsys=vendor

For Information on how to use FedBizOpps, go to the Vendors Guide at:

https://www.fbo.gov/downloads/FBO_Vendor_Guide.pdf

DoD EMALL <http://www.dlis.dla.mil/emall.asp>

DOD EMALL is a secure location to shop and order NSN's and commercial items. It is a powerful search engine to access product information from a wide variety of Government and Supplier managed catalogs. DOD EMALL now has over 1450 commercial catalogs with over 32 million items available to registered users. This allows the customer to cross-catalog shop,

create carts and order items from more than one source at a time, thereby saving time by not going to each catalog separately to place an order. Customers on DOD EMALL can order using a Government Purchase Card or by MILSTRIP/FEDSTRIP for some items.

DoD EMALL not only offers small businesses an avenue to sell to the military and government customer but also provides an opportunity for fantastic business growth, and does not require any additional overhead costs. A variety of contractual vehicles are available for the small business. Products are purchased by Government Purchase Card or fund code depending on the contract type. Besides a large, ready-made customer base, DoD EMALL provides a supportive, knowledgeable team to help guide small businesses in developing, hosting and maintaining their Catalogs.

DOD EMALL Support Help Desk

For assistance with DOD EMALL, please submit your questions to dod-emallsupport@dla.mil or call 1-877-352-2255.

NOTE: All EMALL Suppliers must be registered in the Central Contractor Registration (CCR) system. You may register online at <http://www.ccr.dlsc.dla.mil>.

ACQUISITION PROCESS

IX. ACQUISITION PROCESS

TYPE OF CONTRACT - FAR Part 16

There is a wide selection of contract types available to DLA in order to provide needed flexibility in acquiring the large variety and volume of supplies required by the military services.

Contract types vary according to:

- The degree and timing of the responsibility assumed by the contractor for the costs of performance; and
- The amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

Contract types are grouped into two broad categories:

- fixed-price contracts, and
- cost-reimbursement contracts.

The specific contract types range from firm-fixed price, in which the contractor has full responsibility for the performance costs and resulting profit (or Loss), to cost-plus-fixed-fee, in which the contractor has minimal responsibility for the performance costs and the negotiated fee (profit) is fixed. In between are the various incentive contracts in which the contractor's responsibility for the performance costs and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

FIXED PRICE CONTRACTS

Fixed-price types of contracts provide for a firm price, or, in appropriate cases, an adjustable price. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment or the revision of the contract price under stated circumstances. The contracting officer shall use firm-fixed-price or fixed-price with economic price adjustment contracts when acquiring commercial items.

A firm fixed-priced contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon contracting parties.

FIRM FIXED PRICE (FFP) CONTRACT - Contract price is the price bid, with no incentives or fees added. Cost responsibility is placed wholly on the contractor. The preferred type when cost risk is minimal, or can be predicted with an acceptable degree of certainty.

FIRM FIXED-PRICE (FFP) LEVEL OF EFFORT TERM CONTRACT - The contractor is required to devote a specified level of effort over a stated period of time for a fixed dollar

amount. Usually found in the contracts for investigation or study in a specific research and development area.

FIRM FIXED-PRICE (FFP) MATERIALS REIMBURSEMENT TYPE CONTRACT - Used in purchase of repair and overhaul services to provide a firm fixed-price for services with reimbursement for cost of materials used.

FIXED-PRICE CONTRACT WITH ECONOMIC PRICE ADJUSTMENT - Use is appropriate to protect both the Government and the contractor when there is serious doubt about the stability of labor or material prices during the life of the contract. Price adjustment provisions can provide for both upward and downward adjustments.

FIXED PRICE CONTRACTS - There are several types designed to facilitate proper pricing under varying conditions. Provides for a firm price, or under appropriate circumstances may provide for an adjustable price. Places relatively more cost responsibility on the contractor than on the Government, and makes profit a function of the contractor's ability to manage.

FIXED PRICE INCENTIVE CONTRACTS - A fixed-price type contract with provisions for adjustment of profit and establishment of the final contract price by a formula based on the relationship which final negotiated total cost bears to total target costs.

FIXED-PRICE RE-DETERMINABLE - If prospective; provides for a firm fixed-price for an initial period of contract performance, and for prospective re-determination, upward or downward, as stated times during the performance of the contract. If retroactive; provides for a ceiling price and retroactive price re-determination after completion of the contract.

COST REIMBURSEMENT CONTRACTS

Cost-reimbursement type of contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract. The contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at own risk) without the approval of the contracting officer.

Cost-reimbursement contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed price contract.

COST-PLUS-A-FIXED-FEE (CPFF) CONTRACT - Contractor's costs responsibility is minimized, Government's cost responsibility is maximized. The contractor is reimbursed for allowable, allocable costs. Contractor's profit is fixed. Price of the contract (total amount paid to the contractor) is not fixed.

COST-PLUS-AWARD-FEE (CPAF) CONTRACT - A cost reimbursement type contract with special fee provisions. It provides a means of applying incentives in contracts which are not susceptible to finite measurements of performance necessary for structuring incentive contracts. The fee is in two parts; a fixed amount unrelated to performance, and an award amount related to a subjective judgment of the quality of the contractor's performance.

COST-REIMBURSEMENT TYPE CONTRACT - There are several types. They provide for the payment to the contractor of allowable costs incurred in the performance of the contract to the extent prescribed in the contract.

INCENTIVE CONTRACTS

Incentive contracts are appropriate when a firm-fixed-price contract is not appropriate and the required supplies or services can be acquired at lower costs, and in certain instances, with improved delivery or technical performance, by relating the amount of profit or fee payable under the contract to the contractor's performance. Incentive contracts are designed to obtain specific acquisition objectives by:

- Establishing reasonable and attainable targets that are clearly communicated to the contractor; and
- Including appropriate incentive arrangements designed to
 - a) motivate contractor efforts that might not otherwise be emphasized; and
 - b) discourage contractor inefficiency and waste.

COST-PLUS-INCENTIVE-FEE (CPIF) CONTRACT - A cost-reimbursement type contract with provision for a fee which is adjusted by formula in accordance with the relationship which total allowable costs bear to target cost.

INDEFINITE DELIVERY CONTRACTS

There are three types of indefinite-delivery contracts: definite-quantity contracts, requirements contracts, and indefinite-quantity contracts. The appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. These are also called delivery order contracts or task order contracts.

INDEFINITE DELIVERY TYPE CONTRACT - There are several types designed for use when the exact time of delivery is not known.

INDEFINITE QUANTITY CONTRACT - Provides for furnishing of an indefinite quantity, within stated limits, of specified supplies or services, during a specified contract period, with deliveries to be scheduled by the timely placement of orders upon the contractor.

REQUIREMENTS CONTRACT - An indefinite delivery type contract that provides for filling all actual purchase requirements of specific supplies or services of designated activities during a specified contract period with deliveries to be scheduled by the timely placement of orders upon the contractor.

TIME AND MATERIALS CONTRACTS

A time and materials contract may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

This type of contract provides no positive profit incentive to the contractor for the cost control or labor efficiency. Therefore, appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.

LABOR HOUR CONTRACTS

A labor-hour contract is a variation of the time-and-materials contract, differing only in that materials are not supplied by the contractor.

SOLICITATION - FAR Part 2

A solicitation is any request to submit offers or quotations to the Government.

- Solicitations under Simplified Acquisition procedures may require submission of either a quotation or an offer.
- Solicitations under Sealed Bid procedures are called "invitations for bids."
- Solicitations under competitive or Negotiated procedures are called "requests for proposals."

"Offer" means a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals".

Exception: Responses to requests for quotations (simplified acquisitions) are "quotations," not offers.

RFQ vs. RFP

RFQ or Request for Quotation is used in simplified acquisitions (under \$100,000). A quotation is not an offer and, consequently, cannot be accepted by the Government to form a binding contract. Therefore, issuance by the Government of an order in response to a supplier's quotation does not establish a contract. The order is an offer by the Government to the supplier to buy certain supplies or services upon specified terms and conditions. A contract is established when the supplier accepts the offer.

Requests for proposals (RFPs) are used in negotiated acquisitions to communicate Government requirements to prospective contractors and to solicit proposals. RFPs for competitive acquisitions will, at a minimum, describe the:

- (1) Government's requirement;
- (2) Anticipated terms and conditions that will apply to the contract;
- (3) Information required to be in the offeror's proposal; and
- (4) Factors and significant subfactors that will be used to evaluate the proposal and their relative importance.

METHODS OF PROCUREMENT

Simplified Acquisition - FAR Part 13

The threshold for simplified acquisitions is \$100,000. The purpose of simplified acquisitions is to use simplified procedures to:

- (a) Reduce administrative costs;
- (b) Improve opportunities for small business concerns to obtain a fair proportion of Government contracts;
- (c) Promote efficiency and economy in contracting; and
- (d) Avoid unnecessary burdens for agencies and contractors.

Some of the procurement methods under simplified acquisition procedures are Purchase Orders, Micro-Purchases, and Blanket Purchasing Agreements.

A Purchase Order, when issued by the Government, means an offer by the Government to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures. Purchase orders generally are issued on a fixed-price basis. They specify the quantity of supplies or scope of services ordered; contain a determinable date by which delivery of the supplies or performance of the services is required; and, unless a special situation exists, the Government shall inspect contracts at or below the simplified acquisition threshold at destination for type and kind; quantity; damage; operability (if readily determinable); and preservation, packaging, packing, and marking, if applicable.

Micro-purchases are acquisitions of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. The Government commercial purchase (credit) card is the preferred method to purchase and to pay for micro-purchases. Micro-purchase threshold means \$2,500, except (1) \$2,000 for construction subject to the Davis-Bacon Act; and (2) \$15,000 for acquisitions by or for the Department of Defense facilitating the defense against terrorism or biological or chemical attack as described in 13.201(g), except for construction subject to the Davis-Bacon Act. (The Davis-Bacon Act states that contracts in excess of \$2,000 to which the United States or the District of Columbia is a party for construction, alteration, or repair of public buildings or public works within the United States, shall contain a clause that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates.)

A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. Contracting Officers may establish BPAs when there is a wide variety of items in a broad class of supplies or services that are generally purchased, but the exact items, quantities and delivery requirements are not known in advance. A BPA must be in place before vendors are permitted to submit quotes electronically. A BPA is an agreement and not a contract. The Government is neither financially nor contractually obligated to place calls against an established BPA.

A BPA is designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase orders. The BPA is established for a specified period of time, and if performance is satisfactory, it is automatically renewed for the next specified period of time. The period of time that a BPA is established may vary and is dependent on the contracting office procedures, industry, and commodities. The agreements are reviewed annually to assure contractor conformance to the terms and conditions of the agreement

and satisfactory performance, as well as to update clauses. This contracting type provides for long-term coverage for small, repetitive buys that can be extended indefinitely. When the BPA is combined with electronic transmission, greater efficiency is realized.

A basic ordering agreement (BOA) is a written instrument of understanding, negotiated between an agency, contracting activity, or contracting office and a contractor. A BOA may be used to expedite contracting for uncertain requirements for supplies or services when specific items, quantities, and prices are not known at the time the agreement is executed, but a substantial number of requirements for the type of supplies or services covered by the agreement are anticipated to be purchased from the contractor.

Limitations. A basic ordering agreement shall not state or imply any agreement by the Government to place future contracts or orders with the contractor or be used in any manner to restrict competition.

Sealed Bidding - FAR Part 14

Purchases over \$100,000 are made by sealed bidding, by competitive proposals (negotiation), or (in unusual circumstances) by other-than-competitive procedures.

Contracting officers shall solicit sealed bids if --

- (1) Time permits the solicitation, submission, and evaluation of sealed bids;
- (2) The award will be made on the basis of price and other price-related factors;
- (3) It is not necessary to conduct discussions with the responding offerors about their bids; and
- (4) There is a reasonable expectation of receiving more than one sealed bid.

It is a method of contracting that employs competitive bids, public opening of bids, and awards. Procurement by sealed bidding begins with the issuance of an invitation for bids (IFB) containing all the information bidders need to respond. The IFB states the needs of the purchasing activity and defines the work in sufficient detail to permit all bidders to compete on the same basis. It also identifies all factors to be considered in evaluating the bids. A standard form is provided on which bids are submitted, and a specific time is set for bid opening. The opening is held in public (you can attend), and the contract is awarded to that responsible bidder whose bid offers the best value to the Government, considering only price and the price-related factors included in the invitation. No discussions are allowed under sealed bidding procedures.

Contracting by Negotiation - FAR Part 15

A contract awarded using other than sealed bidding procedures is a negotiated contract. It allows flexibility in defining the exact requirement or the terms and conditions of the procurement. The purchasing office issues a request for proposals (RFP). RFPs communicate the Government requirements to prospective contractors and solicit proposals. After reviewing the proposals received, the contracting officer ordinarily will negotiate with those contractors that have submitted acceptable proposals (NOTE: a contract can be awarded without discussions), seeking the most advantageous best value contract for the Government.

Proposal Requirements and Preparation Instructions

Proposal preparation instructions are set forth in the solicitation. These instructions tell the offerors what information to submit to the Government for evaluation and give specific details of how the information should be submitted. It is important that you adhere to the instructions!

Solicitation Forms

There are different forms used in the federal government acquisition process. The Standard Form 33 (SF33), *Solicitation, Offer and Award*, is used in soliciting bids and awarding contracts that result from the bids, and with the solicitation for proposals and award of negotiated contracts. The Standard Form 1449 (SF1449), *Solicitation/Contract/Order for Commercial Items*, is used in soliciting bids and awarding negotiated contracts for commercial items.

Understanding the Solicitation Form

Although the majority of the solicitations will result in contracts under \$25,000 and the format will be simpler, here is a method to use to read through a solicitation properly. The example given, the SF33, is a government form that you will see on many contracts greater than \$25,000.

Block 1: *This indicates if the contract is a rated order:* A rated contract, i.e., order, is one that has a specific classification for how “hot” the item on contract is. (see Defense Priorities and Allocations System)

Tip: **Page 1 of ##** : Check page numbers to see if there are any missing. If Yes, call immediately since you can not submit a good bid/offer if there is a page or section missing. These types of errors may occur and it is **up to you** to catch them.

Block 2: *Contract Number:* This is the block that will contain the number assigned by the buying activity at the time of contract award. The number looks the same as the one in Block 3, the Solicitation Number, but it will have a “C” instead of an “R” or “Q” in the number.

Block 3: *Solicitation Number:* This is the number that is used to identify the solicitation. It is assigned by the buying activity before issuing.

Block 4: *Type of Solicitation:* This block will identify if this is a Sealed Bid/Invitation for Bid (IFB) or a Request for Proposal (RFP).

Block 5: *Date Issued:* This is the date that this solicitation “hit the street” and became a live requirement.

Block 6: *Requisition/Purchase Number:* This is an internal document number used to track the item or service to be purchased. This is the original number for that “need.” There might be multiple requisition numbers included in a solicitation. Look at it as a document control number, generated by the people that need the item(s) being bought.

Block 7: *Issued by:* This block identifies the buying office that is issuing the solicitation and awarding the contract. NOTE: you might be dealing with a buying office that is located very far from the actual end user.

Block 8: *Address offer To:* This block will give you the address of where to send the offer. It is usually the same as the issuing office in Block 7.

Block 9: *Additional info:* This block will tell you the number of additional copies of the offer needed. It tells you where to bring the offer if you choose to hand carry it. This block will also tell you when you need to get the bid in, “time and date.”

Tip: If the solicitation requires that a bid be there at 10:00 p.m. on Thursday the 25th day of July, and it shows up at 10:01 p.m., it can be considered nonresponsive and not be considered! It is Your Responsibility to have your bid there on time and on the right date... the bidder has the responsibility to communicate the bid to the correct person, at the correct address, at the proper time, which is no later than the end of the minute specified for bid opening.

Block 10: *For information call:* (a) this block identifies the person that you will contact for information on this specific bid/proposal. (b) the person's phone number, and (c) their e-mail address, if given.

Block 11: *Table of Contents:* This area will tell you what Sections apply to this solicitation and on what page the section begins. The sections that apply will have an "x" in the first column.

Tip: Check out Section M: “Evaluation Factors for Award.” It will tell you what and how they will evaluate/weight factors for award. If you are deficient in a certain area, fix or correct it *before* you send in the solicitation.

Block 12: *Acceptance Period:* This block will give you the opportunity to mark how long this bid is good for. If you don't put in a specific number, it will default to 60 days.

Tip: If you put in too long an acceptance period, you should protect yourself from price increases from your suppliers. Be competitive but watch your limits.

Block 13: *Discounts for Prompt Payment:* This Block is where you will put the size of the discount, if any, that you will give the government if they pay PROMPTLY. Don't feel obligated to offer one just because you are dealing with the government. It is not used in evaluating the offers.

Tip: The government passed the Prompt Payment Act in the mid 1980's. The Act states that the government MUST pay you within 30 days, if you are a small business, and if you completed your invoice properly.

Block 14: *Acknowledgements of Amendments:* In this block you will let the buyer know that you have received all the amendments that they sent out. If they mailed out four and you only

list three, they can throw out your bid as non-responsive, if the omitted amendment impacts on the material aspects of the solicitation.

Block 15a: *Name and Address of offeror:* This is where you put your company name, address and in the little box marked “code” your Cage Code, and if you have one, a “facility code.” This is the code to identify where the item(s) will be produced if different from the CAGE code.

Block 15b: *Telephone number:* Your telephone number.

Block 15c: *Remittance address:* If there is a different address for the government to send the check for payment, mark this box and on the schedule list the address. (incidentally, the government now pays only by electronic fund transfer EFT).

Block 16: *Name and Title of Person Authorized to sign offer:* This is the block where you put the name and title of the person that is “authorized” to sign offers for your company. Please don’t have someone sign the offer if they are not listed in CCR (Central Contractor Registration) as the “authorized signor”. You can and will lose if you do this.

Block 17: *Signature:* This is where the authorized person signs the offer.

Tip: More offers have been rejected for no signature than you can believe. Don’t forget to “sign the offer”!!

Block 18: *Offer Date:* This is the date you signed the offer.

Award (to be completed by the Government)

Tip: If the SF33 comes back in the mail and the following information is filled out, you won the contract! Don’t put it in your briefcase and forget about it. Start working on it...you are now a Prime Contractor!

Block 19: *Accepted as to items numbered:* This will be the contract line item numbers that you have been awarded.

Block 20: *Amount:* This is the dollar amount of the contract.

Block 21: *Accounting and Appropriation:* This is agency information that will tell them what accounts and appropriation covers this purchase.

Block 22: *Authority for Using Other Than Full and Open Competition:* The government fills this in, don't worry about it.

Block 23: *Submit invoice to address shown in: Item: ##*

Block 24: *Administered by:* This is the office that will administer the contract (ACO), which might be different from the buying office (PCO).

Block 25: *Payment will be made by:* This is the paying office, where your money is coming from.

Block 26: *Name of the Contracting Officer:* This is the typed name of the Procurement Contracting Officer (PCO). You will see this person's name only if you win the contract.

Block 27: *United States of America:* This is the block where the PCO will sign their name. This makes you a prime contractor who now has an active Government Contract.

Block 28: *Award Date:* The actual date of the award. The date the PCO signed the contract.

Some Terms on Solicitations

FOB Destination – Shipping costs to cover freight to destination in unit price.

FOB Origin – Shipping costs prepaid and added to bill later – not in unit price.

Fast Pay – Payment made based on receipt of invoice (see Contract Administration).

Non-Fast Pay – Payment made based on receipt of a signed DD Form 250, *Material Inspection and Receiving Report*, after Government acceptance. Payment will not be made until a completed DD Form 250 is received by the Government. The form shall reflect that a duly authorized Government representative has inspected and accepted the supplies or has otherwise authorized acceptance.

Inspection and Acceptance –

When *Origin Inspection and Acceptance* is specified, inspection will be made at the point of shipment. The DD Form 250 shall reflect the signature of a Government Quality Assurance Representative (QAR).

When *Destination Inspection and Acceptance* is specified, inspection will be made at point of receipt. The DD Form 250 shall reflect the signature of the Government consignee's representative.

When *Origin Inspection and Destination Acceptance* is specified in the award, the DD Form 250 shall reflect the signatures of both the Government QAR and the Government consignee's representative.

Reading The Solicitation

Now that you understand the solicitation form, let's look at how to read the solicitation to get the best understanding of what it is the government wants and how they will evaluate each offer.

Reading from page one to the end is one way, but not the best. If it is a small solicitation this method may be O.K. If the solicitation uses the SF 33, then you need to read the solicitation by

reading related parts together starting with **Section B**, Supplies or Services and Prices/Costs, and **Section L**, Instructions, Conditions and Notices to Offerors. This reading will give you a good understanding of what the government wants and if you meet the requirements.

Read through **Section L** again, but this time in conjunction with **Section M**, Evaluation Factors For Award. This will give you an understanding of the factors that will be used in the evaluation process. Do you see a problem? Are you lacking in some areas? Can you fix it and still make an offer?

Determine the general and specific requirements of the solicitation by reading **Section C**, Descriptions/Specifications/Work Statement, and **Section J**, List of Attachments. Carefully review the specifications. You must be able to meet them. Remember, Section C contains general requirements while Section J contains specific requirements that may supersede statements in Section C.

The next areas to read are **Sections I, H, D, E, F** and **G**. These six sections provide all the technical requirements that pertain to the awarded contract. Be careful with the packaging requirements. These can be expensive depending on the level. Government packaging can be different from the commercial packaging so it may be wise to contact a person who is familiar with government packaging.

Finally, read **Section K**, Representations, Certifications and Other Statements of Offerors. Here is where you must check the appropriate answer to the questions asked and learn of specific conditions exerted on you if you win the contract. If you object to any of these, don't submit an offer!

DIBBS – DLA Internet Bid Board System <https://www.dibbs.bsm.dla.mil/>

As stated earlier, DIBBS is a web-based application that provides the capability to search for, view, and submit secure quotes on Requests For Quotations (RFQs) for DLA items of supply (no services). DIBBS also allows users to search and view Request For Proposals (RFPs), Invitations For Bid (IFBs), Awards and other procurement information.

If you are unfamiliar with DIBBS, registration is on-line (See “Registration Guidelines” pg. 38). Simply point your web browser to <https://Www.Dibbs.Bsm.Dla.Mil/Register/> and follow the instructions.

Technical requirements:

- We recommend using Microsoft Internet Explorer 5.0 or above with 128 bit encryption. DIBBS may not function as intended when accessed with other browser software.
- Cookies and JAVA Script must be enabled.

To obtain a free browser with the latest updates, go to: <http://www.microsoft.com/windows/ie/downloads/recommended/128bit/default.msp>. DIBBS







may not function as intended when accessed through browser software other than Microsoft Internet Explorer.




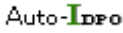




Once you finish registering, a temporary password will be immediately e-mailed to you and you will then be able to log on and submit a quote.

Once you are ready to quote, DIBBS provides on-line quoting help at <https://Www.Dibbs.Bsm.Dla.Mil/Refs/Help/>. On this page, you will find business rules and default values for submitting bids through the web quote form as well as batch quoting guidelines and EDI submissions.

On the RFQ and Submitted Quotes Search Results Pages, there are various icons such as a capital red F and a capital SB as well as others. What do these icons mean?

ICON Guide

Icon	RFQ Search Page	Submitted Quotes Page	Narrative
Quoting Status			
	x	x	Quote. By clicking on this icon, you can quote on a solicitation.
	x	x	Quote Submitted. A quote has been submitted for this solicitation. Clicking it takes you to submitted quotes page.
		x	Revise Quote. Clicking this icon allows you to revise your quote. The quote form will populate with previously entered data.
		x	Required Change. The solicitation requirements changed since you quoted. A new quote is required.
		x	There is a Submitted Quote (click to view).
Technical Data			
	x	x	There are Technical Documents available for the NSN (click to access).
Solicitation Status/Type			

	x	x	Solicitation displayed may not include all pertinent data (click to obtain additional information)
	x	x	This is a Fast Award candidate. Micro-purchase quotes may be awarded prior to the solicitation return date (see DLA Master Solicitation for Automated Solicitations and Resulting Awards)
		x	There is an RFQ document available (click to access).
	x	x	Automated Indefinite Delivery Purchase Order
<i>Set Aside Icons</i>			
	x	x	Solicitation is Small Business Set-Aside.
	x	x	Solicitation is a HUBZone Set-Aside.
	x	x	Solicitation is a Service Disabled Veteran-Owned Small Business Set-Aside.
	x	x	Solicitation is a Combined Set-Aside.

DIBBS solicitations have different numbers in the 4th position of the solicitation number.

This is the site identifier for each DLA Supply Center:

- SPM1 (DSCP Clothing & Textiles)
- SPM2 (DSCP Medical)
- SPM3 (DSCP Subsistence)
- SPM4 (DSCR)
- SPM5 (DSCP)
- SPM7 (DSCC)
- SPM8 (DSCP Construction & Equipment)

Requests for Quotation (RFQ) Database Search Criteria

- Federal Supply Classification (FSC): The first four digits of an NSN identifying the group and class of an item (e.g., 5905).
- National Stock Number (NSN): A 13-digit number consisting of the FSC for the item followed by a nine-digit identification number. This number is used to label and categorize each item that is stocked.
- Solicitation Number: A 13-position alpha/numeric document identification number used to communicate government requirements to prospective contractors.
- Purchase Request Number: A 10-position numeric document identification number, which describes the required supplies so that procurement can be initiated.
- Nomenclature: The basic noun designation by which an item is commonly known (e.g., filter element, fluid).
- Approved Part Number (P/N): This search is for approved part numbers on NSN buys described by manufacturer's CAGE and part numbers.
- Approved CAGE: Searches are approved for CAGES on NSN buys described by the manufacturer's CAGE and part number.

Quote Submission - Batch Quoting

Batch quoting allows quotes from the DLA Request for Quotations to be batch uploaded. Quotes are prepared offline in a prescribed, comma delimited format that can be uploaded via the Internet.

Submitting Web Form Quotes

- Users must be registered and logged into DIBBS in order to submit quotes.
- After locating a solicitation using the RFQ Search, click on the *Quote* button. Users not logged on at this point will be prompted to do so.
- After completing the quote form and reviewing the synopsis for accuracy, click *Submit*.
- Users will receive a message indicating that the submission was "Successful" or "Unsuccessful."
- Submitted quotes may be viewed until the contract is awarded or cancelled. Revisions to quotes submitted on behalf of a CAGE will overlay previously submitted quotes for the same requirement.

Quoting Input Assistance

Complete Quote Input Form as specified. For assistance with completing Price Data, Product Offered Representation, or Contract Representation, visit one of the following Web sites:

- Federal Acquisition Regulation:
<http://www.arnet.gov/far>
- Code of Federal Regulations:
<http://www.gpoaccess.gov/cfr>
- Small Business Representation:
<http://www.sba.gov/businessop/basics/identify.html>
- Defense Logistics Acquisition Directive:
<http://farsite.hill.af.mil/reghtml/regs/other/dlad/dlad1toc.htm>
- Defense Federal Acquisition Regulations Supplement:

<http://www.acq.osd.mil/dpap/dfars>

For DIBBS assistance, either Email: DibbsBSM@dla.mil or go to: <https://www.dibbs.bsm.dla.mil>. Click on *Help* and/or *Frequently asked Questions*.

Defense Priorities and Allocations System (DPAS) - FAR Subpart 11.6

As stated earlier, Block 1 of the solicitation will indicate if the contract is a “rated order.” A rated order means a prime contract for any product, service, or material which requires preferential treatment, and includes subcontracts and purchase orders resulting under such contracts. DoD solicitations may be rated orders certified for national defense use, and the Contractor must follow all the requirements of the Defense Priorities and Allocations System (DPAS) regulation.

The DPAS provides that DoD contracts are assigned priority ratings to assure that these contracts are afforded production priorities for delivery ahead of unrated orders which includes commercial orders. Ratings are assigned to DoD contracts and enforced in both peacetime and war or emergencies. The contractor is obligated to accept the rated order, to schedule production operations to satisfy delivery requirements of each rated order, and to extend the priority rating to suppliers to assure that the item is delivered in the timeframe requested.

(a) There are two levels of priority for rated orders established by the DPAS, identified by the rating symbols "DO" and "DX." All DO rated orders have equal priority with each other and take preference over unrated orders (including commercial orders). All DX rated orders have equal priority with each other and take preference over DO rated and unrated orders. DX ratings are used for special defense programs designated by the President to be of the highest national priority.

FAR 11.604 -- Solicitation Provision and Contract Clause.

(a) Contracting officers shall insert the provision at FAR 52.211-14, Notice of Priority Rating for National Defense Use, in solicitations when the contract to be awarded will be a rated order.

(b) Contracting officers shall insert the clause at FAR 52.211-15, Defense Priority and Allocation Requirements, in contracts that are rated orders.

TYPES OF ITEM DESCRIPTIONS

Drawings/Specifications/Standards

DoD has exact specifications for many (Not All) of the products and services it buys repeatedly. The specifications contain descriptions of the technical and other requirements established for the supplies or services the Government is procuring. There are three basic types of specifications. In practice, it is rare to find specifications that fit completely into one of these categories, as most specifications contain a combination of requirements. These requirements are:

- Performance specifications – contain performance characteristics desired for the item.
Examples:
 - The radio must operate over a 40-mile radius.
 - The floor must be free of stains, spots, and streaks.

- Design specifications – contain precise measurements, tolerances, materials, in-process and finished-product tests, quality control and inspection requirements, and other detailed information for manufactured items. The information furnished is sufficiently detailed to ensure that all items manufactured to the specifications are the same.
Example:
 - Detailed manufacturing drawings.

- Purchase order descriptions – the specifications identify the item by a brand name with the optional use of an “or equal” statement to allow competition.

Specifications may also be a narrative description of what the output should look like when it is completed. This is true for many janitorial contracts.

Specifications are comprehensive descriptions of the technical requirements for material, equipment, and services. In addition to its specifications, DoD uses standards that establish the engineering and technical limitations and applications of items, materials, processes, methods, and engineering practices. Standards are used to ensure maximum uniformity in materials and equipment and to foster interchangeability of parts used in these products. Standards may be separately stated in a description of a need, but frequently they are also included in military specifications. Though use of Military specifications and standards continues within DoD, there is an emphasis on maximizing the utilization of commercial specifications and standards whenever practicable.

ASSIST – Acquisition Streamlining and Standardization Information System

<https://assist.daps.dla.mil/online/start/>

The Defense Logistics Agency prefers to provide complete technical data packages with their Solicitations. However, some DLA acquisitions are accomplished using only the manufacturer’s name and part number, due to DLA not having the technical data.

There are a variety of reasons why DLA does not have the technical data. The most prevalent reason is proprietary designation. Some of the parts we buy are financed and developed by private industry. Therefore, we have no control or right to use such data for procurement purposes and, in most cases, the cost of purchasing this data far exceeds any savings that may be realized through competition.

For access to specifications the Department of Defense (DoD) is able to provide, go to ASSIST – Acquisition Streamlining and Standardization Information System. ASSIST-Online is a comprehensive web site providing access to current information associated with military and federal specifications and standards in the management of the Defense Standardization Program.

It provides public access to standardization documents over the internet and is the official source of DoD specifications and standards.

All persons are required to register for an ASSIST-Online user account in order to access the system. <https://assist.daps.dla.mil/online/registration/registration.cfm>

DODSSP <http://dodssp.daps.dla.mil/>

The Department of Defense Single Stock Point was created to centralize the control, distribution, and access to the extensive collection of Military Specifications, Standards, and related standardization documents either prepared by or adopted by the DoD. The DODSSP mission and responsibility was assumed by the Document Automation & Productions Service (DAPS) Philadelphia Office, in October 1990.

The responsibilities of the DODSSP include electronic document storage, indexing, cataloging, maintenance, publish-on-demand, distribution, and sale of Military Specifications, Standards, and related standardization documents and publications comprising the DODSSP Collection. The DODSSP also maintains the [Acquisition Streamlining and Standardization Information System \(ASSIST\)](#) management/research database (mentioned above).

In May 1995, DAPS Philadelphia was appointed Executive Agent for Standardization Program Automation. As such, DAPS Philadelphia is responsible for implementing OASD Standardization Program automation policy, and for designing, testing and implementing new and better methods and technologies for overall automation.

This DODSSP website, the [ASSIST Online](#) digital library, the [ASSIST Quick Search](#) (no password required!), the [ASSIST Shopping Wizard](#) online ordering system, and the growing list of digital products and services described here, are some of the steps we have taken in that direction.

Document Categories in the DODSSP Collection

- Military / Performance / Detail Specifications
- Military Standards
- DoD-adopted Non-Government / Industry Specifications and Standards
- Federal Specifications and Standards / Commercial Item Descriptions
- Data Item Descriptions
- Military Handbooks
- Qualified Products / Manufacturer's Lists (QPLs/QMLs)
- USAF / USN Aeronautical Standards / Design Standards
- USAF Specifications Bulletins

Although the DODSSP Active Collection contains over 40,000 line items, not all documents specified in Government procurements are included (e.g.: engineering drawings, some Departmental documents, and the majority of all Non-Government / Industry Standards).

The [ASSIST Update](#) is a biweekly publication that is provided in Portable Document Format on this web site. The ASSIST Update provides up-to-date information on the DODSSP, and on changes to the ASSIST database.

Part Numbered Items

For most parts numbered items, DLA does not have the Technical Specifications and Drawings. What we can offer you is the opportunity to use the DLA Replenishment Parts Purchase or Borrow (RPPOB) Program. The purpose of the RPPOB Program is to provide opportunities for new potential sources to bid on sole source or limited competition items procured by the Government. Items falling into these categories are generally a result of the Government's not possessing legal rights to OEM's drawings and/or unavailability of other data required for formal advertising. If no data exist to use for evaluation of a potential source's proposal, an attempt may be made to complete the evaluation by comparison to Government stock (if available). Only non-critical items are normally approved for bailment. Since the Government may not possess detailed drawings or specifications and may have to use Government stock for this evaluation, it is essential that a complete data package consisting of all manufacturing drawing(s) (not outline) and supporting information be provided. Failure to submit an adequate data package must delay evaluation.

VALUE MANAGEMENT (VM) PROCESS - 5.6.2. RPPOB Procedures. The prospective manufacturer submits, in writing, a request to the Value Engineering (VE) Office to buy or borrow an item for VE purposes. The VE Office reviews the request in accordance with established policy. If approved, the prospective manufacturer is then requested to submit a certified check, payable to the Treasurer of the United States, to the designated VE official to cover the cost of the item(s). When the item(s) is borrowed, the money is placed in an escrow account and must be returned when the item(s) is returned in good condition. Items may be purchased outright, as provided by Government policy. The prospective manufacturer may submit a data package for evaluation after reverse engineering the sample(s). If approved, the manufacturer's part number must be added to the list of approved sources for future procurements. In most cases, the Government wants the rights to the approved drawings, and the prospective manufacturer should delineate conditions for the transfer of rights.

Qualified Products List/Qualified Manufacturers List - FAR Subpart 9.201

Qualification is a process whereby a manufacturer demonstrates that his/her products, processes or materials will meet the specified military performance quality and reliability requirements.

The Qualified Products List (QPL) lists specific part numbers which the manufacturer has demonstrated a capability to manufacture reliably and in compliance with his/her own internal requirements and the military specifications.

"Qualified bidders list (QBL)" means a list of bidders who have had their products examined and tested and who have satisfied all applicable qualification requirements for that product or have otherwise satisfied all applicable qualification requirements.

"Qualified manufacturers list (QML)" means a list of manufacturers who have had their products examined and tested and who have satisfied all applicable qualification requirements for that product. The Qualified Manufacturers List lists the processes and materials each manufacturer has demonstrated a capability to manufacture reliably and in compliance with the manufacturer's requirements and the military specifications. Many different qualified products can be produced using the QML listed processes and materials.

Qualified Products Lists, Qualified Manufacturers Lists, and Qualified Bidders Lists - FAR Subpart 9.203

(a) Qualification and listing in a QPL, QML, or QBL is the process by which products are obtained from manufacturers or distributors, examined and tested for compliance with specification requirements, or manufacturers or potential offerors, are provided an opportunity to demonstrate their abilities to meet the standards specified for qualification. The names of successful products, manufacturers, or potential offerors are included on lists evidencing their status. Generally, qualification is performed in advance and independently of any specific acquisition action. After qualification, the products, manufacturers, or potential offerors are included in a Federal or Military QPL, QML, or QBL. (See FAR [9.202\(a\)\(2\)](#) with regard to any product, manufacturer, or potential offeror not yet included on an applicable list.)

(b) Specifications requiring a qualified product are included in the following publications:

(1) GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR 101-29.1.

(2) Department of Defense Acquisition Streamlining and Standardization Information System (ASSIST) at (<http://assist.daps.dla.mil>).

(c) Instructions concerning qualification procedures are included in the following publications:

(1) Federal Standardization Manual, FSPM-0001.

(2) Defense Standardization Manual 4120.24-M, Appendix 2, as amended by Military Standards 961 and 962.

(d) The publications listed in paragraphs (b) and (c) of this section are sold to the public. The publications in paragraphs (b)(1) and (c)(1) of this section may be obtained from the addressee in [11.201\(d\)\(1\)](#). The publications in paragraphs (b)(2) and (c)(2) of this section may be obtained from the addressee in [11.201\(d\)\(2\)](#).

The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR 101-29.1, and the Federal Standardization Manual, FSPM-0001 may be obtained from the addressee in FAR Subpart 11.201(d)(1):

General Services Administration
Federal Supply Service
Specifications Section

Suite 8100
470 East L'Enfant Plaza, SW
Washington, DC 20407
Telephone (202) 619-8925.

Most unclassified Defense specifications and standards may be downloaded from the following ASSIST website:

- (i) ASSIST (<http://assist.daps.dla.mil>).
- (ii) Quick Search (<http://assist.daps.dla.mil/quicksearch>).
- (iii) ASSISTdocs.com (<http://assistdocs.com>).

Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by—

- (i) Using the ASSIST Shopping Wizard (<http://assist.daps.dla.mil/wizard>);
- (ii) Phoning the DoDSSP Customer Service Desk, (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or
- (iii) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

Critical Safety Items (CSIs)

A Critical Safety Item means a part, assembly, installation, or production system with one or more critical characteristics that, if not conforming to the design data or quality requirements, would result in an unsafe condition that could cause loss of, or serious damage to, the end item (e.g. aircraft, space vehicle, ship) or major components, loss of control, or serious injury or death to personnel. DLA manages over 9,100 Air Force/Navy/Army Critical Safety Items. We are tasked to provide strict controls over CSI procurements.

The management of critical Items with unique supplier qualifications, material, manufacturing process requirements and often extensive testing is a complex process. There is no room for unauthorized exceptions from specified procedures. Our customers require weapons system parts that will perform as intended 100 percent of the time. Anything less represents a serious compromise to safety of equipment and personnel.

The Critical Item Procurement Requirements Document (CIPRD) covers the technical requirements of the item specified in the solicitation or contract. CIPRDs are being updated with new links which will be available in the near future. All Military, Federal and commercial/industry specifications and standards appearing on the CIPRD or on any referenced documents, are part of the procurement package to the extent specified and shall be the issue in effect on the date of the solicitation unless otherwise specified. Material furnished in accordance with the CIPRD shall be products authorized by the qualifying activity.

First Article Testing FAR Subpart 9.3

Certain items, due to their critical nature, require a first article approval prior to production. First article testing ensures that the contractor can furnish a product that conforms to all contract requirements for acceptance.

First Article Testing may be used when:

- (a) The contractor has not previously furnished the item to the Government;
- (b) The contractor previously furnished the item to the Government, but --
 - (1) There have been subsequent changes in processes or specifications;
 - (2) Production has been discontinued for an extended period of time; or
 - (3) The product acquired under a previous contract developed a problem during its life;
- (c) The item is described by a performance specification; or
- (d) It is essential to have an approved first article to serve as a manufacturing standard.

You will see specific instructions in Section B, Supplies or Services and Prices/Costs, along with the specific contract clause in Section I of the solicitation for testing requirements. Testing, to be performed by either the Government or the Contractor, will be specified by the clause. For Example:

52.209-3 First Article Approval - Contractor Testing

- (a) The contractor shall test 2 unit(s) of lot/item 9999-00-999-9999 (the NSN) as specified in this contract. At least 30 calendar days before the beginning of first article tests, the contractor shall notify the Contracting Officer, in writing, of the time and location of the testing so that the Government may witness the tests.
- (b) The contractor shall submit the first article test report within 60 calendar days from the date of this contract to DSCR-J Post Award Branch, 8000 Jefferson Davis Highway... (address of the Government activity to receive the report) marked 'First Article Test Report: Contract No Lot/Item No 9999-00-999-9999'. Within 30 calendar days after DSCR receives the test report, the Contracting Officer shall notify the contractor, in writing, of the conditional approval, approval, or disapproval of the first article.

If contractor testing is cited, the vendor is required to price the cost of first article *separate* from the cost of the production lot, under an additive line item. The total cost of the production lot and the first article charge are combined for evaluation of price for award.

Contracts requiring first article are bilateral and the Vendor risks termination for default if his/her product fails to pass. Vendors should not manufacture production lots until first article is approved. Any action to do so is at the risk of the Vendor and may *not* be reimbursed by the Government if the product fails first article and the contract is cancelled.

EVALUATION

Proposal Evaluation - FAR Subpart 15.305

The vision for the Federal Acquisition System is to deliver, on a timely basis, the best value product or service to the customer. This is accomplished by using contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform a contract.

Proposal evaluation is an assessment of the proposal and the offeror's ability to perform the prospective contract successfully. DLA evaluates competitive proposals and then assesses their relative qualities solely on the factors and subfactors specified in the solicitation. Evaluations may be conducted using any rating method or combination of methods, and may include:

- *Cost or Price evaluation*
- *Past performance evaluation*
- *Technical/Quality evaluation*
- *Cost information*
- *Small business subcontracting evaluation*

The government will evaluate all proposals and, if discussions are to be conducted, will establish what is called a "competitive range." The competitive range is comprised of all of the most highly rated proposals. These discussions are undertaken with the intent of allowing the offeror to revise its proposal.

Source Selection - FAR Subpart 15.3

The term "source selection" means the determination of which offer to award in a competitive environment. The goal of source selection is to award the offer which represents the best value to the Government through the evaluation of the differences inherent in the offers or offerors. The specific differences which will be evaluated are called the evaluation factors, while the way that these differences will be evaluated is called the scoring system or evaluation method.

All significant evaluation factors, including price, will be listed in the solicitation. In addition, the solicitation will indicate the relative importance of the factors. This may be accomplished through a listing in descending order of importance, an adjectival description of importance (factor A is more important than factor B, factors B and C are equally important), or through a disclosure of the numerical weights assigned to the factors. These methods can be combined or factors can be grouped, e.g., "The following technical factors are listed in descending order of importance and in total are equal in importance to factor A."

Past Performance

Past performance information is relevant information regarding a contractor's actions under previously awarded contracts. It includes, for example:

- The contractor's record of conforming to contract requirements and to standards of good workmanship;
- The contractor's record of forecasting and controlling costs;
- The contractor's adherence to contract schedules, including the administrative aspects of performance;

- The contractor's history of reasonable and cooperative behavior and commitment to customer satisfaction; and generally,
- The contractor's business-like concern for the interest of the customer.

Automated Best Value System <http://www.dscr.dla.mil/proc/abvm/abvm.htm>

The Automated Best Value System (ABVS) is a computerized system that collects a vendor's existing past performance data and translates it into a numeric score. The contracting officer then uses the score as an additional evaluation factor when making best value award decisions.

DLA assigns an ABVS score to each vendor based on the vendor's past performance. Vendors receive scores for performance in each federal supply class (FSC scores). The FSC scores are based on DLA consolidated performance history. A vendor may have multiple FSC scores but will have only one DLA score, which is a compilation of the vendor's FSC scores for all business conducted with DLA.

The DLA system uses 24 months of past performance history as the standard rating period. Each monthly update includes data through the 5th of the month.

The ABVS score is a combination of a vendor's delivery and quality scores and the scores range from zero to a perfect score of 100. If a vendor's score is less than 100, DLA provides the negative data that impacts that score.

The delivery score reflects all lines shown as delinquent during the rating period. For administrative purposes, the delivery-rating period excludes the most recent 60 days. For ABVS, delinquent lines represent shipments not shipped and/or received in their entirety by the contract delivery date.

The quality score reflects validated contractor-caused product non-conformance/lab test failures and packaging non-conformances during the rating period. For administrative purposes, the rating period for quality excludes the most recent 30 days. The 30 and 60 day offset periods are not grace periods.

Contractor caused discrepancies, regardless of corrective action, will be reflected in ABVS as an indicator of past performance. The repair, replacement or reimbursement of quality and packaging defects will not provide relief of negative ABVS data.

If your records reflect negative quality data, they are listed with one of these Discrepancy Codes:

- A1 – A5 Stored Material Deficiencies
- C1 – C6 Supplies Damaged or with Expired Shelf-Life
- L1 – L8 Wood Product Deficiencies
- P0 – P8 Packaging Deficiencies
- Q1 – Q7 Product Quality Deficiencies
- T1 – T6 Technical Data Deficiencies

W0 –W9 Wrong Item/Incomplete Item Shipped
X1 – XL Damaged Material

Scores are used in best value award decisions

Because buyers use ABVS scores as an additional evaluation factor in making best value award decisions, you should review your data carefully. Negative data affects your company’s ABVS score.

You do not receive mailed notices of your negative data

Your negative performance data will be posted before it is reflected in the ABVS score (preview period), to give you an opportunity to review and verify data. Negative data must be challenged within the preview period to assure corrections are posted before it is included in the calculation of the score.

Check your data regularly. ABVS scoring is a continuous process, and while you may not have negative data this month, it could appear next month.

Challenging data

After reviewing your data, you may challenge any record for which you take exception, submitting challenges and substantiating evidence (e.g., shipping invoices, the Bill of Lading or the UPS manifest, signed DD250s, modifications, letters, etc.) to the ABVS administrator. The “center” data field will identify the appropriate focal point. Challenges may be mailed or faxed to the applicable center as follows:

Defense Supply Center Richmond
ATTN: DSCR-RZP (ABVS)
8000 Jefferson-Davis Highway
Richmond, VA 23297-5272
Telephone: (804) 279-6431
FAX: (804) 279-5042
Email: DSCRABVS@dscr.dla.mil

Defense Supply Center Columbus
ATTN: DSCC-PAMB
P. O. Box 3990
Columbus, OH 43216-5000
Telephone: (614) 692-3383
FAX: (614) 692-4170
Email: DSCCABVS@dla.mil

Defense Supply Center Philadelphia
DSCP-PPA (ABVS)
700 Robbins Avenue
Philadelphia, PA 19111-5096
Telephone: (215) 737-7844
FAX: (215) 737-7949

Email: DSCPABVS@dla.mil

- While you may challenge negative data at any time, it is to your advantage to challenge negative data during the preview period, before it has an opportunity to be reflected in the ABVS score.
- You should review performance data on a monthly basis at a minimum. Failure to challenge will be interpreted as agreement the data are accurate.
- When a challenge is received, the ABVS score will be flagged. The flag will remain until the challenge is resolved. If an offer under evaluation involves a challenged score, the contracting officer will consider the nature of the challenged data and its relevance to the acquisition as part of the award decision.
- The ABVS administrator will adjust the ABVS score if your challenge is upheld.
- Adjusted scores will be reflected in the next update cycle. These scores and status on challenged data will be available for review on the ABVS web site.
- Disputed data results when a challenge between contractor and government cannot be resolved.
- While every effort will be made to expeditiously resolve disputed data, the government is the final authority for its resolution and use in the source selection process, and may make an award decision despite the existence of unresolved challenges.

Using the ABVS score for evaluation

FSC scores are used when offers are evaluated. If a vendor does not have a FSC score in that particular federal supply class, a vendor's DLA score is used to evaluate its offer. The contracting officer may also consider the volume of business on which the FSC score is based as a measure of confidence in the score's indication of performance risk. He/she may choose to use the DLA score if he/she lacks confidence in the FSC score. The contracting officer also may use the DLA score if the FSC scores among offerors are relatively equal.

Offerors with no performance history will be not be evaluated favorably or unfavorably. A "999.9" is used to designate those instances wherein the offeror is unscored - that is, has no past performance history, has no history for the particular FSC or has no history for the timeframe being rated.

UNSUCCESSFUL OFFERORS

Notifications to Unsuccessful Offerors - FAR Subpart 15.5.03

Preaward notices –

(1) *Preaward notices of exclusion from competitive range.* The contracting officer shall notify offerors promptly in writing when their proposals are excluded from the competitive range or otherwise eliminated from the competition. The notice shall state the basis for the determination and that a proposal revision will not be considered.

(2) *Preaward notices for small business programs.*

(i) In addition to the notice in paragraph (a)(1) of this section, the contracting officer shall notify each offeror in writing prior to award, upon completion of negotiations, determinations of responsibility, and, if necessary, the process in FAR19.304(d)-

(A) When using a small business set-aside (see FAR Subpart 19.5);

(B) When a small disadvantaged business concern receives a benefit based on its disadvantaged status (see FAR Subpart 19.11 and FAR 19.1202) and is the apparently successful offeror; or

(C) When using the HUBZone procedures in FAR19.1305 or FAR19.1307.

(ii) The notice shall state-

(A) The name and address of the apparently successful offeror;

(B) That the Government will not consider subsequent revisions of the offeror's proposal; and

(C) That no response is required unless a basis exists to challenge the small business size status, disadvantaged status or HUBZone status of the apparently successful offeror.

(iii) The notice is not required when the contracting officer determines in writing that the urgency of the requirement necessitates award without delay or when the contract is entered into under the 8(a) program (see FAR 19.805-2).

Postaward notices –

(1) Within 3 days after the date of contract award, the contracting officer shall provide written notification to each offeror whose proposal was in the competitive range but was not selected for award (10 U.S.C. 2305(b)(5) and 41 U.S.C. 253b(c)) or had not been previously notified under paragraph (a) of this section. The notice shall include --

(i) The number of offerors solicited;

(ii) The number of proposals received;

(iii) The name and address of each offeror receiving an award;

(iv) The items, quantities, and any stated unit prices of each award. If the number of items or other factors makes listing any stated unit prices impracticable at that time, only the total contract price need be furnished in the notice. However, the items, quantities, and any stated unit prices of each award shall be made publicly available, upon request; and

(v) In general terms, the reason(s) the offeror's proposal was not accepted, unless the price information in paragraph (b)(1)(iv) of this section readily reveals the reason. In no event shall an offeror's cost breakdown, profit, overhead rates, trade secrets, manufacturing processes and techniques, or other confidential business information be disclosed to any other offeror.

Preaward and Postaward Debriefings - FAR Subparts 15.505 and 15.506

When contracting by negotiation, if you receive notice that you were either excluded from the “competitive range” or were not awarded the contract, you have the right to request a Preaward

Debriefing or a Postaward Debriefing. This is your opportunity to find out what you did right and/or wrong.

If you have been excluded from the competitive range, you may request a preaward debriefing OR postaward debriefing, not both, by submitting a written request for debriefing to the contracting officer within 3 days after receipt of the notice of exclusion from the competition.

(e) At a minimum, preaward debriefings shall include --

- (1) The agency's evaluation of significant elements in the offeror's proposal;
- (2) A summary of the rationale for eliminating the offeror from the competition; and
- (3) Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed in the process of eliminating the offeror from the competition.

(f) Preaward debriefings shall not disclose --

- (1) The number of offerors;
- (2) The identity of other offerors;
- (3) The content of other offerors proposals;
- (4) The ranking of other offerors;
- (5) The evaluation of other offerors; or
- (6) Any of the information prohibited in FAR 15.506(e).

FAR 15.506(e) states:

(e) The debriefing shall not include point-by-point comparisons of the debriefed offeror's proposal with those of other offerors. Moreover, the debriefing shall not reveal any information prohibited from disclosure by FAR 24.202 or exempt from release under the Freedom of Information Act (5 U.S.C. 552).

If you receive notification that you were not selected for contract award, you may request a postaward debriefing by submitting a written request for debriefing to the contracting officer within 3 days after receipt of the notice.

(d) At a minimum, the debriefing information shall include --

- (1) The Government's evaluation of the significant weaknesses or deficiencies in the offeror's proposal, if applicable;
- (2) The overall evaluated cost or price (including unit prices), and technical rating, if applicable, of the successful offeror and the debriefed offeror, and past performance information on the debriefed offeror;
- (3) The overall ranking of all offerors, when any ranking was developed by the agency during the source selection;
- (4) A summary of the rationale for award;
- (5) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror; and
- (6) Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed.

(e) The debriefing shall not include point-by-point comparisons of the debriefed offeror's proposal with those of other offerors. Moreover, the debriefing shall not reveal any information prohibited from disclosure by FAR 24.202 or exempt from release under the Freedom of Information Act (5 U.S.C. 552).

Debriefings of successful and unsuccessful offerors can be done orally, in writing, or by any other method acceptable to the contracting officer.

Preaward Surveys - FAR Subpart 9.106

According to the FAR, purchases shall be made from, and contracts shall be awarded only to responsible prospective contractors. The purchasing activity must evaluate the offerors in order to make a positive finding as to responsibility.

Getting accepted as a "responsible" contractor is not like getting on a qualified products list. You can't arrange for a survey at your convenience and wait until you are approved before submitting an offer. The determination of responsibility is done only in connection with an offer when you are the apparent low or otherwise successful offeror. To be found responsible, you must be able to demonstrate that you:

- (1) have, or are able to obtain, adequate financial resources;
- (2) are able to comply with the delivery requirements;
- (3) have a satisfactory record of performance;
- (4) have a satisfactory record of integrity and business ethics;
- (5) have, or are able to obtain, the necessary organization, experience, accounting and operational controls, and technical skills;
- (6) have, or are able to obtain, the necessary production, construction, and technical equipment and facilities; and
- (7) are otherwise qualified and eligible to receive an award under applicable laws and regulations.

Sometimes a contracting officer proposes to reject the apparent successful offer of a small business firm because of doubt as to whether the firm is sufficiently responsible to perform the contract. In that event, the case must be referred to the Small Business Administration. If the SBA determines that the small business firm is responsible, it issues a Certificate of Competency (CoC) to the contracting officer, who then must award the contract to the small business firm.

Certificate of Competency Program

http://www.sba.gov/aboutsba/sbaprograms/gc/programs/gc_certificate_competency.html

The Certificate of Competency (COC) program allows a small business to appeal a contracting officer's determination that it is unable to fulfill the requirements of a specific government contract on which it is the apparent low bidder. When the small business applies for a COC, SBA industrial and financial specialists conduct a detailed review of the firm's capabilities to perform on the contract. If the business demonstrates the ability to perform, the SBA issues a COC to the contracting officer requiring the award of that specific contract to the small business.

The COC program helps ensure that small businesses, especially those which are newly entering into the federal procurement arena, are given a fair opportunity to compete for and receive government contracts.

CONTRACT ADMINISTRATION

Defense Contract Management Agency (DCMA)

As previously stated, a single or multiple contracting officer(s) may be responsible for duties on a single contract. The Procuring Contracting Officer may delegate contract administration duties to another office. A contract administration office performs postaward functions related to the administration of contracts and preaward functions (e.g. Preaward Surveys).

The Defense Contract Management Agency (DCMA) is the Department of Defense (DoD) component that works directly with Defense suppliers to help ensure that DoD, Federal, and allied government supplies and services are delivered on time, at projected cost, and meet all performance requirements. DCMA directly contributes to the military readiness of the United States and its allies, and helps preserve the nation's freedom.

DCMA professionals serve as "information brokers" and in-plant representatives for military, Federal, and allied government buying agencies -- both during the initial stages of the acquisition cycle and throughout the life of the resulting contracts.

Before Contract Award

DCMA provides advice and services to help construct effective solicitations, identify potential risks, select the most capable contractors, and write contracts that meet the needs of our customers in DoD, Federal and allied government agencies.

After Contract Award

DCMA monitors contractors' performance and management systems to ensure that cost, product performance, and delivery schedules are in compliance with the terms and conditions of the contracts.

Postaward Orientation - FAR Subpart 42.501

To ensure smooth contract performance, you may request a postaward orientation be conducted. This aids both the Government and contractor personnel to:

- (1) achieve a clear and mutual understanding of all contract requirements, and
- (2) identify and resolve potential problems. However, it is not a substitute for the contractor's fully understanding the work requirements at the time offers are submitted, nor is it to be used to alter the final agreement arrived at in any negotiations leading to contract award.

Postaward orientation is encouraged to assist small business concerns.

The focus in a postaward orientation is usually on:

- Understanding the technical aspects of the contract;
- Identifying and resolving oversights;
- Preventing problems;
- Averting misunderstandings;

- How to solve problems that may occur later; and
- Reaching agreement on common issues.

Defense Finance and Accounting Service (DFAS)

The Defense Finance and Accounting Service is the financial and accounting organization for the Department of Defense. Through its Centers and network of decentralized customer support facilities, DFAS provides all of DoD with finance and accounting services. A part of the financial management services at DFAS is paying contracts.

Contractor and Vendor Payment Information Guidebook

<http://www.dfas.mil/contractorpay/ContractPayInformation011110.pdf>

This edition of the Contractor and Vendor Payment guidebook includes revised and/or expanded information concerning electronic commerce, Material Inspection and Receiving Report (Defense Department Form 250) processing, financing payments, regulatory requirements, and customer service.

DFAS is providing the information in this guidebook to assist you in preparing payment documentation, and to avoid billing errors that result in payment delays. Through this partnership, you can increase the accuracy and timeliness of your payment.

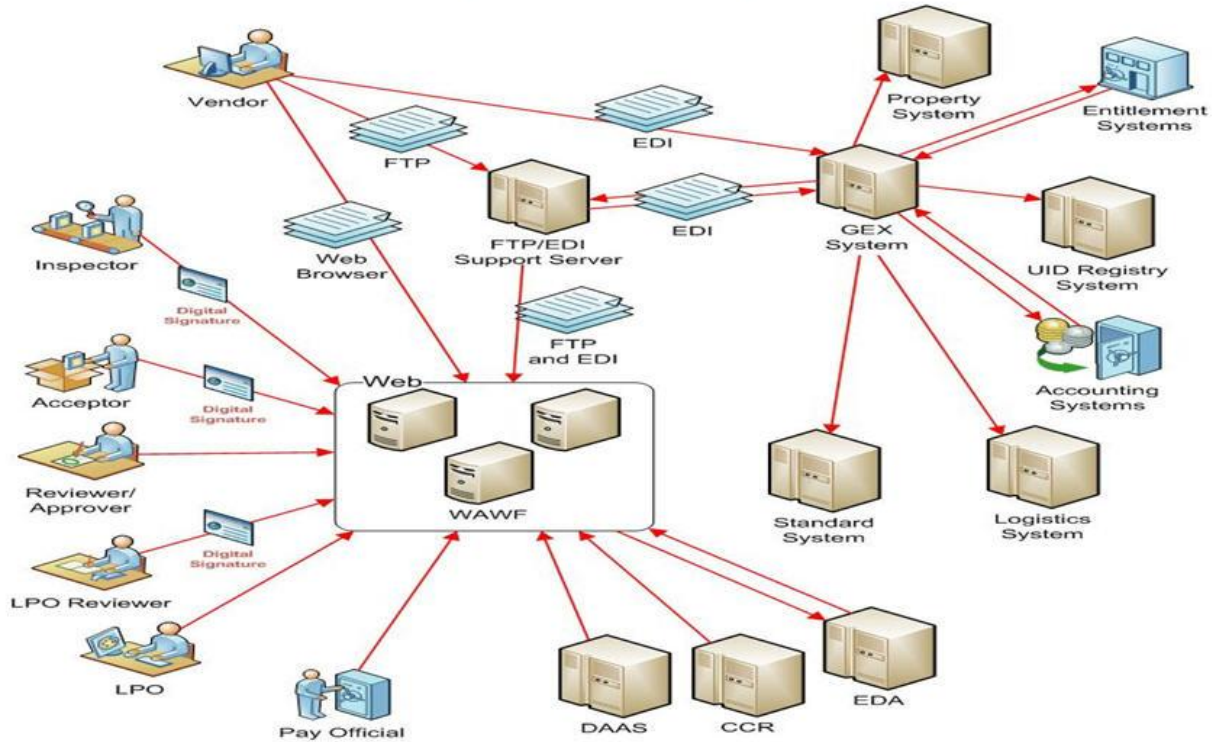
Your review of and adherence to this guidance will help minimize problems and make the payment process flow more smoothly. The information is intended to explain the payment requirements of numerous laws, regulations, and standard contract provisions. However, regulatory changes occur often, and in the event of conflict, the applicable laws, regulations, and contract provisions take precedence over the guidance in this guidebook.

Wide Area WorkFlow (WAWF) <https://wawf.eb.mil/>

Wide Area Workflow (WAWF) is a secure Web-based system for electronic invoicing, receipt and acceptance (see Figure). WAWF creates a virtual folder to combine the three documents required to pay a Vendor - the Contract, the Invoice, and the Receiving Report. Defense Federal Acquisition Regulation Supplement (DFARS) dated March 2008 requires the use of the WAWF electronic system for submitting and processing payment requests and receiving reports under DoD contracts. The WAWF application enables electronic form submission of Invoices, government inspection, and acceptance documents in order to support DoD's goal of moving to a paperless acquisition process. It provides the technology for government contractors and authorized DoD personnel to generate, capture, and process receipt and payment-related documentation, via interactive Web-based applications. Authorized DoD users are notified of pending actions by e-mail and are presented with a collection of documents required to process the contracting or financial action. It uses Public Key Infrastructure (PKI) to electronically bind the digital signature to provide non-refutable proof that the user (electronically) signed the document with the contents. More importantly, WAWF helps to mitigate interest penalty payments due to lost or misplaced documents and highlights Vendor offered discounts so that the DoD benefits on both fronts, in addition to streamlining the whole process from weeks to days or minutes. Benefits include online access and full spectrum view of document status, minimized

re-keying and improving data accuracy, eliminating unmatched disbursements and making all documentation required for payment easily accessible. WAWF is the system that allows DoD to reach its e-invoicing goals and reduce interest penalties due to lost or misplaced documents.

WAWF – Receipts and Acceptance Overview



NOTE:

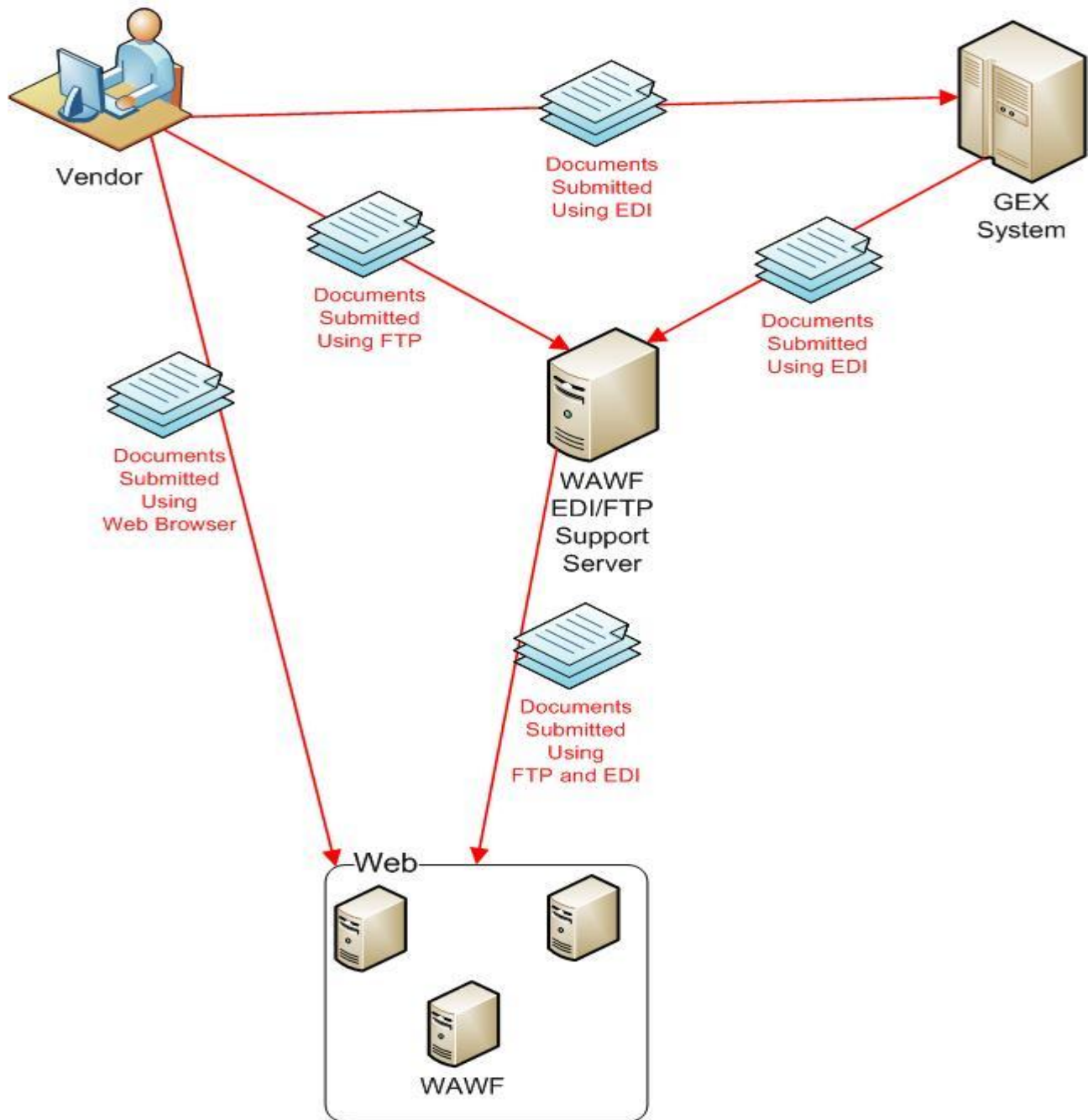
- CCR (Central Contractor Registration) - CAGE Code information is pulled from here.
- DAASC (Defense Automatic Addressing System Center) - DoDAAC information is pulled from here.
- EDA (Electronic Document Access) - contract information and CLIN information is pulled from here.
- GEX (Global Exchange Services) - converts Vendor EDI format to a WAWF User Defined Format (UDF).

WAWF also provides the capability to electronically capture and submit information in support of the shipment and the receipt of Government Furnished Property (GFP) by DoD and Vendor activities. This functionality provides all requiring activities, property managers, financial managers, and contractors the capability to access up-to-date information, on a need-to-know basis.

Vendors can submit documents electronically using one of three methods to submit data into WAWF:

1. Interactive Web Application

2. Electronic Data Interchange (EDI)
3. Secure File Transfer Protocol (SFTP)



These choices do not result in significant cost or require changes to existing processes. **Vendors who submit many documents, or have many Line Items on each document, should use SFTP or EDI to submit data into WAWF.** Vendors already using EDI will most likely prefer to use EDI with WAWF. SFTP would be less expensive to implement than EDI for new users.

After a Vendor uploads a file to the WAWF system using SFTP/EDI, a system-generated e-mail message will notify him/her of any accepted transactions, accepted transactions with modified data, or rejected transactions.

WAWF's interactive Web-application has a session time-out feature. This means it is only appropriate for a Vendor who can enter and submit his/her documents in a short amount of time.

Additionally, the Vendor will receive system-generated e-mail advising him/her of action taken by the Government Officials. If a document is rejected, the Vendor will have the capability to correct the data and resubmit. Thus, only the individual data elements need to be corrected as opposed to re-typing the entire document. Finally, the Vendor will be able to view previously submitted documents and determine the current status, review actions taken by Government officials (to include access to the name, e-mail and telephone numbers), and as appropriate, initiate follow-on actions.

Vendor Registration Instructions can be found at: <https://wawftraining.eb.mil/vreg.htm>

Prompt Payment - FAR Subpart 32.9

The Prompt Payment Act (PPA) requires Federal agencies to make invoice payments in a timely manner. Payment due dates are calculated in accordance with Federal Acquisition Regulation (FAR) 52.232-25. The due date for making invoice payments by the designated payment office shall be the later of the following two events (excluding the exceptions noted in FAR 52.232-25):

1. The 30th day after the designated billing office has received a proper invoice from the Contractor.
2. The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the date the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

If DFAS fails to make timely payment on a proper invoice, DFAS will issue a payment for interest in accordance with applicable laws. Payments for contract financing provisions, such as progress payments (for other than construction or architect-engineer contracts) are not subject to the Prompt Payment provisions. With the passage of Section 1010 of the National Defense Authorization Act for FY 2001, prompt payment interest is now applicable to interim cost vouchers on cost-reimbursement service contracts. While the passage of this act does not change the DoD policy for paying these vouchers within 14 days or less, it does mandate that interest be paid on these vouchers if we don't pay them within 30 days. Additional provisions are covered in 5 CFR (Code of Federal Regulations) Part 1315, Prompt Payment (formerly Office of Management and Budget (OMB) Circular A-125).

Fast Pay

If Federal Acquisition Regulation (FAR) 52.213-1, Fast Pay Procedures, is specified in your contract, you have the option to not prepare and distribute the DD Form 250 prior to requesting payment. If you exercise this option, your invoice must be prominently marked “Fast Pay” via manual or electronic means. Invoices not prominently marked “Fast Pay” may be accepted by the payment office for fast payment; however, if the payment office declines to make fast payment, the contractor will be paid in accordance with procedures applicable to invoices which the fast payment clause does not apply.

Requirements for Electronic Submission of Invoices and Receiving Reports

DFAS regulations require contractors and vendors to submit payment requests and receiving reports in electronic form. Wide Area Workflow (WAWF) is the accepted electronic method for the submission of payment requests and receiving reports; however, the Electronic Data Interchange (EDI) and Web Invoicing System (WInS) methods still have limited use by DFAS Accounts Payable activities. Exceptions to the requirement for electronic submission are outlined in DFARS 252-232.7003.

These exceptions are as follows:

- Purchases paid for with a Government-Wide commercial purchase card.
- Awards made to foreign vendors for work performed outside the United States.
- Classified contracts on purchases when electronic submission and processing of payment requests could compromise the safeguarding of classified information or national security.
- Contracts awarded by deployed contracting officers in the course of military operations.
- Purchases to support unusual or compelling needs of the type described in FAR 6.302-2.
- Cases in which the DoD is unable to receive payment requests or provide acceptance in electronic form.
- Cases in which the contracting officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the contractor.

Prior to contract award, the Procuring Contracting Officer (PCO) may authorize a contractor to use an electronic method other than WAWF, DFARS 252.232-7003(b). The PCO’s authorization will be reflected in Section G of the contract.

After contract award, the Administrative Contracting Officer (ACO) may authorize, in writing, the contractor to submit non-electronic payment requests and receiving reports when electronic submission would be unduly burdensome to the contractor, DFARS 252.232-7003(c)(3). Contractors must provide a copy of this written authorization with the payment request to facilitate processing and prevent inadvertent rejection of the paper document.

Requirements of a Proper Invoice

The following correct information constitutes a proper invoice per Prompt Payment Act standards, and/or is required documentation for payment requests submitted to the DFAS payment offices:

- (1) Name and address of contractor or vendor.
- (2) Invoice date.
- (3) Contract number (including the order/call number where applicable), or other authorization for delivery of goods or services. Note: Do not use the Bid or Solicitation number.
- (4) Invoice number, account number, and/or any other identifying number agreed to by contract.
- (5) Shipment Number, including the date (where applicable). Same as Block 2 of the DD Form 250. (See “Shipment Number Construction and Usage”, page 13 of “Contractor and Vendor Payment Guidebook” for format.)
- (6) Description: line item number, National Stock Number, Manufacture’s Part Number, unit of measure, quantity shipped, unit price, and extended amount, where applicable.
- (7) Shipping and payment terms (unless mutually agreed that this information is only required in the contract); including terms of any discount for prompt payment offered.
- (8) Taxpayer Identifying Number (TIN), unless agency procedures provide otherwise.
- (9) Electronic Funds Transfer (EFT) banking information, unless agency procedures provide otherwise, or except in situations where the EFT requirement is waived under 31 CFR 208.4.
- (10) Point of Contact (POC) name (where practicable), title and telephone number of person to notify in the event that the invoice is defective.
- (11) Other substantiating documentation or information required.

Required Supporting Documentation

Prior to disbursing funds on a contract, the disbursing office must be furnished with supporting documentation, that serves as evidence that a legal disbursement of public funds can be made. These supporting documents ordinarily consist of:

- Contracts or purchase orders.
- Invoices from contractors.
- Receiving reports furnished by offices receiving the property or services.
- Performance based payment event schedules.

The following information from receiving reports, delivery tickets, and evaluated receipts is required as payment documentation:

- (1) Name of Vendor/Contractor
- (2) Contract or other authorization number.
- (3) Description of goods or services.
- (4) Quantities received, if applicable.

- (5) Date(s) goods were delivered or services were provided.
- (6) Date(s) goods or services were accepted.
- (7) Signature (or electronic alternative when supported by appropriate internal controls), printed name, telephone number, mailing address of the receiving official, and any additional information required by the agency.
- (8) Except in situations where the EFT requirement is waived under 31 CFR 208.4. The contract will stipulate that banking information must be submitted no later than the first request for payment.
- (9) If using Fast Payment, the proper FAR clause stipulating Fast Payment is required.

For all this and more information regarding payment, go to the “Contractor and Vendor Payment Guidebook” at: <http://www.dfas.mil/contractorpay/ContractPayInformation011110.pdf>

NEW BUSINESS PRACTICES

X. NEW BUSINESS PRACTICES

For more than eight years, the United States of America has been fighting a global war on terror. The dispersed and asymmetric nature of our enemy has caused our military to adapt in performing its mission. We are operating today in locations that, from sheer distance and dispersion, place an enormous demand on the logistics infrastructure, capabilities and professional network of our nation. Collectively, America's military logisticians have been successful in supporting our fighting forces, largely due to the tremendous relationship they have forged between government and industry, improved methods of obtaining support from our industrial partners, and new methods of measuring supply chain effectiveness and delivering capability with precision.

As stated, DLA's top priority is always Warfighter support. Since its inception, DLA has changed its focus from simply achieving economies of scale for common items, to truly managing supplies, then to managing suppliers, to our current focus on better linking demand signals to potential sources of supply. Three key drivers occurring 2003 – 2008 set the stage for our business transformation; enterprise relationships, DoD Inventory Management/Asset Visibility, and DoD Joint Enterprise Procurement. We're using these three constructs to move DLA to where we intend to be in 2010 and beyond. The transformation focuses on end-to-end supply chain management to optimize performance of entire supply chains, placing DLA forward with the warfighter, and excellence in acquisition and contracts as a key part of our logistics strategy.

End-to-End (E2E) Supply Chain Integration (SCI)

- Configure the Agency to be agile and efficient to meet the need of the Joint warfighter
- Leverage existing core competencies to expand for support full E2E SCI
- Align new weapons system support to legacy weapon system support, balancing organic and contractor logistics support
- Structure supply chains to deliver and sustain specific weapon system requirements
- Acquire whole supply chains; ex. Privatization and Prime Vendors
- Where End-to-end supply chain does not exist, acquire & integrate: Performance Based Logistics support...Integrated Logistics Partnerships...Industrial Product-support Vendor
- Where Integration Services are not required, acquire strategic material with flexible response: Long Term Contracts...Transactional buys for non-strategic material
- Aligning internal performance measures with customer requirements
- Ability to balance resources with joint customer priorities
- Become National Supply Chain Manager for DOD. . .enabled by BRAC and Enterprise Business System (EBS)
- End-to-end Supply Chain Management... "Tailored Logistics Support"

BRAC 2005 provided DLA significant transformation opportunity

- Maximize warfighting capability efficiently.
- Realign infrastructure to meet the future Defense strategy

- Eliminate excess physical capacity to maximize operational capability
- Consolidate all Services Depot-level Repairable (DLR) Procurement Management, including Consumable Item Transfer
 - Drive efficiencies in procurement process
 - Leverage DoD's buying power through joint opportunities, eliminating duplication
 - Reduced items prices, reduced inventory levels
- Privatize Commodity Management –Compressed Gasses and Cylinders; Chemicals and Packaged Petroleum Oils and Lubricants; Tires
- Reconfigure Supply, Storage, and Distribution Management

Some of the types of contracts DLA is using are:

Long-Term Contracting

Long-term contracting allows us to increase productivity by reducing the number of routine contracting actions required. Long-term contracting can shorten Administrative Lead Times, thus increasing our ability to react swiftly to increasing or decreasing demand, and thus increasing our supply availability and decreasing potential supply excess. Long-term contracts reduce the contractor's administrative burden and result in stable production runs, thereby incentivizing contractors to do business with DoD. In our efforts to better serve the customer, we are seeking the methods which enable us to buy quality and value. Used properly, long-term contracting can complement these efforts and are not necessarily beyond the capabilities of small business.

Prime Vendor/Virtual Prime Vendor

This a long term contract with a commercial distributor, Original Equipment Manufacturer (OEM) or third party logistics provider for integrated logistics support that may include forecasting, inventory management, distribution, engineering support, technical services or other services to support our customer's needs. These type contracts normally include performance metrics.

Prime Vendor incorporates Electronic Data Interchange trading partnerships with commercial distributors of market-ready or commercial products. Supply centers arrange for pricing and distribution arrangements or corporate/long-term contracts to provide the products. Under Prime Vendor, regionally-grouped customers place their orders via an electronic catalog which is transmitted directly to the Prime Vendor. Order confirmation is received in minutes and routine delivery occurs within 24-48 hours. Special arrangements for expedited delivery can also be made.

Virtual Prime Vendor is the natural evolution of Prime Vendor. Under Prime Vendor, DLA partners with a quality contractor to furnish a broad range of items in a particular commodity group over a given geographic area for direct vendor delivery to customers. Virtual Prime Vendor relies on integrated supply chains to address an even wider-spectrum of customer support needs and crosses traditional commodity lines. This mirrors industry developments and allows DLA to take advantage of state-of-the-art commercial business solutions and emerging

technology to provide total logistics support for weapons systems. In short, the Virtual Prime Vendor's job is to anticipate customer needs and have supplies or services immediately available when and where customer need arises.

Small businesses can participate in Prime Vendor programs. Interested businesses should review the source selection and evaluation criteria in the solicitation. The criteria may include best value and other socio-economic factors.

Strategic Supplier Alliance (SSA)

Strategic Supplier Alliances (SSAs) address and incorporate new and better ways of doing business which consolidate our efforts across the supply chain. This involves long-term partnerships between DLA and key suppliers that establish relationships to accomplish mutually compatible goals. SSAs involve true corporate-wide arrangements that entail identifying process changes beneficial to both parties, aligning purchasing with manufacturing, and establishing performance-based objectives. Planning is collaborative and provides more information on future demands. This improves industry efficiency and reduces the number of contracts required. The overall goals of the SSA approach are improved availability, reduced customer wait time, reduced inventory and reduced total prices.

Strategic Materiel Sourcing (SMS) Program

Strategic Material Sourcing (SMS) is DLA's umbrella initiative that encompasses all of the Agency's "Shift to Commercial Practices" initiatives for hardware Class IV and IX items, e.g., Strategic Supplier Alliances and other long-term agreements. The initiative is based on expanding DLA's successful adoption of commercial practices for energy and troop support items by developing and applying similar corporate strategies and techniques to the hardware commodities. SMS targets a relatively small subset of the total DLA managed hardware items based on those NSNs that drive the Agency's business and/or have the most potential impact on readiness.

A significant key to program success is recognition that SMS can best be accomplished by changing acquisition strategies from the traditional "arms length" adversarial relationship to the more partner-driven integrated supply-chain management concept now found in the commercial sector. Utilizing commercial acquisition practices represents the Agency's largest target of opportunity for reducing logistics response time, inventory value, and operating costs while supporting DLA's Combat Support Agency mission.

Small businesses are an important consideration when SMS or "market baskets" are developed as recommended groupings for long-term contracts. In fact a number of these market baskets are specifically targeted to small business.

Performance Based Logistics (PBL) support

Performance Based Logistics (PBL) is a support strategy that places primary emphasis on optimizing weapon system support to meet the needs of the warfighter. Its primary tenets are

documentation of warfighter performance requirements as measurable metrics in Performance Based Agreements (PBAs), designation of single point accountability for performance with a Product Support Integrator (PSI), and development of support metrics and accompanying incentives to ensure that the performance objectives are met. In short, PBL is buying Performance, not transactional goods and services. PBL delineates outcome performance goals of weapon systems, ensures that responsibilities are assigned, provides incentives for attaining these goals, and facilitates the overall life-cycle management of system reliability, supportability, and total ownership costs. It is an integrated acquisition and logistics process for buying weapon system capability.

Source-of-support decisions for PBL do not favor either organic or commercial providers. The decision is based upon a best-value analysis or business case analysis of the provider's product support capability to meet set performance objectives. The major shift from the traditional approach to product support emphasizes what, not from whom, program managers buy. Instead of buying set levels of spares, repairs, tools, and data, the new focus is on buying a predetermined level of availability to meet the warfighter's objectives.

Integrated Logistics Partnerships (ILPs)

Military Service materiel commands have partnered with DLA to form integrated logistics partnerships (ILPs) to better support readiness while reducing total costs. In this “hybrid contracting solution,” DLA contracts for the commercial integrator of a supply chain at a production site (e.g, depot). This contracted integrator then turns to DLA for sourcing of consumable spares based upon a business case competition (DLA is providing the depot level reparable as well). The integrator then delivers all the parts requirements for a specific end item production line using service materiel command labor, DLA supplies, and the integrator’s owned stock.

Industrial Product Support Vendor (IPV)

The Industrial Product Support Vendor program provides integrated supply chain support for bench stock at DoD industrial depots and maintenance facilities. Bench Stock is the term used to define industrial hardware such as bolts, nuts, washers, etc. The Government currently has a similar contract in place at Anniston Army Depot (ANAD) and Red River Army Depot (RRAD) and recently awarded contracts for Letterkenny Army Depot and Tobyhanna Army Depot. For questions related to IPV, please send an email to DSCC.IPV@dla.mil

Enterprise Business System (EBS)

DLA's Program Executive Office currently employs EBS across much of its supply mission area. DLA introduced its first complete Enterprise Resource Planning (ERP) solution through the Business Systems Modernization (BSM) Program, which was fully operational in 2007. BSM and other complimentary systems now encompass the Enterprise Business System. EBS modernized and refined the Agency's supply chain management capability. EBS uses commercial off-the-shelf products to provide an ERP solution approach to manage its supply chains and facilitate for over 22,000 users operating in 28 countries worldwide.

EBS identifies areas for key process improvement, improves analysis, and offers greater agility in monitoring and tracking operational and fiscal performance. EBS provides Agency leadership the tools with which to respond to new challenges and trends. The overall modernization objectives for EBS include improving customer support and providing better access to DLA's portfolio of business systems and processes.

EBS continues to evolve both technologically and functionally. In 2008, EBS upgraded the SAP R/3 application to SAP ERP 6.0, the SAP Business Warehouse (BW) to version 7.0, and the SAP Enterprise Portal to version 7. Current developmental efforts to extend EBS capabilities include the enabling of modernized processes in areas such as energy and procurement.

EBS is composed of the following projects:

- **Energy Convergence (EC):** EC will automate work processes using COTS technology for all DESC business areas. It will integrate fuels commodity management with the DLA Business Enterprise Architecture.
- **EProcurement:** EProcurement will provide integrated procurement functional capabilities to the SAP ERP system, and add DLA organizations not originally intended to be addressed by the BSM program. The result will be an Enterprise-wide contracting system.
- **Inventory Management and Stock Positioning (IMSP):** The IMSP project extends the EBS process capabilities and system functionality necessary to support DLA's new consumer-level supply, storage, and distribution responsibilities taken on due to BRAC.
- **Enterprise Operational Accounting System (EOAS):** EOAS is a planned post-production enhancement to EBS that adds all operational accounting functions, business areas, and DLA organizations not originally intended to be addressed by the BSM Program. The result will be a financially compliant Enterprise-wide financial system.
- **Real Property:** Real Property will provide DLA with an integrated, enterprise tool to facilitate the management of installation assets and services necessary to support our military forces in a cost effective, safe, sustainable, and environmentally sound manner.
- **Theater Enterprise-Wide Logistics System (TEWLS):** TEWLS development efforts include the assemblage production (kitting) functionality, optimization of the use of DLA and Army cash, reduction of assembly production time and enablement of time-definite delivery of medical assemblies to the warfighter.

Supplier Information Resource Center <http://www.dla.mil/j-6/bsm/sirc/>

Our small business suppliers are integral to the success of BSM. You are key players in meeting our customers' requirements. By being informed and aware of changes, we can work together to ensure that the soldiers, sailors, airmen, and marines, have the right item at the right time and at the right place.

HOW CAN SMALL BUSINESS PARTICIPATE

The purpose of these new business practices is to leverage the capabilities of you in the private sector, so DoD can maintain its performance as it down-sizes. These new business practices present opportunities for small business. They represent a steady flow of business to the successful bidder, which makes it possible to plan better and make better use of resources. However, they also require more planning and work up front.

Industry Day

Often before a solicitation is issued under new business practices, the buying activity will hold an “industry day,” where interested companies can come in to learn about the proposed procurement, and express any concerns they may have. If you hear about such an industry day for products that you supply, it would behoove you to attend. It will help you get a better understanding of the Government’s requirement. It will also give you a chance to make recommendations to the contracting officer on how the procurement can be structured to make it easier for small businesses to bid. If you can’t go to the industry day, you can still bid when the solicitation is issued.

Once you receive the solicitation under these new business practices, you may find that it covers more items of supply than you have bid on at one time in the past, if you are used to competing for individual purchase orders. In addition, you may find the Government asking for direct vendor delivery in response to individual delivery orders, with fairly short delivery times. Don’t Be Intimidated by this! Small businesses have competed and performed successfully under these new business practices.

Teaming

It is necessary to understand the Government’s requirements, and then plan and establish the supplier relationships you need to be able to respond to that requirement. If you are a manufacturer who doesn’t want to perform third-party logistics functions, you may want to partner with a commercial distributor, either as a prime or subcontractor. If you’re a distributor, you probably are already performing functions called for under the new business practices; it may be just a matter of formalizing relationships with your suppliers so that you can respond quickly to delivery orders under your contract on a consistent basis.

Because contracts can now include a variety of products under a single solicitation, Teaming or Joint Ventures are recommended. Teams led by small businesses can strengthen the DOD supplier base by increasing the competitiveness of small businesses. If your company specializes in a particular product or service that will not cover everything required in a particular solicitation you are interested in bidding on, consider partnering or teaming as a way to compete.

If you are a small business who needs to gain the experience to hold your own in the government market, teaming can be a strategic move to gain the credibility you need to be awarded more government contracts, or subcontracts with a prime contractor. For more information on teaming arrangements, go to the “Guidebook for Facilitating Small Business Team Arrangements” at: <http://www4.va.gov/vetbiz/library/teaming.pdf>

APPENDIX A

ACRONYMS AND ABBREVIATIONS

AAFES	Army & Air Force Exchange Service
ACP	Allied Communications Publication
ANSI	American National Standards Institute
ARFCOS	Armed Forces Courier Services
ASC	Accredited Standards Committee
BAC	Billing Advice Code
CAGE	Commercial and Government Entity
CAO	Central Accounts Office
CAS	Contract Administration Services
COE	Common Operating Environment
COMM RI	Communications Routing Identifier
CONUS	Continental United States
CCSS	<i>Commodity Control Supply System</i>
CSC	Customer Supply Center
CWT	Customer Wait Time
CDA	Central Design Activity
DAAS	Defense Automatic Addressing System
DAASC	Defense Automatic Addressing System Center
DAMES	DAASC Automated Message Exchange System
DBR	Detail Billing Record
DD	<i>Department of Defense (form)</i>
DDP	Director, Defense Procurement
DESC	Defense Energy Support Center
DFAS	Defense Finance and Accounting Service
DFAS-CL	Defense Finance and Accounting Service - Cleveland Center
DFAS-DE	Defense Finance and Accounting Service - Denver Center

DFAS-IN	Defense Finance and Accounting Service - Indianapolis Center
DFAS-KC	Defense Finance and Accounting Service - Kansas Center
DFSP	Defense Fuel Support Point
DI	Document Identifier
DIELOG	DAASC Integrated E-mail Logistics
DII	Defense Information Infrastructure
DISN	Defense Information Systems Network
DIST CD	Distribution Code
DLA	Defense Logistics Agency
DLAI	Defense Logistics Agency Instruction
DLAR	Defense Logistics Agency Regulation
DLMS	Defense Logistics Management System
DLMSO	Defense Logistics Management Standards Office
DLSS	Defense Logistics Standard Systems
DRMO	Defense Reutilization and Marketing Office
DRMS	Defense Marketing and Reutilization Service
DoD	Department of Defense
DoDI	Department of Defense Instruction
DoDAAC	Department of Defense Activity Address Code
DoDAAD	Department of Defense Activity Address Directory
DUSD(L&MR)	Deputy Under Secretary of Defense, Logistics & Materiel Readiness
DSCA	Defense Security Cooperation Agency
DSN	Defense Switched Network
DTID	Disposal Turn-in Document
DTRA	Defense Threat Reduction Agency
EP	<i>Exchange Pricing</i>
FAA	Federal Aviation Administration

FMS	Foreign Military Sales
F.O.B.	Free On Board
FPMR	Federal Property Management Regulation
GCSS	Global Combat Support System
GSA	General Services Administration
ICP	Inventory Control Point
IMM	Integrated Materiel Manager
ISV	In-storage Visibility
LMP	<i>Logistics Modernization Program</i>
JANAP	Joint Army, Navy, and Air Force Publication
MAPAC	Military Assistance Program Address Code
MILSBILLS	Military Standard Billing System
MILSCAP	Military Standard Contract Administration Procedures
MILSTRAP	Military Standard Transaction Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MIPR	Military Interdepartmental Purchase Request
MRP	Materiel Returns program
NATO	North Atlantic Treaty Organization
no.	Number
NIIN	<i>National Item Identification Number</i>
NOAA	National Oceanic and Atmospheric Administration
NSN	National Stock Number
OSD	Office of the Secretary of Defense
OUSD(C)	Office of the Under Secretary of Defense (Comptroller)
PICA	<i>Primary Inventory Control Activity</i>
PC&H	Packing, Crating, and Handling
PQDR	Product Quality Deficiency Report

PRC	Process Review Committee
RCS	Report Control Symbol
RI	Routing Identifier
SARSS	<i>Standard Army Retail Supply System</i>
SHAPE	Supreme Headquarters Allied Powers Europe
SDR	Supply Discrepancy Report
SF	Standard Form
SSA	<i>Supply Support Activity</i>
TAC	<i>Type Address Code</i>
TCP/IP	Transmission Control Procedure/Internet Protocol
TDR	Transportation Discrepancy Report
U/I	Unit of Issue
UN	United Nations
U.S.	United States
USA	United States Army
USAF	United States Air Force
USD(A&T)	Under Secretary of Defense (Acquisition and Technology)
USD(C)	Under Secretary of Defense (Comptroller)
USN	United States Navy
USMC	United States Marine Corps
WEBREQ	Web Requisitioning
WWW	World Wide Web

APPENDIX B

APPENDIX B - USEFUL WEB SITES

Here is a list of Internet web sites vendors may find useful. (Please note: Listing of non-government sites is provided for information only and does not indicate an official or particular endorsement of these sites.)

DLA and Related Sites
DLA Headquarters (DLA)
<http://www.dla.mil>

DLA Acronym List
<http://www.dla.mil/acronyms/default.pdf>

DLA Logistics Operations (J-3)
<http://www.dla.mil/j-3>

Electronic Mall (E-Mall)
<https://email.prod.dodonline.net/scripts/emLogon.asp>

Document Automation & Production Service (DAPS)
<http://www.dla.mil/daps>

Defense Logistics Agency Publishing System (This site contains all DLA regulatory publications and select Department of Defense (DOD) publications.)
<http://www.dlaps.hq.dla.mil/>

DLA Procurement Gateway
<http://progate.daps.dla.mil/home/>

DLA Pacific
<http://www.dla.mil/pacific>

DLA Europe
<http://www.dla.mil/europe>

Defense Supply Center, Philadelphia (DSCP, formerly Defense Personnel Support Center)
<http://www.dscp.dla.mil>

Defense Supply Center, Philadelphia – Clothing and Textiles (DSCP, formerly Defense Personnel Support Center – C&T)
<http://ct.dscp.dla.mil/>

Defense Supply Center, Philadelphia - Medical (DSCP, formerly Defense Personnel Support Center - Medical)
<http://www.dmmonline.com/>

Defense Supply Center, Philadelphia - Subsistence (DSCP, formerly Defense Personnel Support Center - Subsistence)

<http://www.dscp.dla.mil/subs/submain.htm>

Defense Supply Center, Philadelphia - Construction and Equipment (DSCP, formerly Defense Industrial Supply Center)

<http://www.dscp.dla.mil/gi/>

Defense Supply Center, Richmond (DSCR)

<http://www.dscr.dla.mil/>

Defense Energy Support Center (DESC, formerly Defense Fuel Supply Center)

<http://www.desc.dla.mil/default.asp>

Defense Supply Center, Columbus (DSCC)

<http://www.dsccl.dla.mil/>

DLA Product Testing Center

<http://www.dsccl.dla.mil/offices/testcenter>

Defense Logistics Information Service (DLIS, formerly Defense Logistics Services Center)

<http://www.dlis.dla.mil/>

Defense Reutilization and Marketing Service (DRMS)

<http://www.drms.dla.mil/>

Defense Logistics Management Standards Office (DLMSO)

<http://www.dla.mil/j-6/dlmsol/>

This site includes Defense Logistics Management System (DLMS) and Military Standard Logistics "MILS" manuals, DLMS EDI conventions, proposed and approved Changes, committee minutes, and more.

Defense Automatic Addressing System Center (DAASC)

<http://www.dla.mil/daasc>

This site includes MILSBILLS fund codes, MILSTRIP distribution and Routing Identifier Codes, and much more. DAASC web-based queries (DODAACs, RICs, MAPACs) – select DAASC Services from menu and select the DAASINQ tab. This will provide the page from which to perform the queries.

Defense Distribution Center (DDC)

<http://www.ddc.dla.mil>

Non-DLA Sites

Defense Finance and Accounting Service (DFAS)

<http://www.dod.mil/dfas>

This site will answer your billing questions.

Master Transportation Account Code (TAC) Reference Table

http://192.67.251.41/tac_inq/tac_menu.html

This site is the official listing of valid TACs and TAC assistance information..

Defense Link

<http://www.defenselink.mil>

This site provides overall DOD information, including the latest press releases.

Defense Contract Management Agency (DCMA)

<http://www.dcms.mil>

Acquisition Web

<http://www.acq.osd.mil/acqweb>

Defense Emergency Supply Expert System

<http://www.desex.com>

Defense Publications

[http://www/defenselink/pubs/](http://www.defenselink/pubs/)

DOD Forms Program

<http://web1.whs.osd.mil/icdhome/forms.htm>

General Federal Government Information

<http://firstgov.gov>

White House

<http://www.whitehouse.gov>

Joint Electronic Library

<http://www.dtic.mil/doctrine/jel/index.html>

Defense Institute of Security Assistance Management (DISAM)

<http://disam.osd.mil>

General Services Administration (GSA)

<http://www.gsa.gov>

Government Printing Office (GPO)

<http://www.gpo.gov>

U.S. Customs Service

<http://www.customs.ustreas.gov/index.htm>

Air Force
Home Page
<http://www.af.mil>

Fact File
http://www.af.mil/news/indexpages/fs_index.html

Aerospace Maintenance & Regeneration Center
<http://www.dm.af.mil>

Ogden ALC, Hill AFB
<http://www.hill.af.mil>

Oklahoma ALC, Tinker AFB
<http://www.tinker.af.mil>

Special Operations School, Hurlburt AFB
<http://www.hurlburt.af.mil/usafsos>

Army Home Page
<http://www.army.mil>

Armaments & Chemical Acquisition and Logistics Activity (ACALA), Rock
Island Arsenal
<http://www-acala1.ria.army.mil>

Aviation and Missile Command (AMCOM), Redstone Arsenal
<http://www.redstone.army.mil>

Communications-Electronics Command (CECOM), Ft. Monmouth
<http://www.monmouth.army.mil/cecom/cecom.html>

Industrial Operations Command (IOC), Rock Island Arsenal
<http://www.ioc.army.mil>

Missile Command (MICOM), Redstone Arsenal
<http://www.redstone.army.mil>

Safety Center, Ft. Rucker
<http://safety.army.mil>

Simulation Training & Instrumentation Command (STRICOM)
<http://www.stricom.army.mil>

Tank Automotive & Armaments Command (TACOM)
<http://www.tacom.army.mil>

Marines Home Page
<http://www.usmc.mil>

Navy Home Page
<http://www.navy.mil>

Fact File
<http://www.chinfo.navy.mil/navpalib/factfile/ffiletop.html>

Navy Electronic Directives System
<http://neds.nebt.daps.mil>

Naval Inventory Control Point (NAVICP)
<http://www.navicp.navy.mil>

Naval Inventory Control Point, International Programs (Code OF)
<http://www.navicp.navy.mil/of/ofhome.htm>

Naval Air Systems Command (NAVAIR)
<http://www.navair.navy.mil>

Naval Facilities Engineering Command (NAVFAC)
<http://www.navy.mil/homepages/navfac>

Naval Sea Systems Command (NAVSEA)
<http://www.navsea.navy.mil>

Naval Supply Systems Command (NAVSUP)
<http://www.navsup.navy.mil>

U.S. Coast Guard
<http://www.dot.gov/dotinfo/uscg>