



THE LINK

Connecting Suppliers with DLA



Issue 15
January 2020

2020 TKO Mark Your Calendars!

TKO Seminars are
FREE!

Learn how to do business with
the Government

March 17—18

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Register at: <https://tko.dla.mil/>

All seminars are held in

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dodlogisticsagency](https://www.youtube.com/user/dodlogisticsagency)

Customer Direct Orders Going to Navy Ships

The Navy has updated its process for handling orders going to ships, including those containing hazardous material. As a result, orders going to ships have only the name of the ship listed under the “freight shipping address,” along with Naval Supply Systems Command (NAVSUP) contact information.

Therefore, instead of using the Vendor Shipment Module (VSM) to get labels and documentation, suppliers who receive awards for materials going to Navy ships will need to contact (NAVSUP) when ready to ship. NAVSUP will send the supplier a spreadsheet that must be completed and returned.

Upon receipt of the completed spreadsheet, NAVSUP will provide labels and a contiguous United States (CONUS) ship to location to either an aerial or a water port. This applies to both FOB destination and FOB origin (non-FDT) shipments. The Navy is responsible for providing the Transportation Account Code (TAC) on the spreadsheet for movement of these orders from the aerial or water ports to the final destination. The TAC is valid only for the shipment on the spreadsheet and should not be used on other shipments unless NAVSUP tells the supplier otherwise.

This change simplifies the freight quoting process for suppliers when quoting on customer direct orders going to ships by FOB Destination. Suppliers are responsible for freight charges to CONUS locations for shipments identified as FOB destination. The supplier will only be reimbursed for freight charges to the CONUS port if the order is FOB origin (non-FDT).



DLA Aviation's Supplier Operations Commodities Directorate Post Award Workload Realignment

DLA Aviation's supplier operations commodities directorate (Richmond, VA only) is excited to announce they have changed the look and feel of the post award division to optimize the health of the supply chain. On the week of 10 November 2019, the Commodities Post Award Division began a workload realignment changing supplier points-of-contact requiring contract administration actions. This does not include the Original Equipment Manufacturer (OEM) Post Award Division.

DLA recognizes every supplier request for information and assistance must be visible and addressed quickly and efficiently; therefore, contract administration will be managed by four (4) new "branches" within the overall Commodities Post Award Division:

Delinquency Branch - Workload will consist of administering contracts that have not shipped (or services that have not been performed) by the contract delivery date (CDD).

Vendor Request Branch - Workload will consist of processing Post Award Requests (PARs) and alternate supplier inquiries.

Quality Notification Branch - Workload will consist of processing inquiries and internal/external documentation of Quality Notifications and Product Quality Deficiency Requests (i.e. inferior product).

Customer Facing Branch - Workload will consist of fielding inquiries from DLA's military customers and the Defense Contract Management Agency (DCMA); also, DLA Aviation post award administrators will be contacting suppliers to request contract status and/or contract expedites.

What does this mean for DLA's suppliers?

Contracts will now be assigned to an administrator based upon the last two digits of the NSN; therefore, a supplier could have more than one DLA point of contact. None of these changes will affect payment processing procedures or time to pay.

How will suppliers know who to contact at DLA?

Contract administration will be managed exclusively via a Post Award Request (PAR). Contract inquiries or requests for action will no longer be accepted through email or telephone communication. Requests for a contract administration action must be submitted through a PAR. PARs can be created and submitted via the DIBBS website: <https://www.dibbs.bsm.dla.mil//>



CHANGES TO DLA CONTRACT PAYMENTS AND DIBBS PAYMENT TERMS

As of November 15, 2019, DLA transitioned from a 15-day accelerated payment for small businesses to payment within 30 days for contracts with payment terms of 30 days.

Also on November 15, 2019, for all suppliers, DIBBS no longer accepts a quote with the payment terms of Net 10 in accordance with DLAD 32.904(b)(1)(S-90) (Revised October 11, 2019 through PROCLTR 19-19). The web quote form will no longer provide this option in the Prompt Payment Discount Terms drop down. Batch/EDI will now return an error for field 25 when using a value of "15" representing Net 10 payment terms, so please select a different valid value. For those that have set the default value on DIBBS to Net 10 it will be reset to Net 30. If you wish to default to one of the other valid values (Net 30; 2% 10 days; 1/2% 20 days; 1/2% 10 days, or 1/4% 20 days), then you must access your profile and change your default to a valid value.

AUTOMATED INDEFINITE DELIVERY CONTRACTS - AIDC

On the evening of November 21, 2019, DLA implemented a new process allowing the issuance of Automated Indefinite Delivery Contracts (AIDC) below the Simplified Acquisition Threshold under DLAD Subpart 13.390. A limited number of AIDC solicitations (designated by a “U” in the ninth position of the solicitation number) were issued on 26 Nov 2019. An AIDC is a long-term contract for a single material that DLA stocks and generally plans to order multiple times per year. These contracts will have coverage period of one year and will include a guaranteed contract minimum quantity. The solicitation will contain our estimated annual buy quantity. This is our best estimate of what we believe we will order over the next year; however, our customers’ demands do change so the quantity is not a guarantee. The total value of all orders placed against the contract will not exceed the contract maximum of \$250,000 (Simplified Acquisition Threshold). Solicitations will be open for 14 days (initial population was 21 days), have no phased delivery, and no quantity ranges. Evaluation will be based on a single price decision. Surplus offers and alternate offers will not be allowed (they will be considered a bid with exception). AIDCs will cause a number of changes to DIBBS. Here is a summary of changes suppliers will see:

AIDC solicitations only:

- An AIDC indicator on the search results screen
- An AIDC search filter
- A new required question related to the minimum buy quantity of each order when quoting on AIDC solicitations
- Quotes on AIDC solicitations must be valid a minimum of 90 days to be a bid without exception and considered for automated award.
- Quoting surplus on an AIDC solicitation is a bid with exception and will not be considered.
- Quantity price break ranges were removed and must be null in batch/EDI for AIDC solicitations.

Both AIDC and non-AIDC solicitations:

- Quotes will be able to be submitted as a “Bid With Exception” where remarks are the only exception taken; however, a quote that is a “Bid With Exception” is not considered for an automated award.
- Trade Agreements (FAR Subpart 25.4) certifications will be added to the quote form when applicable.
- Quoting any change to the inspection point from the solicitation requirement will now be a bid with exception and the quote will not be considered for an automated award.

PROCUREMENT FRAUD CONVICTION AND SENTENCING

Daniel Norton was sentenced on November 18, 2019 in U.S. District Court for the Southern District of Ohio to eight years in prison, three years supervised release, and ordered to pay restitution of \$2,384,025.71. After six days of trial in April, Mr. Norton pled guilty to one count of conspiracy to commit wire fraud, one count of concealment money laundering, and one count of tampering with documents or proceedings. Mr. Norton and his company, Emerson Company, were debarred by DLA in 2011. Mr. Norton then continued to do business with DLA by recruiting people to start companies to do his bidding on solicitations, then he would supply the parts to DLA. There were 134 test failures under contracts delivered by these nine companies. This is the longest prison sentence in the Southern District of Ohio for a DoD procurement fraud case. Mr. Norton’s co-defendant, Timothy Kelly, was scheduled to be sentenced on December 12, 2019. More details provided in the link below.



<https://www.justice.gov/usao-sdoh/pr/business-owner-sentenced-8-years-prison-crimes-involving-more-2-million-department>

WHAT SHOULD YOU DO WITH CLASSIFIED MATERIAL AFTER CONTRACT CLOSEOUT?

DoD DLA suppliers should take note of the recent changes made to the DD254 form. Additional policy was added to the Continuation Pages Reference Item(s) 5, 11b, and 11c of the form. This policy mandates DoD suppliers to dispose of **ALL** classified material provided by DLA at closeout or termination of the contract. Suppliers may either return the classified information to the agency or provide a copy of the completed DL5502 Vendor Classified Document Accountability form at closeout or termination of the contract.

Suppliers should note this requirement is a paradigm shift in DLA's policy on the retention of classified information. The previous guidance was in line with basic National Industrial Security Program Operating Manual (NISPOM) policy, allowing for an automatic two (2) year retention time of classified information; however, the previous guidance allowed for no follow up from the supplier regarding the classified material after lapse of the retention period. This updated policy allows DLA to make attempts to regain the classified material from the supplier.

For questions related to the DD254 form contact the following:

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CLOSEOUT

SAVE THE DATE!

**2020 DLA L&M Supplier Conference and Exhibition
"Knowledge and Innovation: The Power of Partnerships"**

August 25-26, 2020

**Greater Columbus Convention Center
Columbus, OH**

FedBizOpps.gov (FBO.gov) has been decommissioned and its critical functionality has been transitioned to beta.SAM.gov.

How is beta.SAM.gov Organized?

One website for people who make, receive, and manage federal awards



Government Procurement Conference

beta.SAM.gov | For People Who Make, Receive, and Manage Federal Awards

* Not yet the authoritative source
Italicized content is coming soon

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Beta.SAM.gov has the same federal business opportunity capabilities found in FBO.gov along with new improvements, such as:

- The ability to search for opportunities by number, keyword, or location for more precise results (including easy-to-use search filters)
- Easy to read headers that will allow users to reference key information quickly
- The option to access previous versions of opportunity notices with one click
- The ability to set up notices, with a simple click, that will send notifications when frequently used contract opportunities are updated
- The ability to manage alerts easily through a new user workspace (frequency, turn on/off)
- A user-friendly design with logical navigation and industry best practices embedded
- Shared login, search, workspace, data services, reports, and a design that will allow users to leverage other Integrated Award Environment (IAE) system data easily

User Video: <https://beta.sam.gov/cm/videos/detail?id=135>

For more information email: iaeoutreach@gsa.gov