



**DEFENSE LOGISTICS AGENCY**  
**Disposition Services**

**REQUEST FOR TECHNICAL PROPOSALS**  
**(RFTPs)**  
**Number 16-6049**

**Scrap and Salvage Recycling**  
**Term Sale**  
March 2016

**STEP ONE OF TWO-STEP SOLICITATION**

**Note: RFTP 16-6049 responses must be a complete package**

## **EXECUTIVE SUMMARY**

Defense Logistics Agency (DLA) Disposition Services is planning to offer current and future generations of Scrap and Salvage Property (henceforth referred to only as "Property") on a "proceeds sharing" basis. This contract will provide access to this material (ferrous, non-ferrous, and non-metallic material) for a minimum of thirty-six (36) months, subject to termination. Property locations include multiple Department of Defense (DoD) installations throughout the United States including Alaska, Hawaii, Puerto Rico, Guam and possibly the U.S. Virgin Islands.

This initiative supports the Government's focus on partnering with industry. Under the Draft Invitation For Bids (Draft IFB) that accompanies this RFTP, DLA will provide the Contractor rights to the Property described therein and obtain a share of all gross proceeds obtained upon resale. (Excluded Property includes material bearing precious metals, certain other material, and electronic scrap). The Government anticipates that this business arrangement will provide benefit through more effective marketing, higher profits, lower costs and an increase in sales proceeds to the U.S. Treasury.

This proceeds sharing sale contract will be awarded using a Two-Step competitive sales process consisting of two distinct steps: (1) Step One - solicitation, submission, and evaluation of technical proposals to determine acceptability; and (2) Step Two - issuance of an IFB only to those firms that submitted acceptable technical proposals under Step One. Award of the sale contract will be made based on the highest Bid Price offered by a responsive and responsible bidder.

The primary Scrap Yard locations offered in this RFTP/IFB are set forth in the accompanying IFB.

In addition, Property for which DLA Disposition Services is accountable; is generated from other Department of Defense (DoD) activities located at various other places in the pertinent geographic area and is also being offered under this RFTP/IFB.

Accordingly, you are invited to submit a technical proposal **WITHOUT BID PRICE OR BID DEPOSIT** in accordance with the following Requirements and Criteria for Technical Proposal for the sale described in the attached Draft IFB. The Draft IFB is provided for information only and is not to be completed or submitted with the technical proposal. This RFTP identifies how the technical proposal is to be organized, evaluation factors, and specifics on the Business Plan and Operational Plan that are required to be included in the proposal. Unless otherwise indicated, capitalized terms are defined in the Draft IFB.

Bidders are advised to submit technical proposals that respond to the requirements of this RFTP and are complete without additional explanation or information, since the Government may make a final determination whether a proposal is acceptable or unacceptable solely on the basis of the proposal as submitted and may proceed directly with the second step of this sale without requesting or permitting the submission of further information from any bidder.

This Request for Technical Proposals is not binding on the Government and does not in any way commit the Government to pay for any costs incurred in the preparation and submission of the requested technical proposal nor does it commit the Government to contract for the Property described in the Draft IFB. Proposed contractual requirements (e.g., terms and conditions) will be contained in the IFB actually issued under Step Two and are provided in the attached Draft IFB for information purposes only.

Each bidder shall submit eight copies of its technical proposal to:

Mr. Leonard Clyde  
Sales Contracting Officer  
DLA DISPOSITION SERVICES J-423  
74 North Washington Avenue  
Battle Creek, Michigan 49037-3092

*Your technical proposal must be received no later than 4:00 pm EST on January 29, 2016*

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## **REQUIREMENTS AND CRITERIA FOR TECHNICAL PROPOSALS**

### **A. FORMAT**

To maximize efficiency and minimize the proposal evaluation process, each bidder shall submit its technical proposal in accordance with the format provided below. DLA believes that sufficient latitude is provided such as not to prejudice or limit the comprehensiveness of the proposal.

Each bidder shall submit only one technical proposal (eight copies) in response to this solicitation subject to the following requirements and limitations:

- Title Page: "Unpriced Technical Proposal." The title page of the technical proposal shall include: (1) the solicitation number of the Request for Technical Proposal (16-6049); (2) the company name of the bidder; (3) the bidder shall identify those portions of its technical proposal that contain copyrighted or proprietary or similar proposal data, and shall also clearly mark each page of its proposal that contains such data with a restrictive legend indicating the protectable type of data contained therein.
- A table of contents, identifying the major sections of the total proposal as set forth below, by volume (if applicable, although multiple volumes are neither required nor expected) and by page, shall be placed in the front of each volume.
- The unpriced technical proposal shall be submitted in 3-ring notebooks to permit removal of sections for the purpose of separate evaluation. The company name of the bidder shall appear only at the top of the first page and nowhere else in the proposal except in appendices. Each page of the proposal that contains company proprietary data shall so state.

The technical proposal is the primary basis for the evaluation of: (a) the degree to which the bidder's claims of performance capacity are supported, and (b) the ability of the bidder to perform in accordance with the requirements. The technical factors to be considered are those discussed herein.

Each bidder is cautioned to pay particular attention to the following factors in preparing its technical proposal and to provide sufficient detail in the proposal to demonstrate its complete understanding of the scope of the work involved, including the requirement to comply with all federal, state, and local laws and regulations.

The technical proposal shall be sufficiently detailed, specific and complete as to enable Government personnel to make a thorough evaluation of the proposal and a sound determination that the bidder will have a reasonable likelihood of meeting the requirements and objectives of the Government. The technical proposal, therefore, shall clearly and fully demonstrate that the prospective bidder has the intent and capability of instituting new business practices, of operating cost-effectively, of adding value to and increasing the re-sale price of the Property and of minimizing costs.

The following technical proposal organization is required to facilitate the technical evaluation:

- I. TITLE PAGE
- II. TABLE OF CONTENTS
- III. EXECUTIVE SUMMARY
- IV. OPERATIONAL PLAN
- V. BUSINESS PLAN
- VI. LIST OF APPENDICES
- VII. IDENTIFICATION OF MARKETING CONSULTANTS/ADVISORS

## **B. EXECUTIVE SUMMARY**

The executive summary shall highlight the bidder's approach and summarize the key capabilities and general features of the bidder's resources, its financial capacity, its experience and its understanding of the business and of the operational efforts required by this solicitation.

## **C. OPERATIONAL PLAN**

Provide a description of your technical approach that demonstrates the capability to market, unload/load, sort and add value to the Property, as well as the quality assurance practices planned to ensure compliance with all federal, state, and local laws and regulations. Make explicit the assumptions upon which the plan is based. (In developing a technical approach, bidders should take particular note of the requirement in the IFB that all Affiliate Transactions are forbidden except for the very few Permitted Affiliate Transactions that are expressly identified as such in the IFB.) The technical approach must also address the following with a plan or inapplicable statement:

### **1. Procedures Demonstrating Capability**

Provide procedures to be followed when performing under the contract, including how the bidder will:

- Receiving/Sorting Scrap: Contractors ability to identify and sort the various materials received. Explain tools/process used to identify all the potential alloys or metals that could be received (Titanium, Aluminum, High temp alloys)
- Increasing value of Scrap: Explain the processing that may be used to increase the value of the scrap for marketing and resale purposes.
- Processing: Explain any processing that you plan to use to prepare inventory for resale buyers. This should include an explanation of how the Property itself will be enhanced, as well as what types of creative processing and/or re-sale marketing methods should be used, including, if applicable, e-commerce, and joint ventures or other arrangements with processors, brokers or other participants in the Scrap industry.
- Previous Sales History: Provide previous sales history of a wide range of materials/property.

Assume for the purpose of your proposal that the DLA Scrap Yards presently undertake little or no segregation (sorting) or processing beyond that provided by the generator that turns the Property in to DLA, and that Property is "turned in" to DLA both physically at specific Scrap Yard locations and received in-place at generating activities. Also assume that DLA

presently participates in no e-commerce involving sales of Property other than to publish electronic versions of sale catalogs on the DLA Web site, <https://www.sales.dla.mil/dlab2b/init.do>. Assume further that, subject to DLA approval, applicable law and host installation requirements, existing DLA equipment will be available for your use and that you will be able to undertake on the premises of a particular DLA Scrap Yard any processing that you determine is appropriate using either available DLA equipment or your own. The description of procedures should demonstrate the bidder's ability to meet the time frames in the contract, and to demonstrate the bidder's understanding of the scope of the work effort required and the degree of difficulty involved.

## **2. Removal and Facilities/Storage**

Provide a plan or description showing how the bidder proposes to handle the removal and storage of Property. The plan should meet the removal and sale deadlines under the contract. Describe the planned arrangement of facilities to accommodate the flow of Property. Include sufficient information to provide an understanding of how the inventory flow will be incorporated into the proposed facilities (i.e., when Property will be stored, where and for how long), including your plan for processing Property received in-place at the generators' facilities. Assume for the purpose of your proposal that you will have use of the DLA Scrap Yards except for portions thereof required by DLA for receiving and demilitarization activities, and that, at most Scrap Yards, DLA will provide Government employees who will receive scrap from the generator and turn it over to the Contractor.

## **3. Environmental & Safety Procedures, Licenses, Permits**

Provide a plan (first five pages) for compliance with Environmental & safety procedures required by appropriate EPA and OSHA standards, describe how you intend to obtain any necessary licenses and permits and address how you intend to comply with the environmental requirements identified in Article Fifteen. (Offerors should note that a host installation may require safety procedures that exceed OSHA requirements.)

## **4. Accountability**

Provide a plan to meet the requirements of the contract for maintaining accountability of Property, including, for example:

- a. Tracking all financial proceeds.
- b. Tracking physical inventory, its location, its sale status, and identification of the re-sale buyer;
- c. Controlling and tracking all Demilitarization as a Condition of Sale Property until it is demilitarized. ("Demilitarization as a Condition of Sale" means that items turned in to DLA with a demilitarization requirement must be demilitarized, either by the Purchaser or its resale buyer, as required by DoD regulations, and that title to the resulting Property does not pass until the demilitarization is properly completed.) Property that results from demilitarization will be treated similarly to the other Property received by the Purchaser under this contract.

## **5. Software**

a. Identify the particular software package(s) that you expect to use or that you are considering using for meeting applicable inventory management, accounting and reporting obligations, and provide a plan for an interim system to use for these purposes until the permanent system is in place.

b. Identify the Marketing software that you expect to use and provide the average number of bidders per sale, average number of bids per sale, percent of sales receiving no bids and example screen views of the landing/home page, search page and bidding page. If you do not have experience with a marketing/auction application, explain how you will market the inventory to bring competitive auctions to the market place.

## **6. Internal Controls**

Provide a plan for quality control (internal controls) regarding Property removal, accountability, transport of Property, financial flows, and other applicable parts of your technical proposal and the requirements of this contract. Include specific provisions for managing and approving negotiated sales (or "private treaty sales"), i.e., those that do not arise out of an open competitive process such as an auction or sealed bid sale, and for approving decisions to accept or reject particular bids in auctions, sealed bid sales or other types of sales.

## **7. Post-Award Period and Phase-In Period**

Provide a plan for the steps that you will take, including hiring of personnel, acquisition of facilities, equipment and software, and other steps, during the five (5) week period between the post-award conference and the initial Property Referral, and for handling the four (4) month Phase-In Period that follows the initial Property Referral. Include any logistical issues that you anticipate with respect to establishing procedures and working relationships with field personnel and adapting procedures to the initial Property flow. Your plan should be based upon an expectation that you will need to cooperate with Government personnel or contractors at each Scrap Yard, that your staff must arrange for Delivery (as well as resale and removal) on a timely basis of all material referred for sale by DLA, and that your activities should not hinder the DLA personnel from performing their duties.

## **D. BUSINESS PLAN**

### **1. Management and Organization**

The proposal shall demonstrate that the corporate organization of the Contractor supports the level of effort required to improve the net proceeds received upon re-sale of the Property to be acquired under the proposed contract. Make explicit the assumptions upon which the plan is based.

### **2. Project Organization**

The bidder shall describe its own, and any proposed subcontractor organizations' plans for managing the contract, including the services to be provided by subcontractors, with respect to both Contractor duties and operations. The relationship of the Contractor's organization to other Contractor management structures up to and including senior management, the responsibilities of the Contractor's management and its authority to commit corporate

resources to overcome obstacles, the Contractor's authority to draw upon Contractor funds to fulfill the requirements of the contract, the Contractor's relationship to, and control of, major subcontractors, and the proposed method of liaison with the Government (apart from required written reports) are examples of issues that could be addressed. (Bidders should note, however, that all Affiliate Transactions are forbidden except for the very few Permitted Affiliate Transactions that are expressly identified as such in the IFB.) If the prospective bidding entity is newly formed for the purpose of performing this contract, provide either a copy of the joint venture agreement or other organizing documents in the appendices to the technical proposal or an organizational description.

### **3. Key Personnel and Staffing**

Supply names and resumes of the Chief Executive Officer and all other Key Persons of the Contractor (including employment history with the Contractor and/or prior employers) and principal assistants. Include experience on similar projects. Provide in your plan estimates of the number of personnel required by the Purchaser to meet the requirements of the proposed contract, by function. *Designations of Key Persons will be incorporated by reference into the contract, and the Contractor will be permitted to revise such designations only with written notification to DLA. The balance of the technical proposal will not be incorporated into the contract.*

### **4. Risk Factors**

Discuss the important risk factors that you believe are involved in successfully completing this contract, such as related to requirements, scheduling, workforce, logistics and financial capacity.

### **5. Financial Plan**

Provide financial projections for the contract that demonstrate an understanding of the scope of the work and the financial requirements of the contract. Provide an estimate (or an estimated range) of the Contractor working capital required to fund the financial requirements of the contract. State all important assumptions underlying the financial plan. *You do not need to include any hypothetical Bid Price in your plan.*

### **6. Financial Capacity**

The bidder must provide as part of its business plan, with reference to its financial plan and the bidder's projected working capital requirements for satisfactory performance of the contract, evidence of (a) sufficient financial capacity to fund the Contractor's operations, and (b) the source( s) of the required capitalization. Your demonstration should show that the prospective Contractor has reasonably sufficient financial capacity to meet financial requirements and contingencies associated with performing the contract. Provide as much financial information as is necessary to support your demonstration of financial capacity and to assist DLA in its evaluation.

### **7. Experience**

Provide the name, address, phone number, contract number (if applicable) and a brief description of comparable services, for commercial clients, government agencies or on the bidder's own account, that the bidder has rendered within the last five (5) years. Bidder must

provide evidence of demonstrable experience in business arrangements involving the removal and re-sale (while adding value) of large and varied quantities of Property (such as that covered by the Draft IFB). The experience of the bidder and Key Persons should be described.

## **E. APPENDICES**

Provide a five (5) year financial history (annual income statements and balance sheets) and any other supplemental or supporting technical or financial information deemed necessary by the bidder. If your business structure is such that additional financial information is necessary to establish the requisite financial capacity, such as financial statements of general partners or joint venture partners for a newly formed entity, include that information.

## **F. IDENTIFICATION OF MARKETING CONSULTANTS/ADVISORS**

To assist DLA in screening for potential organizational conflicts of interests, including conflicts of interest with any non-Governmental employee who may provide review, analysis, or verification of data in connection with the evaluation of technical proposals, all bidders must identify any marketing consultant or advisor used in the preparation of its proposal, as addressed below, or state that no such advisor or consultant participated in the preparation of the proposal. All offerors submitting technical proposals are required to complete the certification below. This information will not be used in the process of evaluating technical proposals.

### **1. Definitions**

"Marketing consultant" and "advisor" are used interchangeably herein to mean any independent contractor who furnishes advice, information, direction, or assistance to a bidder/offeror in support of the preparation or submission of a proposal, bid, or offer for a Government contract by that bidder/offeror. An independent contractor is not a marketing consultant/advisor when rendering

- (1) Routine engineering and technical services (such as installation, operation, or maintenance of systems; equipment, software, components, or facilities);
- (2) Routine legal, actuarial, auditing, and accounting services; or
- (3) Training services.

A firm or individual is not an independent contractor within the context of this provision if the advice, information, direction, or assistance rendered is offered within the context of its/his own independent analysis and due diligence regarding whether to extend credit, financial services or support, or bonding to the bidder/offeror.

Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance of advice to the

Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

The term "solicitation" as used in this provision includes use of the RFTP and IFB to solicit bidders for the sale of scrap Property proposed by this RFTP.

## **2. Use of Marketing Consultants or Advisors**

An individual or firm that employs, retains, or engages contractually one or more marketing consultants or advisors in connection with a solicitation or contract shall submit to the contracting officer, with respect to each marketing consultant or advisor, the information requested below, with respect to this DLA RFTP.

Name(s) of marketing consultant/advisor: (If none, so state; if more than one, use a separate sheet, if necessary.)

Taxpayer Identification Number of the marketing consultant/advisor.

Name, address, and telephone number of a responsible officer or employee of the marketing consultant who has personal knowledge of the marketing consultant or advisor's involvement in the contract.

A description of the nature of the services rendered or to be rendered by the marketing consultant or advisor.

The name, address, and telephone number of the client or clients, and the name of a responsible officer or employee of the marketing consultant/advisor who is knowledgeable about the services provided to such client(s), and a description of the nature of the services rendered to such clients, if, based on information provided to the bidder/offeror by the marketing consultant, any marketing consultant is rendering, or has in the twelve months preceding the closing date of this RFTP, rendered services respecting the same subject matter of the instant solicitation, or directly relating to such subject matter, to the Government or any other client (besides the bidder/offeror).

In the event that it is determined that a conflict of interest may exist, the DLA Sales Contracting Officer (SCO) may require the apparent successful bidder to provide a certificate signed by the marketing consultant stating that the consultant has received the guidance contained in Federal Acquisition Regulation (FAR) Subpart 9.5 and Office of Federal Procurement Policy Letter 89-1, and the marketing consultant has made inquiry, and to the best of the consultant's knowledge and belief, the consultant has provided no unfair competitive advantage to the bidder/offeror with respect to the services to be rendered in connection with the solicitation, or that any unfair competitive advantage that, to the best of the consultant's knowledge and belief, does or may exist, has been disclosed. (Note: Although this RFTP and IFB will result in a proceeds sharing sales contract and is not subject to the FAR, the guidance of FAR 9.5 is relevant to a consideration of any potential conflicts of interest as addressed in this clause and will be considered by DLA in evaluating any potential conflicts of interest.)

## **G. SUBMISSION OF PROPOSALS, LATE SUBMISSIONS AND MODIFICATIONS**

## **OF TECHNICAL PROPOSALS UNDER TWO-STEP FORMAL ADVERTISING**

Technical proposals and modifications thereof must be delivered by 4:00 pm EST on January 29, 2016 to DLA Disposition Services J-423, Federal Center, Room (2-4-30), 74 Washington Avenue N., Battle Creek, MI 49037, ATTN: Mr. Leonard Clyde. Any technical proposals or modifications thereof received after 4:00 pm EST on January 22, 2016 will not be considered. **Technical proposals and modifications sent by facsimile are not acceptable.**

The only acceptable evidence to establish the time of receipt by the Government is the time/date stamp at DLA Disposition Services.

### **H. EVALUATION CRITERIA**

The evaluation of the Operational and Business Plans will consider completeness and clarity, degree of compliance with the RFTP, and the likelihood that the approach will meet the Government's objectives. The Operational and Business Plans are considered to be of equal importance. Each factor will be rated as acceptable, reasonably susceptible of being made acceptable, or unacceptable. The introduction and any supplemental information provided will be evaluated only in conjunction with the whole technical proposal and only to the extent that they support the individual plans discussed above.

A technical proposal will not be technically acceptable unless it is determined technically acceptable for each plan. If a proposal contains a significant deficiency for a plan, it will not be considered technically acceptable for that specific plan. A deficiency is defined as that part of a bidder's proposal that would not meet the Government's objectives on this contract. Acceptability of each technical proposal will be based upon (1) compliance with the requirements of the foregoing paragraphs concerning content of the technical proposal including, at a minimum, information satisfying the elements in each paragraph or subparagraph of the operational and business plans, and (2) the technical proposal, clearly demonstrating that the bidder understands the scope and nature of the Draft IFB requirements.

### **I. ORAL OR WRITTEN DISCUSSIONS**

The Government may request clarifying or supplemental information and/or conduct oral or written discussions with bidders whose technical proposals are rated reasonably susceptible of being made acceptable. The Government may, however, make a final determination whether a proposal is acceptable or unacceptable solely on the basis of the proposal as submitted and proceed directly to the second step of this sale without requesting or permitting the submission of further information from any bidder. Therefore, each initial technical proposal submission should contain the bidder's best terms from a technical standpoint.

### **J. NOTICE OF UNACCEPTABLE PROPOSALS**

When a technical proposal is rated unacceptable either initially or after clarification/ discussions), the DLA Sales Contracting Officer will notify the bidder of the basis of the determination and that a revision of the proposal will not be considered

**K. ATTACHMENT: DRAFT IFB (PROVIDED FOR INFORMATION ONLY)**

Attached is the draft proposed Invitation for Bids (IFB) to be issued under Step Two. Your technical proposal should comply with the requirements set forth therein. The proposed IFB is provided for information only. **You are not to complete any forms herein nor are you to provide any actual bid price with submission of your Step One technical proposal.**

The Government fully intends to offer the proposed solicitation as contained herein. However, the Government reserves the right to make changes to the proposed solicitation if such changes are deemed in the best interest of the Government. Any such changes from the proposed IFB will be highlighted in the final IFB. Should any such change make an otherwise acceptable technical proposal unacceptable that bidder will be contacted for further clarifying information.