

Frequently Asked Questions

Pertaining to RFTP and IFB Number 16-6049

1. On RFTP page 5, paragraph C.3, the Government states, "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." Does the parenthetical "(first five pages)" mean that the Government only desires to see the first five pages of the bidder's applicable procedures? In other words, is it the Government's intent to limit bidders' responses to the Environmental & Safety procedures to five pages?

We have amended the RFTP to remove the parenthetical "(first five pages)."

2. On RFTP page 7, paragraph D.3, the Government states, "The balance of the technical proposal will not be incorporated into the contract." This is a departure from the Government's previous position with respect to technical proposals. Why is the Government not holding bidder's to their technical proposals by incorporating them in their entirety into the contract?

The Key Personnel designations in the successful bidder's technical proposal shall be incorporated into any contract awarded in response to this IFB. In all other respects, the provisions of this IFB shall govern the contract contemplated hereby without regard to assumptions, plans, forecasts, conditions or any other matters set forth in any prospective bidder's technical proposal submitted in Step One.

3. On RFTP page 7, paragraph D.5, the Government states, "You do not need to include any hypothetical Bid Price in your [financial] plan." What is the purpose of a financial plan given that the payment to the Government is primarily a percentage of gross proceeds?

The Government wants to ensure any prospective buyer understands the financial obligation of the contract.

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 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.

4. In section 6 on page 6 of the RFTP under Internal Controls it states "include provisions for managing and approving negotiated sales (or "private treaty sales"). This conflicts with the IFB which states under Article 8, Section 1 that all sales must be made by auction to a third party. Please confirm the use of auctions to third parties is the requirement.

The requirements you are stating are contained within Article 5, Section 2 of the IFB.

The final version of the IFB will include additional sales methods.

5. Will the Government request a demonstration of the Contractor's web accessible application required under Article Eleven, Section 2 to demonstrate the offeror's ability to comply with the requirements of the RFTP?

No.

6. On RFTP page 7, paragraph D.5, the Government states, "Provide financial projections that demonstrate an understanding of the scope of the work and the financial requirements of the contract." Does this mean you want us to present all of our operating costs to meet the requirements outlined in the IFB to run the contract, such as our costs and plan for staffing all government facility scrap yards, equipment acquisition and operating costs, destructive scrapping expenses, licensing and permitting costs, web contract application development costs, sales and marketing costs, finance, accounting and back office costs, etc?

Per the RFTP Page 7, Section 6, "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. In certain instances we may elect to utilize the services of our partners. Those services may range from short hauling scrap to processing property that we believe we can mill to increase the value for the DLA and us. While many of those contractors are identified, many have not been. Are we allowed to reference "our partners" or must we be explicit in identifying who they are at this time? It is important to note that we will find it difficult to identify these groups at this time if required to do so.

If the contractors are identified they should be listed. If they have yet to be identified, the reference to "our partners" will be acceptable.

8. How should we handle references to our marketplaces in the response? We understand that we are not to include reference to [our company name] in the text, but in many places where we include images our webpages, are we meant to remove or block out [our] logos?

Per Page 3 of the RFTP: "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."

9. On IFB page 6, General Statements of Contract, the Government states, "DLA Disposition Services does not accept rubbish, refuse or trash from its customers and this type of property will not be issued under the contract." This statement appears to be at odds with the language in Article Six, Section 4(E), which states,

"No Contractor Returns - Contractor does not have right to return unsaleable property or property with low to no sales profit margin. The Government recognizes that some commodities will be delivered that represent recycling challenges (Tires, wood, scrap furniture, textiles, and other non-metallic) that will require unique and challenging solutions. The Government will not reimburse for disposal or land fill costs for any property referred in this contract."

What mechanism exists to prevent local DLA DS from funneling trash to the Contractor, for example, reclassifying trash as "mixed paper," given the apparent inability of the Contractor to reject property that is not within the scope of the contract?

The local DLA DS is not permitted to reclassify trash into an SCL other than B00 (Rubbish, trash or any type of debris scheduled for A&D and generated from segregation of other scrap).

Mixed paper (SCL A05) is described as ‘free of any non-paper substances that cannot be manufactured into paper or products by the process normally used for making paper.’ SCL A05 is included in the Item Description section of the IFB.

The Government will refer inventory received as an item and downgraded.

10. On IFB pages 22-23, Article Six, Section 1(B), the Government states, “The government has sole discretion to determine what property will be sold to the contractor, and the contractor has a contractual obligation to purchase and accept all property referred by the government except for hazardous waste.” On IFB page 11, Item Description, the Government states, “Excluded from this sale is property with a Hazardous Materials Code of “W” (Hazardous Waste), precious metals coded property (SCL code beginning with a P or V), Rubbish, Refuse and Trash, and Electronic scrap in SCL codes; D4R, DMF and FPI.” Please clarify whether or not the Contractor has a contractual obligation to accept Rubbish, Refuse, Trash and Electronic scrap if referred by the Government.

We will not deliver the property types referenced above. They are not a part of this contract. The contractor will not be obligated to accept Rubbish, Refuse, Trash, and Electronic scrap. Scrap and Salvage will be delivered as defined in the IFB.

11. In the IFB, the terms “Buyer” and “Contractor” appear to be used interchangeably and are sometimes capitalized and sometimes not capitalized throughout the IFB. Neither term is defined in the IFB or the definitions section. Are the terms “Buyer” and “Contractor” synonymous? If not, what is the distinction between the two terms? Will the final IFB contain definitions of these

The final version of the IFB uses the terms “Resale buyer” and “Purchaser” in lieu of “Buyer” and “Contractor. Both new terms have been defined in the IFB.

12. On IFB page 10, the Government refers to the Contractor's "Re-Sale Buyer." This term is not defined. Will the IFB be amended to add the definition here or in the definitions section?

The final version of the IFB will contain the definition of this term.

13. On IFB page 9, General Statements of Contract, the Government indicates that a risk factor to the Contractor is a potential protest of the contract award, either to the Government Accountability Office or through litigation, which may involve the Contractor as a party. Does the Government mean that it would not indemnify and/or defend the Contractor under any potential protest scenarios and that bidders should expect to be responsible for their own legal costs related to the defense of such a protest?

DLA will not indemnify nor defend the Contractor.

14. On IFB page 24, Article Six, Section 3, please clarify whether the Government or the Contractor is responsible for receiving and validating scrap, commodity, weight, and Demil code from the generator. Will scrap always pass from the generator to DLA DS to the Contractor?

Contractor duties will be limited to unloading DLA DS customer turn-ins of scrap and, when requested, advise on the proper SCL for the property.

Yes, scrap will always pass from the generator to DLA DS to the Contractor.

15. On IFB page 14, Article One, Section 5, the Government requires that bidders be prepared to respond to a Pre-Award survey to determine if the bidder can satisfactorily perform the work per their technical proposal. If the Government does not intend to incorporate the technical proposal into the contract, why are bidders being measured against their technical proposals in the Pre-Award Survey?

Sections of the technical proposal may be incorporated in the contract terms and will be in agreement with the IFB. The Government reserves the right to validate any process or proposal identified in the Technical Proposals to meet the requirements of the IFB.

16. On IFB page 15, Article Three, Section 1, the Government indicates that the Sales Contracting Officer has the sole discretion to determine the adequacy of guaranteed instruments provided as a bid deposit. Will the SCO accept a third-party check as a bid deposit?

Yes, the SCO will accept a third-party check as a bid deposit as long as it meets the requirement of 32 CFR Ch. 1 §172.5 (c)(1): "When a sale is conducted by a DoD Component, cash or its equivalent shall be collected for bid deposits and for remaining amounts due. Guaranteed negotiable instruments, such as [...] certified checks, [...] bank drafts, or postal money orders are acceptable as a cash equivalent."

17. On IFB page 32, Article Nine, Section 1, the Government indicates that Government furnished material handling equipment may be either dedicated or shared with the Contractor for use under the contract, but that DLA reserves the right to relocate such equipment based on the Government's needs. When such material handling equipment is being repaired and maintained by the Contractor, how much notice and in what form will the Contractor be notified of the Government's decision to relocate such equipment? How can shared equipment be the responsibility of the Contractor when the Contractor has no control over the DLA operator's qualifications or conduct?

Written notice regarding equipment relocation will be given within 30 days or as soon as practical depending on circumstances and mission requirements.

The Contractor will bear no responsibility for damages caused by DLA employees.

18. On IFB page 39, Article Twelve, Section 17, the Government states, "Upon confirmation of an audit adjustment, Contractor will pay to the party in question, or the party will pay to Contractor, as the case may be, the amount required to restore the parties to their respective positions status quo ante, and Contractor will correct the records in accordance with the audit adjustment as confirmed." This sentence implies that a party other than DLA Disposition Services could be entitled to payment, yet there is no mention in the IFB of any third party beneficiaries to the agreement. Please clarify what is meant by this sentence.

There are no third-party beneficiaries in this contract.

19. On IFB page 45, Additional Contract Advisements, the Government indicates that it will assume no liability for any damages to the property of the Contractor or for any personal injury, illness, disability or death related to the issuance of hazardous property under this Contract. Please clarify if this disclaimer refers only to the issuance of hazardous property that the Contractor has knowingly agreed to accept and sell, or if it includes the unintended issuance of property that is hazardous, but was not known by the Contractor to be so at the time of acceptance. Additionally, please indicate on how many occasions hazardous property was inadvertently delivered to the Contractor under the prior Scrap contract.

Per the referenced advisement: "The Contractor agrees to hold harmless and indemnify the Government for any and all costs and expenses incurred incident to any claim, suit, demand, judgment, action, debt, liability costs and attorney's fees or any other request for monies or any other type of relief arising from or incident to the purchase, use, processing, disposition, subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of this item, material or substance, whether intentional or accidental.

20. On IFB page 46, Additional Contract Advisements, the Government states, "Contractor shall exercise reasonable care in the circumstances to avoid accepting from DLA DISPOSITION SERVICES or generators any material that available radioactivity test equipment indicates is radioactive above applicable legal limits." This statement implies that the Contractor will perform the receiving function in some instances, whereas the IFB states in Article 8, Section 1, that the Contractor is responsible only for unloading. Please clarify.

Contractor duties will be limited to unloading DLA DS customer turn-ins of scrap and, when requested, advise on the proper SCL for the property.

21. On IFB page 40, Article Thirteen, Section 4, the Government requires that the parties use Alternative Dispute Resolution (ADR) techniques to resolve any disputes that cannot be resolved through the unassisted negotiations between the parties. Will such ADR be binding on the parties?

No.

22. On Sale By Reference ("SBR") page 20, Part 4, Section 2, the Government states, "A pre-payment of 20% of the estimated total price for one year's removal of property will be required." This language conflicts with the payment deposit language in IFB Article Three, Section 2, which requires a one-time payment deposit of \$100,000.00 to be retained by the Government during the life of the contract. Please explain this apparent conflict.

All of Part 4 of the SBR is excluded in this contract, per the Terms and Conditions of Sale.

23. On SBR page 32, Part 7, Article J, the Government states, "Asbestos shall be presumed present unless shown to the contrary by air samplings." This statement appears to contradict language in the IFB stating that hazardous materials will not be issued to the Contractor unless by mutual agreement. Please reconcile these two statements.

The Government may inadvertently deliver scrap property that may contain constituents of asbestos. In cases in which we do deliver, under a mutual agreement, proper procedures will be followed in accordance with the SBR.

24. On SBR page 32, Part 7, Article M, the Government states, "Asbestos waste, scrap, debris, bags, containers, equipment and asbestos-contaminated clothing cosigned for disposal, which may produce airborne concentrations of asbestos fibers, shall be collected and disposed of in leak-proof, sealed, impermeable bags, as prescribed in 29 CFR 1910.1001, 53 FR 35610, September 14, 1988, and 40 CFR 61.20 et. seq." Does the Government intend to deliver scrap property to the Contractor that contains asbestos packing material? Was the Contractor advised in advance that it would be receiving asbestos-contaminated material?

The Government may inadvertently deliver scrap property that may contain constituents of asbestos. In cases in which we do deliver, under a mutual agreement, proper procedures will be followed in accordance with the SBR.

25. On SBR page 36, Part 7, Article Y, the Government states, In the event that more than one bid is received on any hazardous item(s) in the Sales offering, the Government at the discretion of the Sales Contracting Officer, if in the best interest of the Government, may award the item to one or more Bidders provided the bid prices are reasonable for the property offered. The provision will go into effect when the high Bidder refuses to accept any or all of the property contained in an item award, based on the provisions set forth in Article titled, "Right of Refusal for Hazardous Property". Is the Contractor required to include in the Technical Proposal an indication of its intent to accept or not accept hazardous materials or would the offer of hazardous materials by the Government be made to the Contractor after award of a contract has been made?

No, the potential bidder does not need to include an indication of its intent to accept or not accept hazardous materials. Part 7, Article Y is excluded from the IFB.

The Government may elect to offer property consisting of hazardous material (under mutual agreement), such as batteries, some petroleum-based products and range residue. If elected to do so, this will be post contract award. The bidder intent will be determined at that time.

26. On SBR page 42, Part 9, Section 2, the Government states, "In the event mailed-in or hand-carried bids are provided for in the Sale and a bid deposit is required, such bids must be accompanied by a bid deposit of 20% of the total amount bid and must be in the possession of the Contracting Officer by the time and date set forth in

the Sale.” This language conflicts with the bid deposit language in IFB Article Three, Section 1, which requires a bid deposit of \$100,000.00 to be retained by the Government. Please explain this apparent conflict.

This section of the SBR will be excluded from the final version of the IFB.

27. On SBR page 45, Part 10, Section 2.a., the Government states, “Unless full payment is required, the successful Bidder for any item must make a partial payment on the day of the sale of at least 20% of the total amount awarded to him/her.” This language conflicts with the payment language in the IFB, Article Five, Sections 1-3. Please reconcile this apparent conflict.

This section of the SBR will be excluded from the final version of the IFB.

28. On IFB page 16, Article Three, Section 4, the Government states, “Property Damage Liability Insurance in the amount of two hundred fifty thousand dollars (\$250,000.00)(which shall include any and all property whether or not in the care, custody or control of Contractor). The annual coverage shall be not less than one million dollars (\$1,000,000).” Under what circumstances would the Government expect the Contractor’s insurance to cover damage to property that was not under the Contractor’s care, custody or control?

This policy is intended to cover any damages caused to Government-owned equipment or real property.

29. On IFB page 11, ITEM DESCRIPTION, the Government states, “The Government may elect to offer property consisting of hazardous material (under mutual agreement), such as batteries and some petroleum based products. The Government may elect to offer property consisting of range residue (under mutual agreement).” Please provide the previous five years’ sales history for these items, as well as the volume and location where these items have been sold in the past five years so that we may better evaluate the potential opportunity being offered by the Government.

We will include this data on our public website at a later time.

30. On IFB page 11, ITEM DESCRIPTION, the Government states that other items such as certain hazardous materials and range residue may be offered to the Contractor. Is the Government currently aware of any information on the likelihood that any hazardous material, range residue or other material not previously included in the scrap material stream will be offered to the Contractor under the new scrap contract?

The Government may elect to offer property consisting of hazardous material (under mutual agreement), such as batteries, some petroleum-based products and range residue. This will be post contract award, the bidder intent will be determined at that time.

31. Our research has shown that there has been property damage, personal injuries and fatalities incurred by explosions of ordinance that have been recovered as scrap materials. Will the Government indemnify the Contractor for these risks?

DLA will not indemnify nor defend the Contractor.

32. In the similar revenue sharing model under the CV4 rolling stock contract, it would appear that the contractor may attempt to keep 100% of the referral revenues, fees or other benefits from referring shipping of items through a third party shipping partner, or from marking up the cost of

shipping above its costs. Will the contractor be able to keep any referral revenues or fees from third parties that provide services to the contract? Will the contractor be able to keep 100% of any mark-up on shipping or other services (e.g. inspection services, etc.) that it performs to operate the contract?

No to both.

33. In Section 13 on page 42 of the IFB it says "All information provided in such Q&A is not included in the terms and conditions of this IFB or resulting contract." How can we be expected to provide an informed bid if we cannot rely on the answers provided in the Q&A?

These questions and their answers are our best interpretations of the draft version of the IFB as well as the RFTP. They are not binding.

34. Are we to still expect SCL code EC2 (Vehicles, tactical)? How is that different than rolling stock?

Yes; Scrap EC2 (non-Demil) vehicles safe for sale and vehicles requiring DCOS are allowed under this contract. Usable rolling stock will be referred to the CV4R contract.

35. The two vehicles we saw on the flatbeds at Ft. Bragg, would that be an example of EC2?

The two armored vehicles would not be an example of EC2 because they are Demil-required.

36. With respect to contractor facilities, it appeared the new contract would be serviced solely in DLA installations. Whereas the current contractor has three leased facilities referenced in "Redacted DoD Surplus Financials 13-14". Will you expect usage of contractor leased facilities as well?

We do not expect it, but the draft version of the IFB does allow it with SCO concurrence.

37. IFB Article 9, Section 1 – Government-furnished Equipment: Can you please clarify who is responsible for the costs of fuel to operate GFE?

The purchaser is responsible for that cost.

38. IFB Article 11, Section 6 – Contractor Staffing of Scrap yards: Can you please quantify the weight threshold of “low volume” sites? Can DLA provide consistent staffing expectations (days per week and hours per day) for all sites?

Yes to both; the Schedules on our public site have been updated.

39. What is the composition of MUT and MFS? We appreciate that you can't know exactly, but we'd appreciate an approximation, or at minimum, a description of these property types so that we can extrapolate what type of scrap material is underlying.

We cannot add this data to our public site.

40. By dollars, can you break out historic SICs? Which of these SICs will continue to be reimbursable vs. need to be taken on by the contractor in 16-6049?

The data we are allowed to release on SICs is currently under the FOIA section of our public site. SICs were used as a result of modifications to the contract in support of missions that were not initially covered by the IFB. The concept of "seller indirect cost" was created to shift the risk of potentially harmful, excessive, unknown and inestimable costs from a Purchaser back to Disposition Services. Prior to issuing the IFB in 2004, DRMS's (now Disposition Services) market research revealed that there was significant risk for many potential bidders because of costs that could not be estimated and would remain unknown, especially for "in place" or "off-site" referrals. Historical data is not representative of future SICs.

41. Is KGP still a recipient of the revenue share?

No, KGP will not be a recipient under this contract.

42. In the Excel historical files, we should remove SCL codes: FPI, DMF, D4R, C03, correct? Any others?

That is correct; no others.

43. How many RIP sites must we manage?

It is a fluid number. Please refer to Schedule F for more information as it is available.

44. Can you provide us with control group sales by location?

Yes, we have added this data to our public site.

45. In the file “Historical Summary of Material Issued...” will you add B00 as a proxy for what a contractor would have to recycle, and information for Lejune, Cherry Point, and Bragg?

Yes, we have added this data to our public site.

46. In the file, "Scrap Material Release Orders," will you add B00 and a column for disposition status (e.g. sold vs. disposed) as a proxy for what happened to the material?

Yes, we have added this data to our public site.

47. In the file, "Scrap Receipt Information," will you add B00?

Yes, we have added this data to our public site.

48. Will you update the Schedules?

Yes; the Schedules have been updated.

49. How has the Greening Program changed and how will it impact the Scrap & Salvage Recycling contract workload?

The Greening Program has ceased; scrap volume referred may increase as a result.

50. Are there any known future DOD operational changes that will significantly impact the generations (quantity/locations) of scrap during the period of the contract?

We do not foresee any DOD operational changes that would greatly impact future scrap volume.

51. What drove the workload increases during the last few years at Red River, Lewis, and McAlester and are these conditions expected to continue?

The increase in volume was due to divestiture due to drawdowns. No guarantees that the current workload is representative of future workload at those sites.

52. What caused the FY15 workload at Anniston to decrease by approximately 60% since 2009 levels?

This is a depot, and scrap generation has decreased since the Army drawdown.

53. Identify how much of the historic FY14 and FY15 workload data is from RIP locations and how much from Disposition Services scrap locations.

We have updated the historical data on our public site.

54. Provide historic workload (SCL, weight, and disposal cost) of low value property that was disposed of by DLA that will now be included in this contract.

We have updated the historical data on our public site.

55. Request workload data for FY13.

We have updated the historical data on our public site.

56. Request that Disposition Services provide historic information or projection on sources of

scrap origin (Generator turn-ins, downgrade by Disposition Services, scrap from DEMIL).

We have updated the historical data on our public site.

57. Request that Disposition Services provide historic 1st QFY16 scrap volume and mix by site for material targeted for the Scrap and Salvage Recycling contract.

We have updated the historical data on our public site.

58. Is it possible to estimate the underlying property types in Misc. and unsegregated scrap (e.g. H13, H24, H50 and M14)?

No.

59. Will H01, H02, H03, P04, P05, P06, P07, P08, P12 be part of the contract on a go forward basis? In other words, will the winning contractor be required to sell/dispose/recycle these property types?

No.

60. Per Section 3 of the IFB for 16-6049, the awarded contractor must obtain a \$5M Financial Guarantee Bond. I would like to request that the DLA reconsider the size of this bond. We fully appreciate that the DLA requires a bond to effectively insure that the DoD obtains payment, in one way or another, say if a contractor defaults on its payments. However, the bond on the current Scrap contract (99-4001) is \$1M, and the bond on the Rolling Stock contract (currently serviced by IronPlanet), which we believe represents a larger gross sales (\$) contract, stands at \$3M. Furthermore, an analysis of the payments due to the DLA at any time, given payment terms, likely does not exceed \$3M.

Thus, we would like to suggest that the DLA consider restating the requirement to \$3M in total for 16-6049.

We are changing the amount of the Financial Guarantee Bond to \$3 Million Dollars.

61. Can we assume that Columbus, Columbus LTS, and Columbus Controlled Property Center are the same, or at least near one another for operational planning purposes?

They can be considered near one another for operational purposes. The Controlled Property Center has been incorporated into the Columbus site. Columbus and Columbus LTS are in different buildings on the same installation.

Same for Wright Patterson MEO and Wright Patterson?

They are the same thing for operational purposes.

62. Can you help me understand what SCL code "CSI" is (Critical Safety Items)? What is the metal or property content of this? (e.g., aluminum, steel, plastic, rubber), etc?

The classification definition does not go into any further detail for this SCL. Description fields in the Historical Data may be more descriptive.