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APR 29 2004

IN REPLY  
REFER TO J-33  
PROCLTR 04- 07

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Implementation of Business System Modernization (BSM) Provisions for the Defense Logistics Agency (DLA) Internet Bid Board System (DIBBS) and the Procurement Automated Contract Evaluation (PACE) (Defense Logistics Acquisition Directive (DLAD) 4105.1, 52.213-9007 and 52.213-9008)

The purpose of this PROCLTR is to implement provisions that are applicable to the procurement of acquisitions under the Business System Modernization (BSM) that are valued up to \$100,000 and are solicited and evaluated using the DIBBS and the PACE, and to incorporate the provisions into the DLAD. The provisions will become effective with the BSM Retrofit Release scheduled for May 3, 2004.

The two new provisions are 52.213-9007 DIBBS Quoting Information for BSM Automated Solicitations and 52.213-9008 PACE Information. With the implementation of the BSM Retrofit Release, these provisions will replace provision 52.213-9005 SRWeb Quoting Information and provision 52.213-9006 OEWeb Evaluation Information as the solicitation and evaluation requirements for automated BSM acquisitions that are valued up to \$100,000.

Provisions 52.213-9005 and 52.213-9006 will be removed from the DLAD on or about July 31, 2004 in conjunction with the shut down of Procurement Desktop Defense (PD<sup>2</sup>).

This PROCLTR is effective with the BSM Retrofit Release and guidance expires upon incorporation of this coverage into the DLAD. The point of contact is Ms. Sue LeValley, J-3311, at DSN 427-0251, (703) 767-0251, or via e-mail Suzanne.Levalley@dla.mil.

  
CLAUDIA S. KNOTT  
Senior Procurement Executive

Attachment



PART 13

SIMPLIFIED ACQUISITION PROCEDURES

13.106-1 Soliciting competition.

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**13.106-1 (91) DLA Internet Bid Board System (DIBBS) Quoting Information for BSM Automated Solicitations**

The provision at 52.213-9007 shall be used in all BSM automated solicitations valued at or below \$100,000 that are posted on the DLA Internet Bid Board System (DIBBS) effective with the BSM Retrofit Release.

13.106-2 Evaluation of quotations or offers.

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**(92) Procurement Automated Contract Evaluation (PACE) Information**

The provision at 52.213-9008 shall be used in all BSM automated solicitations valued at or below \$100,000 that are to be evaluated under the Procurement Automated Contract Evaluation (PACE) effective with the BSM Retrofit Release.

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PART 52

SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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SUBPART 52.2 - TEXTS OF PROVISIONS AND CLAUSES

**52.213-9007 DLA Internet Bid Board System (DIBBS) Quoting Information for BSM Automated Solicitations**

**52.213-9008 Procurement Automated Contract Evaluation (PACE) Information**

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SUBPART 52.2 - TEXTS OF PROVISIONS AND CLAUSES

**52.213-9007 DLA Internet Bid Board System (DIBBS) Quoting Information for BSM Automated Solicitations**

As prescribed in DLAD 13.106-1(91), insert the following provision in all BSM automated solicitations valued at or below \$100,000:

**DLA Internet Bid Board System (DIBBS) Quoting Information for BSM Automated Solicitations (XXX 04) - DLAD**

- (a) **AUTOMATED SOLICITATIONS ON DIBBS:** This provision applies to all BSM automated solicitations valued at or below \$100,000, Requests for Quotations (RFQs), that are posted on DLA Internet Bid Board System (DIBBS). These automated solicitations are identified by "SPM" in the first three positions if a solicitation number, and "T" or "U" in the ninth position of the solicitation number.
- (b) **SUBMISSION OF AUTOMATED QUOTES:** Automated quotes must be submitted electronically on DIBBS at <https://www.dibbs.bsm.dla.mil> prior to the solicitation return date and time for all Requests for Quotations (RFQs) posted on DIBBS. Quotes received by other electronic means, even though within the FAR definition of "electronic commerce" or "electronic and information technology", such as facsimile (fax), electronic mail (email), or electronic commerce/electric data interchange (EC/EDI), will not be considered for award. Quotes received by U.S. Mail will not be considered for award.
- (c) **RETURN DATE AND TIME:** If no time is specified in the solicitation, the time for receipt of quotes is 3:00 P.M. Eastern Time, or when applicable, Eastern Daylight Time on the return date. All return date/times are synchronized to the U.S. Naval Observatory Clock. If a return date falls on a Saturday, Sunday or federal holiday, the return date will be extended to the next business day.

**RETURN DATE AND TIME AUCTION:** The solicitation return date/time is a firm closing date/time for auctions. Late quotes will not be considered for award.

**RETURN DATE AND TIME NON-AUCTION:** Awards over \$2,500 will not be made prior to the solicitation return date/time without a documented urgency. At the return date/time all quotes received will be evaluated, therefore, all quotes over \$2,500 should be submitted by the return date/time specified in the solicitation. Fast PACE solicitations, which are those solicitations estimated to be less than \$2,500, may be awarded prior to the solicitation return date/time when they are not auction solicitations.

PACE may extend the solicitation return date for three business days when prices from qualified quotes cannot be determined reasonable. Notice of the extension will be provided by email to all vendors in the competitive range (bids without exception) inviting them to revise their quotes. The notice will be sent to the email address registered on DIBBS for the person that submitted the quote. If a third party submitted the quote, the notice will be sent to the email addresses of the third party and the superuser for the CAGE on whose behalf the quote is being submitted. Vendors are responsible for the accuracy of email addresses in DIBBS and should ensure that they are correct. Vendors that have submitted their best quoted price will not need to resubmit their quote.

(d) **HOW INTERRUPTIONS AFFECT RETURN TIME AND DATE:** If an emergency or unanticipated event interrupts DIBBS processes so that quotes cannot be submitted on DIBBS at the close of a solicitation, the return date/time will be extended to the same time of day on the next business day on which DIBBS processes resume. Notice of the extension will be provided on the DIBBS home page. A vendor's inability to submit a quote caused by failure of a vendor's hardware, software, Internet Service Provider, or the World Wide Web itself, is not cause for extension of a solicitation.

(e) **LATE QUOTES:** Quotes received after the return date/time for auction solicitations will not be considered.

Quotes received after the return date/time for non-auction solicitations may continue to run through the automated evaluation process until the evaluation process has begun. Once the evaluation process has begun, late quotes will only be considered if the contracting officer determines that it is in the best interest of the Government and that considering the late quote would not unduly delay the award. See the provision at 52.213-9008 entitled Procurement Automated Contract Evaluation for information related to the automated evaluation process.

(f) **QUOTE REVISIONS:** Quotes may be revised on DIBBS up until the time the solicitation is awarded or cancelled by resubmitting a new quote. Quote revisions will overlay previously submitted quotes on the same solicitation in the Government database.

(g) **QUOTE WITHDRAWAL:** Quotes may be withdrawn on DIBBS up until the time the solicitation is awarded or cancelled by resubmitting a new quote and selecting a bid type of "no bid." Quote withdrawal will overlay previously submitted quotes on the same solicitation in the Government database.

(h) **SET-ASIDE SOLICITATIONS:** Solicitations with an estimated dollar value exceeding \$2,500 but not over \$100,000 are set-aside for small business when cited in the solicitation. When a solicitation is set-aside, only small business quotes that comply with the non-manufacturer rule will be considered. See FAR 19.502(c) for an explanation of this rule.

(i) **FAST PACE SOLICITATIONS:** A Fast PACE icon  on the DIBBS "search results" screen identifies Fast PACE solicitations. These solicitations, estimated to be less than \$2,500, are not set-aside for small businesses. The solicitations may be awarded prior to the solicitation return date/time when they are not auction solicitations. Commencing at 3:00 P.M., 4 business days after the issue date, and continuing every day thereafter at 3:00 P.M. until the return date, all quotes \$2,500 or less will be evaluated by DLA's Procurement Automated Contract evaluation (PACE) program for an early award.

**DISCLAIMER:** The Fast PACE icon is used to indicate a "T" or "U" solicitation with an estimated dollar value of \$2,500 or less, not the potential quoted value. Quotes valued less than \$2,500 that are submitted in response to solicitations that have an estimated value greater than \$2,500, may result in an early award as a result of being evaluated as a Fast PACE quote, even if not originally designated as such.

(j) **AUCTION SOLICITATIONS:** Auction solicitations are identifiable by a statement on the solicitation and by a gavel icon appearing on the DIBBS dynamic RFQ search results, the Internet quote form, and the batch quote download file. Prices and other factors that could affect price evaluation (inspection and acceptance point, surplus, Buy

American) are publicly displayed for all qualified quotes (bids without exception). (Note: large business quotes above \$2,500 are not displayed on auction solicitations set-aside for small business, and any quote above \$100,000 will not be displayed). Bidders remain anonymous and have the opportunity to lower their quotes up until the auction closes (the return date/time) in the hope of receiving the award. Awards of auction solicitations will not be made prior to the solicitation return date/time without a documented urgency. At the return date/time, all quotes will be evaluated, therefore all quotes for auction solicitations must be submitted by the return date/time specified in the solicitation. DIBBS quotes received after the return date/time specified in the auction solicitation will not be considered for award.

(End of Provision)

52.213-9008 Procurement Automated Contract Evaluation (PACE) Information

As prescribed in DLAD 13.106-2(b) (92), insert the following provision in all BSM automated solicitations valued at or below \$100,000:

Procurement Automated Contract Evaluation (PACE) Information (XXX 04) - DLAD

(a) PACE EVALUATION: Acquisitions are candidates for automated award under DLA's Procurement Automated Contract Evaluation (PACE) program, when the solicitation states that the PACE program applies. The program uses price logic and other automated filters to make fully automated and buyer assisted automated awards valued at \$100,000 or less. A purchase order with a "V" in the ninth position denotes an order issued under PACE. PACE only considers "qualified quotes" for award. Qualified quotes are in exact compliance with the solicitation requirements (bid type equal to "bid without exception"), and are submitted on the DLA Internet Bid Board System (DIBBS). Refer to provision 52.213-9007 for information related to DIBBS.

(1) The following are not, by themselves, considered exceptions to the solicitation requirements and will not make a quote ineligible\*\* for an award:

- (i) Quoting delivery days different than the required delivery days;
- (ii) \*\*Quoting origin inspection on solicitations requiring destination inspection;
- (iii) Quoting a superseding or previously approved part or correction to a CAGE/part number cited in the acquisition identification description (AID) on an item described by manufacturer's CAGE and part number;
- (iv) Quoting a used, reconditioned, remanufactured item;
- (v) Quoting other than a domestic end product on an unrestricted solicitation;
- (vi) Quoting a hazardous item; and
- (vii) Quoting a new/unused Government surplus item.

\*\* NOTE: The Department of Defense is implementing a policy that limits government source inspections, and permits government source inspection for specific instances. Vendors should submit quotes based on the requirements stated in the solicitation. If a vendor's quote does not comply with the requirements stated in the solicitation, evaluation factors will be applied. See paragraph (b)(1) below. Additionally, should a quote citing origin inspection for a solicitation requiring destination inspection be evaluated manually, the quote may become ineligible for award.

(2) The following are considered exceptions to the solicitation requirements and will make a quote ineligible for an automated PACE award:

- (i) Quoting an alternate product or otherwise taking exception to the solicitation's item description;
- (ii) Exceptions to packaging requirements;
- (iii) Exceptions to FOB terms;
- (iv) Quoting destination inspection on a solicitation requiring origin inspection;
- (v) Exceptions to required quantity;
- (vi) Quoting a quantity variance greater than what is specified on the solicitation;
- (vii) Non QSL/QML source quoting on a QSL item;
- (viii) Quoting other than the required Higher Level Quality, and
- (ix) Quoting the use of Child Labor

(b) PACE EVALUATION FACTORS: PACE evaluates all qualified quotes on the basis of price alone and does not consider quantity price breaks. Price evaluation factors are added to the total quoted price in the following instances:

- (1) \$250 for quoting origin inspection when the Government's requirement is for destination inspection (see DLAD 52.213-9001; factor does not apply to

FMS and DVD (Direct Vendor Delivery) requirements if any qualified quote is above \$25,000);

(2) \$200 for quoting surplus material on non-critical items; \$700 for quoting surplus material on critical items. When an automated quote of surplus material is in line for award after applying the above evaluation factors, a manual evaluation will be conducted in accordance with the more detailed evaluation criteria in DLAD 52.211-9003.;and

(3) The Buy American Act (BAA) places restrictions on the purchase of supplies that are not domestic end products. Refer to DFARS 252.225-7036.

(c) TIE QUOTES: If evaluated offers results in a tie between qualified quotes, the award decision will be based on the following order of precedence:

(1) A domestic end product offer over a non-qualifying country end product offer;

(2) Small business offer over a large business offer;

(3) Offer with the shortest delivery (If a quote contains different deliveries for multiple line items the automated evaluation program uses the average of the delivery periods); and

(4) First quote submitted.

(d) MANUAL EVALUATION: If the solicitation did not state that it was a candidate for PACE evaluation, or if the solicitation stated that it was a candidate for PACE evaluation but PACE is unable to make price reasonableness or contractor responsibility determinations, the solicitation and quote will be evaluated and awarded manually. When a quote is manually evaluated the contracting officer may consider quantity price breaks offered without further solicitation or discussion.

(e) MANUAL EVALUATION FACTORS: If the requirement is evaluated manually, price, delivery, and past performance will be considered in accordance with the terms in the solicitation.

(f) ALTERNATE OFFERS: Alternate offers will not be considered for automated award. Alternate offers may be submitted for evaluation for future procurements to the location identified in DLAD Clause 52.217-9002.

(g) NOTICE OF AWARD: The Government's offer to purchase, as evidenced by an order, is made on the basis of a submitted quotation. Vendors are requested to notify the administrative contracting officer, within 14 days after receiving the notice of award, when they will not perform in accordance with an order. Failure to provide prompt notice will adversely affect your past performance evaluation if this order is later cancelled at other than the Government's request.

(h) PACE Distribution: The PACE award will be posted to the DLA DIBBS web site and distributed via email notification with a Web link to an electronic copy of the DD Form 1155, Order for Supplies or Services. Orders will be transmitted via DPACS Electronic Data Interchange (EDI) to contractors who are DPACS EDI capable. Contractors that are not DPACS EDI capable will receive their orders via email award notification containing Web links. Delays in the receipt of awards that are caused by email interruptions and Internet access are not excusable delays and will not extend delivery schedules.

(End of Provision)