

Updated 12/1/2017

Question: The IFB stipulates that the Government will determine items to be sold to the Contractor regardless of FSC or location and that the contractor has no right to any property that is not issued on a DO. What conditions would need to exist for DLA not to include property on a DO?

Answer: It solely within the Government's discretion to determine items to be sold under this contract, and the Government reserves the right to offer property through alternative sales contracts. The Government guarantees to issue the Contractor 75,000 DTIDs of property annually, or property having an annual acquisition value of \$112.5M, whichever is the lesser to meet contract minimums. The maximum amount of property issued annually will not exceed the greater of 122,947 DTIDs of property or property having an annual acquisition value of \$517M. Only surplus usable personal property defined as an item of personal property that has been determined to be safe to sell with Demilitarization (DEMIL) code A or Q6 and a Department of Defense (DOD) condition code of A-H will be sold. All other DEMIL codes do not apply to this contract. Additionally, scrap and other controlled property or any other DOD Mission related items do not apply.

Question: The IFB indicates that the Government reserves the right to ship RCP property to any facility with the United States at its sole discretion, including to facilities outside the region that are operated under this contract. What conditions would need to exist for DLA to ship property to a site outside of this contract?

Answer: The Government has reserved the right to make these type determinations when in the best interest of the Government. As noted above the Government has explicitly reserved the right to offer property through alternative sales contracts.

Question: The contract is required to provide quarterly small business reporting. What is the small business standard or definition that should be applied?

Answer: The standards can be found at the Small Business Administration (www.sba.gov). Reporting standards will be further determined at a later date.

Question : DLA Disposition Services determines RIP locations. Would DLA Distribution RCP site ever be considered a RIP location?

Answer: No, RCP will not be classified as a RIP location

Question : Are there any anticipated DoD initiative that will materially impact future Usable Personal Property sales workload?

Answer: We are not aware of any anticipated DOD initiative that will materially impact future Usable Property Sales workload.

Question: Both Article 10, Section 2 and 3 indicate that the contractor is required to remove property after written notification (email) from the field site. When does DLA Disposition Services anticipate that the field site representative would find it necessary to send an email directing removal? Will the Government require removal even if the minimum 24 pallet space allotted to the contractor is less than full?

Answer: The Field Site POC gives notice to the contractor once the property has been dropped on a delivery order and has filled the authorized temporary storage area. An email notification from the CV POC and SCO informs all affected parties that the 3-business day time clock has begun.

Question: Article Three, Section 1 states that a bid deposit of \$100,000 is required. General Statement of Contract page 11 states that a \$50,000 bid deposit is required. Which is correct?

Answer: This was a clerical error and it will be fixed in the Final IFB. The Draft IFB should read \$50,000.

Question: Article Ten, Section 2 states that the contractor will be allocated 24 pallet spaces for storage prior to shipment. The IFB also states the contractor is not allowed to store MHE on the DLADS site. Will DLADS personnel be responsible for double stacking pallets so the buyer can maximize the use of transportation assets? Otherwise DLADS is limiting buyers to ship only half a truckload of material by cube if the pallets are not double stacked.

Answer: DLA Disposition Services will not double stack pallets.

Question: Article Ten, Section 4 - RIP location removals. Will the Government offer full truckloads at RIP locations or will the contractor be required to remove less-than-full-truckloads from RIP locations?

Answer: Contractor should not expect that all RIP site will be a full truck load.

Question: Article Ten, Section 4 indicates that DLADS notifies the contractor of a RIP removal requirement. Will the DLADS POC be required to notify the buyer of MHE availability at the RIP location?

Answer: Yes, DLA will notify the contractor of removal requirements.

Question: The current contractor's purchase price is 4.35% OAV. According to an 8-K released on October 11, 2017 here:

<https://www.sec.gov/Archives/edgar/data/1235468/000162828017009926/form8-kifbdlafinal.htm>, the current non-rolling stock contractor pays approximately 2.70% OAV when factoring in various "service fees" which is an offset to the current purchase price. Is this accurate?

Answer: The referenced form is not a Disposition Service form. We cannot verify the accuracy of the data on the form.

Question: Article Six, Section 2(F) – Please provide the number of lines with a cost less than \$50 and total OAV of these lines that were sold to the Contractor under the current non-rolling stock contract. Please provide the number of line items and total OAV for the lines consisting of less than \$50 cost that have been credited to the Contractor for the current contract.

Total Acquisition Value Total Contractor Charges # DTIDs

2015

Less than \$50 \$2,854,135.98 \$105,083.47 8934 74.7%

More than \$50 \$37,413,162.46 \$1,337,542.18 3029 25.3%

2016

Less than \$50 \$22,047,329.08 \$734,705.99 59619 70.9%

More than \$50 \$382,983,308.80 \$12,959,325.15 24412 29.1%

2017

Less than \$50 \$12,976,348.54 \$564,471.10 47626 73.7%

More than \$50 \$173,316,558.86 \$7,539,270.55 16988 26.3%

Grand Total \$631,590,843.72 \$23,240,398.44 160608

Data on the current Contractor's credit for line items that are less than \$50 are not available.

Question: Will DLA DS consider allowing technically qualified bidders to submit a single bid for both contracts?

Answer: No.

Question: The General Statements of Contract (p. 8) states that the Contractor may not request adjustments in acquisition value or adjustment in price. How many requests for adjustment of the Acquisition Value did DLA DS receive under the previous contract? Of the requests for adjustment that were received, how many were granted?

Answer: Data not available.

Question: In Article Three, Section 2, the Government states that a payment deposit consisting of “the average estimated quantity of such material to be generated during a 3-month period multiplied by 20 percent of the bid price.” Please explain how the average estimated quantity will be calculated? Will it

be based on generations under the previous contract? Which 3-month period will be used to determine the average?

Answer: DLA Disposition Services will use a FY17 to determine a monthly average estimated quantity of such material to be generated. The Acquisition Value of such material will then be multiplied by 3 to gain the 3 month base values. The base value will then be multiplied by the Bid price to determine the amount of the Payment Deposit.

Question: In General Statements of Contract (p. 11) the Government requires the return of property issued to the Contractor that is required for DLA DS RTD mission. How much property was requested by DLA DS for return due to RTD mission each year under the current contract?

Answer: Data not available

Question: Article Six, Section 1 references an exception noted in paragraph B to the USG’s role as the sole arbiter of whether property is considered usable; however, there is no paragraph B to Section 1. Please explain.

Answer: This is a clerical Error and it will be corrected in the final IFB. The provision should have made reference to paragraph A which is the only exception that allows the Contractor the option of refusing any line item. Under that provision the Contractor may refuse line items with a reported acquisition value in excess of \$10M.

Question: Article Eight, Section 1 states that the Government will furnish to the Contractor a Do-Not-Sell (DNS) List. In what format will the DNS List be provided to the Contractor?

Answer: This will be an electronic listing, provided to the contractor by the USG.

Question: Article Eight, Section 2 states that the Government will furnish to the Contractor a Demil-Code-Change (DCC) List. In what format will the DCC List be provided to the Contractor?

Answer: This will be an electronic listing, provided to the contractor by the USG.

Question: Article 10 Section 6 states that the contractor is not allowed to keep MHE on site. Truckers will pallet jack the pallets in the truck. However, over the road truckers do not carry pallet jacks in their trucks. Will the buyer be allowed to keep a pallet jack on site to facilitate loading the truck? If a flatbed is needed for removals will DLADS personnel load the flatbed trailer?

Answer: DLA Disposition Services will use government MHE to tailgate load up to the maximum capacity of the equipment at the location. The Contractor is required to make arrangements and provide the necessary equipment that exceeds DLA Disposition Services capability at the site. A manually operated Pallet Jack is the only type of loading equipment that can be stored within the 3 pallet storage area allocated for Contractor PCH materials. Electric or motorized loading equipment may not be stored at Disposition sites.

Question: Article Ten, Section 6 requires the Contractor to provide sales data. The regulation for GovSales requires the Federal Agency to provide GSA the sales data only from the agency to the initial buyer — not the re-sale buyer. Wouldn't the contractor simply provide DLA the product of the Contractor's bid price multiplied by the item OAV since that represents the sales proceeds the Government is receiving?

Answer: First, Article 10 section 6 discusses Material Handling Equipment. We believe your question is actually referring to Article 9 Section 6. The requirement for this data is derived from GSA regulations. We are checking with GSA, and if amount of data can be reduced or simplified, we will do so in final IFB or through a contract modification once we receive clarification or direction from GSA.

Question: For what purpose is DLA DS requiring the Contractor to provide subsequent resale data as this information does not appear to be required in the Federal Management Regulations? If the buyer re-sale data is required to be provided to the Government, will the Government indemnify the Contractor for breaches of the re-sale buyer's privacy? What safeguards is DLADS offering to the Contractor to prevent this data from being released in a subsequent Freedom of Information Act request, since this data is proprietary to both the Contractor and the re-sale buyer and could be used

by third parties to gain an unfair competitive advantage or for illegal SPAM marketing activities?

Answer: We believe your question refers to the requirement in Article 9 Section 3. This has been a standing provision in prior CV contracts. We are checking with GSA to determine if requirement can be eliminated. If it can be eliminated, we will do so in the final IFB or through a contract modification once we receive clarification or direction from GSA.

Question: Article Six, Section 2(F) Validation of Delivery Order. Please clarify what is meant by "...line item billing prices value greater than \$50.00 to be considered for credit." Does this mean if the DO has an item on it with a contractor price of less than \$50, when the Contractor does the joint inventory and the actual quantity is zero, the Contractor will not get credit for the item even though the Contractor receives nothing?

Answer: Current language in Article Six, Section 2: "In all cases, this notification must happen within fifteen (15) days of the Contractor's receipt, and have line item billing prices value greater than \$50.00 to be considered for credit."

The current draft provision requires that the acquisition value of a line item be greater than \$50 to be eligible for credit. This means the Contractor would not receive the \$1.96 credit for a single missing item if the line item had a \$49 acquisition value (assuming the bid % is equal to 4%). The Contractor would receive a credit for any missing line items with an acquisition value greater than \$50.

We will be clarifying the language in the final IFB, but want to ensure an explanation is provided. First, it is important to note that this limited exception for credits only applies to RCP property that is directly shipped to the Contractor's facility at government expense. In these cases there will have been no on-site joint verification of the DO by Disposition Services and the Contractor. Shipping property directly to the Contractor from a Disposition Service's customer facility (RCP Depot), vice having the property come through a Disposition Service site for verification, provides benefits to both the Government and the Contractor. Most importantly, the Contractor receives a significant benefit in not having to pay the transportation costs from a Disposition Services facility. In choosing this option to make property available to the Contractor, the Government acknowledges that there may be discrepancies on these Delivery Orders because each line item has not been verified at a Disposition Site. However, the transportation costs associated with delivery of RCP property to the Contractor far exceeds the actual cost charged to the Contractor for purchasing RCP property. While the contractor may not actually receive all of this very low dollar amount property, the Contractor has received the benefit of cost avoidance for the shipping costs associated with all RCP property that is actually delivered. The intent of this provision is to create a limited de-minimis exception for credits due to the administrative expense to both the contractor and the Government in processing credits for very low dollar property.

The proposed revised language for final IFB is as follows: “In all cases involving RCP property, the notification of any discrepancy on a DO must occur within fifteen (15) calendar days of the Contractor’s physical receipt of a shipment at their designated site; be verified by the Government representatives on-site; and the request for credit must be associated with a line item that has an acquisition value greater than \$50. Requests for credits for missing RCP property that has a line item acquisition value less than \$50 shall be considered de-minimis and no credit will be processed.”

Question: The current contractor’s purchase price is 4.35% OAV, but the current contractor also receives reimbursement for service fees that would not be received under the proposed contract. Can you confirm the service fees paid each year to the current contractor?

Answer: DLA Disposition Services does not pay service fees on sales contract.

Amendment – Upon further consideration, additional information regarding reimbursement for indirect costs paid under the current CV4L contract will be provided in response to the question. From January 2016 until November 2017 DLA agreed to pay a “DTID Service Fee” pursuant to article 14 the seller indirect cost provision of the contract. This payment was made to reconcile discrepancies on DTIDS.

Attached is an accounting of the relevant portion of the indirect costs paid under the current contract. In calendar year 2016 and 2017 to date, \$33,032,064.04 has been disbursed as allowable indirect costs under the current CV4L contract. The data cannot be further broken out between East and West. Further, current contract financial information is now being reviewed and if further financial information regarding reimbursable payments of seller indirect costs is identified, it is our expectation that we will disseminate this information on Monday, December 4, 2017 by 1:00 PM EST.

A	B	E	F	I
SID Request received	SID Type	\$ amount	SUM Bill - Mnth	YR
	\$65 per DTID	\$ 1,159,535.00	5/16	
	\$65 per DTID	\$ 15,275.00	6/16	
	\$65 per DTID	\$ 365,080.63	6/16	
	\$65 per DTID	\$1,988,415.00	6/16	
	\$65 per DTID	\$ 365,080.63	7/16	
	\$65 per DTID	\$2,202,135.00	7/16	
	\$65 per DTID	\$ 365,080.63	8/16	
	\$65 per DTID	\$2,223,520.00	8/16	
	\$65 per DTID	\$2,130,245.00	9/16	
	\$65 per DTID	\$1,529,645.00	10/16	
	\$65 per DTID	\$1,859,455.00	11/16	
	\$65 per DTID	\$1,266,850.00	12/16	
1/12/2017	\$65 per DTID	\$2,234,960.00	1/17	
2/13/2017	\$65 per DTID	\$1,451,775.00	3/17	
3/9/2017	\$65 per DTID	\$1,378,130.00	3/17	
4/13/2017	\$65 per DTID	\$1,317,615.00	4/17	
7/25/2017	\$54 per DTID; April through June	\$3,514,104.00	8/17	
8/9/2017	\$42 per DTID	\$923,412.00	8/17	
9/16/2017	\$42 per DTID	\$682,218.00	9/17	
10/17/2017	\$42 per DTID	\$740,712.00	10/17	
11/14/2017	\$42 per DTID	\$1,124,298.00	11/17	
		\$33,032,064.04		

Question: Can we find out how many bidders were approved for the East?

Answer: No.

Question: Is there any way we can check the status of our FOIA requests? As of today, we have not received any information.

Answer: Please contact the DS FOIA office.

Question: We note that the proposed contract does not provide the contractor with a termination for convenience option like the previous usable property contract. If the quality or quantity of surplus property flows change adversely or, alternatively, average recovery under prevailing market conditions change adversely that cause the contractor to operate at a financial loss, will the contractor have any right to terminate the contract or otherwise modify the contract for factors beyond its control?

Answer: The contract to be awarded under this sales invitation is a firm fixed price contract where the buyer is expected to perform all the requirements under this contract at the bid price provided by the Contractor. The proposed contract does not provide the contractor with a termination option; however, the contract does specify an amount that the Government guarantees will be delivered over the term of the sales contract.