

DSCP Subsistence Pre-Proposal Conference

SPM300-08-R-0061

14 May 2008





Conference Ground Rules & Participation Guidelines

Please...



- Sign-in
- Mute all cell phones and pagers
- No cameras, video taping or recording devices
- Hold all questions to the end of the presentation
 - Questions can be written and submitted during break or asked verbally during one-on-one sessions



Conference Ground Rules & Participation Guidelines

- Conference procedures
- Introduction followed by presentation
 - 8:30 – 10:00
 - Break 10:00 – 10:20
- Question and answers
 - 10:20 – 11:30
- One-on-one Sessions
 - 1:00 – 4:00



Conference Ground Rules / Guidelines of Participation

- We will **not** address
 - Current contract SPM300-08-D-3128
 - Please note that a decision has not been made regarding the exercise of future options under the current Iraq SPV Contract. However, DSCP contracting officials have concluded that it is in the best interest of the Gov't to issue a solicitation for SPV support for the Iraq Zone. A new solicitation will allow the Gov't to strengthen the support provided to the warfighter and will incorporate lessons learned from previous PV contracts. For example, whereas the current contract included Kuwait, Iraq and Jordan, the new solicitation breaks this region into two zones. It is anticipated that competition will be enhanced as a result. Ultimately, the new solicitation will result in the furtherance of DSCP's mission to support the warfighter.
- We **will** address
 - Only questions related to RFP SPM300-08-R-0061



What's Different

- Schedule of Items and pre-set categories
- Two zones vice one
 - PV cooperation
- Two pricing methods
- Rebate / discount language
 - Unit Price language
 - Manufacturer Pricing Agreements
- DTS relationship
- No substitutes, BPAs or EPAs
- Technical factors & order of importance
- Quarterly review by DSCP HCA
- Synchronized Pre-deployment Operational Tracker (SPOT)





What's Not Different

- Risk of Loss
- Contractor bears all risk until title passes
 - Personal injury, death
 - Loss or damage of equipment
 - Employees, agents, subcontractors
 - During transportation



Agenda

- Region info
- Contract clauses
- Statement of Work
- Solicitation provisions
- Caution Notice
- Questions



Summary of DFACs and MKTs Zone 1

Zone 1	Number of DFACs	Number of MKTs
Kuwait FF&V / LMR / PV / GFM	13	0
Iraq FF&V / LMR via Turkey	22	15
Iraq FF&V / LMR via Kuwait	43	23
Zone totals PV / GFM via Kuwait	78	38

**Please note: All PV and GFM is originating from Kuwait.
The number of activities is subject to change.**



Summary of DFACs and MKTs Zone 2

Zone 2 - Jordan	Number of DFACs	Number of MKTs
Iraq FF&V / LMR / PV / GFM	9	5

**Please Note: All FF&V / LMR / PV and GFM is originating from Jordan.
The number of activities is subject to change.**



Contract Clauses

- FAR 52.212-4: Contract Terms and Conditions-Commercial Items
- Addendum to FAR 52.212-4
 - Para (a) thru (t) adds/changes/deletes.
 - additional clauses (highlights follow):
 - DFARS 252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States
 - (Deviation 2007-O0010) Contractor Personnel in the U.S. Central Command Area of Responsibility --- SPOT addressed
 - DFARS 252.225-7043 Antiterrorism/Force Protection for Defense Contractors Outside the United States
 - DLAD 52.215-9006 Javits-Wagner-O'Day Act Entity Support-Contractor Reporting (Dec 1997)



Contract Clauses

Addendum to FAR 52.212-4

- AI 22.1: Prohibition against human trafficking, inhumane living conditions and withholding of employee passports
- AI 25.3: Compliance with laws and regulations
- AI 25.2: Fitness for duty and limits on medical and dental care in Iraq and Afghanistan
- Contract reports
 - AI 23.1: Reporting a kidnapping
 - AI 25.4: Quarterly contractor census reporting



Contract Clauses

- FAR 52.212-5: Contract terms & conditions required to implement statutes or executive orders applicable to Defense acquisition of commercial items
 - Utilization of small business concerns
 - Child labor
 - Equal opportunity
 - Payment by electronic funds transfer... central contractor registration
 - etc.
- DFARS 252.212-7001: Contract terms and conditions required to implement statutes or executive orders applicable to Defense acquisitions of commercial items
 - 252.225-7001: Buy American Act and Balance of Payments Program
 - 252.226-7001: Utilization of Indian organizations, Indian-owned economic enterprises
 - 252.232-7003: Electronic submission of payment requests
 - etc.



Statement of Work Contract Pricing Language

- Pricing Language

Contract Unit Price = Product price + Distribution Price
(Normal and Premium)

- Contract Unit Price: the total price in US currency that is charged to DSCP per unit for a product delivered to the Government
- Multiple Unit Prices for the same item are not permitted



Statement of Work Contract Pricing Language

Product Price: based on FOB Origin/Point of Manufacturer.

- Limited to original manufacture's or grower's price for product.
- Excludes all costs that are required to covered in the normal distribution price, including but not limited to, all transportation, broker and dealer costs and fees; also excludes all costs that are required to be covered in the premium distribution price.
- CONUS-based "National Price" may be considered "FOB destination" price by the KO on a case-by-case basis upon examination of supporting documentation.



Statement of Work Contract Pricing Language

- **Normal Distribution Price:** defined as a firm fixed price and offered as a dollar amount, which represents all elements of the unit price, other than the product price and premium distribution price.
 - includes general and administrative expenses, overhead, profit, packaging/marketing/labeling costs, all Non Point of Manufacturer fees (CONUS and OCONUS Broker, Dealer, Subcontractor and Fresh Fruit and Vegetable Consolidation Point fees) including, but not limited to procurement, storage, consolidation, pallets, palletizing and distribution work. It also includes the Contracting Officer Representative (COR) & Customer Liaison Officer (LNO) office space and equipment, all transportation costs (unless the item is a Contracting Officer-approved National Commercial Price inclusive of transportation costs to a Distribution Point) from the original CONUS and OCONUS Points of Manufacturer to the point where the over ocean container is loaded, all transportation costs from the Prime Vendor's OCONUS distribution facility(s) to customer locations in Kuwait and Jordan and to the border of Iraq, overland trucking (diversions between Kuwait and Jordan, APOD/SPOD and port to port) and Iraq backhauling and any other elements of pricing not defined in this solicitation.
 - **Distribution prices are fixed however DSCP will accept contractor offered price reductions at any time or price reductions may be applied via a contract modification.**



Statement of Work Contract Pricing Language

- **Premium Distribution Price:** defined as a firm fixed price and offered as a dollar amount, which represents all elements of pricing related to the following requirements:
 - Government Furnished Material (GFM) storage, open case inspection, open case re-work, labeling, re-labeling and disposal
 - Army Veterinary Inspector (AVI) Office Space and Equipment
 - Commercial Airlifts, Pallets, and Ice
 - Iraq Vehicle Transportation (Limited to risk, elevated insurance, in-transit visibility, recovery, demurrage, and other reasonable and allowable costs that the prime vendor finds necessary to include that are unique to the expense of operating a vehicle in Iraq)
 - Iraq Transportation Officer Program, Iraq Squad Leader Program & Iraq Customer Service Representatives
 - Distribution prices are fixed however DSCP will accept contractor offered price reductions at any time or price reductions may be applied via a contract modification to remove a program requirement.



Statement of Work Manufacturer Pricing Agreements (MPA)

- MPAs are arrangements between the Government and the manufacturer.
- If MPA items are added via solicitation amendment, the MPA product price will be used for evaluation purposes for proposal submissions.
- If a contractor negotiates a price for a MPA item that is lower than the government MPA price, the contractor shall offer the government the lower price.
- MPAs are targeted for items that have high usage but may encompass manufacturer's complete product line.
- MPAs provide price stability.



Statement of Work

PROSPECTIVE PRICE REDETERMINATION

(FAR DEV 2008-01 (02 MAY 08))

- (a) General. The product price for non-Manufacturer Pricing Agreement (MPA) items stated in this contract shall be periodically redetermined.
- (b) Price redetermination periods- no less than 30 days –in increments of 30 days.
- (c) Data submission requirements.
- (d) Price redetermination- negotiation between DSCP and PV
- (e) Contract modifications. Negotiated redetermination of prices shall be evidenced by a bilateral modification to this contract, which is signed by the Contractor and the Contracting Officer.
- (f) Disagreements. If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period by the last Friday of the month, the Contracting Officer shall make the determination whether to delete the item(s) from the catalog.
- (g) Price Reduction. Notwithstanding the above, DSCP will accept contractor-offered price reductions at any time.



Statement of Work Rebate/Discount Language

- Provides transparency to all rebates and discounts
 - Shows the rebates/discounts that the government will receive.
 - Shows the rebates/discounts that the dealer/distributor will keep.
 - Monthly update provides current status on all items, as well as, deletions, additions or changes.



Statement of Work Review

Technical Proposal

Business Proposal

- Two awards, one per zone, with different contractors
- In order to ensure two sources are available and to ensure the continuous availability of reliable sources of supplies, the Government reserves the right to exclude, under the authority of FAR 6.202, the awardee under one of these zones from being eligible for award under the other zone
- However, Government reserves the right to make one award for both zones, as necessary to support both zones if it is in the government's best interest
- Options... In addition to the base periods, there will be two available option periods that may last up to two years of which the offeror must agree to accept if invoked.
- Indefinite Quantity Contracts (IQC)s... provide for an indefinite quantity within stated limits, of specific supplies or services to be furnished during a fixed period
- Core elements



Statement of Work Review Core Elements

- Estimated dollar values
 - Zone 1 \$7,853,422,135.42
 - Zone 2 \$1,584,248,624.40
 - Values reflect base period and all option periods invoked
- Delivery requirements
- Shelf Life requirements
- Ramp up
- Deployment Zone back up support product sourcing



Statement of Work Review

Delivery Requirements (Zones 1&2)

- Average of 1 to 3 times per week... more or less frequently possible
- Normal routine deliveries shall be made within 6 days after order placement which represents the lead-time for Kuwait land based customers and the date of shipment to Iraq Zone based customers





Statement of Work Review Shelf Life Requirements

- Freshest product available
 - Within manufacturer's original shelf life period
 - Must be identified with readable "best when used by date," etc. markings, indicating guaranteed freshness
 - Chilled products shall not be frozen in an attempt to extend shelf-life (unless otherwise approved by KO)
 - Annual pack items will be from latest seasonal pack available (unless otherwise approved in advance by KO)
- Shelf life > 90 days
 - No product shall be delivered with <30 days manufacturer's original shelf-life remaining (unless given approval)
- Shelf life < 90 days
 - No product shall be delivered with <5 days manufacturer's original shelf life remaining (unless given written approval via customer)
- NOT DSCP's policy to grant shelf-life extensions
 - However, may be authorized on a limited case basis



Statement of Work Review Defense Transportation System (DTS)

- Required from US
- 1 to 3 days to book... process control through DDC New Cumberland via Distribution Planning and Management System Website
- Carrier will be responsible to the transportation
- Shipping instructions / TCMD requirements identified
- PV responsible for detention charges... direct relationship to the ocean carrier
- The Gov't has no liability for late delivery or damage to goods in transit... direct relationship to the ocean carrier
- USTRANSCOM carrier contract: www.sddc.army.mil



Statement of Work Review Ramp Up

- Follow-on contract (other than incumbent PV)
 - 180 day ramp-up... time-phased transition schedule
 - Incumbent PV will remain principle source of support
 - Order of precedence
 - Incumbent PV
 - New PV
- Key milestones (days prior to contract start-up)
 - 90 days: functional catalogs, distribution systems
 - 60 days: submit first Total Asset Visibility (TAV) Report
 - 30 days: in full support of customer... base period begins when first order is placed
 - Gov't reserves the right to phase in customer ordering points



Statement of Work Review Surge and Sustainment

- Surge: the ability to ramp up quickly to meet early requirements
 - Normally within the first 45 days
 - May increase estimated demand up to 300 % of normal demand.
- Sustainment: ability to sustain an increased pace throughout a contingency(s) for 6 months +
- Primary consideration in all acquisitions
- All DLA contractors are accountable for surge and sustainment performance, ensuring surge capability actually exists, and validating surge capability through surge testing
- Develop Contractor Readiness Capability Plan
 - Include details about offeror's supply chain management
 - Include evidence of capability (i.e. access additional warehousing facilities, and overseas distribution operations, transportation of massive amounts of product, etc.)



Statement of Work Review Back Up Support

- Awardee may become a supplier for other prime vendor zone(s)
- Back up assignment to any or all customers in another zone... implemented by bi-lateral modification to the contract
- Distribution fees will be negotiated if necessary

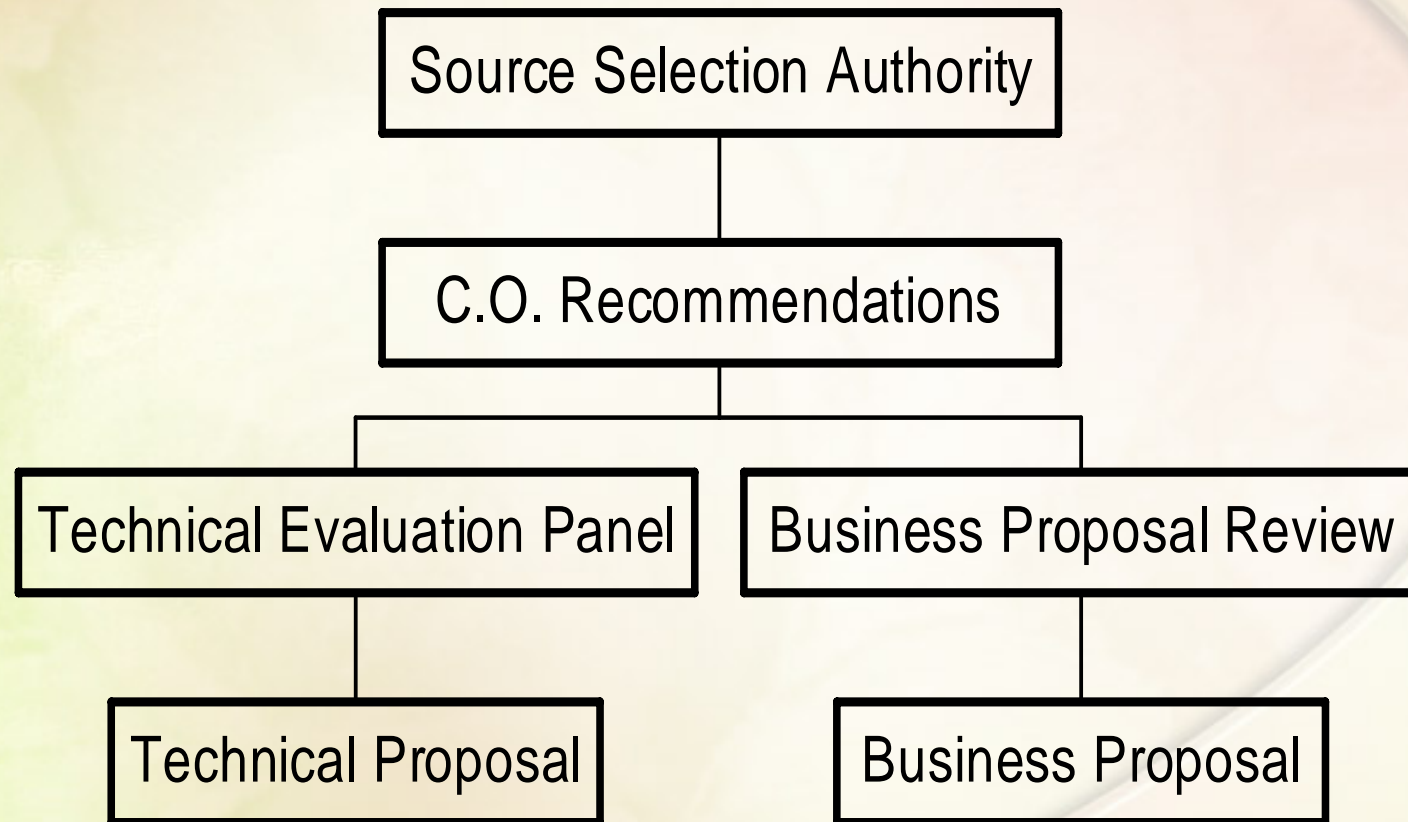


Statement of Work Review Product Sourcing Requirements

- Offeror expected to provide all items in the Schedule of Items
 - Inability to do so may affect overall rating
 - Some items are brand specific (customer driven)
 - Domestic product preference
- Schedule of Items
 - Must indicate whether or not there is an identical match
 - If not, technical description must be provided; including item number, corresponding NSN/LSN
 - Changes in pack size must be identified



Source Selection Process



The Contracting Officer (C. O.) prepares a written recommendation for award and forwards it to the Source Selection Authority (SSA).



Solicitation Provisions

- FAR 52.212-1: Instructions to Offerors - Commercial Items
- Addendum to FAR 52.212-1
 - Para (a) thru (k) adds/changes/deletes
 - Period of acceptance of offers: 240 days
 - Additional instructions
 - Proposal preparation
 - Submission requirements



Submission Requirements

Reference Addendum to 52.212-1

- All information to be submitted in writing
- Technical and Cost or Price Proposals must be prepared separately
- For the offeror's submitting proposals on both zones technical and cost or price information pertaining to each zone should be separately bound, and clearly labeled as to vendor, zone, volume title, and copy number
- A SIGNED and COMPLETED SOLICITATION must accompany the technical and cost or price proposals in its entirety, as well as any amendments, if applicable
 - Ensure all clauses that require a response are completed



Submission Requirements

Reference Addendum to 52.212-1

- Offerors may provide additional technical information that will enhance the proposal
 - Overly elaborate proposals that contain information not pertinent to this acquisition are not desired
 - Failure to provide the information requested may render the proposal unacceptable, and may lead to a rejection of the offer
- The Government reserves the right to verify any information presented in the Technical and Cost or Price Proposals
 - Site visits to assess the accuracy of the information provided in an offeror's proposal may be conducted during the evaluation process
- The written technical proposal must demonstrate the offeror's ability to meet the Government's requirements as set forth in the solicitation



Submission Requirements Reference Addendum to 52.212-1

Technical Proposal Factors

- I. Distribution System Capability/Quality Assurance
(Sub-factors are of equal importance)**
 - Location
 - Warehouse storage
 - Resource availability
 - Airlift experience
 - Quality control, assurance and warehouse procedures
 - Inspection and sanitation procedures
 - Supplier selection procedures
 - Force protection



Submission Requirements Reference Addendum to 52.212-1 Technical Proposal Factors

II. Experience/past performance

(sub-factors A and B are of equal importance to each other and Sub-factors C and D are of equal importance to each other; sub-factors A and B are more important than Sub-factors C and D)

- a.** Experience
- b.** Past performance
- c.** Socioeconomic
- d.** JWOD Support

III. Customer support/product availability (sub-factors are of equal importance)

- a.** Customer service approach
- b.** Product sourcing
- c.** Pipeline (pipeline diagram – fill-in)



Submission Requirements Reference Addendum to 52.212-1 Technical Proposal Factors

- IV.** Surge and sustainment... wartime catalog solicitation spreadsheet (on-line)
 - Contractor Readiness Capability Plan
- V.** Socioeconomic Considerations... format provided
- V.** JWOD support



Submission Requirements Reference Addendum to 52.212-1 Cost or Price Proposal Factors

- Cost or Price Proposal factors
(spreadsheets provided by KO)
 - I. Aggregate distribution prices
 - II. Aggregate prices



Solicitation Provisions

- FAR 52.212-2: Evaluation - commercial items
- Addendum to FAR 52.212-2
 - Para (a) expanded to describe how tech & price proposals will be evaluated
 - Para (d) added... source selection & evaluation procedures



Evaluation

Reference Addendum to 52.212-2

- Technical Factors I through VI are more important than cost or price factors
- Technical Factors I and II are of equal importance, and are more important than the remaining technical factors
- Technical Factor III is more important than technical factors IV, V, and VI
- Technical Factor IV is more important than technical factors V and VI
- Technical Factors V and VI are socioeconomic factors which are of equal importance to each other and will be rated comparatively
- The sub-factors listed under factor I are of equal importance to each other
- For Factor II, sub-factors A and B are of equal importance to each other, and sub-factors C and D are of equal importance to each other; however, sub-factors A and B are more important than factors C and D
- The sub-factors listed under factor III are of equal importance to each other



Solicitation Provisions

- FAR 52.212-3: Offeror Representations & Certifications-Commercial Items
 - Offeror Certifications... fill-ins
- Addendum to FAR 52.212-3
 - Additional certifications... fill-ins
 - 252.225-7000 Buy American Act--Balance of Payments Program Certificate
 - As prescribed in 225.1101(1)
 - 225.872-1 lists Qualifying countries
 - 225.502(c)(i)(A) – only qualifying country end products are exempt from application of evaluation factor.
 - Place of performance, etc.
 - Additional provisions
- DFARS 252.212-7000: Offeror Representations and Certifications - Commercial Items
 - More fill-ins
- There's at least one fill-in in the SOW (Full Food Service Management & Food Preparation)



Pricing - Attachment 1

**NOTE:
OFFERORS MUST
FILL OUT
CELLS
HIGHLIGHTED IN
GREEN**

Attachment 1

Item Category List - Zone I

PREMIUM DISTRIBUTION PRICES: KUWAIT TO IRAQ & TURKEY TO IRAQ

Method 1 Pricing - CATEGORIES 1 THRU 189 ONLY											
#	Category Description	Unit of Measure	Zone 1 - Kuwait to Kuwait Normal Distribution Price per UOM	GFM Storage, Open Case Inspection/ Rework, Label & Dispose per UOM. Categories 179 thru 189 only	Commercial Airlifts, Pallets & Ice per UOM	Army Veterinary Inspection or Office Space & Equipment per UOM	Iraq Vehicle Transportation (risk, elevated insurance, etc.) per UOM	Iraq Transportation Officer Program & Iraq Customer Service Representatives per UOM	Iraq Squad Leader Program per UOM	Iraq Total Premium Distribution Price (E+F+G+H+I+J) per UOM	Zone 1 - Total Combined Distribution Price per UOM (D+K)
1	Primal Steak Cuts, Raw, Tenders, Strip Loin, Rib Eye, Short Loin	LB	\$1.00	\$0.00	\$0.01	\$0.00	\$0.01	\$0.01	\$0.00	\$0.03	\$1.03

[illegible]



Pricing - Attachment 4

Attachment 4 (Kuwait to Iraq & Turkey to Iraq Schedule)

Zone 1 – Kuwait to Iraq Schedule of Items

	NSN	DESCRIPTION	Annual Quantity Demand	GOVT UOI	Product Price As Shown on Invoice or Quote	Conversion Factor to Gov't U/I (Product Price)	Product Price Per Govt U/I	Distribution Price Category	Distribution Price Category UOM	Kuwait Normal Distribution Price Per UOM	Iraq Total Premium Distribution Price per UOM	Iraq Total Combined Distribution Price per UOM (K+L)	Dist. Category UOM Conversion Factor to Gov't UOI	Kuwait Normal Distribution Price Per Govt UOI	Iraq Premium Distribution Price per Govt UOI	Total Combined Distribution Price per Govt UOI (O+P)
	<u>ZONE 1 - KUWAIT TO IRAQ SCHEDULE OF ITEMS</u>															
1	8905 0058 2132 3	BEEF LOIN, TENDERLOIN, FULL, FZN, 5/10 LB AVG (50 LB AVG CS)	446	LB	2.00	1.000	\$2.00	1	LB	\$1.00	\$0.03	\$1.03	1.00	\$1.00	\$0.03	\$1.03
2	8905 01E9 5011 8	BEEF LOIN, T-BONE STEAK, FZN, PORTN-CUT, MARIN, 48/14 OZ (42 LB CS) SLEEVE PK/QUANTUM	4030 152	LB	175.00	42.000	\$4.17	1	LB	\$1.00	\$0.03	\$1.03	1.00	\$1.00	\$0.03	\$1.03



Pricing - Attachment 4 (cont'd)

Attachment 4 (Kuwait to Iraq & Turkey to Iraq Schedule)

Zone 1 – Kuwait to Iraq Schedule of Items

NSN/ITEM DESCRIPTION COLOR KEY BACKGROUND

PINK - NAPA ITEMS

YELLOW - BRAND SPECIFIC ITEMS

LAVENDER - MANDATORY ITEMS

NO COLOR - GENERIC NSN/LSN

Method 1 Unit Price (H + Q)	Method 1 Extended Product Price (D * H)	Method 1 Extended Distribution Price (D * Q)	Method 1 Extended Total Price (D * R)	Product Price Based on Invoice "I" or Quote "Q" (I or Q)	Price Re de te r m i n a t i o n l i n c r e m e n t	Discount s, R e b at es , Al lo w a n c e s or Ot h er (Y es or N o)	U.S. D o m e s t i c O f f e r (Y e s or N o)	Offered P ro d u c t B r a n d	Offered Pack Size	Spec/ Unit Match (Yes or No)
\$3.03	\$ 892.00	\$459.38	\$1,351.38	I	30		Y	Hillshire	5/10 LB (50 LB CS)	Y
\$5.20	\$ 16,792,300.00	\$4,151,056.56	\$20,943,356.56	Q	30		Y	Quantum	48/14 OZ (42 LB CS)	Y



**Amendments supersede Pre-Proposal
Conference discussions**



Caution Notice

- Request attachments from Contracting Officer, and use the provided spreadsheets for submission of pricing information
- Fill in, and sign SFI449 as required
- Sign, and return any/all amendments
- Return one completed copy of the solicitation per zone
- Prepare and return six copies of the Technical Proposal, and two copies of the Price Proposal per zone
- Submit the Price Proposal on the formatted spreadsheets (attachments 1 through 5) and MS Word Doc in accordance with the instructions in the solicitation, and submit hard copies, as well as a copy on CD



Caution Notice

- Submit manufacturer's invoices for every item listed in the Schedule of Items
 - NOTE: a manufacturer's quote is acceptable, but an invoice is preferable. The invoice quote submitted must be dated within thirty (30) days of the solicitation issue date
 - Refer to solicitation for actual requirements
- Submit a list of CONUS and OCONUS "Distribution Points" or "Places of Performance" that will directly support the proposed customers. Warehouses functioning as backups should be designated as such
- Check for accuracy on Business Proposal
- Submit a Subcontracting Plan if your firm is a large, domestic business
- The written information for Factor II, Experience/Past Performance, is to be annotated on attachment 10 "Experience/Past Performance Chart."
- Submit best offer



Acquisition POCs

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Questions & Answers

