

VOLUME II - PETROLEUM MANAGEMENT

CHAPTER 1 -- REQUIREMENTS FOR PETROLEUM PRODUCTS

A. GENERAL

1. DoD requirements for petroleum products are supplied by DESC through contracts negotiated with oil companies. Local purchase provisions are provided in chapter 2, section B. of this volume.

2. Annual bulk fuel requirements for consumption and inventory fill are computed by the Military Services and Federal Agencies. Requirements are submitted to DESC via DD Form 448, Military Interdepartmental Purchase Request (MIPR); see section F, below.

3. Bulk petroleum and posts, camps, and stations products are funded by DLA/DESC or the Military Services/Federal Agency, as directed by DoD(C). DESC 4220.11/prescribes purchase programs and associated funding responsibility.

1/Requirements Submission Schedule for Fuel and Commercial Services; copies are distributed to SCPs by DESC-OP.

4. Military Service/Federal Agencies funded petroleum requirements are as follows:

a. Products for Military Assistance Program (MAP) and Foreign Military Sales (FMS) requirements.

b. Bunker fuel requirements for propelling ships.

c. Aircraft refueling service contracts at military bases. DESC funds DESC-contracted product.

d. Products local purchased.

e. Purchases of fuel, oil filters, auto services, etc. with SF 149, U.S. Government National Credit Card.

f. Products of limited and unique military application which are excluded from DLA integrated management.

g. Civil Agency requirements for ground fuel products such as motor gasoline, heating oil, and diesel, being bought through Post, Camps & Stations (PC&S) contract bulletins.

B. BUDGET AND PROCUREMENT DATA

1. Budget Data. SCPs shall submit budget requirements for bulk fuel, packaged fuel, into-plane, and PC&S contract bulletin items to DESC- BI for which MIPRs are expected to be initiated; do not include local purchase requirements (see criteria in chapter 2, section B. of this volume). Budget requirements represent consumption of fuel and new base tankage inventory fill; data will be reported by program grade of product, fiscal year and quarter on DD Form 2082, Projected Military Services Purchase from DESC, and DD Form 2082C (Continuation Sheet), RCS: DLA(AR)1892 (DESC). See volume V, appendix A1 of this manual for format. Projected requirements are used in preparing DESC budget estimates and operating budgets. Annual dates and fiscal years (FY) for reporting budget requirements are as follows:

a. June 1.....Current FY update and next 3 FYs (initial).

b. February 1...Current FY update and next FY update (mid).

2. Procurement Data. DESC-BI shall develop procurement data and programs based on peacetime consumption, war reserve program, and new tankage inventory build-up requirements submitted by the Military Services and stock levels at DFSPs. DESC-BI shall consider supply factors such as: (1) total MIPR requirements of all Services, (2)

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build-up or drawdown of DFSP inventories, (3) projected inventory position at the beginning of the program delivery period, and (4) DFSP projected storage changes (initial fill, maintenance, etc.) during programmed delivery period.

3. Local Purchase Criteria. See chapter 2, section B. 2. of this volume.

4. Central Purchase Criteria

a. Annual Requirements. SCPs shall submit MIPRs for fuel in support of aircraft, vehicles, ships to DESC as prescribed in DESC 4220.1, based on the following annual requirement criteria:

(1) CONUS/Alaska locations of 10,000 gallons (37,850 liters) or more.

(2) Overseas/Hawaii locations of 20,000 gallons (75,700 liters) or more.

b. Special Exercise Requirements. Include such requirements in the annual MIPR; indicate quantity and date(s) of exercise.

c. Delivery Restrictions. Delivery restrictions (e.g., mode) which critically limit the receiving capability of the location shall be reported in the MIPR; such restrictions may result in contracts being awarded at a higher price. Thus, good judgment must be exercised in reporting such restrictions. However, critical delivery restrictions must be reported to preclude contractor delivery problems, and work stoppages.

C. REQUIREMENTS FOR PETROLEUM PRODUCTS

1. General. DESC develops worldwide purchase programs structured to the needs of the Military Services in conjunction with contracting patterns. Purchase programs are designed to consolidate DoD requirements by region to obtain lowest possible unit cost of product. To achieve economic goals, timely submission of requirements is crucial. Requirements at host locations shall include requirements for tenant organizations and expected issues to transient units.

2. DESC 4220.1. Requirements submission schedule for petroleum products are prescribed in DESC 4220.1 1/. Copies are distributed to Service Control Points (SCPs) listed in section G, below. DESC-BI/PE/PL/PH, as appropriate, shall collaborate with the Military Services or Federal Agencies to obtain essential requirements.

1/Requirements Submission Schedule for Fuel and Commercial Services; copies are distributed to SCPs by DESC-OP.

a. Annual consumption requirements by purchase programs.

b. Initial inventory fill for new or converted tankage.

c. Increase of inventories.

3. Ground Fuel Requirements Worksheets.

a. Requirements worksheets are used in support of ground fuel requirements (e.g., motor gasoline, diesel fuel, heating oils) in the PC&S purchase programs.

b. Military Services/Federal Agencies shall update/adjust requirements worksheets data (as needed) and return the worksheets to DESC-PE for final review and procurement action. Worksheets will be returned with MIPRs (see section E., below) for ground fuel requirements. See volume V, appendices A11/A11a of this manual for samples of requirements worksheets and instructions for ground fuel.

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D. REQUIREMENTS FOR COMMERCIAL SERVICES

1. Procurement requirements for commercial services will be submitted to DESC-FP (see DESC 4220.1.). Military Service funded requirements for commercial services shall be submitted to DESC-FP, 210 days prior to the need date, or no later than 60 days prior to the new funding period for open multiyear contracts. Emergency requirements may be reported as they occur. DESC contracts for the following commercial services:

- a. Storage and handling of Government fuel at commercial terminals/facilities (re: COCO DFSPs).
- b. Government-owned contractor-operated petroleum storage terminals (re: GOCO DFSPs).
- c. Commercial lab testing of Government-owned product.
- d. Alongside aircraft fuel delivery.

E. REQUIREMENTS FOR INTO-PLANE CONTRACTS

1. General. Circumstances frequently require refueling military aircraft at commercial airports where military facilities/personnel are not available. To minimize commercial costs and to ensure quality product will be available, an "into-plane" contract may be established at such locations.

a. Criteria. Into-plane refueling contracts will be solicited for DoD, NASA, FAA, or other Federal Agencies when the "annual" requirement for a single grade of product is at least 15,000 gallons (56,800 liters) at a commercial airport. Less than 15,000 gallons (56,800 liters) is uneconomical to establish an into-plane contract. New requirements for less than 15,000 gallons (56,800 liters) shall be submitted for possible consolidation with other users' requirements at the same location.

b. Exercises. Requirements for into-plane refueling contracts at commercial airports in support of planned military exercises will be submitted to SCPs, a minimum of 90 days prior to date of exercise. Requirements should include the data listed in paragraph E.1.c., below. Emergency contracts in support of contingency operations will be handled on a cases-by-case basis.

c. New Contracts. NASA, FAA, and SCPs shown in section G., below, will request DESC to establish new into-plane contracts, as needed, based on the above criteria. Agencies requesting into-plane contracts will maintain records of open market purchases (locations where contracts have not been established) to provide realistic estimates of requirements. Such requests will be forwarded to DESC-PH IAW DESC 4220.1 and will include the following data:

(1) Airport name, address, and flight information publication (FLIP) code where refueling is required.

(2) Time frame (e.g., 24 hours, 0800 to 1800 hours) for refueling services.

(3) Quantity required by grade of fuel and oil (indicate acceptable substitute products) in descending order.

(4) Requirements by month or other increment, if deliveries are expected to be needed on an intermittent basis, specify as necessary.

(5) Number of aircraft required to be serviced daily for special exercises including duration and timeframe.

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(6) Unusual delivery condition, i.e., number of aircraft requiring simultaneous refueling, aircraft ground time, etc.

(7) Reason contract at requested location is necessary. Provide a statement that military refueling is not available at or near the location to meet these requirements. If military service is available on or in proximity to the commercial airport, the request will include statements which justify contract coverage. Such statements must report commercial service prices and an adequate estimate of the military cost expected.

d. Contracts. Into-plane contracts are usually awarded for 2 years. Requirements for renewal shall be determined by DESC. DESC will determine contract renewal by ensuring previous sales reported by the contractor exceed the minimum threshold stated above, and that any mission essential requirements stated by the appropriate SCP can be met. The contractor must supply a commercial ASTM specification product and maintain an adequate inventory to meet normal demands, and service the product into Government aircraft IAW military servicing specifications. The contractor supplies the fuel, lube oil, refueling facilities, and servicing personnel.

2. Authorized Users. Users authorized into-plane services are as follows:

a. U.S. Government aircraft (military-active/guard/reserves) and other Federal Agencies with proper identaplates.

b. Aircraft of the Canadian Armed Service.

c. DoD bailed aircraft, when the bailment agreement specifies that fuel and oil will be Government furnished and prior arrangements have been made with DESC-PH for payment of product to be obtained.

d. Commercial and civil aircraft under contract or charter to the U.S. Government, providing prior approval is obtained from DESC-PH and such authorization is specifically stated in the contract.

e. DoD aerospace power and support equipment when the into-plane contractor is authorized to make such deliveries. Fuel for this equipment will be purchased with an identaplate.

3. Product and Servicing Specifications

a. Product. Products supplied under an into-plane contract will meet contractual specifications unless DESC-BQ, in coordination with the Technical Quality Office of the applicable Military Service, grants a waiver or deviation. Such waivers may be needed to supply aviation fuel without the fuel system icing inhibitor. Waiver data is indicated in the Avfuel and Avoil Into-Plane Contract Listing.

b. Servicing. MIL-STD-1548, Into-Plane Delivery of Fuel and Oil at Commercial Airports is incorporated in into-plane contracts. It establishes requirements for quality of the products, technical requirements of equipment, quality assurance, and safety. Copies of MIL-STD 1548 are available from:

DODSSP - Customer Service Standardization Document Order Desk 700
Robbins Avenue, Bldg. 4D Philadelphia, PA 19111-5094

4. Product Availability. Products at into-plane locations:

a. Aviation Fuel: Commercial Jet A (CONUS), A1 (overseas) and Jet B (Alaska and Canada).

b. Petroleum Base Jet Oil (MIL-L-6081): Grades 1005 and 1010.

c. Turbine Oil (MIL-L-7808 and MIL-L-23699): Synthetic base.

d. Engine Lubricating Oil (MIL-L-22851): Type II, Grade 1100 and Type III, Grade 1065.

5. Invoices/Payments. Contractor invoices for purchases resulting from into-plane contracts will be submitted to DFAS-CO. DESC shall bill

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purchasers for each issue IAW pricing guidance in chapter 11, subsection C.2. of this volume.

6. Aviation Fuel & Oil Into-Plane Contract Listing. This listing (prepared by DESC) summarizes contract data associated with into-plane locations such as contract number, airport, refueling agent, grade of fuel available, operating hours, waivers to product specifications (if any), operating hours, etc. The listing is intended to assist flight planners; it is NOT intended as a flight document. Copies of the listing are distributed to:

a. Military Services, DCMDs, National Guard Units (located on or in proximity to into-plane locations), Defense Attach, Offices, and Federal Agencies having into-plane requirements.

b. DMAAC publishes "DoD Flight Information Publication (Enroute)," which outlines product award at airport locations.

7. Contractor Performance/Cooperation

a. Into-plane refueling contractors normally provide refueling service 24 hours a day, 7 days a week, unless indicated otherwise in the bulletin (listing). At such locations, advance coordination with the contractor is required to assure refueling coverage after normal duty hours.

b. Aircraft's are normally serviced on a first-come-first-served basis. Note, unusually heavy liftings must be coordinated with the contractor in advance; this will minimize delay and avert delivery problems.

c. Contractors or refueling agents are required to deliver into the aircraft tanks, unless the pilot or authorized representative desires to handle the refueling hose. Refueling will take place at or adjacent the contractor facility.

8. Complaints of Service Performance. Complaints of unsatisfactory service, etc., at into-plane locations should be forwarded to DESC-PH. The report should be as factual as possible and include: dates, times, names, unit numbers, and circumstances.

F. MILITARY INTERDEPARTMENTAL PURCHASE REQUEST (MIPR)

1. Purchase Requests

a. DD Form 448, MIPR, will be used to submit product and service requirements to DESC in compliance with DoD FAR Supplement 8.7008 and its subparts. MIPRs will be submitted consistent with guidance in sections A. through E., above.

b. MIPRs will be structured by product and will include: name, address and DoDAAC of the location (base, airport) and the mode of shipment code IAW volume V, appendix C27 of this manual. See volume V, appendix A2 for further instructions and appendix A3 for sample DD Form 448. Plain paper should be used for continuation sheets. Additional data in support of the requirement may be attached to the MIPR (such as letters, specification data).

c. Messages/phone calls may be used to initiate procurement action in support of urgent or emergency requirements. Such requests will include adequate data to initiate procurement. These requests will be confirmed promptly by a MIPR -- with a statement confirming the prior request; such as: This MIPR confirms our prior request submitted to DESC-BI/PE/PL/PH, as appropriate, by phone January 15, 1996, or by message 151600Z JAN 96. Such statements are crucial to preclude duplicate procurement action.

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d. Letters or messages may be used to clarify previously submitted MIPRs and to furnish supplementary data. Such documents will reference the previous MIPR and associated purchase program.

e. Issue Priority Designators (IPDs) are assigned to indicate the degree of urgency. IPDs are used in the Uniform Materiel Movement/Issue Priority System (UMMIPS) for Government contracts. UMMIPS is designed to inform the contractor which contract to fill first when the contractor is obligated to fill more than one contract at the same time. However, IPDs are not normally assigned to MIPRs for petroleum products. Bulk fuel has its own unique stock control and distribution system and annual purchase programs. See volume V, appendix A4 of this manual for illustration of UMMIPS.

f. DESC will review MIPRs for complete/accurate data. If additional data is required, it should be furnished in the shortest possible time.

g. MIPR status is furnished to SCPs via the solicitation (IFB or RFQ) and the resultant contract. SCPs are advised of unusual delays in procurement action or non-award.

2. Purchase Requests Amendments

a. DD Form 448 is also used to amend previously submitted MIPRs. Such MIPRs must contain the word "AMENDMENT" in conspicuously large block letters. In the same manner the word "CANCEL" will be used for cancellation of a prior MIPR.

b. Military Services will review MIPRs semi-annually in an effort to confirm the initial requirements. The purpose of this review is to advise DESC of substantive variance in requirements (through amended MIPRs) as a result of program changes.

3. Service Funded MIPRs and Associated Obligation Actions

a. During the purchase process, the availability of funds cited on the MIPR will be reevaluated IAW current market conditions, and excesses reported to the SCP. DESC will not obligate funds in excess of the amount certified in the MIPR except with SCP APPROVED authorization.

b. DESC will not obligate funds for the purpose of establishing contingency cost that may or may not be incurred during the life of a contract. For example, to provide for taxes excluded from the contract price but payable in certain instances, or for price escalation costs usually related to area posted prices or other types of cost indexes. However, SCPs submitting MIPRs will promptly provide funding authority for cost increases arising out of contract allowable increased costs, when and if such increases occur.

G. DoD COMPONENTS AUTHORIZED TO SUBMIT PROCUREMENT REQUESTS TO DESC

1. Requirements for Bulk Fuel, Packaged Fuels/Drumming Services, and Into-Plane Refueling Contracts

a. Army: ATTN: SATPC-L Army Petroleum Center 54 M Avenue, Suite 9 New Cumberland, Pennsylvania 17070-5008

b. Navy: 1/ Navy Petroleum Office/NPO 20 8725 John J. Kingman Rd., STE 3719 Ft. Belvoir, Virginia 22060-6224

c. Air Force: Air Force MAJCOMs 1/Navy and Marine Corps bases in CONUS shall submit requirements directly to DESC-O for contract bulletin products such as motor gas, heating oils.

2. Requirements for Alongside Aircraft Fuel Delivery Services

a. Army (Same as paragraph G.1.a.)

b. Navy (Same as paragraph G.1.b.)

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- c. Air Force (Same as paragraph G.1.c.)
- 3. Requirements for Commercial Testing of Government Product
 - a. Army (Same as paragraph G.1.a.)
 - b. Navy (Same as paragraph G.1.b.)
 - c. HQ San Antonio ALC/SFR
 - Resources Management Division
 - 1014 Billy Mitchell Blvd., Suite 1
 - Bldg. 1621
 - Kelly AFB, TX 78241-5603