

C4. CHAPTER 4

ORDERING AND REQUISITIONING

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C4.1. GENERAL

This chapter prescribes procedures to order Defense Working Capital Fund (DWCF) product direct from refineries and suppliers and to requisition product from defense fuel support points (DFSPs).

C4.2. DISTRIBUTION PLAN (DP)

C4.2.1. The Defense Logistics Agency (DLA) Energy Supply Chain Operations Division (DLA Energy-NC) prepares DPs to advise Defense Energy regions (DERs) regarding contract sources and DFSPs scheduled to receive and ship product. DPs contain the supplier name, contract number, contract quantity, and delivery mode.

C4.2.2. In overseas areas with a military distribution system at ocean DFSPs, the DP reflects only the source of supply for the coastal DFSP and not the associated DFSPs.

C4.2.3. DERs, joint petroleum offices (JPOs), and sub area petroleum offices (SAPOs) monitor DPs to ensure sufficient quantities to support overseas requirements and inland petroleum distribution plans.

C4.3. DISTRIBUTION PLAN AUTHORIZATION (DPA)

DLA Energy system of record generates DPAs using DLA Energy Bulk Contract award and individual contract ordering limitations, and authorizes the DER to initiate and amend the corresponding source identification and ordering authorization (SIOATH).

C4.3.1.1. The DPA identifies the responsible DER, product code, contract award data, individual contract ordering limitations, and authorizes the DER to initiate and amend the corresponding SIOATH. Each DPA has a separate identification number in the following format (Sample DPA identification number is W-JP5-09-01-00):

C4.3.1.1.1. DER with SIOATH responsibility (W).

C4.3.1.1.2. Product Code (JP5).

C4.3.1.1.3. Fiscal Year (09)

C4.3.1.1.4. Serial number indicating the number of basic DPAs issued to the DER within the stated fiscal year (01).

C4.3.1.1.5. Amendment number indicating the number of amendments to the DPA, beginning with 00 for the basic DPA and 01 for the first amendment (00).

C4.3.1.2. Unless delegated to the DER, DLA Energy-NC prepares and controls fuel ordered for ocean tankers.

C4.3.2. The basic DPA typically includes 75 percent of the awarded product quantity. DLA Energy Inventory Accountability Division (DLA Energy-NI) will manually adjust the percentage to support mission requirements. DLA Energy-NI shall prepare an amendment to the basic DPA when the remaining quantity is required. Funds for the balance of the contract are:

C4.3.2.1. Reserved with an amendment.

C4.3.2.2. Committed with a SIOATH.

C4.3.2.3. Obligated once orders process in the DLA Energy system of record.

C4.3.3. The DLA Energy-NI and DERs use DPA/SIOATH reports and contract status reports to monitor and control remaining contract quantity available to order. The DLA Energy system of record ensures the total DPA dollar value for each contract line item number (CLIN) does not exceed the total CLIN price of the contract and uses the most current CLIN price to restrict quantity increases.

C4.3.4. The DER notifies DLA Energy-NC when contracted quantities are insufficient to satisfy demand or additional product is required to support unexpected consumption increases, exercises, mission changes, or changes to equipment/facilities. DLA Energy-NC determines if product is available on an existing bulk contract and prepares and submits a purchase request to the bulk contracting officer (CO) for supplemental acquisition consideration as required.

C4.4. SIOATH

C4.4.1. The SIOATH identifies supply sources, contract quantity limitations, fund data, and identifies authorized ordering and requisitioning offices.

C4.4.2. The SIOATH reflects the total quantity authorized to order by contract CLIN and location. Authorized quantity cannot increase above the amount outlined on the DPA and orders cannot exceed quantity stated on SIOATH.

C4.4.3. DERs shall use the DLA Energy system of record to prepare SIOATHs. The DLA Energy OracleCOACH application provides instructions to prepare a SIOATH and is available at the Customer Resources, Paperless Ordering and Receipt Transaction Screen (PORTS) tab on the DLA Energy website.

C4.4.3.1. DLA Energy-NI shall ensure SIOATHs are available in the DLA Energy system of record to enable DER timely access to satisfy the minimum ordering advance notice specified in the contract.

C4.4.4. DFSPs and DERs may review SIOATH status reports that reside in the DLA Energy system of record.

C4.4.5. The DLA Energy system of record e-mails a certified copy of the initial SIOATH and amendments to DFSPs and DERs. DFSPs and DERs shall contact DLA Business Systems Modernization (BSM) program Help Desk at 1-800-446-4950 for addition to the distribution list.

C4.4.6. Final (Closed) SIOATHs. The authorized DER and DLA Energy-NI ordering officers shall prepare, certify, and amend final SIOATH reports for all bulk contracts no later than 45 days after the DPA and SIOATH terminates. The report shall include the statement “This is the final SIOATH issued to indicate the actual quantity delivered.” If the final SIOATH cannot be prepared within the 45-day period, the DER shall notify DLA Energy-NI of the anticipated closeout date and reason for delay. The DLA Energy system of record electronically retains copies of SIOATHs for auditing purposes.

C4.5. ORDERING FUEL FROM BULK CONTRACT SOURCES

C4.5.1. DERs and DFSPs shall use DD Form 1155, “Orders for Supplies or Services,” to order DLA Energy bulk contract fuel. All ordering officers shall use PORTS to place orders.

C4.5.1.1. Authorized ordering officers shall prepare DD Form 1155 orders and amendments for DFSPs.

C4.5.1.2. Military-base-level DFSPs shall:

C4.5.1.2.1. Report monthly requirement quantity to the managing DER by the 15th of the preceding month.

C4.5.1.2.2. Schedule deliveries with suppliers based on DD Form 1155 data created by the DER.

C4.5.1.2.3. Immediately notify the DER of changes in monthly requirement quantity. Notify service control point and DER of any change affecting the annual projected fuel requirement by more than 10 percent.

C4.5.2. DD Form 1155 Order Preparation. The DLA Energy OracleCOACH application provides instructions to prepare DD Form 1155 and is available at the DLA Energy Website. Select the PORTS Index hyperlink, choose “Bulk” button, and select the desired function in the Bulk PORTS User Index on left column for further instructions.

C4.5.2.1. Orders obligate the DWCF product. Authorized ordering officer shall therefore ensure data is accurate and consistent with the SIOATH quantity limitations. The SIOATH identifies authorized ordering and receiving offices.

C4.5.2.2. Orders can fulfill daily, weekly, or monthly requirements.

C4.5.3. DD Form 1155 Distribution. Once electronically signed or pinned, the DLA Energy system of record forwards copies to all DERs, DFSPs, and suppliers on the distribution list.

C4.5.4. Placing Delivery Orders.

C4.5.4.1. Unless stated otherwise in the contract, DERs and DFSPs shall schedule deliveries in advance of required delivery dates (RDD), for example:

C4.5.4.1.1. Ocean tanker - 20 days.

C4.5.4.1.2. Barge and pipeline - 15 days.

C4.5.4.1.3. Tank car/truck - 2 days (48 hours).

C4.5.4.2. Notify suppliers of urgent orders by telephone, facsimile, or email whenever required and create a supporting DD Form 1155 within 24 hours of the ordered date.

C4.5.4.3. Prepare one order for each contract line item required to create a single tanker, barge, or pipeline shipment.

C4.5.4.4. Create single orders for incremental delivery quantities within the MINIMUM and/or MAXIMUM stated in the contract quantity clause unless otherwise agreed upon by the Government and the supplier.

C4.5.5. Order Amendments. Authorized ordering officers shall amend submitted DD Form 1155 to amend orders and shall prepare amendments when:

C4.5.5.1. There is a decreased ordered volume due to consumption change. The supplier must agree to the amendment at no additional cost to the Government. The ordering officer shall promptly notify the DLA Energy CO when the supplier does not agree. The DD Form 1155 may reference the supplier concurrence to no cost.

C4.5.5.2. The ordering officer shall review for cause variances between the total quantity ordered and total received or delivered that exceed the contract allowed variance. The ordering officer shall amend the order accordingly when the variance is determined to be within scope of the contract and shall refer variations outside the contract scope to the CO for determination. The ordering officer shall identify variances that exceed the SIOATH quantity to DLA Energy-NI. Ordering officers shall create amendments involving quantity changes for the following conditions:

C4.5.5.2.1. Quantity delivered is acceptable to the DLA Energy ordering officer.

C4.5.5.2.2. The supplier fails to deliver the entire order quantity by conclusion of the delivery period and no further product requirement exists, and there is no intention to hold the supplier liable.

C4.5.5.3. The supplier fails to deliver portion of an order during the delivery period when the quantity remains a requirement, the order shall remain open unless the CO directs the ordering officer to create an amendment. This action enables the Government either to obtain the remaining quantity through legal action or to hold the supplier liable for any incurred costs to obtain the undelivered quantity from alternate sources.

C4.5.5.3.1. The ordering officer will inform the CO and DLA Energy-NI of contractor failure to deliver by email, facsimile, or follow-up telephone call. The failure to deliver notice will contain:

C4.5.5.3.1.1. Pertinent contract and order information.

C4.5.5.3.1.2. Projected delivery date of quantity in question.

C4.5.5.3.1.3. Contractor reason for the failure to deliver.

C4.5.5.3.1.4. Date replacement quantity required.

C4.5.5.3.1.5. Impact to the Government.

C4.5.5.3.1.6. Suggested alternate sources of supply.

C4.5.5.3.1.7. Recommendation of the ordering officer.

C4.5.6. Delivery Order Cancellations. Although orders obligate the Government to accept the product, suppliers may cooperate when unexpected circumstances delay or prevent acceptance of scheduled deliveries.

C4.5.6.1. The ordering officer shall closely coordinate delivery order cancellations with the supplier to minimize negative effect on the supplier.

C4.5.6.2. The ordering officer shall endeavor to postpone or defer the delivery date whenever possible through mutual agreement with the supplier prior to executing cancellation of an order. The ordering officer shall notify the CO when mutual agreement is not possible.

C4.5.6.3. The ordering officer shall promptly notify the DER, which in turn will notify the CO when termination for convenience by the Government is the only alternative. The DER will provide the CO the contract number, order number, date of order, quantity, product code, delivery date requested, shipment destination, reason for termination, and summary of ordering officer actions.

C4.5.7. Delivery Delays or Special Considerations

C4.5.7.1. The ordering officer shall notify the DER, which in turn will notify the CO and DLA Energy-NI when a contractor fails to fulfill delivery requirements on the DD Form 1155.

The CO notification is the ultimate responsibility of the ordering officer. The notification shall provide immediate or potential effect of delays on prescribed minimum inventory levels, day-to-day support capability, and possible increased costs to the Government.

C4.5.7.2. The ordering officer shall attempt to order across multiple contract sources to ensure a balanced lifting program throughout the supplier base. The ordering officer shall notify the appropriate chain of command and the CO when a supplier lags behind on deliveries that necessitate another supplier to deliver ahead of contracted quota by 10 percent or more.

C4.5.7.3. The ordering officer shall place orders consistent with solicitation F Clauses and ordering and delivery terms specified in the contract award documents.

C4.5.7.3.1. Unless otherwise directed by DLA Energy-NI or the CO, the ordering officer shall limit deliveries from suppliers who have failed to deliver one or more times to no more than a 1-week supply. This permits prompt processing should default action be necessary.

C4.5.7.3.2. The ordering officer shall not accept further deliveries against an order after initiating default action against the order but may continue to place new orders against the contract for the prorated share of the contract. The ordering officer shall keep the CO informed if the contractor continues to fail to deliver against subsequent orders.

C4.5.8. Contract Flexibility. The following procedures are available to accommodate consumption rate changes. The ordering officer shall coordinate with DLA Energy-NI and the CO for approval prior to implementation.

C4.5.8.1. Quantity Transfers Between Line Items. If a contract line item requires overlifting, the product shall be from a same grade line item on the same contract and the contractor has sufficient product available to satisfy the projected overlift quantity.

C4.5.8.2. Overlifting Final Order. The ordering officer may increase final orders placed against bulk delivery contracts for ocean tanker, barge, or pipeline under certain conditions:

C4.5.8.2.1. Tanker and Barge. The final order placed for each product from each refinery source may increase to a quantity sufficient to fill the tanker or barge.

C4.5.8.2.2. Pipeline. The final order placed for each product from each refinery source may increase to a quantity required to fulfill the maximum parcel size established by applicable carrier or international agreement.

C4.5.8.3. Delivery Orders Prior to New Contract Delivery Period. Bulk contracts allow order submissions from date of award through end of the specified ordering period. It may be necessary to order and/or accept deliveries from new contracts prior to the specified contract delivery period. The ordering officer shall limit requests for advance delivery and submit them to DLA Energy-NI and CO for approval and contract modification.

C4.5.8.4. Deliveries Beyond the Contract Delivery Period. Suppliers may be required to deliver up to 30 days beyond the established delivery period when order submittal occurs within the established ordering period to ensure a continuous fuel resupply. Ordering officers shall coordinate with DLA Energy-NI and CO prior to placing orders for delivery into the 30-day carry-over period.

C4.5.9. Reporting Contract Underlifts. The DER shall monitor contract lifts by each contract at least monthly and shall initiate the following actions if it is determined the contract may be underlifted.

C4.5.9.1. The ordering officer shall compare projected customer requirements against the contract balance and notify their chain of command, DLA Energy-NI, and the CO if the contract may underlift by 25 percent or more by end of the contract delivery period. When the projected lift quantity of the contract is less than 75 percent of the total contract award quantity, the ordering officer or DER shall determine the projected total lift quantity for the entire contract period and reduce the SIOATH accordingly.

C4.5.9.2. The DER or ordering officer shall notify DLA Energy-NI and the CO that the contract may be underlifted. A contract modification will be required.

C4.6. ORDERING FUEL FROM POST, CAMPS, AND STATIONS (PC&S) CONTRACT SOURCES

C4.6.1. Ordering officers shall use Standard Form (SF) 1449, "Solicitation/Contract/Order For Commercial Items," to order DLA Energy PC&S contract fuel. All ordering officers shall use PORTS to place orders.

C4.6.1.1. Authorized ordering officers shall:

C4.6.1.1.1. Prepare SF 1449 orders and amendments.

C4.6.1.2.2. Schedule deliveries with suppliers based on SF 1449 submitted to contractor.

C4.6.2. SF 1449 Order Preparation. The DLA Energy OracleCOACH application provides instructions to prepare SF 1449 and is available at the Customer Resources tab on the DLA Energy website; choose "FES Utilities," and select the PORTS tab. Create an order by selecting the appropriate active contract. For Ground PORTS users, select the PORTS Index hyperlink, choose "Ground," and select the desired function in the Ground PORTS User Index on the left column for further instructions. For additional assistance, contact the BSM Energy Help Desk at 1-800-446-4950.

C4.6.2.1. Orders obligate the DWCF product. Authorized ordering officers shall therefore ensure data is accurate and consistent with contract terms.

C4.6.2.2. Orders can fulfill daily, weekly, or monthly requirements.

C4.6.3. SF 1449 Distribution. Once electronically signed or pinned, the DLA Energy system of record forwards copies to all customer locations and DFSPs, and suppliers on the distribution list.

C4.6.4. Placing Delivery Orders. Ordering officers shall schedule deliveries in advance of RDD as outlined in the contract.

C4.6.4.1. Confirm verbal orders placed with a contractor by submitting a hard copy SF 1449 within 24 hours of the ordered date.

C4.6.4.2. Prepare one order for each contract line item.

C4.6.5. Order Amendments. Authorized ordering officers shall amend submitted SF 1449s when:

C4.6.5.1. There is decreased ordered volume due to consumption change. The supplier must agree to the amendment at no additional cost to the Government. The ordering officer shall promptly notify the CO when the supplier does not agree.

C4.6.5.2. The total quantity ordered and total received or delivered exceeds the contract-allowed variance and but it is determined to be within the scope of the contract. The ordering officer shall refer variations outside the contract scope to the CO for determination. Ordering officers shall create amendments involving quantity changes for conditions when:

C4.6.5.2.1. The quantity delivered is acceptable to the ordering officer.

C4.6.5.2.2. The supplier fails to deliver the entire order quantity by conclusion of the delivery period and no further product requirement exists, and there is no intention to hold the supplier liable.

C4.6.5.3. The supplier fails to deliver a portion of an order during the delivery period when the quantity remains a requirement. The order shall remain open unless the DLA Energy CO directs the ordering officer to create an amendment. This action enables the Government either to obtain the remaining quantity through legal action or to hold the supplier liable for any incurred costs to obtain the undelivered quantity from alternate sources.

C4.6.5.3.1. The ordering officer will inform the CO of contractor failure to deliver by email, facsimile, or follow up telephone call. Reference subparagraph C4.5.5.3.1 for required failure to deliver notice data.

C4.6.6. Delivery Order Cancellations. Although orders obligate the Government to accept the product, suppliers may cooperate when unexpected circumstances delay or prevent acceptance of scheduled deliveries. See Chapter 2 of this Volume, "Acquisition Responsibility and Local Purchase Authority," for further cancellation instructions.

C4.6.6.1. The ordering officer shall closely coordinate delivery order cancellations with the supplier to minimize negative effect on the supplier.

C4.6.6.2. The ordering officer shall postpone or defer the delivery date whenever possible through mutual agreement with the supplier prior to executing cancellation of an order. The ordering officer shall notify the CO when mutual agreement is not possible.

C4.6.7. Delivery Delays (Special Considerations)

C4.6.7.1. The ordering officer shall notify the CO when a contractor fails to fulfill delivery requirements on the SF 1449. The CO notification is the ultimate responsibility of the ordering officer. The notification shall provide immediate or potential effect of delays on prescribed minimum inventory levels, day-to-day support capability, and possible increased costs to the Government.

C4.6.7.2. The ordering officer shall place orders consistent with solicitation F clauses and ordering and delivery terms specified in the contract award documents.

C4.6.7.3. Unless otherwise directed by the CO, the ordering officer shall limit deliveries from suppliers who have failed to deliver one or more times to no more than a 1-week supply. This permits prompt processing should default action be necessary.

C4.6.7.3.1. The ordering officer shall not accept further deliveries against an order after initiating default action against the order, but may continue to place new orders against the contract. The ordering officer shall keep the CO informed if the contractor continues to fail to deliver against subsequent orders.

C4.6.8. New Requirements and Open Market Purchase Orders or Spot Buys

C4.6.8.1. Components shall contact the JPO to complete a PC&S requirements worksheet to identify new PC&S requirements, and the JPOs will submit those worksheets to DLA Energy. All other activities should contact PC&S inventory managers. DLA Energy uses PC&S requirements worksheets to establish long-term contracts.

C4.6.8.2. If a product is required prior to establishing a long-term contract, the activity shall contact the points of contact in order to submit an open market purchase request. Following the award of the open market purchase, the CO will place the order against it for the activity.

C4.6.9. Contract Flexibility

C4.6.9.1. Delivery Orders Prior to New Contract Delivery Period. PC&S contracts allow order submissions from date of award through end of the specified ordering period. It may be necessary to order or accept deliveries from new contracts prior to the specified contract delivery

period. The ordering officer shall limit requests for advance delivery and submit them to the CO for approval and contract modification.

C4.6.9.2. Deliveries Beyond the Contract Delivery Period. Suppliers may be required to deliver up to 1 month beyond the established delivery period when order submittal occurs within the established ordering period to ensure a continuous fuel resupply. Ordering officers shall coordinate with the CO prior to placing orders for delivery into the 1-month carry-over period.

C4.7. ORDERING FUEL FROM DFSPs

C4.7.1. Requirements, Requisitions, and Stock Transfers. The receiving DFSP or customer shall submit the 30-day required quantity in writing to the shipping DFSP and shall schedule shipments from the shipping DFSP by telephone, facsimile, or e-mail.

C4.7.1.1. The receiving DFSP may requisition single or multiple deliveries.

C4.7.1.2. Requests that generate shipments remain active or open until receipt of the total quantity or the request is amended. Investigate open or unmatched movements.

C4.7.1.3. The shipping DFSP may request the receiving DFSP amend requisitions when the remaining quantity is less than a full tank truck or car load.

C4.7.2. Requisition Time. Submit requisitions to shipping DFSPs in advance of required delivery dates in accordance with subparagraph C4.5.4. It is acceptable to submit requisitions for shipside deliveries less than 20 days in advance if the transaction improves strategic operations or prevents ship movement delays.

C4.7.3. Redistribution Order (RDO) Between DFSPs

C4.7.3.1. The DER or JPO shall provide RDOs to redistribute DWCF inventories between DFSPs, to include pipeline accounts. The DER or JPO shall provide the shipping DFSP a release or RDO that identifies authorized consignees to call or order shipments during the RDO period. The DER or JPO shall provide receiving DFSPs notice of delivery that identifies method of delivery, source, grade of product, and any special instructions.

C4.7.3.2. DFSPs shall use unique identifiers to redistribute DWCF inventories such as cargo numbers, pipeline batch numbers, or DFSP-assigned numbers. DFSPs shall record these unique identifiers on the DD Form 1348-7, "DoD MILSPETS DFSP Shipment and Receipt," DD Form 250, "Material Inspection and Receiving Report," or DD Form 250-1, "Material Inspection and Receiving Report, Tanker/Barge."

C4.8. PRODUCT SHIPMENT BETWEEN DFSPs

C4.8.1. Economic Distribution. A DFSP may serve as central distribution point to support other DFSPs when cost-effective to the overall product distribution pattern.

C4.8.2. Transportation. The DER provides routing instructions to the shipping DFSP transportation office. The shipping DFSP shall:

C4.8.2.1. Schedule transportation (tank trucks) for loading and shipping of fuel.

C4.8.2.2. Enter shipment data directly into PowerTrack. At overseas locations where PowerTrack is not available, prepare Military Freight Warrant.

C4.8.2.3. Coordinate shipping schedules with the receiving DFSPs.

C4.8.3. Funding. DLA Energy funds transportation costs associated with intra-DFSP shipments.

C4.9. REQUISITIONING FUEL ADDITIVES

C4.9.1. DLA Energy centrally funds bulk and packaged fuel additives through the DWCF.

C4.9.2. DoD organizations should contact their DER supply management specialist to order bulk fuel additives for DWCF-owned product.

C4.9.3. DERs will coordinate bulk additive requirements with DLA Energy-NI. DERs will order new bulk additive requirements using Bulk PORTS or redistribute additive from existing stocks.

C4.9.4. DLA Energy-NI will add new requirements for packaged additives to the Obligation Authority Program. Customers that require packaged additives should contact Defense Logistics Agency Aviation through the DoD Electronic Mall at <https://dod-email.dla.mil/acct/>.

C4.9.5. DERs shall facilitate DFSPs to ensure adequate supply is available to satisfy mission requirements. DFSPs shall notify the DER when delivery delays will adversely affect mission capability. The DER shall assist the DFSP to acquire lateral support from another DFSP and shall contact DLA Energy-NI for assistance if lateral support is not available within the theater.