



## DoD MANUAL 4140.25, VOLUME 8

# DoD MANAGEMENT OF ENERGY COMMODITIES: ENERGY COMMODITY INFRASTRUCTURE OPERATIONS

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<b>Originating Component:</b>	Office of the Under Secretary of Defense for Acquisition and Sustainment
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**Purpose:** This manual is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directive (DoDD) 5134.12 and DoD Instruction (DoDI) 4140.25:

- The manual implements policy, assigns responsibilities, and provides procedures for the supply chain management, quality assurance and quality surveillance, and storage of energy commodities and related services.
- This volume assigns responsibilities and establishes procedures for the acquisition and management of energy commodity infrastructure, which includes facilities and equipment necessary to support the storage and distribution of Defense Working Capital Fund (DWCF) energy commodities at designated Defense fuel support points (DFSPs) for the DoD.

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.** This volume applies to:

a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands (CCMD), the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this volume as the “DoD Components”).

b. Non-Dod Federal Government agencies participating in the DoD supply chain management of energy commodities, referred to collectively in this volume as “Participating Agencies,” but only when and to the extent they adopt the terms of this manual.

### **1.2. INFORMATION COLLECTIONS.**

a. The Real Property Data Updates, referred to in Paragraphs 2.3.c, 2.3.d., and 2.5.b. of this volume, do not require licensing with a report control symbol in accordance with Paragraph 1.b.(15) of Enclosure 3 of Volume 1 of DoD Manual 8910.01.

b. The Defense Logistics Agency (DLA) Energy Spill Report, referred to in Paragraphs 3.2.b.(21), 3.4.b.(17), and 7.3.c., does not require licensing with a report control symbol in accordance with Paragraph 1.b.(5) of Enclosure 3 of Volume 1 of DoD Manual 8910.01.

c. The equipment or equipment services need statement worksheet, referred to in Paragraphs 4.3.b and 6.3.d of this issuance, does not require licensing with a report control symbol in accordance with Paragraph 1.b.(10) of Enclosure 3 of Volume 1 of DoD Manual 8910.01.

d. DoD Form (DD Form) 1391, “FY \_\_ Military Construction Project Data,” referred to in Paragraphs 3.2.b (25), 5.2.a and b, 5.3.c.(1), 6.3.c.(1)(b), 7.2.a., and 7.3.d., does not require licensing with a report control symbol in accordance with Paragraph 1.b.(10) of Volume 1 of DoD Manual 8910.01.

e. DoD Form (DD Form) 1390, “FY \_\_ Military Construction Program,” referred to in Paragraphs 3.2.b (25) and 5.3.c.(2) does not require licensing with a report control symbol in accordance with Paragraph 1.b.(10) of Volume 1 of DoD Manual 8910.01.

**1.3. SUMMARY OF CHANGE 1.** This change reassigns the office of primary responsibility for this issuance to the Under Secretary of Defense for Acquisition and Sustainment in accordance with the July 13, 2018 Deputy Secretary of Defense Memorandum.

## SECTION 2: RESPONSIBILITIES

**2.1. ASSISTANT SECRETARY OF DEFENSE FOR ENERGY, INSTALLATIONS, AND ENVIRONMENT (ASD(EI&E)).** Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)), the ASD(EI&E) oversees the real property management of all infrastructure and facilities.

**2.2. ASSISTANT SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS (ASD(L&MR)).** Under the authority, direction, and control of the USD(A&S), and in accordance with DoDI 4140.25, the ASD(L&MR) oversees the strategic management of DoD energy commodities and related services.

**2.3. DIRECTOR, DLA.** Under the authority, direction, and control of the USD(A&S), the Director, DLA:

a. Plans, programs, budgets, and funds projects for energy commodities infrastructure which includes facilities and equipment necessary to support the storage and distribution of DWCF energy commodities.

b. Coordinates the design and construction of projects for energy commodities with the Military Departments and authorized construction agents.

c. Submits prioritized proposals for military construction (MILCON) projects or disposal actions annually for energy commodity real property facilities to the Military Departments in accordance with OSD real property forecasting guidance in DoDI 4165.14.

d. Reconciles real property data with the Military Departments before the end of each fiscal year. Updates real property data fields to:

(1) Properly record real property assets that support energy commodities with an emphasis on data fields required by DoDI 4165.14.

(2) In accordance with DoDI 4165.14 and the current memorandum of agreement (MOA) between DLA and the Military Departments, use the OSD Real Property Information Model found on DoD website [http://www.acq.osd.mil/eie/BSI/BEI\\_RPA.html](http://www.acq.osd.mil/eie/BSI/BEI_RPA.html) to record DLA's organizational code "33" in the real property data fields: asset allocation sustainment organization code, real property asset financial reporting organization code, facility replacement program organization code, and facility restoration and modernization program organization code.

**2.4. DOD COMPONENT AND PARTICIPATING AGENCY HEADS.** The DoD Component and Participating Agency heads:

- a. Operate and manage equipment items and related services used in direct support of DWCF energy products and services.
- b. Coordinate for new equipment requirements or equipment services with DLA when new infrastructure, life-cycle replacements or modernization efforts are processed.
- c. Coordinate with DLA on the use of DWCF funding for energy commodities infrastructure projects, systems, equipment, and life-cycle maintenance costs.

**2.5. SECRETARIES OF THE MILITARY DEPARTMENTS.** In addition to the responsibilities in Paragraph 2.4, the Secretaries of the Military Departments:

- a. Plan, program, design, budget, and fund for installation or construction of infrastructure for energy commodities in accordance with agreements with DLA and the procedures in this issuance.
- b. Annually reconcile real property data with DLA before the end of each fiscal year, and update real property data fields to:
  - (1) Properly record real property assets that support energy commodities with an emphasis on facility condition index data provided by DLA.
  - (2) Identify DLA in the organizational funding codes as the:
    - (a) Asset allocation sustainment organization.
    - (b) Real property asset financial reporting organization.
    - (c) Facility replacement program organization.
    - (d) Facility restoration and modernization program organization.
- c. Maintain accurate real property inventory records to enable an annual reconciliation of energy commodity-related real property facilities sustained or recapitalized by DLA in accordance with DoDI 4165.14.
- d. Submit prioritized proposals for MILCON projects annually for energy commodity real property facilities to DLA's installation planning and review board (IPRB).
- e. Identify representatives to participate on the IPRB to review and prioritize proposed MILCON projects for energy commodities.

**2.6. COMBATANT COMMANDERS.** In addition to the responsibilities in Paragraph 2.4, the Combatant Commanders:

- a. Prioritize requirements for energy commodities within their area of command.

b. Identify representatives from their command to participate in the IPRB to review and prioritize proposed MILCON projects for energy commodities.

## **SECTION 3: DFSP FACILITIES AND INFRASTRUCTURE**

**3.1. GENERAL.** Energy commodity infrastructure includes facilities and equipment necessary for the storage or sale of DWCF energy commodities such as U.S. Government-owned, foreign-owned, leased, commercial tenders, pipelines, and afloat units. This section describes these types of DWCF energy commodity infrastructure in detail and the procedures for managing each type of infrastructure. Guidance differs depending on whether the energy commodity infrastructure is under the management control of DLA pursuant to a real property agreement with the host installation or the infrastructure remains under the management control of the Military Department.

### **3.2. GOVERNMENT-OWNED, GOVERNMENT-OPERATED (GOGO) DFSP UNDER MANAGEMENT CONTROL OF THE MILITARY DEPARTMENT.**

#### **a. DLA Energy:**

(1) Plans, programs, and budgets for, and funds specified direct operational costs of GOGO DFSP operations only where specified in a MOA between DLA and the Military Departments in accordance with DoDI 4000.19.

(2) Plans, programs, and budgets for, and funds projects for fixed energy commodity infrastructure as identified in Section 6. Projects can include maintenance, repair, and minor construction work budgeted in the sustainment, restoration, and modernization (SRM) accounts. These projects ensure complete receipt, storage, and delivery systems in accordance with Unified Facilities Criteria (UFC) 3-460-01. DLA Energy:

- (a) Provides prioritization of SRM project's execution and management.
  - (b) Provides future SRM funding related to improvements, upgrades, modifications, or new technology projects after DLA's review and approval via written memorandum.
  - (c) Includes in the MILCON program cost the anticipated cost of removing and disposing of contamination resulting from the MILCON project other than due to groundwater contamination, unless the groundwater contamination is due to DWCF capitalized product.
- (3) Plans, programs, and budgets for, and funds all DLA-managed equipment items directly supporting DWCF energy commodities at DFSPs.
- (4) Sponsors energy commodity construction projects for DLA funding.
- (5) Considers Military Department requests nominating energy commodity infrastructure for DLA fuel optimization studies, cost analysis, or direct transfer consideration of GOGO DFSPs to DLA-managed operations.
- (6) Provides meters, automatic tank gauge (ATG) software and monitors, automated fuel service stations (AFSS) components, automated fuel handling equipment (AFHE) components,



calibrations, and certifications utilizing DLA-funded and managed service contracts. Determine requirements for installation of automated equipment.

(7) Maintains a current inventory of DLA sustained or recapitalized real property for DWCF energy commodities, in accordance with the format in DoDI 4165.14, that can be readily reconciled with the official Military Department real property inventories.

(8) Funds any direct labor or other direct cost incurred by the Military Department due to DLA-required mission increases at the GOGO DFSP (e.g., transshipment or alternate receipt of fuel). Funded costs are subject to negotiation and must demonstrate economic benefit to Military Department.

(9) Reimburses the Military Department for emergency spill response requirements for releases of DWCF-capitalized product, unless the spill resulted from gross negligence or willful misconduct of the operator.

(10) Programs and provides funding for the restoration of DWCF-capitalized product releases to support SRM or MILCON projects. Addresses restoration of underlying old (pre-1992) contamination when discovered and negotiates cost sharing with the Military Department when associated with contamination due to newer spills or leaks on a case-by-case basis.

(11) Funds or cost-shares, the portion directly associated with DWCF-capitalized product, the following environmental compliance requirements:

- (a) Spill prevention, control, and countermeasures plans.
- (b) Oil pollution prevention operations manuals.
- (c) Storm water pollution prevention plans.

(12) Funds recurring environmental costs, including: permits, sampling, tightness and leak detection testing, and petroleum waste removal and disposal at sites with DWCF products.

(13) In applicable situations, funds or cost-shares in accordance with Section 4321 et. Seq. of Title 42, United States Code, National Environmental Policy Act of 1969 (NEPA), and requirements associated with DWCF product storage and distribution, including:

- (a) Environmental impact statements.
- (b) Environmental assessments.
- (c) Categorical exclusions.
- (d) Other regulatory environmental plans or documents on a case-by-case basis.
- (e) Finding of no significant impact.

(f) Fines and penalties on a case-by-case basis. DLA will not fund fines attributable to gross negligence, willful misconduct of the DFSP operator, or failure to take action by the Military Department.

(14) Provides technical guidance on emergency response, spill cleanup, and site restoration.

(15) Provide funding for recurring preventative maintenance tasks and regulatory compliance inspections above the organizational level capabilities in accordance with applicable installation, service, industry guidance, or the minimum required inspection or maintenance listed in UFC 3-460-03.

**b. The Military Department:**

(1) Maintains physical and legal accountability for all required real property, and operates facilities to support GOGO DFSP energy commodities.

(2) Provides for the day-to-day operations of the DFSP to include receiving and distributing products, inventory management, and minor maintenance activities in accordance with UFC 3-460-03.

(3) Plans, programs, budgets for, and funds operating costs of GOGO DFSPs, unless there is an MOA between DLA and the Military Department specifying otherwise.

(4) Performs organizational and preventative maintenance in accordance with applicable installation, service, industry guidance, or the minimum required inspection or maintenance listed in UFC 3-460-03, whichever is more protective of the facility.

(5) Operates de-ballasting and recovery systems, when required, to maintain product quality, avoid loss of product, or prevent facility or environmental damage.

(6) Notifies DLA, regional offices, joint petroleum offices (JPO), and the sub area petroleum office of DFSP tankage planned for removal, demolition, or return to service and any major facility repair that impacts mission capability.

(7) Programs, budgets for, and funds all operating costs, maintenance, repair, and construction of energy commodity infrastructure that does not store or distribute DWCF-capitalized energy commodities, for which the Military Department is responsible, that are used solely in support of the Military Department's petroleum mission.

(8) Identifies and inputs deficiencies and potential projects eligible for DLA funding in the DLA system of record for energy commodities infrastructure for fixed petroleum energy commodity infrastructure as identified in Section 6 of this issuance for maintenance, repair, and minor construction.

(9) Programs, plans, and executes the appropriate remedial actions necessary to comply with environmental restoration laws applicable to the site other than those remedial actions for which the MILCON project is responsible. The Military Department is responsible for the

installation restoration program and the general environmental restoration of the site, but not for the disposal of environmental contamination uncovered as a result of construction activities due to the MILCON project.

(10) Uses existing energy commodity sites for energy commodity infrastructure replacement projects unless cleanup requirements prevent reuse. If cleanup requirements prevent reuse of existing energy commodity sites, identifies and provides suitable, alternative land. The Military Department will provide a site that can be used for the projected MILCON project without significantly exacerbating existing contamination or disturbing a remedy in place. In particular, the site should not have groundwater contamination that would be exposed by or to the MILCON project or contamination that would result in infiltration of hazardous substances into the end project if the project is subject to human habitation.

(a) Any known existing contamination will be identified to DLA Energy for purposes of evaluating the suitability of the site. If remediation costs associated with the construction exceed 5 percent of the project's construction cost and another clean or cleaner site can not be agreed upon, DLA may defer the project to a follow-on fiscal year to allow for the Military Department to plan, program, and execute a site remediation project before the energy commodity MILCON project's execution.

(b) If the Military Department and DLA cannot agree on a plan or site, the dispute will be elevated to the ASD(EI&E), who will coordinate with the ASD(L&MR).

(11) Executes and administers all Military Department-funded energy commodity contracts for maintenance, repair, minor construction projects, and the inspection and acceptance of work accomplished under these contracts.

(12) Coordinates with DLA and receives DLA approval for any improvements, upgrades, modifications, or new technologies, including those funded via MILCON procedures, which will affect new or existing energy commodity infrastructure for which DLA has SRM funding responsibility.

(13) Provides the appropriate JPO and service control point (SCP) a set of engineer-approved design plans, specifications, and other pertinent data as required for all MILCON projects that may affect energy commodity operations. After their approval of design review requirements, the Military Department submits the design documents to DLA.

(14) Nominates energy commodity projects for DLA fuel optimization studies or cost analysis for conversion consideration of GOGO to DLA managed operation if economic or operational benefit to DoD can be demonstrated.

(15) Advises DLA when additional manpower is required in response to increased DLA distribution requirements or alternative delivery modes beyond the ability of the Military Department.

(16) Maintains responsibility for all safety-related issues, procedures, and requirements.

(17) Conducts and supports mission assurance and associated assessments, vulnerability assessments, and physical security inspections of DFSPs supporting DWCF-capitalized product, and recommend needed changes to the physical security procedures, systems, and equipment at those locations.

(18) Maintains compliance with all applicable federal, State, interstate, and local environmental laws and regulations and all DoD regulations. For foreign sites, maintains compliance with the final governing standards. For sites in the United States, the Military Department must:

- (a) Obtain and comply with required environmental permits.
- (b) Perform sampling and testing required by permits or regulations.
- (c) Perform fuel systems integrity testing.
- (d) Inspect and clean fuel systems.
- (e) Dispose of fuel system wastes.
- (f) Provide appropriate emergency response actions.
- (g) Provide training on environmental compliance with locally established regulations, including spill response.

(19) Processes action with the responsible unit or operator to reimburse DLA for a spill response funded by DLA that resulted from gross negligence or willful misconduct of the operator.

(20) Requests DLA contracting or funding assistance for these areas of environmental compliance requirements:

(a) Development or revision of environmental plans and documentation when DFSP costs relate directly to DWCF product storage, including:

- 1. Spill prevention, control, and countermeasures plans.
- 2. Oil pollution prevention operations manuals.
- 3. Storm water pollution prevention plans.

(b) Recurring environmental costs, including permit, sampling, tightness and leak detection testing, and petroleum waste removal and disposal at sites with DWCF products.

(c) Reimbursement of spill response.

(21) Funds or requests DLA funding for NEPA requirements and other environmental requirements associated with DWCF energy commodity storage and distribution, including:

- (a) Environmental impact statements.
- (b) Environmental assessments.
- (c) Categorical exclusions.
- (d) Findings of no significant impact.

(22) Reports spill details to the DLA Energy Spill Reports e-mail at DESC.spillreports@dla.mil through the appropriate chain of command and the appropriate DLA Energy Region.

(23) Provides DLA with proposed MILCON requirements during the annual MILCON planning cycle.

(24) Provides MILCON priorities.

(25) Provides a draft DD Form 1390, "FY \_\_\_\_ Military Construction Program," and DD Form 1391, in accordance with Volume 2B of DoD 7000.14-R for each MILCON project. Any other project documentation requested in the project call or as requested based on later project reviews (e.g., economic analysis or environmental data) must also be provided in Microsoft Word format.

(26) Determines the work classification for SRM requirements in accordance with Military Department guidance having jurisdiction over the real property classification (e.g., Department of the Army Pamphlet 420-11, Office of the Chief of Naval Operations Instruction 11010.20H, and Air Force Instruction 32-1032).

### **3.3 GOVERNMENT-OWNED, CONTRACTOR-OPERATED (GOCO) OR GOCO DFSP UNDER MANAGEMENT CONTROL OF DLA PURSUANT TO A REAL PROPERTY AGREEMENT WITH THE HOST INSTALLATION.**

#### **a. DLA Energy:**

(1) Plans, programs, and budgets for, and funds specified direct costs for the operation of these DFSPs.

(2) Plans, programs, and budgets for, and funds projects for fixed petroleum energy commodity infrastructure for maintenance, repair, and minor construction to ensure complete receipt, storage, and delivery systems in accordance with UFC 3-460-01 and UFC 3-460-03.

(3) Plans, programs, and budgets for, and funds all DLA managed equipment that directly supports DWCF energy stocks at DFSPs.

(4) Plans, programs, and budgets for, and sponsors energy commodity construction projects for DLA funding.

(5) Provides safety support services, when not assigned to the contractor, for permitted sites, including:

- (a) Hazard communication safety program.
- (b) Confined space entry.
- (c) Respiratory protection.
- (d) Lock out or tag out.
- (e) Laboratory safety.
- (f) Chemical hygiene.
- (g) Medical surveillance.
- (h) Personal protective equipment.
- (i) Ergonomics.

(6) Conducts annual safety, occupational health, and fire protection inspections of contractor operations at the DFSPs.

(7) Conducts mission assurance and associated assessments, vulnerability assessments and physical security inspections of DFSPs, and recommends needed changes to the physical security procedures, systems, and equipment.

(8) Plans, programs, funds, and manages the emergency spill response and cleanup requirements for DFSPs that store DWCF-capitalized product, but may seek reimbursement if the result of gross negligence or willful misconduct of the operator.

(9) Plans, programs, funds, and manages the following environmental compliance requirements, when not assigned to the contractor:

- (a) Spill prevention, control, and countermeasure plans.
- (b) Oil pollution prevention operations manuals.
- (c) Storm water pollution prevention plans.
- (d) Environmental permitting, sampling, tightness and leak detection testing, and petroleum waste removal and disposal.
- (e) NEPA requirements, including:
  - 1. Environmental impact statements.
  - 2. Environmental assessments.

3. Categorical exclusions in accordance with the Council on Environmental Quality regulations.

4. Findings of no significant impact.

5. Other regulatory environmental plans or documents.

(f) Environmental compliance inspections and environmental management system audits.

(g) Fines and penalties, but may seek reimbursement if attributable to DFSP gross negligence or willful misconduct of the operator.

(10) Monitors for spills, and provides emergency response, spill cleanup, and site restoration.

(11) Ensures contractor maintenance of property records for government furnished equipment.

(12) Maintains a current energy commodity infrastructure inventory of DLA sustainment or recapitalized real property in accordance with DoDI 4165.14 that can be readily reconciled with the official Military Department real property inventories.

**b. The Military Department:**

(1) Provides safety support services to DLA in the construct of the major safety programs, including:

(a) Hazard communication.

(b) Confined space entry.

(c) Respiratory protection.

(d) Lock out or tag out.

(e) Laboratory safety.

(f) Chemical hygiene.

(g) Medical surveillance.

(h) Personal protective equipment.

(i) Ergonomics.

(2) Provides copies of all safety reports, inspections, and training documentation to the DLA safety office.

(3) Upon request of DLA, conducts and supports vulnerability assessments and physical security inspections of a DFSP managed by DLA, and recommends changes to the physical security systems and equipment. Provides copies of all reports and inspections to the DLA security office.

(4) Provides meters, ATG, AFSS and AFHE components, calibrations, and certifications using DLA-funded and managed service contracts. Uses DLA requirements for installation of automated equipment.

(5) Provides administrative office space, restroom facilities, and a dedicated maintenance area for GOCO DFSP contractor personnel.

(6) Provides utility services to DLA (but not the contractor) at no cost, including but not limited to, electrical power, water, sewage, and communications services required for the operation of the energy commodity services contract sites.

(7) Provides fire protection and security services.

**3.4. GOCO DFSP UNDER MANAGEMENT CONTROL OF THE MILITARY DEPARTMENT UNDER A REAL PROPERTY AGREEMENT WITH THE HOST INSTALLATION.** The Military Department owns a GOCO DFSP and operates it under a contract administered by the Military Department or under a contract administered by DLA providing contracting support. Even if this infrastructure stores or handles DWCF-owned energy commodities, the Military Department is responsible for all costs supporting these operations under contracts administered by the Military Department. The only exception to this policy is if a specific MOA or memorandum of understanding is in place delineating funding responsibilities, e.g., DLA funds certain operational costs for GOCO DFSP contracts administered by the Military Department.

**a. DLA Energy:**

(1) Plans, programs, and budgets for, and funds the operation of DFSPs with a MOA in place whereby DLA has agreed to fund specified direct costs associated with Military Department-controlled GOCO DFSPs.

(2) Plans, programs, and budgets for, and funds projects for petroleum energy commodity infrastructure maintenance, repair, and minor construction work that is budgeted in the SRM accounts to ensure complete receipt, storage, and delivery systems in accordance with UFC 3-460-01 and UFC 3-460-03.

(3) Maintains a current inventory of DLA sustainment or recapitalized real property for energy commodities in accordance with DoDI 4165.14 that can be readily reconciled with the official Military Department real property inventory. Oversees the contractor maintains property records accountable for government furnished equipment.



(4) Provides meters, ATG, AFSS and AFHE components, calibrations, and certifications using DLA funded and managed service contracts. Determine the installation of automation equipment.

(5) Reimburses the Military Department for emergency spill response and cleanup requirements for DFSPs that store DWCF-capitalized product unless the result of gross negligence or willful misconduct of the operator. Addresses remediation of underlying old (pre-1992) contamination when discovered and negotiates cost sharing with the Military Department when associated with contamination due to newer spills or leaks on a case-by-case basis.

(6) Funds or cost-shares the portion directly associated with DWCF-capitalized product the following environmental compliance requirements:

- (a) Spill prevention, control, and countermeasures plans.
- (b) Oil pollution prevention operations manuals.
- (c) Storm water pollution prevention plans.

(7) Funds recurring environmental costs, including: permits, sampling, tightness and leak detection testing, petroleum waste removal and disposal at sites with DWCF products.

(8) For sites with DWCF products, funds hazardous petroleum waste disposal as an environmental compliance cost, e.g., tank bottom water, oil or water separator sludge, off-specification petroleum that cannot be re-blended, and laboratory wastes from approved sampling and testing.

(9) Contracts for tightness and leak detection testing services.

(10) In applicable situations, funds or cost-shares with the service the NEPA requirements with DWCF product storage and distribution, including:

- (a) Environmental impact statements.
- (b) Environmental assessments.
- (c) Categorical exclusions.
- (d) Findings of no significant impact.

(11) Pays fines and penalties on a case-by-case basis but may seek reimbursement if attributable to a failure to take action by the Military Department.

(12) Provides environmental training for employees at GOCO DFSPs operated by a DLA contract operator.

(13) Provide guidance on emergency response, spill cleanup, and site restoration.

**b. The Military Department:**

(1) Plans, programs, and budgets for, and funds all costs that have not been transferred to DLA in an MOA for the military-managed GOCO DFSPs.

(2) Requests DLA consideration for funding specified direct costs of operating the GOCOs if sufficient economic benefit to the DoD can be demonstrated and specifically cited in a MOA.

(3) Requires Military Department-generated solicitations and contracts stipulate that the contractor is responsible for ensuring compliance with the policies and procedures provided or referenced in this manual and DLA Enterprise Business System (EBS) guidance on the DLA Energy Portal. Additionally, informs potential contractors that the applicable guidance may be revised and their contracts will be modified to require compliance with any revisions that are deemed to be critical.

(4) Provides operational oversight with the pertinent information regulations or guidance when it is updated or otherwise modified.

(5) Establishes and maintains a meter calibration program that meets the calibration standards set out or referenced in this issuance and industry standards found in the American Petroleum Institute's Manual of Petroleum Measurement Standards. The calibration standards set out or referred to in this issuance should be considered first before applying the industry standards found in the American Petroleum Institute's Manual of Petroleum Measurement Standards.

(6) Provides DLA with proposed MILCON requirements as the requirements evolve or during the annual MILCON planning cycle. Provide MILCON documentation for projects selected by IPRB.

(7) Funds operating and organizational maintenance costs related to the day-to-day tasks needed to receive, store, and issue energy commodities, including associated staffing and supplies in accordance with UFC 3-460-03. In accordance with applicable laws and regulations, submit a request to DLA for funding for the cost of contracted maintenance projects when the work is beyond the capability of the Military Department's operating personnel and this work, traditionally, has been performed by contract. Maintains and forwards updates of expense records to DLA for DWCF energy commodity infrastructure projects and contracts.

(8) Operates de-ballasting and recovery systems when required to maintain product quality, avoid losses, and prevent facility or environmental damage.

(9) Notifies DLA, field offices, JPOs, and the sub area petroleum office of DFSP tankage planned for removal, demolition, or return to service and any major facility repair that impacts mission capability.

(10) Maintains a current energy commodity infrastructure inventory of DLA sustainment recapitalized real property in accordance with DoD policy and OSD format in DoDI 4165.14 that

can be readily reconciled with DLA real property inventories. Ensures contractor maintenance of property records accountable for government furnished equipment.

(11) Ensures that all safety procedures and requirements for its personnel are followed and any safety issues addressed. Provide copies of all reports, inspections, or training documentation to the DLA Safety Office.

(12) Conducts and supports mission assurance and associated assessments, vulnerability assessments and physical security inspections of DFSPs supporting DWCF-capitalized product and recommends needed changes to the physical security procedures, systems, and equipment at those locations. Provides copies of all reports and inspections to the DLA security office.

(13) Complies with applicable federal, State, interstate, local, and DoD environmental regulatory requirements and procedures. For foreign sites, maintains compliance with the final governing standards. Environmental requirements for sites in the United States include:

- (a) Obtaining and complying with environmental permits.
- (b) Performing sampling and testing required by permits or regulations.
- (c) Performing fuel systems integrity testing.
- (d) Inspecting and cleaning fuel systems.
- (e) Disposing of fuel system wastes following Military Department's standard operating procedures.
- (f) Providing emergency response actions.
- (g) Providing training on environmental compliance with Military Department and locally established regulations, including spill response.

(14) Requests DLA contracting or funding assistance for environmental compliance requirements, including development or revision of environmental plans and documentation when DFSP costs relate directly to DWCF product storage, including:

- (a) Spill prevention, control, and countermeasures plans.
- (b) Oil pollution prevention operations manual.
- (c) Storm water pollution prevention plans.

(15) Funds or submits a request to DLA for funding for recurring environmental costs of permits including sampling, tightness and leak detection testing, and petroleum waste removal disposal of sites with DWCF product.

(16) Funds or submits a request to DLA for funding for NEPA requirements and other environmental requirements associated with DWCF energy commodity storage and distribution, including:

- (a) Environmental impact statements.
  - (b) Environmental assessments.
  - (c) Categorical exclusions.
  - (d) Findings of no significant impact.
- (17) Provides disposal of non-hazardous solid waste.
- (18) Reports spill details to the DLA Energy Spill Reports e-mail address: DESC.spillreports@dla.mil, through the appropriate chain of command and the appropriate DLA Energy Region.
- (19) Identifies and inputs deficiencies and potential projects in the DLA EBS system of record for energy commodity infrastructure for:
- (a) Fixed petroleum energy commodity infrastructure as identified in Section 6.
  - (b) Maintenance, repair, and minor construction.

### **3.5. CONTRACTOR-OWNED, CONTRACTOR-OPERATED (COCO) DFSPS.**

- a. If the COCO DFSP is operated under a DLA contract, DLA:
  - (1) Plans, programs, and budgets for, and funds contract costs.
  - (2) Contracts for additional energy commodity storage infrastructure, as required and within budgetary constraints. Such acquisition will address real property accountability and be coordinated with the Military Departments and JPOs before execution.
  - (3) Contracts in accordance with regulatory guidance for the storage, handling, and distribution of energy commodities and current business practices.
  - (4) Contracts for the use of tanks with floating roofs or pans for highly volatile fuels, such as gasoline, wherever feasible or where required by regulatory guidance.
  - (5) Ensures the contractor maintains property records accountable for government furnished equipment.
  - (6) Ensures environmental compliance requirements are included in the contract.
- b. For a COCO located on a military installation, the Military Department:
  - (1) Funds, conducts, and completes all NEPA assessments required for leasing of DoD land to a DLA COCO contractor.

(2) Ensures coordination with DLA and executes a land lease in conjunction with an awarded DLA COCO contract.

(3) Allows access by the contractor to utility service hook-up stubs (e.g., sewer, electricity, water, and communications) and at least one access road within five feet of the proposed real property perimeter in support of the DLA COCO contractor.

(4) Installs a meter to identify actual usage of a provided utility to quantify DLA reimbursement for the service.

(5) Include in the lease for the agreed site for the DLA COCO DFSP where applicable that:

(a) On or before the termination or revocation of the lease, the lessee will, without expense to the United States and within an established time, restore the premises to the satisfaction of the lease contracting officer.

(b) If the lease is revoked, the lessee will vacate the premises, remove its property, and restore the premises to the condition existing upon the original execution of the lease within such time as the lease contracting officer may designate or as otherwise specified.

(c) If the lessee fails or neglects to remove its property and restore the premises, at the option of the lease contracting officer, the lessee's property will:

1. Become the property of the United States without compensation; or

2. Be removed, by direction of the lease contracting officer, without any claim by lessee for damages against the United States or its officers, employees, or agents.

(d) The lessee will also pay to the United States on demand any sum which may be expended by the United States after the revocation, expiration, or termination of the lease in removing lessee's property and restoring the premises.

(6) May provide fire protection, environmental, safety, and security services on a reimburseable basis.

(7) Provides emergency response, as available and on a reimburseable basis, to the energy commodity facility for incidents above the immediate response capacity provided by the contractor.

(8) Coordinates with the DLA contracting officer's representative (COR) relating to compliance by the contractor with all environmental issues, procedures, and requirements.

(9) Upon DLA request, conducts and supports vulnerability assessments and physical security inspections and recommends changes to the physical security systems and equipment at DLA contracted COCOs locations. Provide copies and reports to the DLA security office.

(10) Maintains records of COCO assets on the installation in accordance with DoDI 4165.14.

### **3.6. FOREIGN GOVERNMENT DFSPS.**

a. DLA may negotiate for the beneficial use of foreign government or North Atlantic Treaty Organization (NATO) energy storage infrastructure in accordance with CCMD requirements and as authorized by DoD guidance.

b. The country-specific international agreement will outline responsibilities between the foreign government and the DoD.

## **SECTION 4: TERMINAL OPERATIONS MANAGEMENT PROCEDURES**

**4.1. GENERAL.** This section prescribes procedures in which the Military Departments and Participating Agencies interact for effective and efficient operation, maintenance, and management of energy commodities terminal operations and related services. DLA may fund or provide contracted services for fuel receipt, storage, issue, quality control, facility maintenance, and equipment support for locations storing DWCF product. DLA will also consider funding or providing these services through a contract further forward in the supply chain when economic or operational benefit to the DoD can be shown. These services are provided through the terminal operations facility or service management, optimization, and equipment management programs.

### **4.2. PROCEDURES FOR TERMINAL OPERATIONS PROGRAMS.**

a. If contracted storage services are required to support the requirement, DLA:

- (1) Plans, budgets, solicits, and funds contracted storage services.
- (2) Develops or revises the energy commodities services contract performance work statement in coordination with the Military Departments as part of the contracting process.
- (3) Designates a DLA source selection authority, appointed in accordance with Subpart 15.303 of the Defense Federal Acquisition Regulation Supplement to make the best value contract award decision.
- (4) Appoints a trained technical review board, with expertise in petroleum operations and performance requirements, with representation from the Military Departments, commands, or installations to advise the source selection authority.
- (5) As appropriate, appoints a qualified COR or a qualified contracting officer's technical representative to provide contractor oversight in accordance with applicable regulations.
- (6) Selects CORs and contracting officer's technical representatives considering candidates nominated by the Military Departments.
- (7) Appoints a property administrator to oversee government property used for terminal operations, when appropriate.

b. DLA funds or contracts for facility or service management of DWCF energy commodity storage and service support worldwide.

(1) Military Departments submit requirements for energy commodity storage support to the CCMD JPO annually, or as necessary, for new requirements due to contingency operations, operational plan updates, or other significant events. The CCMD JPO validates the requirements and provides the validated requirement to DLA for inclusion in the inventory management plan.

(2) DLA reviews the submissions to determine the most economical and efficient means of supporting the customer's requirement.

(3) A Military Department or SCP may request DLA funds or assume existing military- or contract-provided energy commodity service support via coordinated memorandum to DLA.

(4) DLA:

(a) Reviews the CCMD JPO submissions with the energy commodity storage support requirements to determine the most economical and efficient means of supporting the customer's requirement.

(b) Provides a recommended course of action in response to the customer's input.

(c) Works with the customer to implement a course of action acceptable to both parties.

(d) Maintains status quo if the customer disagrees with the course of action.

c. DLA uses an optimization program to perform economic analysis to determine optimal DoD storage and distribution infrastructure worldwide required for distribution of energy commodities to the Military Departments by means of commercial outsourcing GOCO and privatized COCO actions.

(1) Military Departments may request an optimization study of energy commodity service support at an installation or regionally via coordinated memorandum to DLA through the SCP. DLA reserves the right to initiate optimization studies for storage and distribution systems for which DLA has SRM responsibility.

(2) Program guidance to the Military Departments for the required data and formats to request an optimization assessment will be provided through the SCP.

(3) DLA performs the analysis and provides a recommended course of action among alternatives considered to define the most economical solution to support a specific requirement.

(4) If the requesting command disagrees with the DLA recommended alternative, the location will be removed from optimization programming consideration and status quo operations will be maintained by default.

### **4.3. EQUIPMENT MANAGEMENT PROGRAM.**

**a. DLA:**

(1) Uses an equipment management program to centralize procurement, sustainment, and life cycle support of equipment throughout DLA.



(2) Manages items under the program that is directly used for management of DWCF-capitalized energy commodities at DFSPs, as appropriate. This does not include real property or equipment covered under the SRM program.

(3) Manages items and provide funding and oversight of equipment used for management of DWCF energy commodity, including:

(a) **Tactical Flow Meters.** DLA may procure and calibrate flow meters for tactical DFSPs.

(b) **Filters or Coalescers.** Filter elements, cartridges, coalescers, and micronic pre-filter elements used in fixed facility filtration systems are approved for DLA Equipment Management Program funding and management. Filters used in tactical bulk storage DFSPs storing DWCF energy commodity are also approved.

(4) Processes requests from DoD Components for DLA to manage new equipment items and related services used in direct support of DWCF energy commodities.

(5) Manages items and provides funding and oversight of additive injection equipment used in direct support of the supply chain providing fully additized product to the end customer.

**b. DoD Components:**

(1) May submit requests to DLA for the procurement and management of new equipment items and related services used in direct support of DWCF energy commodities.

(2) Submit requests through the DLA equipment management program office with equipment or equipment services need statements using the worksheet in Figure 1 to:

(a) Initiate action in analyzing and developing a validated requirements document.

(b) Initiate work order requesting equipment and equipment services in support of agencies managing DWCF energy commodities.

(c) Identify operational enhancement opportunities and deficiencies in DWCF-capitalized and permitted capabilities in the equipment need statement. Opportunities include new capabilities, improvements to existing capabilities, and elimination of redundant or unneeded capabilities.

(3) Provide reimbursement to DLA for under-utilization costs associated with mobile additive injection equipment.

**Figure 1. Equipment or Equipment Services Need Statement Worksheet**

EQUIPMENT OR EQUIPMENT SERVICES NEED STATEMENT WORKSHEET				
Name (Last, First, Initial)	Rank or Grade	Commercial or Defense Switched Network (DSN) Phone	FAX Number	DoD Activity Address Code
Type of Capability Needed	Describe the nature and the cause, if known. Explain how the need was identified (e.g., daily operations, maintenance, quality surveillance, inspections, operational deployment, training, formal study, observed operating deficiencies, or vendor demonstration) and explain the planned implementation of the proposed solution.			
Requested Quantity (if a materiel solution)	Identify the total quantities required, broken down by unit or activity (if multiple locations). Include the vendor name or model of any proposed equipment solution.			
Objective Delivery Timeline (Continental United States or area of responsibility)	Provide your desired delivery timeline.			
EQUIPMENT OR EQUIPMENT SERVICES NEED STATEMENT WORKSHEET				
Name (Last, First, Initial)	Rank or Grade	Commercial or DSN Phone	FAX Number	DoD Activity Address Code
Concept of Employment for the Use of the Equipment	Describe your proposed methods of employment and how implementation of this equipment will improve your effectiveness.			
Training Requirements	Describe any additional, special, required, or proposed training that operators or other personnel require.			
Supportability Requirements	Describe any additional, special, required, or proposed support (e.g., personnel, equipment, or services) that will be needed to maintain the equipment requested. Include consumables (i.e. batteries, lubricants, or fuel) to include any special considerations like hazardous materials and protective equipment.			
	Does facility or unit have the personnel or manpower to operate the equipment or does the equipment require an increase?			
	Anticipated facility or unit distribution (if multiple locations).			
	If the need is not satisfied, how will it affect your ability to perform the mission or task?			
Point of Contact for Information Coordination	Who are your technical experts and advisors who may assist in the refining or defining of this equipment solution?			
Estimated Cost (if known)	Provide your estimated equipment cost and any associated support cost, e.g., extended warranty, service contract, calibration, or installation.			

## SECTION 5: MILCON PROCEDURES FOR ENERGY COMMODITY INFRASTRUCTURE

**5.1. GENERAL.** The IPRB is convened annually to collect and prioritize all potential DLA-funded MILCON projects for energy commodities infrastructure. During the pre-IPRB, the board members review the current fiscal year defense planning guidance and updates on current critical projects. During the annual IPRB meeting, the board determines recommended project funding priorities for projects during the next 5 fiscal years.

**a. IPRB Members.** The IPRB includes a member from:

- (1) DLA. The DLA Energy representative is an IPRB co-chair.
- (2) Joint Chiefs of Staff JPO. The Joint Chiefs of Staff JPO representative is an IPRB co-chair.
- (3) ASD(EI&E) (non-voting).
- (4) United States Africa Command JPO.
- (5) United States Central Command JPO.
- (6) United States European Command JPO.
- (7) United States Northern Command JPO.
- (8) United States Pacific Command JPO.
- (9) United States Southern Command JPO.
- (10) United States Special Operations Command.
- (11) United States Strategic Command JPO.
- (12) United States Transportation Command JPO.
- (13) Headquarters Marine Corps.
- (14) Air Force Petroleum Agency Commander.
- (15) Army Petroleum Center Commander.
- (16) Naval Supply Systems Command for Energy Commander.
- (17) DLA Energy Member.
- (18) National Guard Bureau representative.

**b. Process for Energy Commodities MILCON Projects.**

(1) **Pre-IPRB Meeting.** The Pre-IRPB meeting is held in early spring. The Joint Chiefs of Staff JPO briefs the voting members on the current strategic planning guidance for the DoD, current issues, and the MILCON project prioritization definitions. Members determine any program changes for the current MILCON process. New voting members familiarize themselves with the MILCON program. DLA Installation Support will publish the recommended business rules before the Pre-IPRB for IPRB voting member review and approval.

(2) **Data Call.** DLA Installation Support for Energy issues a data call to the IPRB members after the Pre-IRPB meeting to include the MILCON project submission requirements, the due date to DLA, and the schedule for the IPRB.

(3) **Strawman Review.** The DLA strawman team:

(a) Meets after the data call due date and completes their review to meet the cycles for the upcoming budget.

(b) Reviews scope, cost estimate, justification, and other supporting documentation.

(c) Assigns ratings according to the categories of MILCON project prioritization criteria. Current criteria are subject to program changes from Paragraph 5.1.b.(1).

1. **Mission.** Assign a higher priority to projects with the highest impact on wartime and peacetime operations. Identifies mission supported projects as strategic, theater, training, deployment, or indirect support. Categorize projects based on high, moderate, or low mission success.

2. **Environment.** Assign a higher priority to projects with the greatest contribution to compliance with legal regulatory requirements:

a. **CLASS I.** Project fixes noncompliance (non-recurring). Projects meeting this classification are currently out of regulatory compliance and have received, or are expecting to receive within the current program year, an enforcement action from a federal, State, or local regulatory authority; have a signed compliance agreement or received a consent order; or have not met requirements based on applicable federal, State, interstate, and local laws, regulations, and executive orders, DoD policies, or final governing standards.

b. **CLASS II.** Project prevents noncompliance in the near term (non-recurring). Projects meeting this classification are not currently out of compliance but will be if projects or activities are not implemented in time to meet an established deadline beyond the current program year.

c. **CLASS III.** Includes projects and activities that are not explicitly required by law, but are needed to address overall environmental goals and objectives.

3. Infrastructure. Assign a higher priority to a project with the most impact on the movement, storage, and distribution of energy commodities to the Military Departments. Base the assignment on:

a. Facility Status. Capability failure or no capability, failure of capability expected, or capability exists.

b. Project Type. Fuel handling or support.

c. Economics. Quantified, unquantified, or no defined benefit.

4. Command Priority. Identifies where this project fits within the overall priority of the CCMD or Military Department having ultimate responsibility for the project to ensure it complies with DoD, CCMD, Military Department, and local guidance.

(d) Records the results of the strawman using the categories of MILCON project prioritization criteria.

(e) Reviews the reclama submissions and adjusts ratings as necessary.

(4) Reclama. Project sponsors review the strawman ratings, provide comments on the ratings, and supply additional documentation to the strawman team to support a change in ratings. The IPRB members review input on the strawman ratings from the project sponsors.

(5) IPRB. The IPRB, normally held the first quarter of each year, reviews and prioritizes proposed energy commodity MILCON projects for fiscal year plus the next 5 years.

(a) The Military Department provides project briefings for those projects with an assigned CCMD or Military Department priority.

(b) Each CCMD and the SCPs select a first and second command priority, in accordance with Paragraph 5.1.b.(3)(c)2., of this volume.

(c) The Joint Staff petroleum action officer designates the national priority projects to the IPRB.

(d) The IPRB votes to determine the weighing of MILCON project prioritization criteria. The IPRB members apply the MILCON project prioritization criteria, rank projects, and submit the final results to the DLA Energy Commander as the MILCON prioritization listing. The DLA Energy Commander must recommend the DLA Energy MILCON list to the DLA MILCON program manager. The priority list for the MILCON projects from the IPRB will be used in determining priority of the energy commodities slate provided to the DLA MILCON program manager.

(6) DLA Review. Project planning must be completed during a verification period after the IPRB as described in Paragraph 5.3. Thoroughly researched and documented planning packages are provided to the DLA MILCON program manager from the DLA Energy Commander. The DLA MILCON program manager consolidates the entire DLA MILCON list

and provides the consolidated program to the DLA Director. The DLA Director-approved MILCON project list is submitted to OSD and subsequently to Congress via the President's Budget Request before going through final design and construction phases. Documentation for the verification phase is described in Paragraph 5.3. DLA will give the Military Department and CCMD JPO a copy of the consolidated DLA Future Years Defense Program.

(7) **DLA Business Rules.** DLA Energy will follow the DLA MILCON business rules in the development of the IPRB and the MILCON program.

(8) **Project Eligibility for DLA Funding MILCON.**

(a) For a project to be eligible for DLA sponsorship for MILCON, it must directly support the DLA bulk petroleum management mission to store, transport, and issue fuel. Only fixed, permanent facilities will be eligible for DLA MILCON project funding.

(b) One or more of these criteria must be addressed in the project documentation, if they are not inherently obvious.

1. Facility will be used for DWCF-capitalized energy commodities.
2. Project is necessary to protect DLA-owned product from loss or contamination (e.g., fire protection systems, cleaning tanks, repair pipelines and tanks).
3. Project is of economic benefit to DLA (e.g., reduced tanker lay time).
4. Project is necessary to meet minimum DLA inventory level requirements.
5. Project is necessary to assure environmental compliance with applicable federal, State, interstate, and local requirements and one of the criteria in Paragraph 5.1.b.(3)(c).

(c) Project directed by DLA or OSD. If the requirement for the project was directed by DLA or OSD, the correspondence providing direction should be identified.

(d) Incidental MILCON in support of new mission. Upgrades of an energy commodities fuel facility which are part of a larger conversion or other Military Department initiative are to be funded and accomplished by the Military Department as part of the larger initiative. For example, if extensive facility construction is required in conjunction with a new weapons system, part of which is the associated energy commodities facilities, the energy commodities facilities construction will be planned, programmed, funded, and executed by the Military Department as part of the overall MILCON for construction of the support facilities associated with the new weapons system.

(9) **Funding.** DLA is responsible for the planning, programming, budgeting, and funding of current mission and environmental MILCON, minor construction, maintenance, repair, and environmental compliance (including design), as well as funding any approved emergency MILCON projects.

(a) When MILCON projects are approved and funding is authorized by Congress through the National Defense Authorization Act, DLA will provide the funds via DD Form 448, "Military Interdepartmental Purchase Request (MIPR)," and an accompanying DD Form 448-2, "Acceptance of MIPR," or through Program Budget Accounting System Funding Authorization Document to the activity designated by the Military Department as the office in charge of executing the project. If a MIPR is used, the designated activity must accept or reject the basic MIPR/MIPR amendment by returning the signed DD Form 448-2 to DLA within 30 days of the MIPR receipt date.

(b) The authorization of MILCON projects is for 3 years and can be extended up to the life of the appropriation. An authorization does not need to be extended once it has been exercised by obligating a portion of the funds.

(c) When necessary, DLA is responsible for obtaining additional authorization and managing funds through reprogramming.

(d) The Military Department is responsible for funding costs associated with remediation of contaminated soils and groundwater beyond that required for performing the actual construction of the project, e.g., groundwater plume remediation, removal of hazardous substances beyond that required to excavate for the structure.

## **5.2. ENERGY COMMODITIES MILCON PROJECT SUBMISSION.** Military Departments:

a. Use the DD Form 1391 to submit requests for the energy commodity MILCON program in accordance with the procedures in Volume 2B of DoD 7000.14-R.

b. Submit the DD Form 1391 to DLA with supporting documents on the:

(1) **Scope.** Describe the scope of the project with substantiating documents as to why the project is needed.

(2) **Justification.** Outline how the project will improve the mission and the operational capabilities at the location.

(3) **Cost Estimate.** Include a detailed cost estimate, adjusted for inflation of the program year, to help with the programming portion of the program. Cost estimate should include any environmental costs for handling of contaminated soil or groundwater to be paid by the Military Department or DLA.

(4) **Site Layout.** Include a rough site layout to show that the proposed location is suitable for the new construction. When possible, include a map showing the site location and an area site plan.

(5) **Host Nation Documentation (if applicable).** Provide documentation that states the host nation or NATO funding was investigated and why the project was not supported with host nation or NATO funding.

(6) **Base Realignment and Closure (BRAC) Funding.** If the project is at a BRAC location, provide a description of why the project does not qualify for BRAC funding and why the project should be completed using DLA funds.

(7) **Environmental Documents.** Include environmental documentation in the Project Brochure submission to DLA. Specific documents include a Site Characterization Survey (Phase I or Phase II as applicable) and environmental analysis document.

(a) Prepare the environmental documents in accordance with NEPA, General Conformity, and applicable DoD, federal, State, and local environmental, cultural, and natural resource requirements.

(b) Prepare a Site Characterization Survey (Phase I or Phase II, as applicable). To substantiate an environmental classification, address any regulatory violations that the project will remediate. Include:

1. A description of the current situation and any environmental remediation or requirements that would need to be performed to allow construction to proceed.

2. A site characterization survey that identifies the potential for and the likelihood of encountering environmental contamination at the proposed construction site, and sites to be demolished, and delineates the nature, extent, and level of the contamination.

(8) **Economic Analysis.** Provide a cost-benefit analysis or economic analysis that substantiates the mission improvement.

(9) **Alternative Fuels Infrastructure.** For new alternative fuels infrastructure, include detailed justification that:

(a) Confirms all existing tanks are fully used, are unavailable to convert, or that it is cost prohibitive to bring the system into compliance with regulatory requirements such as fire codes.

(b) Addresses availability of public and nonpublic alternative fuels infrastructure, existing storage tank capacity related to the economic resupply quantity or minimum delivery quantity, and anticipated seasonal change requirements.

(c) Optimizes alternate fuel vehicle fleets and dispensing facilities through consolidation whenever economically possible.

(d) Identifies through a cost-benefit-analysis how existing infrastructure has been converted to the greatest economic extent possible.

(e) Proposes new tank construction only as a last resort.



**5.3. PROJECT BROCHURES.** The Military Department:

- a. Prepares a package for projects that have been prioritized by the IPRB.
- b. Submits the package with the verification documents within 6 months of receipt of IPRB findings to the DLA MILCON program office.
- c. To verify the requirements of the MILCON project, provides these verification documents:
  - (1) DD Form 1391.
  - (2) DD Form 1390.
  - (3) Site characterization survey and agreement letter to complete clean up actions, as appropriate.
  - (4) Cost estimate with an economic analysis for projects estimated at 1 million dollars or more in accordance with the procedures in Volume 2B of DoD 7000.14-R.
  - (5) Phasing plan, as appropriate.
  - (6) Site plan.
  - (7) NEPA (site environmental analysis, consultations, and required permits).
  - (8) Facility study.
  - (9) Site approval.
  - (10) Scope justification.
  - (11) Photos.
  - (12) Lead or asbestos survey, as appropriate.

**5.4. UNSPECIFIED MINOR CONSTRUCTION.** The Military Department may request that DLA fund unspecified minor construction for projects with programmed amounts that fall within the statutory limits of Section 2805 of Title 10, United States Code. A higher priority will be considered for urgent projects.

**5.5. ADVANCE PLANNING DOCUMENTS.** DLA provides the source of funds to create the verification documents listed in Paragraph 5.3 for projects that have been approved for funding. The Military Department:

- a. Contacts the SCP for the appropriate funds request document.

- b. Routes these funds requests to DLA via the appropriate SCP.
- c. Includes the commensurate contractor or engineering support for the verification documentation with the funds requests.

**5.6. ENVIRONMENTAL CLEANUP.** The Military Department must provide a suitable site for a MILCON project, all other mission requirements of the installation considered. The Military Department will apply the policies in DoDD 4165.6 when selecting a suitable site.

- a. If the project site is not clean and the project cannot reasonably be accommodated at another location (e.g., distance, lack of land, encroachment concerns), there is known non-capitalized fuel contamination or non-fuel contamination, and the construction project will generate a requirement to generally remediate the site, then the Military Department will be responsible for such remediation. If the contamination is the result of a DWCF-capitalized product release, then DLA will provide funding for the remediation.
- b. MILCON construction on a formerly remediated site could encounter soil or groundwater contamination. Managing soil contamination, other than groundwater contamination, encountered as a result of the MILCON project that does not require general remediation of the site is a cost of the MILCON project but does not extend to soil contamination not disturbed by the project.
- c. Contaminated soil or groundwater that is unexpectedly encountered during the MILCON construction is considered an unforeseen site condition. In this case the sampling, analysis, and disposal of the contaminated soil or groundwater can be handled with MILCON funding, but only to the extent required to accomplish the construction project.

## SECTION 6: SRM PROCEDURES

### 6.1. GENERAL. DLA Energy SRM funding is based on the following:

a. DLA provides centralized financial management of SRM funding for facilities used in direct support of DWCF energy products and services in accordance with DoDD 5101.8.

b. The real property inventory asset allocation organization codes.

(1) Asset allocation user organization code should contain a value of “33” and the asset allocation size quantity should indicate DLA as the 90 percent or greater user.

(2) The asset allocation sustainment organization code should contain a value of “33” indicating that DLA is the sustaining organization.

c. Interservice support agreements, real property agreements, and the facility restoration and modernization program organization code “33” in the Service accountable system of record should identify DLA Energy as responsible for SRM costs.

### 6.2. SRM PROJECT ELIGIBILITY.

a. Military Departments fund sustainment due solely to a mission or standards change directed by the Military Department that is not eligible for DLA Energy SRM funding as outlined in Paragraph 6.3.

b. DLA Energy:

(1) Uses SRM funding to support petroleum energy commodity infrastructure with an asset allocation user organization code or asset allocation sustainment organization code of “33” as eligible for DLA Energy SRM funding.

(a) Sustainment of energy commodity infrastructure, including:

1. Emergency response and service calls for minor repairs.

2. Major repairs or replacement of components that are expected to occur periodically throughout the facility life cycle.

3. Facility upgrades to comply with environmental, safety, security, fire protection, and electrical codes provided the affected components already exist and are in a failed or failing state.

(b) Restoration, which includes repair and replacement work, to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.

(c) Modernization that is an alteration of energy commodity infrastructure to implement new or higher standards, to accommodate new functions, or to replace facility components that typically last more than 50 years.

(2) Does not fund standard organizational maintenance costs unless the work is outside the experience of assigned operators.

(3) Coordinates with the Military Departments to prioritize, plan, program, and execute SRM funding for petroleum energy commodity infrastructure projects based on these factors in this order:

- (a) Life, health, and safety concerns.
- (b) Security deficiencies.
- (c) Environmental deficiencies addressing non-compliance.
- (d) Warfighter support facilities where delayed response will lead to mission failure.
- (e) Energy conservation projects.
- (f) Other warfighter support facilities.
- (g) Routine maintenance with no mission impact.

### **6.3. SRM FUNDING PROCESS.**

#### **a. Deficiency or Requirement Identification.**

(1) The Military Department:

(a) Identifies deficiencies in petroleum energy commodity infrastructure by reviewing and evaluating DFSP requirements, annual inspection summaries, Inspector General's findings, or recommendations made during inspections, audits, reviews, and other visits by the Military Departments, other Participating Agencies, or other authorized DoD Components.

(b) Uses the Military Department's real property record to determine the appropriate funding sponsor and to determine the appropriate type of project to correct the deficiency in regards to SRM or MILCON.

(c) Develops and submits project documentation to correct energy commodities infrastructure as specified in this issuance into the DLA EBS system of record for energy commodities infrastructure.

(2) DLA Energy:

(a) Prioritizes requirements to correct energy commodities infrastructure deficiencies that could be corrected with projects funded by DLA SRM funds.

(b) Develops a schedule based on the priority and other factors, such as:

1. The requirement to correct the energy commodities infrastructure deficiency as an emergency that requires immediate funding.
2. Submission of the requirement less than 1 year before an already scheduled execution by a DLA centrally managed program (CMP) or other scheduled check or service.
3. Time necessary to allow for proper budget planning.

(c) Consolidates requirements to correct deficiencies into projects.

**b. Requirement Validation.** DLA Energy assigns requirements to the appropriate DLA Energy SRM program pillar:

(1) **Planning Study.** DLA Energy conducts a comprehensive assessment of Military Department-owned fuels infrastructure storing or transferring DWCF-capitalized fuel. This fence-to-fence assessment identifies and documents deficiencies to be corrected in order to bring the fuel systems infrastructure into compliance with the Military Departments' mission requirements, operational standards, and regulatory requirements. Study locations are coordinated through the SCPs and assessed on a 5-year cycle.

(2) **CMP.** DLA Energy manages regulatory, compliance, and best practice maintenance processes for Military Department-owned fuels facilities that receive, store, or transport DWCF-capitalized fuel. The CMPs address inspections and repairs to tanks, pipelines, pressure vessels, cathodic protection systems, rail facilities, marine loading arms, underwater hoses, and piers. The CMPs also address related dredging, demolition without replacement, and automation programs.

(3) **Recurring Maintenance and Minor Repair.** DLA Energy provides quarterly, semi-annual, and annual maintenance visits for installation-level DWCF-capitalized fuel facilities. Also included is a minor repair and emergency response service for repairs of a non-technical nature performed under a Service Order process within an established dollar amount.

(4) **Emergent Requirements.** DLA Energy captures and validates requirements that have been identified outside of the CMPs and planning studies, or have been deemed ineligible under recurring maintenance and minor repair. These requirements may or may not be emergencies and are addressed by the SRM Office on a case-by-case basis. They are most frequently communicated to the DLA Energy SRM Program via the Enterprise External Business Portal.

(5) **Technical Review.** DLA Energy conducts a technical review every time an emergent requirement is submitted.

(6) **Certification.** DLA Energy certifies the real property is eligible for SRM funding.

**c. Project Creation or Modification.**

(1) The Military Department:

(a) Develops project documentation with project scope, justification, cost estimate, and other supporting documents in any request to correct deficiencies.

(b) Provides a DD Form 1391 to DLA Energy with MILCON project data when it is more appropriate for documenting the requirement than the DLA SRM system of record for energy commodities infrastructure. Completes the DD Form 1391 in accordance with preparation guidance contained in DLA Instruction 4165.02.

(c) Provides the real property unique identifier used by the OSD real property registry system for every facility for which funds are being requested.

(2) DLA coordinates, through the designated construction agent, for delivery of appropriate documentation for those projects that are established through a DLA Energy-funded inspection or assessment.

**d. Project Funding.** DoD Components use the MIPR process in accordance with DoD 7000.14-R to request, authorize, accept, and obligate funds for energy projects.

(1) Military Department construction agents:

(a) Execute a DD Form 448-2 to accept the request for a project military interdepartmental purchase within 30 days of receipt of a DD Form 448.”

(b) Send the DD Form 448-2 to the DLA EBS Project Manager, in accordance with the instructions included with the DD Form 448 from DLA.

(c) Avoid withdrawal of funds by accepting and obligating funds, in accordance with the MIPR instructions, within 30 days.

(d) Use funding on the designated project and facility without reallocation to another project or facility.

(e) De-obligate unused funds on which were provided through the MIPR process within 30 days of the project completion.

(f) Provide copies of all contracts to DLA within 30 days of contract award.

(2) DLA Energy:

(a) Provides funds for approved projects via the MIPR process to the designated activity responsible for executing the project.

(b) Uses DWCFs to fund approved SRM projects.

(c) Instructs the DoD Components on the use of DWCF funding for energy commodities infrastructure projects.

1. Construction projects in excess of 250,000 dollars with expiring funds must be obligated in the year they are provided.

2. Projects with non-expiring funds are valid from the date of acceptance to project completion, regardless of whether the project is completed in another fiscal year.

(d) Notifies the applicable Military Department when it is necessary to withdraw funds in the event of a failure to award a contract.

(e) Reuses the withdrawn funds on other requirements.

(f) Processes the application of funding for repair projects, as soon as possible, after the malfunction or failure is identified.

(g) Reimburses a DoD Component if the installation commander obligates funds necessary to remain in operation and in compliance with legal or regulatory environmental requirements when:

1. The energy commodity infrastructure, equipment, or product involved is a DLA responsibility.

2. The subsequent investigation does not reveal gross operator negligence.

3. The project meets the definition of an emergency.

#### **e. Project Execution.**

(1) The Military Department:

(a) Provides contract oversight and quality control for those projects they have been funded to execute.

(b) Provides recurring project status updates and metrics to DLA.

(c) Provides appropriate documentation to DLA on project completion.

(d) Returns and de-obligates unused funds within 30 days of project completion and final invoicing.

(e) Coordinates all construction and repairs with the installation's fuels management officer or authorized representative.

(f) Coordinates with DLA contract work deviations for all necessary project change orders and funding approval.

(2) DLA:

(a) Provides funding directly to an installation or the Military Department's construction agent (e.g., U.S. Army Corps of Engineers, Air Force Civil Engineering Center, or Naval Facilities Engineering Command), as designated by the Military Department, to execute SRM work.

(b) Provides oversight of all SRM projects through periodic site visits and review of project execution metrics.

(c) Evaluates projects to ensure projects stay within the designated accounting classification and scope of work.

(d) Confirms project completion with the installation and Military Department.

(e) Certifies the project is technically complete.

**f. Project Closure.**

(1) If the installation received funding from DLA, the Military Departments:

(a) Ensure all required project closure documentation is returned to DLA within 30 days of project completion in accordance with DLA Instruction 4165.02.

(b) Complete all financial transactions and de-obligate remaining funds within 30 days of payment of the final invoice.

(2) DLA closes:

(a) Financial records on receipt of de-obligation documents and remaining funds.

(b) The project in the DLA system of record once all financial documents are completed and the project have been certified as technically complete.



## **SECTION 7: ENVIRONMENTAL PROCEDURES**

### **7.1. DLA. DLA:**

a. When appropriate, recommends appointment of an investigating officer or financial liability board to evaluate corrective actions and recover costs when negligence, abuse, willful misconduct, or deliberate unauthorized property use or disposition is suspected.

b. Funds the environmental restoration costs associated with petroleum contamination that resulted from releases of DWCF product, unless the release resulted from gross negligence or willful misconduct by a Military Department civilian, military, or contractor. This includes contamination discovered during DLA SRM, environmental inspections or investigations, or MILCON projects.

c. Reviews the restoration plan and provides funds, when appropriate.

d. Avoids delays in determining remediation requirements that can result in more extensive contamination and increased response costs.

e. Funds or cost-shares DFSP site-specific environmental compliance documents directly related to DWCF product storage, including:

- (1) Spill prevention, control, and countermeasures plans.
- (2) Oil pollution prevention operations manuals.
- (3) Storm water pollution prevention plans.

f. Funds recurring environmental costs which include costs of permitting, sampling, tightness and leak detection testing, petroleum waste removal and disposal (e.g., used filter disposal, tank bottom waters), air emission fees, and oil spill response organization retainer fees when directly related to energy commodity infrastructure containing DWCF product.

g. Reviews fines incurred at GOGO and GOCO DFSPs and considers reimbursement on a case-by-case basis. DLA does not approve funding for fines attributable to DFSP gross operator negligence or willful misconduct or if attributable to a failure to take action by the Military Department.

h. Reimburses a foreign government for spill response and remediation costs in accordance with an applicable international agreement requiring such reimbursement.

(1) When appropriate, DLA requests a description of proposed spill response or remediation actions from the foreign government with:

- (a) Projected funding levels required to complete the spill response or remediation.
- (b) An itemized cost breakdown.

(c) A projected schedule of out-year funding costs.

(2) Funding of environmental remediation is generally not permitted, in accordance with DoDI 4715.08. If there is an applicable international agreement that appears to require such remediation, consult with the servicing legal office for further guidance. Spill response, being a compliance action as opposed to a remediation action, may be authorized when performed contemporaneously (within days) with the release.

i. Funds NEPA requirements for DLA funded SRM and MILCON projects at GOGO and GOCO DFSPs. Coordinates with the Military Department for cost sharing NEPA requirements, as required, associated with DWCF energy commodity storage and distribution. NEPA requirements include:

- (1) Environmental impact statements.
- (2) Environmental assessments.
- (3) Categorical exclusions.
- (4) Findings of no significant impact.

j. Reviews costs submitted for funding, and funds applicable costs.

k. Provides technical support and assistance depending on circumstances or on request from the DoD Component.

l. Funds or cost-shares with the DoD Components for costs to meet final governing standards or overseas environmental baseline guidance document requirements associated with DWCF storage and distribution.

m. Provides funds directly to the DFSP, Installation, or Execution Agent using the MIPR process in accordance with the procedures in DoD 7000.14-R. Funding is provided with a DD Form 448 on receipt of a request submitted to the DLA EBS project manager via deficiency submittal in DLA EBS.

## **7.2. MILITARY DEPARTMENTS.** The Military Department:

a. Funds military and civilian personnel salaries except for federal civilian employee overtime hours directly involved in the spill response.

b. Performs initial emergency response of DWCF spills.

(1) Determines what immediate actions are required. Submits contractor costs to support emergency actions to DLA for reimbursement.

(2) Consults with DLA as soon as possible after a spill incident to determine a timely and cost effective spill response.

- c. Follows spill reporting procedures for DWCF product spills as outlined in the procedures on the DLA Energy website at [www.energy.dla.mil](http://www.energy.dla.mil).
- d. May recover product spill response or environmental restoration costs by providing copies of all related spill incident reports in a package to DLA.
- e. Gives DLA a copy of proposed spill response actions and projected funding levels required to complete the spill response, including an itemized cost breakdown. Funding requests will include a projected schedule of out-year funding costs and a cost breakdown for spill incident response and restoration efforts.
- f. Negotiates cost sharing for the remediation of underlying existing contamination that is discovered when new spills or leaks occur.
- g. Funds spill response costs for petroleum spill incidents that occur on delivery of DWCF product into an end use customer vehicle, equipment item, facility, or aircraft. Keeps all supporting causative research and spill report documents.
- h. Submits requests to DLA for recurring and non-recurring environmental compliance cost through DLA EBS when directly related to energy commodity infrastructure containing DWCF product.
- i. Requests additional funds from DLA when actual recurring costs are expected to exceed the budgeted amount for a fiscal year. De-obligates funds provided for energy facilities through the MIPR process within 30 days of the project completion date.
- j. Funds and conducts environmental training requirements.
- k. Funds emergency response planning.
- l. Complies with applicable federal, State, interstate, local, and DoD environmental regulatory requirements and procedures. For foreign sites, maintains compliance with the final governing standards. Where no final governing standards exist, complies with requirements in DoDI 4715.05.

## SECTION 8: AUTOMATED MEASURING AND CONTROL EQUIPMENT PROCEDURES

### 8.1. ATG

#### a. DoD Components:

(1) Use a reliable, accurate and quality ATG system that meets or exceeds specific standards and guidelines for inventory control, leak detection on tanks 30,000 gallons or less, and potential use for custody transfer.

(2) Ensure gauging systems meet requirements for interface and support of current deployed automation systems such as the fuels manager defense and AFHE systems.

(3) Determine the appropriate ATG systems for DoD energy commodity infrastructure by the energy commodity tank sizes and in accordance with DLA's ATG policies.

(4) Perform the independent alarm system verification tasks in conjunction with the ATG maintenance program to inspect, test, and repair existing alarm equipment on DWCF-capitalized fuel tanks.

(5) Design a gauging system:

(a) For continuous operation 24 hours a day, 365 days a year.

(b) Capable of operation within the accurate limits, and with general specifications for AFHE.

(c) To meet applicable area electrical classification requirements (i.e., applicable federal, State, local, and national codes).

(d) To meet the requirements in National Fire Protection Association Code 70® for use in the National Electric Code Class 1, Division 1, Group D explosion-proof environments and Class 1, Division 2, Group D non-explosion proof environments.

(e) Outside the United States, to respect the standards of host nation codes.

#### b. DLA:

(1) Ensures that the ATG requirements are included in all MILCON design packages associated with tanks that will store DWCF-capitalized products.

(2) Ensures all designs meet the requirements identified in UFC 3-460-01 or latest release.

(3) Requests separate ATG procurement and installation costs for the computer, monitor, modem, and software as these are funded from non-automatic data processing capital funding.

- (4) Provides the ATG cost estimated for project generation and funding.
- (5) Notifies the appropriate representative to provide the integration and calibration of the newly installed ATG equipment.
- (6) Generates the DD Form 448 for release.
- (7) Includes the mechanical requirement to ensure that the two slotted stilling wells, in addition to any manual hand gauge wells, are available for the ATG installation in the CMP for the American Petroleum Institute.
- (8) Provides ATG and independent alarm switches (IAS) lifecycle maintenance and support through the DLA CMP for ATG maintenance, including:
  - (a) Preventive maintenance of ATG and IAS regularly scheduled annual site visits for calibration and hardware or software configuration control.
  - (b) Corrective maintenance with 24 hours a day, 7 days a week, 365 days a year, and 60 minute call response support via the DLA Energy help desk, a hotline replacement parts service and on-site response resolution support for problems that cannot be resolved initially by phone support.
  - (c) Site support with:
    1. Equipment removal or reinstallation for tank cleaning and service station or terminal renovations.
    2. Training for new or existing staff.
    3. Consumable provisioning, as required.
    4. Configuration management.
- (9) Budgets and manages the requirements for worldwide ATG and IAS maintenance support.
- (10) Generates the DD Form 448 for release.
- (11) Manages individual site support issues on a case-by-case basis.
- (12) Provides additional funds, if necessary, depending on the scale and cost associated with the site support request.
- (13) Generates the deficiency in the DLA EBS system of record for energy commodities infrastructure for additional finding, if needed.

**c. CMP.** CMP managers, DLA engineers, and the DLA Automation Branch representatives work together to refine and adjust the automatic tank gauging replacement facility schedule for each fiscal year, as needed. Funding for this effort is budgeted annually and the Automation

Branch representative generates the approved deficiencies in the DLA EBS system of record for energy commodities infrastructure funding.

## **8.2. AFSS.**

### **a. AFSS. DoD Components:**

- (1) Use the AFSS to:
  - (a) Provide automatic accountability for all fuels issued via service station type fuel dispensers.
  - (b) Control dispenser operation by allowing access only to authorized users having valid authorized purchase source media.
  - (c) Control access by product, quantity, organization, and date.
- (2) Account for and control inventory of fuel and lubricating products with AFSS automated tools, such as the FUELMASTER 2550 Fuel Management System.
- (3) Mount the fuels management units (FMU) on or near the dispenser islands to control access to product dispensers and accumulate data from each transaction.
- (4) Connect the FMU dispenser pulser to the FMU to collect transaction data and communicate with the AFSS controller. If more than eight dispenser hoses are present, operate the FMUs in a master and satellite relationship. Operate one FMU as the data collection master to communicate with the AFSS controller and operate the other FMU as a satellite to report to the master FMU.
- (5) Use the FMU capability to communicate data to either a standalone AFSS workstation or the Base Level Support Application workstation for inventory and accounting purposes.
- (6) Install the FMUs as certified for installation in National Electric Code Class 1, Division 2, Group D locations.
- (7) Permit users to dispense the product with the authorized purchase source media or access device encoded with the user name, vehicle identification, and branch or division where the user or vehicle is assigned. Allow access for management with a supervisor key to make system changes that the typical user is denied.
- (8) Use the authorized purchase source media encoder to program each source media using the serial port on the central controller.
- (9) Load the fuel management software on a site computer to:
  - (a) Operate as the central controller.

- (b) Encode authorized purchase source media and control access to dispensing units.
- (c) Provide inventory control and billing for product issues to separate branches or divisions.
- (d) Support the FMU configurations.
- (e) Check that user name and vehicle identification are correct before product issues.

**b. SCPs or MILCON Requirements.**

- (1) The SCPs or the DLA MILCON engineers:
  - (a) Ensure that the AFSS requirements are included in all service provided or MILCON design packages associated with the construction of new service stations that will store and issue DWCF-capitalized products.
  - (b) Meet the requirements identified in UFC 3-460-01 or latest release for all designs.
  - (c) Incorporate the manufacturers required typical conduit installation details for integrating new AFSS equipment.
  - (d) Identify projects to DLA as early as possible, and include DLA in the review process to ensure accountability of all requirements.
- (2) DLA and the appropriate automation representative:
  - (a) Develop a rough order of magnitude (ROM) estimate for the installation and integration of the AFSS equipment or materials.
  - (b) Use this ROM estimate to generate the required deficiency once the real property number is generated in the real property database.
  - (c) On approval, generate the DD Form 448 for release.

**c. AFSS Maintenance.**

- (1) DoD Components:
  - (a) Provide AFSS lifecycle maintenance and support through the DLA CMP for AFSS maintenance.
    - 1. Perform preventive maintenance with regularly scheduled annual site visits for AFSS calibration and hardware or software configuration control.
    - 2. Perform corrective maintenance with 24 hours a day, 365 days a year, and 60-minute call response support via the DLA Energy help desk hotline replacement parts service

and on-site response resolution support for problems that cannot be resolved initially by phone support.

3. Perform site support with:

a. Equipment removal or reinstallation and service station or terminal renovations.

b. Training for new or existing staff.

c. Consumable provisioning as required.

d. Configuration management.

(b) Identify any failed equipment, equipment reporting out of tolerance accuracy, or any site support requests.

1. Start a help desk trouble ticket with the DLA Energy help desk.

2. Call or e-mail the DLA Energy help desk at 1-800-446-4950, DSN 697-6733, 697-6734, 697-6735, 697-6736, or via e-mail at [dlaenergyhelpdesk@dla.mil](mailto:dlaenergyhelpdesk@dla.mil).

(2) DLA engineers and the Automation Branch representatives will budget and manage the requirements of worldwide AFSS maintenance support.

(a) Request additional funds, if necessary, based on the scale and cost associated with the site support request.

(b) Generate the requirements for additional funds for the deficiency in the DLA EBS system of record for energy commodities infrastructure.

(3) The Automation Branch representatives will develop a description of the deficiency in the DLA EBS system of record for energy commodities infrastructure.

(4) The DLA Automation Branch will review, approve, and manage this lifecycle effort.

(5) DLA generates the DD Form 448 for release and manages individual site support issues on a case by case basis.

### **8.3. AFHE.**

**a. DoD Components.** DoD Components:

(1) Use AFHE systems to integrate control and monitor the system that automates and monitors bulk petroleum handling operations at bulk storage terminals and large aviation sites.

(2) Replace or augment existing government furnished equipment with AFHE fuel handling equipment, valve motor actuators, in-line meters, strainers, and other components.



(3) Replace or augment existing government furnished equipment with AFHE instrumentation, sensors, and devices on tanks, pumps, valves, and piping, tank gauges, temperature sensors, bottom sediment and water probes, pressure sensors, metering, flow detection, valve position indicators, and pump and valve controllers.

(4) Use an AFHE programmable logic controller to control system hardware and software for equipment control and data acquisition functions from field devices and communications with the supervisory control and data acquisition man-machine interface equipment.

(5) Use AFHE data interface devices, data communication cabling, and input or output processing equipment to convey data readings and control signals to or from equipment in the field, and to host software to process and store this data.

(6) Use AFHE operations control center equipment including supervisory control and data acquisition man-machine interface equipment, communication equipment, and communication wiring to provide communications and control to instrumentation and data communication equipment in the field and uninterruptible power systems for critical system equipment.

(7) Request a waiver to redundancy of operations control center equipment and communication paths, if necessary, based on the criticality of the system in site mission and operations and the overall scope of the AFHE project.

(8) Use the AFHE system to:

(a) Monitor and control bulk petroleum operations and handling equipment for remote capability of product movement operations and other system operational requirements.

(b) Support the operational and product accountability management needs of fuel depots or terminals.

(c) Monitor product custody transfer points, monitor and control product transfer and storage, and provide effective real-time accounting and site management operations.

(d) Automatically store data with the AFHE system in real-time using a historical database. Support and integrate with existing and future implemented firmware or software modules including accountability reports, product quality management reporting, preventive maintenance, environmental support, and engineering applications.

(e) Use AFHE system mass balance calculations for environmental monitoring and potential leak detection during transfers. Do not use the AFHE systems to provide certified static or dynamic leak detection monitoring for either pipelines or tanks.

#### **b. SCPs and Business Case Analysis (BCA) Requirements.**

(1) The SCPs provide a list of energy commodities that is a potential candidate for AFHE installation during the routine automation in-process review meetings.

(2) DLA plans and provides funding for the Automation Branch representatives to perform BCA site surveys, develop a ROM cost estimate, and generate a BCA report, using the DLA provided BCA model, to determine the feasibility of an AFHE project.

(3) Depending on the outcome of the BCA report, DLA programs the project into the 5 Year Capital Funding Budget Plan.

(4) Before the beginning of the fiscal year for the project, the automation representative generates a deficiency in the DLA EBS system of record for energy commodities infrastructure for funding.

(5) DLA reviews this deficiency and, on approval, generates the DD Form 448 for release.

**c. MILCON Project Requirements.**

(1) DLA:

(a) Coordinates on projects that will have an impact on existing installed AFHE energy commodities infrastructure.

(b) Ensures that the AFHE requirements are included in MILCON design packages associated with the construction or modification of energy commodity facility equipment that will store and issue DWCF-capitalized products.

(c) Ensures all designs meet the requirements identified in the latest release of UFC 3-460-01 and the AFHE General Specification for integration into the existing AFHE system.

(d) Provides funding to the Automation Branch representatives to assist with the review and support for these MILCON projects.

(e) Works with the MILCON engineer to develop ROM estimates for the automation portions of these MILCON projects.

(2) The SCPs and MILCON engineers identify these projects to DLA as early as possible and include the DLA engineer in the review process to account for all requirements.

(3) DLA reviews these deficiencies and, on approval, generates the DD Form 448 for release.

**d. AFHE Maintenance. DoD Components:**

(1) Provide AFHE lifecycle maintenance and support through the DLA automation CMP for AFHE maintenance.

(2) Perform preventive maintenance with the AFHE system regularly scheduled annual site visits for calibration and hardware or software configuration control.

(3) Perform corrective maintenance with 24 hours a day, 365 days a year, 60-minute call response support via the DLA Energy Help Desk replacement parts service and on-site response resolution support for problems that cannot be resolved initially by phone support. If needed, arrange for site support for items such as, equipment removal or reinstall and terminal renovations; training for new or existing staff; consumable provisioning, as required, and configuration management.

**e. AFHE Maintenance Support.**

(1) DLA and the Automation Branch representatives budget for and manage the requirements for worldwide AFHE maintenance support by:

(a) Requesting additional funds if needed based on the scale and cost associated with the site support request.

(b) Generating the deficiency in the DLA EBS system of record for energy commodities infrastructure for additional funding, if needed.

(2) The DLA, on approval, generates the DD Form 448 for release to the Automation Branch representatives and manages individual site support issues on a case-by-case basis.

**f. AFHE Maintenance.** The representatives in the individual energy commodity infrastructure:

(1) Identify any failed equipment, equipment reporting out of tolerance accuracy, and any site support requests for AFHE maintenance.

(2) Request AFHE maintenance assistance from the DLA Energy help desk by calling 1-800-446-4950 or DSN 697-6733, 6734, 6735, or 6736 or by e-mail to [dlaenergyhelpdesk@dla.mil](mailto:dlaenergyhelpdesk@dla.mil).

## GLOSSARY

### G.1. ACRONYMS.

AFHE	automated fuel handling equipment
AFSS	automated fuel service station
ASD(EI&E)	Assistant Secretary of Defense for Energy, Installations, and Environment
ASD(L&MR)	Assistant Secretary of Defense for Logistics and Materiel Readiness
ATG	automatic tank gauge
BCA	business case analysis
BRAC	base realignment and closure
CCMD	Combatant Command
CMP	centrally managed program
COCO	contractor owned contractor operated
COR	contracting officer's representative
DD Form	DoD Form
DFSP	Defense fuel support point
DLA	Defense Logistics Agency
DoDD	DoD directive
DoDI	DoD instruction
DSN	Defense Switched Network
DWCF	Defense Working Capital Fund
EBS	Enterprise Business System
FMU	fuels management unit
GOCO	government-owned, contractor-operated
GOGO	government-owned, government-operated
IAS	independent alarm switches
IPRB	installation planning and review board
JPO	joint petroleum office
MILCON	military construction
MIPR	military interdepartmental purchase request
MOA	memorandum of agreement
NATO	North Atlantic Treaty Organization

NEPA	National Environmental Policy Act
ROM	rough order of magnitude
SCP	service control point
SRM	sustainment, restoration and modernization
UFC	Unified Facilities Criteria
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment

**G.2. DEFINITIONS.** Unless otherwise noted, these terms and their definitions are for the purpose of this volume and will serve as standard terminology for DoD supply chain materiel management of energy commodities and services.

**acceptance.** A formal certification that the goods or services have been received and that they conform to the terms of the contract.

**accountability.** The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability on an organization or person.

**accountable property.** The property recorded in the accountable property system of record in accordance with DoDI 5000.64.

**AFHE system.** An integrated control and monitoring system that automates and monitors bulk fuel handling operations at bulk storage terminals and large aviation sites.

**AFSS.** A system designed to provide automatic accountability for all fuels issued via service station type fuel dispensers. The AFSS system accomplishes this accountability by controlling dispenser operation. The AFSS allows access only to authorized users authorized purchase source media. Management is able to control access by product, quantity, organization, date, etc.

**COCO DFSPs.** Bulk fuel infrastructure owned by a contractor and operated by contractor employees. The land is owned by the military installation and is leased to the contractor. Contractors operate these DFSPs under DLA administered contracts.

**commitment.** A firm administrative reservation of funds, based on firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The recording of a commitment reserves funds for future obligations.

**cathodic protection.** A form of corrosion protection applied to underground or underwater metallic structures. Usually working with protective coatings on steel or stainless steel structures, electrical current is supplied through the soil or water from the anode to the cathode. Common applications include buried pipelines, underground fuel storage tanks, and the

underbelly of aboveground fuel storage tanks. Other applications include water storage tanks, and submerged pilings or fender piles on piers or wharves.

**DFSP.** A capitalized energy commodity facility that receives, stores, and issues DWCF-owned energy commodities..

**DWCF-capitalized.** All energy products owned by the DLA for DWCF-capitalized Class III bulk petroleum products, from point of purchase until final point of sale to aircraft, ships, and ground equipment. Capitalized fuel becomes part of the DWCF, which transfers ownership (i.e., title) and management responsibility to DLA throughout the supply chain.

**emergency.** An action required immediately to avoid a loss of mission critical capability, an imminent and substantial threat to human health and safety, or a violation of the law that could result in the assessment of fines or penalties.

**foreign government DFSPs.** Bulk fuel facility and infrastructure owned and operated by a foreign government. These DFSPs are operated under international agreements administered by the Military Departments or DLA.

**FUELMASTER 2550 Fuel Management System.** A commercial off the shelf product that supports DoD requirements with a DoD-specific software version. It is currently being designed and installed for the accounting and inventory control of fuel and lubricating products.

**FMUs.** FUELMASTER 2550 Fuel Management System devices mounted on or near the dispenser islands to control access to product dispensers and accumulate data from each transaction. Transactions are user initiated through use of authorized purchase source media or government issued credit cards. Each FMU can be connected to eight dispenser hoses. If more than eight dispenser hoses are present, the FMUs operate in a master or satellite relationship. One FMU operates as the data collection master, communicates with the AFSS controller and the other FMU acts as a satellite, and reports to the master FMU. The FMU will have the capability to communicate data to either a standalone AFSS workstation or a Base Level Support Application for inventory and accounting purposes. The Fuel Master FMUs are certified for installation in National Electric Code Class 1, Division 2, Group D locations.

**GOGO DFSPs.** Bulk fuel facility and infrastructure owned by the U.S. Government and operated by U. S. Government officers or employees.

**infrastructure.** Equipment used to support the storage and distribution of DWCF energy commodities such as tanks, pipelines, pressure vessels, cathodic protection systems, rail facilities, marine loading arms, underwater hoses, and piers. Infrastructure includes facilities as defined in DoDI 4165.14.

**IPRB.** Board convened to administer the process to prioritize and select DLA Energy MILCON projects.

**modernization.** Alteration of energy commodities to implement new or higher standards. New and higher standards accommodate new functions or replace building components that typically last more than 50 years.

**organizational maintenance.** Service and minor work that authorized personnel are capable of performing while using the assigned tools, supplies, and test equipment, e.g., inspecting, adjusting, lubricating, cleaning, spot painting, servicing, replacing worn or disposal parts, draining and pressure testing pipelines, taking cathodic protection readings, replacing gaskets, and greasing valves.

**Participating Agencies.** Non-DoD Federal Government agencies that participate in the DoD supply chain management of energy commodities, but only when and to the extent they adopt the conditions, terms, and requirements of this manual.

**real property.** As defined in DoDI 4165.14.

**restoration.** In the facilities context, as opposed to the environmental context, repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.

**sustainment.** Facility maintenance and repair activities necessary to keep energy commodities in good working order over expected service lives.

**United States.** The several States, the District of Columbia, the Commonwealths of Puerto Rico and the Northern Mariana Islands, American Samoa, Guam, Midway and Wake Islands, the U.S. Virgin Islands, any other territory or possession of the United States, and associated navigable waters, contiguous zones, and ocean waters of which the natural resources are under the exclusive management authority of the United States.

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<sup>1</sup> Can be found at: [http://farsite.hill.af.mil/reghtml/regs/other/dlad/PART15.htm#P25\\_843](http://farsite.hill.af.mil/reghtml/regs/other/dlad/PART15.htm#P25_843)



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