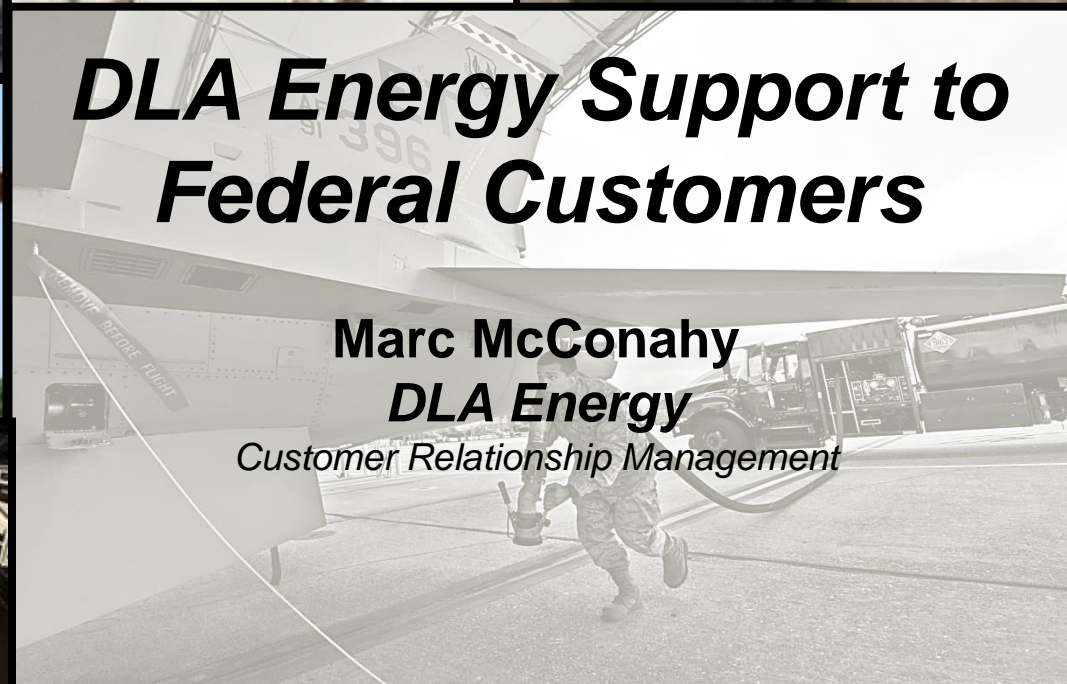
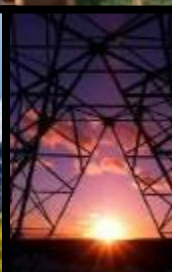




DEFENSE LOGISTICS AGENCY ENERGY

AMERICA'S COMBAT FUEL SUPPORT LOGISTICS AGENCY



DLA Energy Support to Federal Customers

Marc McConahy
DLA Energy
Customer Relationship Management



What is DLA Energy?

- Defense Logistics Agency (DLA) Energy is a Major Subordinate Command of DLA
- We are headquartered at Fort Belvoir, VA with worldwide offices
- Our Mission:
 - To provide the Department of Defense and *government agencies* with comprehensive energy solutions in the most effective and efficient manner possible.
- Funding:
 - We are a Defense Working Capital Fund activity – no appropriations
 - We must recover our operating costs within the pricing for products and services we provide.
 - We are not permitted to make a profit or take a loss.



Our Evolving Mission

WWII – Department of Interior
 Army-Navy Petroleum Board
 1945 – War Department Joint Army-Navy
 Purchasing Agency
 1969 – Codification of Federal agency
 support

15: DoD Energy Synchronizer

10: DLA Energy

04: Executive Agent

01: Missile Fuel

99: DESC: Electricity, Privatization

91: Natural Gas

85: MILCON

73: Bulk/capitalized inventory

61: Bulk Petroleum and Facilities Management given to DFSC



DELIVER THE RIGHT SOLUTION ON TIME, EVERY TIME

We Are A Worldwide Organization



Approximately 1300 military and civilian personnel worldwide



A Short Video

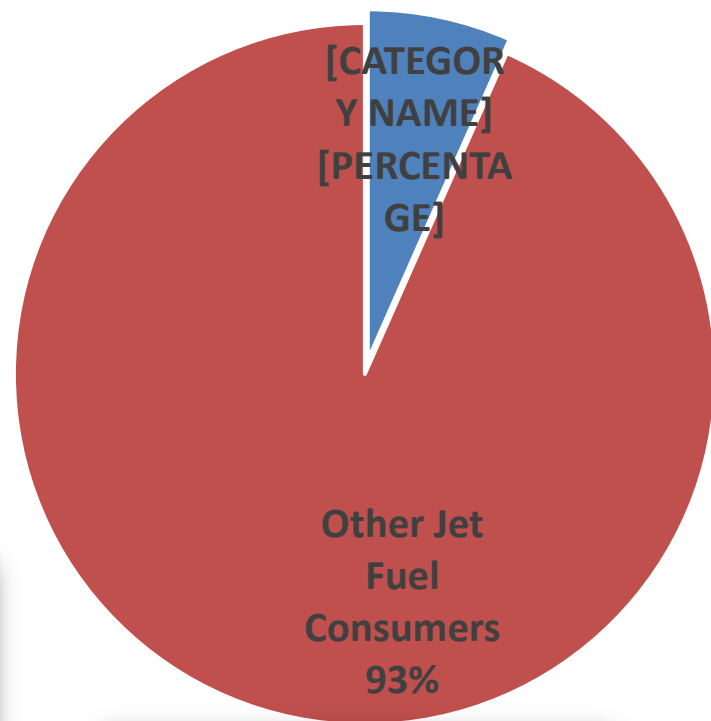


<https://www.youtube.com/watch?v=ed-WE8m7sr0>



We Buy and Resell a Lot of Fuel

Total US Jet Fuel Consumption FY17
25.4 Billion Gallons





DLA Energy Support to Federal Agencies FY17 Net Fuel Sales

CUSTOMER	GALLONS	DOLLARS
COAST GUARD	58,693,560	\$135,056,454
DHS(Other than Coast Guard)	19,777,026	\$44,578,770
GSA	16,156,909	\$32,558,449
DEPT OF AGRICULTURE	7,592,898	\$25,924,302
NATIONAL SCIENCE FOUNDATION	11,314,826	\$24,888,905
NASA	7,438,052	\$17,995,844
CORPS OF ENGINEERS	8,491,751	\$17,141,400
DEPT OF JUSTICE	5,501,754	\$15,939,270
POSTAL SERVICE	6,302,844	\$14,703,361
DEPT OF COMMERCE	4,989,449	\$10,658,387
DEPT OF TRANSPORTATION	3,434,733	\$10,140,374
DEPT OF INTERIOR	3,299,870	\$8,651,188
VETERANS ADMINISTRATION	3,708,025	\$6,814,875
DEPT OF STATE	2,074,220	\$5,601,191
INDEPENDENT US GOVT AGENCIES	655,980	\$2,383,607
DEPT OF ENERGY	909,229	\$2,159,875
TENNESSEE VALLEY AUTHORITY	166,750	\$525,263
ENVIRONMENTAL PROTECTION AGENCY	75,446	\$144,796
DEPT OF HEALTH AND HUMAN SERVICES	22,396	\$45,193
Grand Total	160,605,719	\$375,911,502

*Includes sales from Stock, Contract IntoPlane, AirCard, Bunkers, Customer Direct, Local Purchase



DLA Energy: By the Numbers (FY2017)

Fuel and Aerospace

Inventory (bbls)	53.0M
Locations	604
Transactions	7M
Bbls sold	98.4M
Fuel Card	\$868M
Aerospace	\$42M

Expanding Solutions

Natural Gas	\$460M
Electricity	\$860M
Coal	\$217M
Renewables	\$728M

Sales

FY13	103M bbls	\$16.5B
FY14	99M bbls	\$15.8B
FY15	102M bbls	\$14.7B
FY16	99M bbls	\$10.0B
FY17	98M bbls	\$9.5B

Personnel

Civilians	1075
Military	72

➔ That is 4.12 Billion Gallons



Who are non-DOD Customers?

- Non-DOD Customers include:
 - US Government departments, agencies, bureaus, etc. including Legislative, Executive and Judicial branches
 - DOD Contractors
 - Federal Contractors
 - Commercial Space Launch
 - Foreign Governments
 - Others (limited authority for state and local governments, aircraft visiting military facilities, humanitarian needs and emergency conditions)
- Authorities to support non-DOD customers vary
- Today's discussion is focused on our support for non-DOD customers in the first four categories



Our Products for non-DOD Customers

- Military specification products
 - Purchased direct from refineries (F76, JP5, JP8, F24, Additives)
 - Available at military bases
- Commercial specification products
 - Delivered by vendors to US Government and other authorized locations
- Electricity, Natural Gas, Coal
 - Delivered to US Government facilities
- Bulk gases, spacecraft and missile propellants
 - US Government
 - Commercial space
 - Other authorized customers



Authorities for non-DoD Customers Petroleum and Aerospace Products

- **Federal Agencies**
 - Federal Acquisition Regulation Section 8.002:
Priorities for use of Government supply sources
 - 4800.2I OGP Eligibility to Use GSA Sources of Supply and Services
- **US Government Contractors**
 - Federal Acquisition Regulation Section 51.101:
Use of Government Sources by Contractors
- **Others**
 - 10 USC § 2922e: Acquisition of certain fuel sources: authority to waive contract procedures; acquisition by exchange; sales authority
 - Case-by-case determination for support
 - Contractors (fixed price contracts), State and local governments, commercial and foreign aircraft landing at military bases, humanitarian support, other unique situations



Authorities for non-DoD Customers Specific to Aerospace Products (Cryogenics, Gases, Propellants)

- **Commercial Space Launch**
 - 49 U.S.C. 701 - Commercial Space Launch Activities
For development of commercial launch vehicles, reentry vehicles, and associated services
- **Colleges and Universities**
 - 10 U.S.C. 2208 and DoD Directive 3210.6 December 17, 2003, Subject: Defense Grant And Contract Regulatory Systems; and DoD Regulation 3210.6-R, Defense Grant And Contract Regulations, April 13, 1998.



DLA Energy Support to Federal Agencies Petroleum

- **Authority: FAR Part 8**
 - DLA Energy is a mandated source of supply
 - DLA Energy supports agency annual petroleum requirements greater than 10,000 gallons CONUS and 20,000 gallons OCONUS
- **Three petroleum programs support Federal agencies**
 - Fuel received at military bases by Federal aircraft, ships, vehicles
 - Fuel delivered by DLA Energy contractors to Federal owned or controlled tanks on Federal installations
 - DOD Fuel Card Programs for purchases at retail locations
 - AIR CARD® - for US Government Aircraft
 - SEA CARD® - for US Government Ships
 - SWIPE SEA CARD® - for US Government small vessels at marina type locations



DLA Energy Support to Federal Agencies Petroleum

- **Pricing**

- Fuel is sold at DLA Energy's cost plus a cost recovery rate
FY18 = 4.5¢/gallon delivered

- **Agreements**

- Federal agency funds are not taken in advance of contracts or purchases – therefore Interagency Agreements (IAA) are required to retain historic support or establish new support
- Establishment of agreements is phased by program area;
 - Seventh phase of about 2100 delivery points was completed in FY17
 - Now adding locations
 - Card programs currently use Accountable Officer Agreements
- Federal agencies are billed using Intergovernmental Payment and Collection (IPAC) system.



https://cis.energy.dla.mil/energy_cis/



[Into Plane Contract Information System](#)

[Bunkers and PC&S Contract Information System](#)

To view the DoD Privacy & Security Policy Statement [Click Here](#)

For assistance, please contact the BSM Energy Help Desk at 1-800-446-4950 or bsme.helpdesk@dla.mil.



Into Plane Contract Information System

Energy CIS



Regions

[DLA Energy Into-Plane Home Page](#) [Defense Internet NOTAM Service](#)

[Log off](#)

Record types

- All
- Contracts
- Solicitations
- Purchase Requests



[Global Lift](#)

[Download spreadsheet](#)

Show entries

Location	ICAO	Solicitation Lineitem	Country / State	Vendor Name	Contract
ABILENE RGNL	KABI	0000000000	TX	ABILENE AERO, INC. DBA LUBBOCK AERO	SP060015D0091
LUBBOCK PRESTON SMITH INTL	KLBB	0000000000	TX	ABILENE AERO, INC. DBA LUBBOCK AERO	SP060015D0015
RICHMOND INTERNATIONAL	KRIC	0000000000	VA	AERO INDUSTRIES INCORPORATED	SP060013D0022
IDAHO FALLS REGIONAL/FANNING FIELD	KIDA	0000000000	ID	AERO MARK, INC.	SP060014D0029
DOTHAN RGNL	KDHN	0000000000	AL	AERO-ONE AVIATION, LLC DBA AERO-ONE	SP060015D0103
QUONSET STATE	KOQU	0000000000	RI	AFCO AVPORTS MANAGEMENT LLC	SP060013D0059
ALBERT J ELLIS (JACKSONVILLE)	KOAJ	0000000000	NC	AIR CREWS, INCORPORATED DBA	SP060013D0120
WILMINGTON INTERNATIONAL	KILM	0000000000	NC	AIR WILMINGTON CO DBA	SP060013D0051
WI Quality Hold / Fuel Shortage Information		00000000	NC	AIR WILMINGTON, INC. DBA	SP060013D0119



Ground Fuel and Bunker Support

PC&S CIS

Ground fuel contract listings

Global Lift Global Search Log Off

Ground Fuels / PC&S rel. 2016_09_16_06

CONUS:

- [COG 2 \(3.22\):](#) CT, MA, ME, NH, NJ, NY, PA, RI, VT
- [COG 3 \(3.23\):](#) DE, IN, KY, MD, OH, TN, VA, WV, Wash, DC
- [COG 4 \(3.24\):](#) AL, AR, FL, GA, LA, MO, MS, NC, SC
- [COG 6 \(3.26\):](#) CO, IA, IL, KS, MI, ND, NE, NM, OK, SD, TX, WI, WY
- [COG 7 \(3.27\):](#) AZ, CA, NV, UT
- [COG 8 \(3.28\):](#) ID, MT, OR, WA
- [Alaska \(3.9\)](#)
- [Hawaii \(3.10\)](#)
- [FEMA \(3.2F\)](#)

International:

Afghanistan (1.6J)	Estonia/Ukraine (1.6W)	Korea (1.8V)	Unknown Prog 1.1I (1.1I)
Africa (1.8F)	Germany (PC&S) (1.8M)	PACOM Exercises (1.6X)	Unknown Prog 1.1R (1.1R)
Africa (1.8FR)	Greece (1.6U)	Philippines (1.6P)	Unknown Prog 1.1S (1.1S)
Australia (1.8T)	Guam/Tinian (1.8R)	Puerto Rico (3.11)	Unknown Prog 1.6LE (1.6LE)
Azores (1.8X)	Hawaii (3.10)	Qatar (1.99B)	Unknown Prog 1.99 (1.99)
Belguim Credit Car (1.8B)	Honduras (1.8N)	Qatar (1.99O)	Unknown Prog 2.2A (2.2A)
Benelux (1.8L)	Iraq PC&S (1.6G)	Romania/Bulgaria (1.6L)	Unknown Prog 2.34 (2.34)
Canada (1.6A)	Israel (1.6F)	Spain (1.8D)	Unknown Prog 2.5A (2.5A)
Caribbean (1.8H)	Italy PC&S (1.8A)	Spain Fuel Coupon (1.6S)	Unknown Prog 3.22E (3.22E)
Colombia (1.6K)	Japan (1.8G)	Turkey (PC&S) (1.8K)	Unknown Prog 3.26 (3.26)
Djibouti (1.6H)	Jordan (1.6V)	Turkey Coupons (1.8Q)	Unknown Prog R.ET (R.ET)
Egypt (1.8P)	KABUL (1.99U)	United Kingdom (1.8J)	

Posts, Camps, Stations and Ships Bunkers

(1.3) Africa	Bulletin Extract
(1.3B) BNK OV PAC/AF/AMER	Bulletin Extract
(3.7) DOMESTIC	Bulletin Extract
(1.3A) Europe/Middle East	Bulletin Extract
(1.3C) SOUTHCOM	Bulletin Extract

Bunker fuel contract listings



AIR Card® FY17 Overview

- AIR Card® Fiscal Year 2017
 - Domestic Sales
 - 110M Gallons Contract Fuel
 - 20M Gallons Non-Contract Fuel
 - International Sales
 - 60.9M Gallons Contract Fuel
 - 32.9M Gallons Non-Contract Fuel
 - Non-Contract Fuel Rebate
 - \$159,004





AIR Card® Authorized Purchases

- Aviation fuel and fuel additives
- Authorized ground services
- If an unauthorized product or service is requested, the AIR Card® MAY NOT be used to pay for these charges. For example, a U.S. Government travel card should be used for hotel arrangements and car rentals.
- Using the AIR Card® for other than authorized charges may result in disciplinary or legal action.
- Use of the AIR Card® constitutes a Government Order for Supplies or Service in accordance with the Federal Acquisition Regulation (FAR)
- **NOTE: AIR Card® is accepted at military bases and commercial airports**



SEA Card® FY17 Overview

- SEA Card® Fiscal Year 2017
 - Domestic Sales
 - 28M Gallons Contract Fuel
 - 4.7M Gallons Non-Contract Fuel
 - International Sales
 - 30M Gallons Contract Fuel
 - 13.8M Gallons Non-Contract Fuel
 - Non-Contract Fuel Rebate
 - \$73,480





Swipe SEA Card® Overview

- Swipe Fiscal Year 2017
 - 8,442 transactions
 - \$7 million sales (processed at the standard price)
 - 3 million gallons
 - \$55,940 rebates





DLA Energy Support to Contractors Petroleum

- **Authority: FAR Part 51**
 - DLA Energy supports DOD and Federal contractors when a contracting officer “sponsors” the contractor for government furnished material
- **Two petroleum programs support DOD and Federal contractors**
 - Fuel received at military bases by contractor aircraft, ships, vehicles
 - Fuel delivered by DLA Energy contractors to contractor owned or controlled tanks



DLA Energy Support to Contractors Petroleum

- **Pricing**

- DOD Contractors
 - Fuel is sold at the DOD standard price
- Federal Contractors
 - Fuel is sold at cost plus a cost recovery rate
 - FY18 = 4.5¢/gallon delivered

- **Agreements**

- Contracting agency must sponsor the contractor
 - Contracting agency is responsible for any non-payment
- Contractor must sign a Fuel Purchase Agreement (Sales Contract)
 - Late payment results in interest, penalties, and fees
 - Late payment can result in cancellation of purchase privileges



DLA Energy Support to Others Petroleum

- **Authority: 10 USC 2922e(d)**
 - Secretary of Defense may sell fuel when deemed in the public interest.
 - Public interest is NOT
 - Competing with reasonably available commercial sources
 - Providing bulk petroleum deliveries
 - Based on providing lower cost fuel
 - Customers have included emergency aircraft landings, DoD and Federal contractors without FAR Part 51 clauses, locations where only the DOD operates, foreign governments, others
- **One petroleum program supports these customers**
 - Fuel received at military bases by aircraft, ships, vehicles



DLA Energy Support to Others Petroleum

- **Pricing**

- DOD mission
 - Fuel is sold at the DOD standard price
- Federal mission
 - Fuel is sold at cost plus a cost recovery rate
 - FY18 = 4.5¢/gallon delivered
- Other
 - Fuel is sold at a variable cost depending on circumstances

- **Agreements**

- If public interest determination allows, these customers must sign a Fuel Purchase Agreement (Sales Contract)
- Or, sale is conducted as a one time sale



What is a Cost Price?

- **Cost price**

- Military base:

- Moving Average Price (Value) of DLA Energy's worldwide inventory
 - Product specific
 - Changes whenever a receipt for new product is posted

- Commercial location – aviation and bunkers using cards

- The actual price DLA Energy pays the supplier
 - Contract locations are generally less

- Delivered by a DLA Energy contracted vendor to agency

- The actual price DLA Energy pays the supplier

- **Cost recovery rate**

- Recovers DLA Energy's cost for contract formation, IT systems, payment and collection processes

- FY18 – 4.5 cents per gallon



DLA Energy Support to Federal Agencies

Installation Energy

- **Authority: DOD Instructions 4140.25 & 4170.11**
 - DOD mandated when program participation offers cost avoidance/benefits over utility or other provider costs
 - Federal agencies not required to participate - voluntary.
 - Installation Energy currently serves 36 Fed/Civ Departments within 23 Agencies
- **Core programs supporting Federal Agencies**
 - Direct Supply Natural Gas - 74 Fed/Civ locations
 - Electricity - Over 350 Fed/Civ delivery points/meters in 11 states
 - Renewable Energy Credits - 15 REC participants (1.3 billion KWh)
 - Energy Savings Performance Contract - EPA (43.6 million KWh)
 - Demand Response Programs - 171,066 kW enrolled



DLA Energy Support to Federal Agencies

Installation Energy

- **Pricing**

- Based on individual market index analysis, competitively sourced under index or firm-fixed pricing (based on service requirements)
- Varies by location, utility, permissions/restrictions
- Primarily awarded on two to three year contract period, some exceptions (competitive monthly buy)

- **Agreements**

- Interagency agreements (IAA) are required to establish procurement permissions/relationship between DOD and Federal Agencies
- Federal Agencies are *directly billed by vendor, no interagency funding* in place for Installation Energy services



Aerospace Energy Product Line Overview



Compressed gases

- Helium
- Nitrogen
- Argon
- Hydrogen
- Deuterium
- Nitrogen trifluoride
- Fluorine
- Xenon
- Krypton
- Neon

Propellant

- » **S**
- Hypergolic
 - » Hydrazine fuels - seven grades
 - » Dinitrogen tetroxide - five grades
- Non-hypergolic
 - » Inhibited red fuming nitric acid
 - » Rocket propellant - Grades 1 and 2
 - » Isopropyl alcohol
 - » Hydrogen peroxide
 - » JP10
 - » Methanol
- » **Cryogenic**
 - » Liquid oxygen
 - » Liquid hydrogen
 - » Liquid methane

Non-propellant cryogenics

- Aviator's breathing oxygen
- Liquid nitrogen
- Liquid air
- Liquid argon
- Liquid helium
- Liquid carbon dioxide





Contacting DLA Energy

- Customer Account Specialist Team
 - DLAENERGYCUSACCTSPEC@dla.mil
- Phone directory:
 - <http://www.dla.mil/Energy/About/Organization.aspx>
- Operations Duty Officer (24/7):
 - DSN 427.8420 or 703-767-8420
 - dla.energy.ccc@dla.mil
- DLA Customer Interaction Center (Routine Questions):
 - DSN 661-7766 or 1-877-DLA-CALL (1-877-352-2255)
 - dlacontactcenter@dla.mil
- DLA Energy Information Systems Support:
 - DSN 697-6733 or 1-800-446-4950
 - energy.helpdesk@dla.mil



More Information

- DLA Energy Website
 - Main page: www.dla.mil/Energy.aspx
 - Ground and Aviation Fuel Contracts:
https://cis.energy.dla.mil/energy_cis/
 - Posts, Camps and Stations contracts
 - Into-plane contracts
 - Fuel Card Programs:
<http://www.dla.mil/Energy/Offers/Products/GovernmentFuel.aspx>
 - AIR CARD®
 - SEA CARD®
 - SWIPE SEA CARD®



Fuel Card 24/7 Points of Contact

AIR Card® & SEA Card® Provider

➤ Kropp Holding Inc. 24/7 AIR Card® Support Team
1-866-308-3811 or Collect 1-913-451-2400/913-217-9303

(International inquiries)

Website: www.aircardsys.com or www.seacardsys.com

Email AIRCARD®: Customer-Support@aircardsys.com

Email SEA Card: customer-support@seacardsys.com

Swipe SEA Card® Provider

➤ Citibank N. A. 24/7 Swipe SEA Card® Support Team
1-800-790-7206 or Collect 1-904-954-7850

Website: <https://home.cards.citidirect.com/CommercialCard/Cards.html>

Email: CommercialCardCSO@Citi.com