DEFENSE LOGISTICS AGENCY

Established 1961

Bulk Bid Evaluation Model (BEM)

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THE NATION'S LOGISTICS COMBAT SUPPORT AGENCY

PEOPLE ★ PRECISION ★ POSTURE ★ PARTNERSHIPS WARFIGHTER ALWAYS

Bulk Petroleum Procurement Characteristics

- Procurement of large volumes of petroleum products
- Large dollar value contracts
- Estimated quantity with high minimum lift guarantee (75%)
- Awards on FOB Origin and FOB Destination Basis
- Extensive use of commercial distribution systems
- Distribution may be direct to point of demand or through intermediate terminal(s)
- Socio-Economic considerations (Domestic Procurements only):
  - 8(a) Reservations
  - HUB Zone Premium Program
  - Small Business Set-asides (Price Matching)

Bid Evaluation Model (BEM)

Offer Conditions

- Optimization program (mixed-integer linear evaluation) used to find the minimum **laid down cost** for the procurement.
- Laid Down Cost considers:
  - Offered product price
  - Transportation costs
  - Additive costs
  - Storage/onward distribution costs
    - Fixed costs
    - Variable costs
    - Excess throughput charges
  - Offer specific evaluation factors
    - Base Reference Price evaluation factors

** Conditional statements must not conflict with one another (i.e., minimum award by mode exceeds overall maximum award volume)*

Evaluation Visual

(Offered Price vs. Laid Down Cost)

Intermediate Depot Support Available
Into X by PL, out by TT to all Requirements
Into Y by PL, out by TT to all Requirements

Evaluated on Offered Price Only:

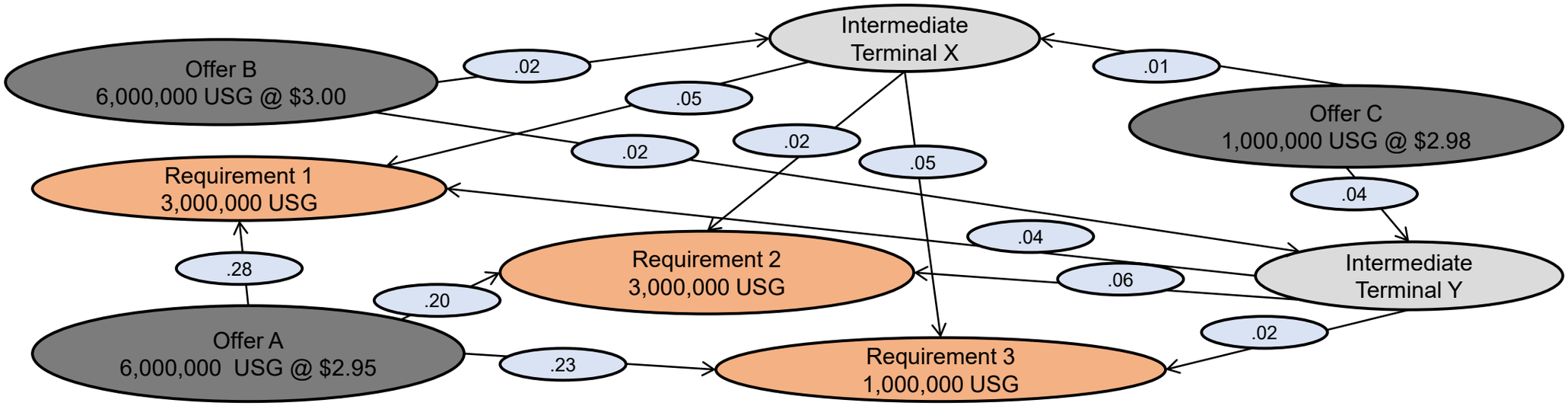
Req 1 – Offer A (total cost $3.23/gal)
Req 2 – Offer A (total cost $3.15/gal)
Req 3 – Offer C (total cost $3.04/gal)

Total cost: $22,180,000

Evaluated on Laid-Down Cost:

Req 1 – Offer B (total cost $3.06/gal)
Req 2 – Offer C (total cost $3.01/gal)
Req 2 – Offer B (total cost $3.04/gal)
Req 3 – Offer B(total cost $3.04/gal)

Total cost: $21,310,000 ($870,000)

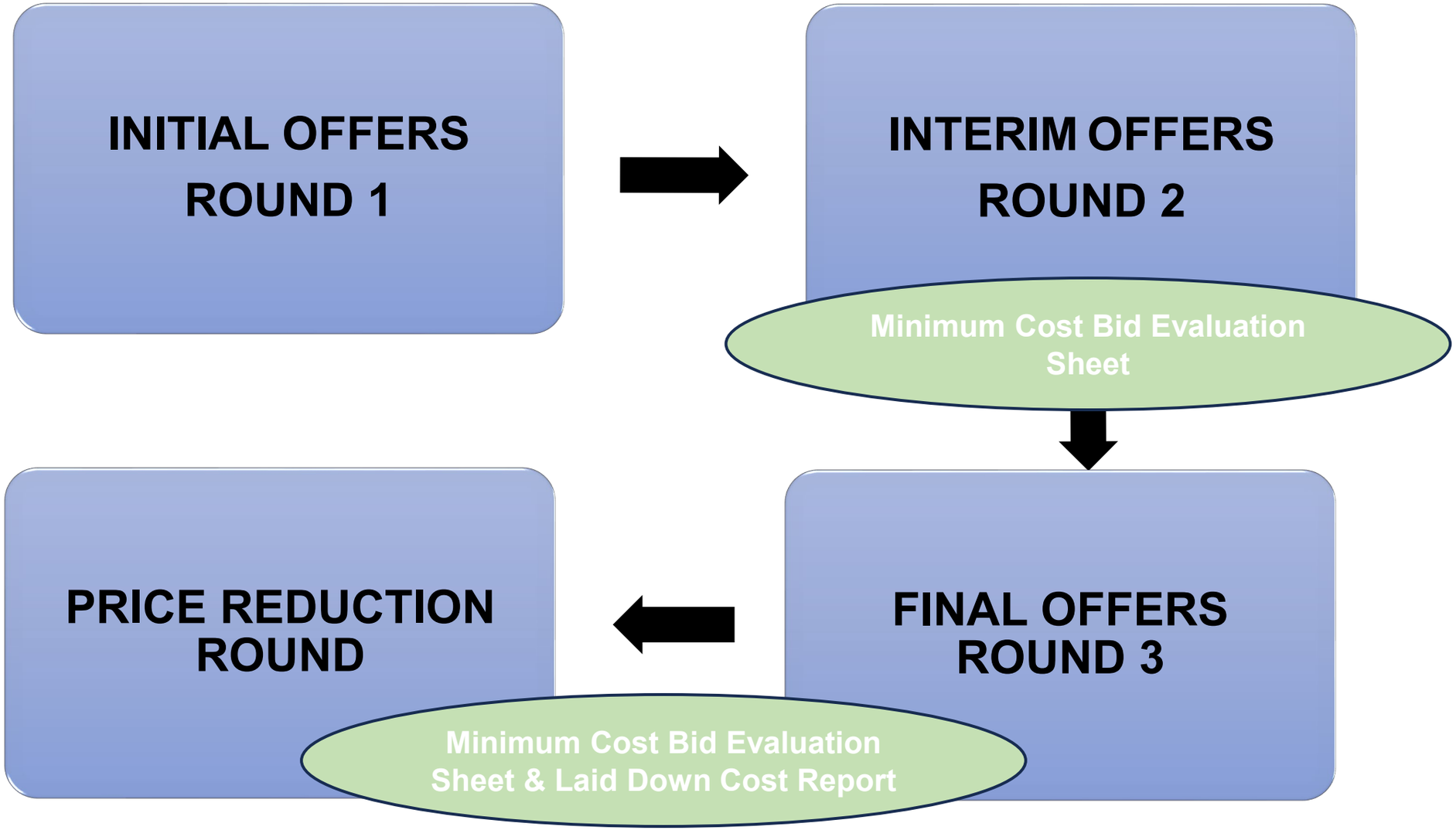


PL = Pipeline; TT = Tank Truck

Requirements
Base 1: 3,000,000 gallons received by TT
Base 2: 3,000,000 gallons received by TT
Base 3: 1,000,000 gallons received by TT

Bid Evaluation Model (BEM)

Evaluation Rounds



Minimum Cost Solution Bid Evaluation Sheet

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Buy Name: Sample Report Run Description: For producing sample MCBEW reports Last Saved: 02/01/2017

Products: JA1 - JAA - JP4 - JP5 - F76 - JP8

Purchase Program Numbers: 22B - 22D - 25B

FOR PRODUCT JAA IN TIME PERIOD 0

Item No	Destination	Quantity Required	Set-Aside Qty	8A Quantity	Percentage of Demand Allowed By Mode				
					K	B	P	C	T
000063	KINGSLEY FLD OR 857681240	7,000,000	6,300,000	0	0.00%	0.00%	0.00%	0.00%	100.00%

Time Per Offered	Company / Shipping Point/Terminal	Quantity Bid	Mode	Bid Price	Trans Rate	Total Add	Other Cost	Total Eval	Laid Down Price
	VENDOR #3	31,265,000		1.183340	0.006013		-0.057904		
0	Cherry Point WA	844140302	K				0.000000		1.131449
	DFSP VANCOUVER WA	849990000	T		0.230000		0.000000		1.361449
	VENDOR #3	247,000,000		1.112340	0.006013		-0.057904		
0	Cherry Point WA	844140302	K		0.071400		0.000000		1.131849
	DFSP VANCOUVER WA	849990000	T		0.230000		0.000000		1.361849
	VENDOR #3	247,000,000		1.112340	0.006013		-0.057904		
0	Cherry Point WA	844140302	K		0.106352		0.000000		1.166801
	DFSP SELBY CA	876142270	K		0.096079		0.000000		1.262880
	DFSP VANCOUVER WA	849990000	T		0.230000		0.000000		1.492880

Laid Down Cost Report

Laid Down Cost Report

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Buy Name: IEG 17R0718 OET R5 Description: IEG 17R0718 REVERS Last Saved: 01/05/2018
Products: JAA - JP5 - JP8 - F76
Purchase Program Numbers: 22C - 25A - 22A

FOR PRODUCT F76 IN TIME PERIOD 0

Item	Destination	Quantity Required	Quantity Awarded	Laid Down Price
000194	DFSP CRANEY ISLAND	119,750,000		
	Awarded Qty		119,750,000	1.444625
000195	NSA PANAMA CITY	137,000		
	Awarded Qty		137,000	1.620157
000196	DFSP GUANTANAMO BA	12,640,000		
	Awarded Qty		12,640,000	1.492188
000197	NAVSUBBASE KINGS B	975,000		
	Awarded Qty		975,000	1.511538
000198	DFSP MAYPORT	14,500,000		
	Awarded Qty		14,500,000	1.606728
000199	NAVAL SUB BASE NEW	1,019,000		
	Awarded Qty		1,019,000	1.742755

Model Sequence

Base Run

8(A) Run

HUBZone Run

Small Business Set-Aside Run

Final Forced Run

Optimization Run

Contact Information

For questions concerning the functionality of the Bulk Bid Evaluation Model (BEM) please contact:

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