

C4. CHAPTER 4

COAL CONTRACT ADMINISTRATION

TABLE OF CONTENTS

	<u>Page</u>
C4.1. GENERAL	2
C4.2. QUALITY AND QUANTITY REQUIREMENTS	2
C4.3. INSPECTION AT SOURCE (ORIGIN)	2
C4.4. PRODUCT ACCEPTANCE AT DESTINATION	3
C4.5. PRODUCT REJECTION AT DESTINATION	4
C4.6. CONTRACT WAIVERS	5

#### C4.1. GENERAL

C4.1.1. The Defense Energy Support Center Installation Energy Commodity Business Unit (DESC-A) is the coal products contracting agency and is responsible for all related contract administration functions, as well as coal quality assurance at origin for domestic locations. This manual provides DESC policy guidance regarding roles, responsibilities, and accountability of the DESC coal program under part 246 of the Defense Federal Acquisition Regulation (DFAR).

#### C4.2. QUALITY AND QUANTITY REQUIREMENTS

C4.2.1. The Military Services and Federal agencies develop specification requirements for each coal item purchased through the coal program. The DESC Product Technology and Standard Division (DESC-BP) shall develop contract quality clauses to establish adequate procedures to assure coal product quality.

C4.2.2. Contractor coal delivery from a contractually unauthorized mine will be rejected unless approved by the DESC-A contracting officer.

C4.2.3. The DESC-A contracting office shall process contractor requests to use an alternate mine to fulfill contract requirements. Alternate mines shall be capable of supplying coal that fully meets product specifications. Upon alternate mine approval, the DESC-A contracting officer shall publish an appropriate contract modification.

#### C4.3. INSPECTION AT SOURCE (ORIGIN)

DESC shall assign a Quality Assurance Representative (QAR) to a contractor facility, laboratory, loading, and/or tipple storage location when a coal contract requires product inspection at the source (origin).

C4.3.1. Contractor. The contractor is responsible for ensuring conveyance cleanliness, product quality, and accurate quantity determination for all coal deliveries provided to the U. S. Government.

C4.3.2. Quality Assurance at Source/Origin. The QAR shall perform all quality assurance functions for source/origin contracts in accordance with pertinent DoD/Defense Logistics Agency (DLA) regulatory guidance.

C4.3.3. Quality Assurance Representative. The QAR shall provide oversight of coal contractor quality control operations and ensure that the product requested by the U.S. Government satisfies contract quality specifications.

C4.3.4. The DESC Contracting Officer (CO). The QAR may recommend to the CO two alternative methods to enable a contractor to ship/deliver coal. The QAR may employ Alternate Release Procedures (ARP) when unavailable to sign the DD Form 250, "Material Inspection and

Receiving Report” or to fulfill other administrative functions. The QAR shall nevertheless perform all other mandatory quality audits. The CO may issue a Certificate of Compliance (COC) when the contractor has demonstrated acceptable past performance in coal deliveries. Past performance evaluation considers all aspects of contractor operations to include scheduling, quality assurance, safety, administrative practices, and so forth. COC enables the contractor to ship coal from the place of performance to an installation facility without any QAR intervention including signature on the DD Form 250. The DESC-A contracting officer shall consult with the DESC Quality Operations Division (DESC-BQ) to determine justification for continuance of a COC for a contractor.

#### C4.4. PRODUCT ACCEPTANCE AT DESTINATION

C4.4.1. Coal products shall be unloaded when the following conditions are satisfied:

C4.4.1.1. Visual inspection of the coal determines the product satisfies specification requirements.

C4.4.1.2. The DD Form 250 and contractor commercial analytical test report indicate fulfillment of contractual obligations and product specifications for rail car deliveries. The installation shall promptly notify the DESC-A contracting officer whenever these documents are not at the receiving location unit prior to unloading.

C4.4.1.3. The DD Form 250 need not be available prior to coal delivery by truck, therefore, locations shall not delay truck deliveries due to absence of the form. The contractor shall provide an analytical test report representative of the shipped coal stockpile on or before receipt of the first coal truckload at the installation.

C4.4.2. The Military Service or Federal agency may take a representative coal sample during unloading for laboratory analysis in accordance with the American Society for Testing and Materials (ASTM), Section 5, “Petroleum Products, Lubricants, and Fossil Fuels,” Volume 05.06, “Gaseous Fuels; Coal and Coke.” The following specific ASTM methods shall be used: ASTM-D-2234, “Standard Practice for Collection of a Gross Sample of Coal” and ASTM-D-2013, “Standard Practice of Preparing Coal Samples for Analysis.” Military Services and Federal agencies shall forward coal samples to the following Army laboratory:

U.S. Army Petroleum Center (USAPC)  
Petroleum Testing Facility  
ATTN: AMSTA-LC-CJPT, Bldg. 85-3  
U Avenue  
New Cumberland, PA 17070-5005

C4.4.3. The Army Laboratory shall return a coal analysis test report to the Military Service or Federal agency installation and provide copies to the DESC-A contracting officer and DESC-BQ Coal Quality Assurance Specialist by e-mail. The Military Service or Federal agency shall compare the test report against the contractor guarantee to calculate credits and debits per

delivery. Based on aggregated evidence for the contract period, the Military Service or Federal agency shall assess the contractor a compensation fee owed to the using location when debits exceed credits at the end of the contract period.

C4.4.4. The Military Services and Federal agencies that sample coal shall ensure all personnel who obtain coal samples are certified coal samplers or that they are under direct supervision of a certified coal sampler. The Military Services and Federal agencies shall notify DESC-BQ of training requirements to certify sampler personnel. The requesting activity or installation is responsible for funding all related coal sampler training costs.

C4.4.5. Appendix C of Military Standard (MIL-STD) 3004, "Quality Surveillance for Fuels, Lubricants, and Related Products," recommends publications and provides suggested operational procedures to receive, sample, unload, and record coal receipts at installation facilities.

#### C4.5. PRODUCT REJECTION AT DESTINATION

C4.5.1. Installations may reject coal deliveries when visual inspection indicates the coal does not meet minimum quality specification for size or has obvious impurities such as excessive oxidation, slate, rock, dirt, or other extraneous material. To reject a coal delivery, the installation shall immediately notify the DESC-A contracting officer and/or DESC-BQ by telephone of a situation prior to coal product sampling. The notification shall provide the installation name, installation point of contact and telephone number, coal order number, conveyance numbers, contractor, contract number, reason for coal delivery rejection (failing characteristics), time and date of delivery, and status of the delivery conveyance(s). This will enable contractor notification and thereby provide the contractor with the opportunity to witness the coal sampling procedure. The installation shall obtain a sample after completion of a visual inspection. DESC-BQ further recommends taking photographic evidence of extraneous material observed during visual inspection. Coal samples shall be taken in accordance with ASTM D 2234, "Standard Practice for Collection of a Gross Sample of Coal," ASTM D 4749, "Standard Test Method for Performing the Sieve Analysis of Coal and Designating Coal Size," and ASTM D 6883, "Standard Practice for Manual Sampling of Stationary Coal from Railroad Cars, Barges, Trucks, or Stockpiles."

C4.5.2. The installation shall not off-load a coal delivery when the analytical test report is unacceptable and shall immediately notify the DESC-A contracting officer by telephone and e-mail regarding the failed analytical test report. The installation shall confirm the analytical test report results in writing prior to rejection of the coal. These requirements are critical because Government coal rejection is difficult to sustain for coal off-loaded at the installation

C4.5.3. The DESC-A contracting officer in coordination with DESC-BQ retains sole authority to officially reject or conditionally accept a nonconforming coal shipment. The DESC-A contracting officer shall request additional information through normal channels as required. Although coal acceptance normally occurs when the coal is off-loaded, the DESC-A contracting officer may attempt to achieve monetary compensation from the contractor due to unreasonable quality deficiencies such as excessive over/undersize coal, impurities, and so forth.

#### C4.6. CONTRACT WAIVERS

C4.6.1. The contractor is obligated to provide coal and related services specified in the contract. Exceptions may, however, be granted for reasons of urgency or economy, subject to equitable price adjustments or other considerations, and when accepted by the installation that developed the product specification.

C4.6.2. The DESC-A contracting officer shall approve or disapprove all contract and specification waiver proposals and shall refer all contractor waiver requests to DESC-BQ/BP for technical evaluation. DESC-BQ/BP shall coordinate the technical evaluation with the installation and respective Service Control Point (SCP) or Federal agency Inventory Control Point (ICP) to recommend either waiver acceptance or rejection to the Contracting Officer for decision within 24 hours from waiver request receipt or not later than the following workday during weekends, holidays, and non-duty hours. During non-duty hours, the installation shall contact the DESC Directorate of Operations Command Control Center (DESC-CCC) Staff Duty Officer at (571) 334-1719 who will notify the appropriate personnel to take necessary action.