

P2.C8. PART 2, CHAPTER 8MANAGEMENT OF STORAGE AND DISTRIBUTION FACILITIESP2C8.1. GENERAL

P2C8.1.1. Distribution System. The bulk petroleum distribution system includes a network of storage facilities (intermediate and base-level) and pipelines required in support of worldwide military fuel requirements, and in some cases other Federal civil agencies' requirements. Sufficient tankage shall be available for economical resupply, rotation for closure of tankage for scheduled maintenance requirements without compromising operational and minimal inventory requirements and for storage of peacetime and war reserve stocks. Planning for wartime petroleum requirements shall rely on host-nation support (HNS) in accordance with the Chairman of the Joint Chiefs of Staff guidance and procedures for validation of host nation support for deliberate planning and contingency usage.

P2.C8.1.2. Defense Fuel Support Points (DFSPs). Storage facilities are designated DFSPs wherein DLA-owned fuel is stocked for distribution to multiple military end users' Operations and Maintenance (O&M) accounts (e.g., aircraft, vehicles, ships, or tanks for which fuel is purchased through multiple O&M accounts). DFSPs range in size and scope from a single tank to a pipeline system with a network of multiple terminals.

P2.C8.1.3. Requirements. The Defense Energy Support Center (DESC) shall review, analyze, and validate the extent of the bulk petroleum storage and distribution facilities required in support of the DLA bulk petroleum management mission. DESC shall validate such requirements in coordination with the Military Services and Combatant Commands through an annual cyclic program. The program is designed to identify, fund, and execute bulk storage and distribution facilities projects in support of the DoD petroleum objectives. DESC may conduct optimization studies for emerging requirements to identify efficient alternatives to military construction (MILCON) or maintenance, repair, and environmental (MR&E) requests.

P2.C8.1.4. Responsibilities. The Defense Logistics Agency (DLA)/DESC shall establish and maintain a DoD-bulk-petroleum distribution system and related programs in coordination with the Military Services and Combatant Commands. DLA, DESC, Military Services, and Combatant Commands have interrelated responsibilities to plan, program, budget, and fund for the operation, maintenance, repair, minor construction, and MILCON; including environmental compliance of bulk storage and distribution facilities in support of the Military Services' bulk petroleum management mission. In carrying out its responsibilities, DLA/DESC may conduct optimization studies for emerging MILCON and MR&E requests to identify economical alternatives for consideration.

P2.C8.2. TYPES OF BULK PETROLEUM STORAGE TERMINALS (or DFSPs)

P2.C8.2.1. Government-Owned Government-Operated (GOGO). Terminal owned by the U.S. Government and operated by the U. S. Government employees.

P2.C8.2.2. Government-Owned Contractor-Operated (GOCO). Terminal owned by the U.S. Government and operated by a contractor.

P2.C8.2.3. Contractor-Owned Contractor-Operated (COCO). Terminal owned and operated by a contractor who provides storage and distribution services under contract with the U.S. Government.

P2.C8.2.4. Foreign Government (FG). Overseas petroleum storage and distribution services provided for the U.S. Government use through a government-to-government memorandum of understanding (MOU) or memorandum of agreement (MOA). FG DFSPs are either (1) owned and operated by foreign governments, (2) owned by foreign governments and operated by contractors, or (3) owned and operated by contractors.

P2.C8.2.5. North Atlantic Treaty Organization (NATO). Petroleum storage facilities overseas used in support of the U.S. Government as a member of NATO. These terminals are owned by NATO and operated by the host government or the Central European Pipeline Management Agency (CEPMA) consistent with bilateral or multilateral user agreements. Cost of support furnished to the U.S. Government at these terminals is negotiated between the U.S. Government and the operating host government or apportioned by the Central Europe Pipeline Policy Committee.

P2.C8.2.6. Afloat Pre-positioning Force (APF) or Floating DFSPs. This chapter addresses only fixed, permanent facilities. See chapter 9 of this part of the publication for discussion of floating DFSPs.

P2.C8.3. GOVERNMENT-OWNED GOVERNMENT- (MILITARY SERVICE) OPERATED (GOGO) DFSPs. Policy guidance and responsibilities for managing the U.S. GOGO DFSPs are contained herein. As such, interservice support agreements are not required but may be used to document unique requirements and situations.

P2.C8.3.1. DESC shall:

P2.C8.3.1.1. Develop and provide inventory levels for GOGO DFSPs via the Inventory Management Plan (IMP) or extracts thereof. Inventory levels will be coordinated with the Combatant Commands, DESC Regional Offices, and the Service Control Points (SCPs).

P2.C8.3.1.2. Develop and provide procedures for reporting supply transactions, inventory data, and records of DLA-owned fuel.

P2.C8.3.1.3. Formulate bulk storage and distribution facility planning requirements with the Joint Petroleum Office (JPO)/(Subarea Petroleum Office (SAPO) concurrence for overseas.

P2.C8.3.1.4. Plan, program, budget, and fund projects for maintenance, repair, minor construction, and environmental compliance for these facilities, in accordance with section P2.C8.12, below. Plan, program, and sponsor fuel MILCON projects for DLA funding for these facilities in accordance with section P2.C8.12, below.

P2.C8.3.1.5. Coordinate design and construction projects with the Military Services and the appropriate DESC Regional Office.

P2.C8.3.1.6. Coordinate with the Combatant Command JPO, Military Service, and SCP for identifying fuel terminals for potential optimization studies to identify DoD cost savings and avoidance and identify Most Efficient Organization (MEO) alternatives.

P2.C8.3.1.7. Upon request from Military installations via their respective Service Headquarters and SCP or Combatant Command JPO, conduct fuel optimization studies to identify MEO alternatives and potential cost savings and avoidance for DoD.

P2.C8.3.1.8. Upon request, DESC shall provide support to the Military Services in interpreting applicable environmental regulations and developing projects to bring terminals into compliance.

P2.C8.3.1.9. Fund environmental assessments and statements for proposed new construction projects as required by the National Environmental Policy Act and DoD Directive 6050.1.

P2.C8.3.1.10. Fund environmental permits and compliance requirements in accordance with section P2.C8.9., below.

P2.C8.3.2. Military Services shall:

P2.C8.3.2.1. Plan, program, budget, and fund for operating costs of GOGO DFSPs used in support of the DLA-bulk-petroleum management mission; perform organizational maintenance (e.g., grease valves, replace gaskets, clean and maintain equipment and supplies, etc.).

P2.C8.3.2.2. Initiate all requests for DESC to consider conversion of Military Service-operated DFSPs (GOGOs) to DESC-funded DFSPs (GOCOs) or (COCOs) if economic benefit to DoD can be demonstrated via a DESC fuel optimization study or simplified cost analysis for direct conversion per DoD directives.

P2.C8.3.2.3. During the alteration of distribution processes, if economic benefit to DoD is demonstrated to accrue by increasing the mission at a GOGO (e.g., transshipment or alternate receipt of fuel, etc.), labor and/or other costs incurred by the Military Services related to the increased mission will be funded by DESC for the duration of the increased mission). Costs to be funded in this situation may be subject to negotiation.

P2.C8.3.2.4. Situations may develop that result in DESC funding operations or other costs at the Military Services' facilities when a less than most manpower-efficient mode of delivery is awarded. The chosen mode of delivery may represent the best value to the Government or compliance with socio-economic programs and may require the Military Services' staff to be augmented to enable fuel receipt by that mode. DESC shall consider the additional cost to receive fuel by a less than manpower-efficient mode in the Bid Evaluation Model (BEM) process. DESC shall pay the increased costs for the facility to receive the fuel by that mode if the following conditions are met:

P2.C8.3.2.4.1. In order for a Military Service to receive DESC's funding for the cost of operating its POL installation at a level that exceeds the most manpower-efficient level, it must provide information for DESC's use in the BEM process. Information provided must identify the most manpower-efficient delivery mode and the costs of receiving fuel by less efficient modes.

P2.C8.3.2.4.2. The Military Service shall demonstrate that additional manpower resources are required to allow delivery by the new mode. DESC's funding for manpower increase will be provided only if the Military Service's facility was staffed at the most manpower-efficient level during the preceding delivery contract.

P2.C8.3.2.5. Provide for complete receipt, storage, and delivery systems that will be maintained in good operating condition according to the Military Services' standards and policy guidance set forth in DoD Directive 4140.25 and DoD Directive 7150.5 or with recognized commercial standards.

P2.C8.3.2.6. Program, design, budget, and fund for all operating costs, maintenance, repair, environmental compliance, and construction of facilities used solely in support of the military petroleum mission (facilities which do not support DLA's bulk petroleum mission, i.e., those facilities which hold Military Service-owned fuel). The Military Services shall retain authority to approve or reject such projects being funded with the Military Services' funds.

P2.C8.3.2.7. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance, MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section P2.C8.12., below).

P2.C8.3.2.8. Provide DESC-F with proposed MILCON requirements during the annual MILCON planning cycle outlined in subparagraph P2.C8.12.6.1., below.

P2.C8.3.2.9. Provide DLA with the following support and services without reimbursement:

P2.C8.3.2.9.1. Maintain inventory levels reported in the IMP.

P2.C8.3.2.9.2. Receive, store, and issue DLA-owned bulk fuel in accordance with the procedures in this manual.

P2.C8.3.2.9.3. Maintain a quality surveillance program consistent with policy guidance in part 2, chapter 7, of this manual.

P2.C8.3.2.9.4. Report supply transactions and inventory data in accordance with the procedures prescribed in this manual.

P2.C8.3.2.9.5. Maintain accountable records and investigate fuel losses exceeding DoD's standard tolerance factors (perform and conduct causative research, prepare DD Form 200, SF 361, etc.).

P2.C8.3.2.9.6. Fund operation and organizational maintenance costs (defined in subparagraph P2.C8.12.3.6.) related to the day-to-day tasks needed to receive, store, and issue petroleum products including staffing and supplies associated therewith. (DLA/DESC may fund the cost of contracted maintenance projects when the work is beyond the capability of the Military Service's operating personnel and this work, traditionally, has been performed by contract. DESC shall consider contracting out additional functions if there can be demonstrated some economic advantage to so doing.)

P2.C8.3.2.9.7. Operate deballasting and recovery systems when required to avoid losses and prevent environmental pollution damage.

P2.C8.3.2.9.8. Execute environmental permits and compliance requirements in accordance with sections P2.C8.9. and P2.C8.12. Ensure compliance with environmental requirements

which includes development and implementation of oil spill prevention control and countermeasure and facility fuel transfer operation requirements of the U.S. Coast Guard.

P2.C8.3.2.9.9. Provide DESC-FQ a summary of costs associated with actions taken to remedy spills and contamination incidents.

P2.C8.3.2.9.10. Notify DESC Regional Offices and JPOs (for overseas locations) of DFSP tankage that is planned for removal or return to service and major facility repair which impacts mission capability. Copies of such plans and schedules will be sent to DESC-B/F in the RCS: 1884 Report.

P2.C8.3.2.9.11. The Military Services shall coordinate and receive DESC approval for any improvements, upgrades, or new technologies that will affect new or existing DoD petroleum infrastructure for which DESC has sustainment, restoration, and modernization funding responsibility. DESC will not provide any future maintenance funding related to such projects that DESC did not approve or disapprove.

P2.C8.4. GOCO DFSPs (PERMITTED AND LICENSED TO DLA). These DFSPs are owned by the Military Services and operated by contractors under contracts administered by DESC. Such terminals are permitted or licensed to DLA based on mutually agreed Real Property Permits issued by the Military Services. Policy guidance and responsibilities for managing such DFSPs are as follows:

P2.C8.4.1. DESC shall:

P2.C8.4.1.1. Provide terminal management.

P2.C8.4.1.2. Plan, program, budget, and fund projects for the maintenance, repair, minor construction, and environmental compliance of the DoD fuels infrastructure for which DESC has responsibility. Plan, program, budget, and sponsor fuels MILCON projects for DLA funding for these facilities in accordance with section P2.C8.12, below.

P2.C8.4.1.3. Execute environmental permits and compliance requirements.

P2.C8.4.1.4. Develop and maintain the following documents for GOCO DFSPs contracted by DESC: Federal Facility Response Plan; Installation Spill Contingency Plan (ISCP) and Spill Prevention Control and Countermeasure Plan (SPCCP) as required by U.S. Codes and the Environmental Protection Agency; Oil Pollution Prevention Operations Manual (OPPOM) as required by the U.S. Coast Guard for coastal terminals; Research and Special Projects Administration (RSPA); oil discharge prevention and contingency plan as required under the Oil Pollution Act of 1990 (OPA 90); and implement DoD Directive 5030.41, DoD Instruction 4120.14, and DLAM 6050.1.

P2.C8.4.2. Military Services shall:

P2.C8.4.2.1. Designate a host unit that will provide civil engineering services for the terminal, as required by DESC, to include real property maintenance activities based on reimbursement by DESC.

P2.C8.4.2.2. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance and MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section P2.C8.12, below).

P2.C8.4.2.3. Permit or license real estate and facilities to DLA/DESC.

P2.C8.5. GOCO DFSPs (NOT PERMITTED/ LICENSED TO DLA). These DFSPs are owned by the Military Services and funded by either DESC or the Military Services and operated by contractors under contracts administered by the Military Services or DESC.

P2.C8.5.1. DESC shall:

P2.C8.5.1.1. Plan, program, budget, and fund for operating costs of GOCOs that under IMM Phases I and II DESC assumed funding authority for operations from the Military Services. The Military Services shall continue to budget and fund for operating costs of those GOCOs that have not formally transferred funding authority to DESC under IMM Phases I and II. At the request of the Military Services, DESC shall consider funding operation of the Phase II GOCOs if economic benefit to DoD can be demonstrated.

P2.C8.5.1.2. At DESC and Military-funded GOCOs: Develop and provide inventory levels; develop and provide procedures for reporting supply transactions, inventory data, and records of DLA-owned fuel; formulate bulk storage and distribution facility planning requirements; and plan, program, budget, and fund for maintenance, repair, minor construction, environmental compliance, and MILCON costs as stated in subparagraphs P2.C8.3.1.1. through P2.C8.3.1.10., above.

P2.C8.5.2. Military Services shall:

P2.C8.5.2.1. Provide terminal management.

P2.C8.5.2.2. Execute environmental permits and compliance requirements.

P2.C8.5.2.3. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance, MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section P2.C8.12., below).

P2.C8.5.2.4. Provide DESC-F with proposed MILCON requirements during the annual MILCON planning cycle outlined in subparagraph P2.C8.12.6.1., below.

P2.C8.5.2.5. Provide DLA with the following support and services without reimbursement:

P2.C8.5.2.5.1. Maintain inventory levels reported in the IMP.

P2.C8.5.2.5.2. Receive, store, and issue DLA-owned bulk fuel in accordance with procedures in this manual.

P2.C8.5.2.5.3. Maintain a quality surveillance program consistent with policy guidance in chapter 7 of this part of the manual.

P2.C8.5.2.5.4. Report supply transactions and inventory data in accordance with procedures prescribed in this manual..

P2.C8.5.2.5.5. Maintain accountable records and investigate fuel losses exceeding DoD's standard tolerance factors (perform and conduct causative research, prepare DD Form 200, Financial Liability Investigation of Property Loss, SF 361, etc.).

P2.C8.5.2.5.6. Fund operating and organizational maintenance costs (defined in paragraph P2.C8.12.3.6.) for Phase II GOCOs related to the day-to-day tasks needed to receive, store, and issue petroleum products including staffing and supplies associated therewith. (DLA/DESC may fund the cost of contracted maintenance projects when the work is beyond the capability of the Military Service's operating personnel, and this work, traditionally, has been performed by contract. DESC will consider contracting out functions if there can be demonstrated some economic advantage to so doing.)

P2.C8.5.2.5.7. Operate deballasting and recovery systems when required to avoid losses and prevent environmental pollution damage.

P2.C8.5.2.5.8. Execute environmental permits and compliance requirements in accordance with sections P2.C8.9. and P2.C8.12. Ensure compliance with environmental requirements to include development and implementation of oil spill prevention control and countermeasure and facility fuel transfer operations requirements of the U.S. Coast Guard.

P2.C8.5.2.5.9. Provide DESC-FQ a summary of costs associated with actions taken to remedy spills and contamination incidents.

P2.C8.5.2.5.10. Notify DESC Regional Offices and JPOs (for overseas locations) of DFSP tankage that is planned for removal or return to service and major facility repair that impacts mission capability. Copies of such plans and schedules will be sent to DESC-B/F in the RCS: 1884 Report.

P2.C8.6. CONTRACTOR-OWNED CONTRACTOR-OPERATED (COCO) DFSPs

P2.C8.6.1. DESC shall:

P2.C8.6.1.1. Plan, program, budget, and fund for operating costs.

P2.C8.6.1.2. Contract for additional storage facilities, as required and within budgetary constraints, in order to take advantage of favorable fuel prices. Such acquisition will be coordinated with the Military Services and Combatant Commands before execution.

P2.C8.6.1.3. Contract for the use of tanks with floating roofs or pans for highly volatile fuels, such as gasoline, wherever feasible.

P2.C8.6.1.4. In accordance with 10 USC 2388, DLA/DESC may contract for the storage, handling, and distribution of petroleum products for periods of not more than five years, with options to renew for additional periods of not more than 5 years each, but not more than a total of 20 years. Long-term contracts may include a Government option to purchase the storage facility.

P2.C8.6.1.5. Award multi-year contracts (currently up to 5 years with 3-five year option periods) consistent with provisions of the Federal Acquisition Regulation (FAR), Department of Defense FAR Supplement, and relevant statutes.

P2.C8.6.1.6. Develop an MOA to be signed by the Military Service, installation's commander, and DESC defining specific responsibilities not addressed herein.

P2.C8.6.1.7. This section excludes tariff agreements. For discussion of tariff agreements, see chapter 6, part 2 of this manual.

P2.C8.6.2. Military Services. For COCOs established on Military installations, the Military Services shall provide the following:

P2.C8.6.2.1. Fund, conduct, and ensure all baseline studies and assessments in preparation for real estate permitting or leasing to an DESC COCO contractor.

P2.C8.6.2.2. Fund and conduct required remediation of contamination identified by environmental studies that is required by Federal, State or local laws, codes, and regulations before permitting or leasing real estate to an DESC COCO contractor. Any remediation identified as being caused by DLA-owned fuel and not due to the negligence of the Military Services will be paid for by DLA/DESC.

P2.C8.6.2.3. Fund and provide utility services (sewer, electricity; i.e., transformers, telephone lines, water, etc.) and access roads up to the real estate border that will be provided to a DESC COCO contractor.

P2.C8.6.2.4. Fund, conduct, and ensure preparation and approval of all documentation required for leasing or permitting real estate to an DESC COCO contractor.

P2.C8.6.2.5. Provide cost free to a DESC COCO contractor electrical, water, and sewer services as appropriate.

P2.C8.6.2.6. Permit or lease the agreed upon real estate site to the DESC contractor. Included in the lease may be a provision that the U. S. Government may purchase the facility or that the facility reverts to the U. S. Government upon the expiration of the lease and any exercised option periods.

P2.C8.6.2.7. Develop an MOA to be signed by the Military Service, installation's commander, and DESC defining specific responsibilities not addressed herein.

**P2.C8.7. FOREIGN GOVERNMENT (FG) DFSPs**

P2.C8.7.1. Foreign Agreements. Beneficial use of FG/NATO storage facilities as DFSPs may be obtained by agreements negotiated by the Combatant Commands or DESC. DESC may negotiate and conclude such agreements as authorized by DoD Directive 4140.25.

P2.C8.7.2. Foreign DFSPs for which the U.S. Government has beneficial occupancy under a government-to-government MOU or MOA shall be governed by the following policy:

P2.C8.7.2.1. DESC shall plan, program, budget, and fund operating, maintenance, repair, minor construction, and environmental compliance costs for DFSPs used in support of the DLA-bulk-petroleum management mission in accordance with the provisions of the MOU or MOA.

P2.C8.7.2.2. Terminal operators shall provide support services in accordance with the terms of the MOU or MOA.

P2.C8.7.2.3. The MOU or MOA designee shall provide terminal management.

P2.C8.8. INSPECTIONS

P2.C8.8.1. GOCO/COCO DFSPs. DESC shall arrange for periodic inspections of contractor-operated DFSPs.

P2.C8.8.2. GOGO DFSPs. DESC shall visit GOGO DFSPs to assess the integrity and structure of such facilities for project validation and other facilities assistance as required in support of the DLA DWCF. Visits shall be coordinated with the associated command (or Combatant Command JPO for overseas locations), and the SCP, at least 30 days in advance (unless circumstances dictate otherwise). Reports of findings shall be documented in coordination with the associated command or Combatant Command JPO. Copies of the report will be provided to the DFSP, SCP and its command, or the appropriate Combatant Command JPO.

P2.C8.8.3. FG and NATO DFSPs. DESC shall arrange for inspections of FG/NATO fuel facilities when authorized by operating agreements and when annual audit of NATO/host-nation DFSPs is not adequate.

P2.C8.9. ENVIRONMENTAL PROTECTION PROGRAM

P2.C8.9.1. The Military Services and DLA/DESC shall:

P2.C8.9.1.1. Ensure that all necessary actions are taken to prevent, control, and abate environmental pollution related to fuel facilities, activities, and programs in the Defense Department.

P2.C8.9.1.2. Assess the environmental impact of major fuel related actions that affect the quality of the human environment to the extent required by the National Environmental Policy Act of 1969 and subsequent laws.

P2.C8.9.1.3. Ensure that all fuel products obtained and used conform to local, state, Federal, and foreign regulations that relate to the protection of the environment.

P2.C8.9.2. Pollution Control

P2.C8.9.2.1. DESC and the Military Services shall take necessary action to comply with applicable air, water, noise, solid waste, and hazardous waste standards in accordance with DLAM 6050.1 for DFSPs storing DLA-owned product.

P2.C8.9.2.2. The Military Services storing DLA-owned fuel in their DFSPs shall comply with the appropriate Military Services' directives when reporting environmental deficiencies and maintaining pollution control programs.

P2.C8.9.3. Environmental Impact Assessment

P2.C8.9.3.1. DESC shall prepare environmental assessments on major fuel related actions for which DLA has the lead action (i.e., at GOCO terminals permitted to DLA) in accordance with DLAR 1000.22 and DLAR 1000.29.

P2.C8.9.3.2. The Military Services shall prepare environmental assessments on major fuel related actions for which they have the lead action (i.e., at GOGO terminals operated by the Military Services and GOCO terminals administered by the Military Services) in accordance with their applicable Military Service's directives.

P2.C8.9.4. Environmental Compliance

P2.C8.9.4.1. Definition. The provisions in this section apply to bulk POL facilities that stock and distribute DLA-owned fuel. Types of environmental compliance are as follows:

P2.C8.9.4.1.1. Recurring. Operations and services which accomplish “must do” environmental actions that relate directly to storage and distribution of DLA-owned product, such as permits and fees, waste disposal, UST testing, environmental impact analysis process (EIAP), etc. Costs are defined as recurring if they occur annually or more frequently (monthly, bimonthly, etc.). Costs recurring less frequently shall be addressed as nonrecurring projects and services.

P2.C8.9.4.1.2. Nonrecurring. Projects and services that address conditions currently out of compliance are level 1; those that are accomplished to meet a deadline are level 2; and those that are important but not related to an imminent compliance deadline are level 3.

P2.C8.9.4.2. DESC's Responsibilities for Compliance Procedures

P2.C8.9.4.2.1. Ensure that requirements and specifications for bulk petroleum products and coal are in accordance with applicable Federal, state, and local environmental regulations which govern sulfur content, oxygen content, vapor pressure, etc.

P2.C8.9.4.2.2. Develop and implement procedures for compliance of fuel procurement, transportation, and storage with all applicable Federal, state, and local air, water, pesticide, solid waste, and noise abatement standards in accordance with DoD Directive 5100.50 and DoD Instruction 4120.14.

P2.C8.9.4.3. GOGO and GOCO DFSPs. Ultimate responsibility for environmental compliance associated with POL facility operations remains with the installation's commander.

P2.C8.9.4.4. Overseas DFSPs. In accordance with the procedures set forth in DoDD 6050.16 and DoDD 5100.5, DFSPs located outside the United States, its territories and possessions, shall comply with the Final Governing Standards issued for the host nation where they are located. Where no such Final Governing Standards have been issued, such DFSPs shall comply with the criteria under the Overseas Environmental Baseline Guidance Document (Oct 92), applicable treaties (and other international agreements), and substantive host nation pollution control laws of general applicability under Executive Order 12088 (Oct 13, 1978).

P2.C8.10. BULK PETROLEUM STORAGE FACILITIES REPORT

P2.C8.10.1. Policy. DESC-F shall control, maintain, and make available data contained in the Facilities Profile section of the Fuels Automated System (FAS). The Facilities Profile database documents tankage data including receiving, shipping, and issuing capabilities for the following:

P2.C8.10.1.1. Bulk petroleum storage facilities of 500 barrels (79.5 cubic meters) or more capacity (military, federal, or contracted; includes active, inactive, or empty tanks at petroleum terminals, tank farms, pipeline breakout tankage, and military bases).

P2.C8.10.1.2. Banks of manifold, small-fixed tanks that collectively have a total capacity of 500 barrels (79.5 cubic meters) or more for a single product.

P2.C8.10.2. Purpose. The Facilities Report provides a database for analyzing storage capabilities and associated petroleum products worldwide in support of both peacetime and contingency bulk petroleum missions.

P2.C8.10.3. Updating Procedures. Changes in tankage, receiving, and shipping capability data shall be reported as they occur to the appropriate DESC field activity as follows:

P2.C8.10.3.1. The Military Services GOGO facilities data shall be reviewed by the appropriate Military component via on-line access to the database. Any discrepancies shall be reported to the appropriate region either via annotating corrections to on-line screen prints of the current data record or worksheets.

P2.C8.10.3.2. Review and update of DESC-managed facilities data record shall be the responsibility of the managing DESC field activity.

**P2.C8.12. MILITARY CONSTRUCTION (MILCON), MAINTENANCE AND REPAIR (M&R), MINOR CONSTRUCTION (MC), AND ENVIRONMENTAL COMPLIANCE (EC) PROGRAMS**

P2.C8.12.1. General. The following provides guidance on the planning, programming, budgeting, funding, design, and construction of DLA/DESC MILCON, M&R, MC, and EC (and other environmental costs) projects. This section also provides guidance on planning, programming, budgeting, and funding of DLA/DESC fuel automation systems.

P2.C8.12.2. Background. DoD 7420.13-R provides for the Defense-wide Working Capital Fund to be used in funding maintenance and repair of Government-owned bulk petroleum facilities. DoD Directive 4140.25 authorizes DLA to sponsor projects for Defense Fuel Support Points (DFSPs) that issue, receive, and store DLA-owned petroleum products. DoD 4140.25-M broadens this role to include DESC's authority to fund maintenance and repair and minor construction projects at Government-owned DFSPs. DLAM 4270.1 provides information and guidance for DLA/DESC project documentation and further scope of definitions cited below. Military Handbook 1022 provides uniform, minimum design requirements for Government petroleum fuel facilities.

**P2.C8.12.3. Definitions**

P2.C8.12.3.1. Military Construction (MILCON). A military construction project is a single undertaking at a military installation that includes all construction necessary to produce a complete and

usable facility at an approved cost equal to or greater than the amount specified by law (currently greater than \$750,000).

P2.C8.12.3.1.1. Current Mission MILCON - these projects revitalize the existing facility plant by replacing or upgrading existing facilities and by alleviating long-standing deficiencies not generated by new missions.

P2.C8.12.3.1.2. Incidental MILCON in Support of New Mission - Upgrades of a fuel facility that are part of a larger conversion or other Military Service initiative are to be funded and accomplished by the Military Service as part of the larger initiative. For example, if extensive facility construction is required in conjunction with a new weapon system, part of which is associated fuel facilities, the fuel facilities construction will be programmed and executed by the Military Service as part of overall MILCON. This allows for construction of support facilities associated with the new weapon system.

P2.C8.12.3.1.3. Unspecified/Urgent Minor MILCON - Unspecified Minor Construction authority is to be used for projects which require accomplishment sooner than would be possible if delayed for inclusion in the next regular MILCON program. This authority provides for projects formerly called Exigent Minor Military Construction and includes self-amortizing projects. These construction projects fall within the range of greater than \$750,000 but less than \$1,500,000.

P2.C8.12.3.1.4. Environmental MILCON - MILCON projects with one or more environmental improvement projects combined to satisfy environmental compliance objectives.

P2.C8.12.3.2. Minor Construction (MC). A minor construction project is a single undertaking at a military installation that includes all construction necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility, with a total cost less than the specified MILCON threshold authorized by law (currently equal to or less than \$750,000).

P2.C8.12.3.2.1. Examples of minor construction projects include erection, installation, or assembly of a new facility; the addition, expansion, or extension of an existing facility; the conversion or replacement of an existing facility; or the relocation of a facility from one site to another.

P2.C8.12.3.2.2. Alteration of a facility associated with an increase in mission is considered construction.

P2.C8.12.3.3. Maintenance. The recurring, daily, periodic, or scheduled work required to preserve a facility by preventing its deterioration.

P2.C8.12.3.3.1. Examples of maintenance include tank interior and exterior coatings, pipeline painting, cleaning, pigging pipelines, painting fences, maintenance dredging, disposal of bottom sediment and wastewater, etc.

P2.C8.12.3.3.2. The installation of cathodic protection on an existing real property facility shall be processed as maintenance provided the requirement for cathodic protection was identified after the facility had been placed in service.

P2.C8.12.3.4. Repair. The restoration of a real property facility to such condition that it may be effectively utilized for its designated purpose by overhaul, reprocessing, or replacement of constituent parts or materials that have deteriorated by action of the elements or usage and have not been corrected through maintenance.

P2.C8.12.3.4.1. Facility upgrades to comply with environmental, safety, fire protection, and electrical codes may be classified as repair.

P2.C8.12.3.4.2. Repair projects may replace constituent parts of a facility, i.e., piping, electrical wiring, etc., in order to comply with current standards or modern accepted engineering practice. However, if during replacement of a constituent part of a facility, the increase in size, capacity, etc., is due solely to mission change, the difference in cost between "replacement" and the cost of the upgrade is construction.

P2.C8.12.3.4.3. In general, repair must not exceed 50 percent of the replacement cost of the facility without approval from DLA (e.g., the cost of repairing a fuel pier by replacing piles, decking, etc., must not exceed 50 percent of the cost to build a replacement pier).

P2.C8.12.3.5. Environmental Compliance. Environmental compliance for POL facilities is defined by the following, each of which will be funded by DLA/DESC as required, after October 1, 1992 under IMM Phase IIA, or October 1, 1995 at facilities to be capitalized under IMM Phase IIB. The ultimate responsibility for environmental compliance associated with POL facility operations remains with the installation commander. The Military Services may appeal decisions made by DLA/DESC pertaining to environmental compliance and restoration responsibilities. Appeals will be directed to the Director of DESC, and will then be routed through the Director of DLA for review and comment, and forwarded to ODUSD (AT&L) for resolution.

P2.C8.12.3.5.1. Design and Construction of Pollution Abatement Projects. DLA/DESC will fund projects to upgrade POL facilities to control emissions and discharges to meet environmental regulatory standards. Also included are projects needed for POL facilities to achieve regulatory compliance to continue to operate. Requirements to meet such standards will be identified and prioritized by the Military Service or project proponents. Activities and project proponents shall identify candidate projects and estimated costs by using DD Form 1391 or equivalent.

P2.C8.12.3.5.2. POL Waste Site Assessment and Cleanup. DLA/DESC will fund the identification, assessment, and remediation costs of fuel spills and leaks that occur after October 1, 1992 or after October 1, 1995, as appropriate. Activities shall identify these sites and estimated costs using procedures outlined in subsection P2.C8.12.7., below. All past POL contamination sites resulting from activities conducted prior to October 1, 1992 or after October 1, 1995, as appropriate, shall remain a Military Service funding responsibility. This will include contamination found during the course of DESC funded M&R, MC, EC or MILCON projects. Remediation of underlying old contamination discovered when new spills or leaks occur will be addressed with the operating Military Service on a cases-by-case basis; however, funding of all contamination occurring prior to October 1, 1992 or October 1, 1995, as appropriate, will remain the Military Services' responsibility.

P2.C8.12.3.5.3. Recurring Environmental Costs to Maintain POL Facility Compliance. These include costs of the following, as applicable to the DLA/DESC fuel storage and distribution mission:

P2.C8.12.3.5.3.1. Operating permits (tanks, fill stands, NPDES, etc.).

P2.C8.12.3.5.3.2. Operational documents (OPPOM, ISCP, etc.): DESC shall fund that portion of the documents applicable to bulk petroleum facilities.

P2.C8.12.3.5.3.3. Sampling and testing of emissions and discharges.

P2.C8.12.3.5.3.4. Removal and disposal of hazardous and other POL wastes.

P2.C8.12.3.5.3.5. Fines and penalties: DESC is responsible for payment of fines and penalties levied by regulatory agencies for environmental noncompliance of bulk-petroleum facilities previously identified by the Military Services to DESC and for those conditions beyond the control of the Military Services, unless such fines or penalties result from a lack of timely action by the Military Services.

P2.C8.12.3.6. Operations and Organizational Maintenance Costs. This includes personnel costs, housekeeping (grease valves, replace gaskets, clean/maintain equipment, etc.) and related supplies. Grounds maintenance (mowing grass, trimming bushes, etc.) is considered organizational maintenance. The costs of operations and organizational maintenance of GOGO (Military Service-operated) facilities are the Military Services' responsibility and will not be funded by DLA/DESC except as specified in the terms of the DESC and USN deep-water terminal MOAs.

P2.C8.12.3.7. Fuel Automation Systems. This refers to the application of automating recurring fuels operations functions that will enhance safety, reduce personnel requirements, and produce operational efficiencies.

P2.C8.12.3.7.1. Automated Fuel Handling Equipment (AFHE). These projects are typically large scale, \$1M+ projects, with execution durations of 12 months or more. AFHE projects fully automate large bulk fuel storage facilities via the use of automated valves, meters, tank gauges, pump controls, instruments, a dedicated network, central control room, and a Supervisory Control and Data Acquisition software application.

P2.C8.12.3.7.2. Automated Tank Gauging (ATG). ATG equipment are installed on real property as stand-alone projects. ATG equipment is a safety investment to eliminate manual tank gauging from the top of tanks, and provide real-time inventory status. These systems are installed on all capitalized product storage tanks. An ATG project is a single undertaking for each usable storage facility at a military installation that includes all planning, design, installation, and testing necessary to produce a complete and usable system, with a total cost less than the specified Capital Equipment threshold authorized by law (currently equal to or less than \$100,000).

P2.C8.12.3.7.3. Automated Fuel Service Station (AFSS). AFSS systems are installed under the DESC-F Phase IIB IMM program. These systems provide automated dispensing of ground fuels and data capture of all sales (transactions). These systems are installed on typical gas island ground fuel dispensers as well as bulk ground fuel issue stations. A Phase IIB or AFSS project is a single undertaking at a military installation that includes all planning, design, installation, and testing necessary to produce a complete and usable system, with a total cost less than the specified MILCON threshold authorized by law (currently equal to or less than \$750,000).

P2.C8.12.3.7.4. Automation Maintenance. The recurring, daily, periodic, or scheduled work required to preserve facility automation equipment. The Automation Maintenance Program covers all equipment items for AFHE, ATG, and AFSS. This maintenance includes:

P2.C8.12.3.7.4.1. 24 hours, 7 days per week, 365 days trouble call support.

P2.C8.12.3.7.4.2. 60 minutes call response.

P2.C8.12.3.7.4.3. System evaluation, troubleshooting, and repair.

P2.C8.12.3.7.4.4. Trouble tracking.

P2.C8.12.3.7.4.5. Hotline repair support.

P2.C8.12.3.7.4.6. On-site response within 48 hours (CONUS); 72 hours (OCONUS).

P2.C8.12.3.7.4.7. Unscheduled on-site support.

P2.C8.12.4. Project Eligibility for DLA/DESC Funding

P2.C8.12.4.1. For a project to be eligible for DLA/DESC MILCON, M&R, MC, and EC funding, it must directly support the DLA-bulk-petroleum management mission. Only fixed, permanent petroleum infrastructure will be eligible for DLA/DESC MILCON, M&R, MC and EC project funding.

P2.C8.12.4.2. The facility MUST store or distribute DLA-owned and capitalized product to be eligible for DLA/DESC funding. In addition, the following may be used as supporting documentation:

P2.C8.12.4.2.1. The project is necessary to assure environmental compliance with Federal, state and local standards.

P2.C8.12.4.2.2. The project is necessary to protect DLA-owned product from loss or contamination (e.g., fire protection systems, cleaning tanks, repair pipelines and tanks, etc.).

P2.C8.12.4.2.3. The project is of economic benefit to DLA/DESC (e.g., reduced tanker laytime).

P2.C8.12.4.2.4. The project is directed by DLA/DESC (e.g., tank conversion).

P2.C8.12.4.2.5. The project is necessary to meet minimum DLA/DESC inventory level requirements.

P2.C8.12.4.3. DLA/DESC will not fund the cost of DFSP operations or base-level organizational maintenance (i.e., routine operation and maintenance, see subparagraph P2.C8.12.3.6., for definition of organizational maintenance and exceptions). DLA-DWCF is not authorized to pay for direct support of Government personnel salaries at DFSPs. DLA/DESC shall fund the cost of contracted

maintenance projects when the work is beyond the Military Service assigned personnel's capability, and the work has not been historically executed by the Military Service's assigned personnel. If work that has historically been performed by the Military Service's personnel is proposed for DLA/DESC funding, clear documentation must be presented which justifies this change.

#### P2.C8.12.5. Development of Project Documentation

P2.C8.12.5.1. MILCON. Each project must be thoroughly researched and documented because it will compete with other projects at the DESC Installation Planning and Review Board (IPRB), the DLA Installation Planning Review Functional Panel (IPRFP) and various Office of Secretary of Defense (OSD) and Congressional level reviews. It is mandatory that each MILCON project be supported by the following documentation:

P2.C8.12.5.1.1. DD Form 1390, FY 20 Military Construction Program for Each Installation (guidance in DLAM 4270.1, in accordance with DoDI 7040.4). DD Form 1390 summarizes personnel strengths, real property inventories, and MILCON program information for an installation, and reflects the interrelationship of the proposed project with other ongoing and planned projects.

P2.C8.12.5.1.2. DD Form 1391, Military Construction Project Data, (guidance in DLAM 4270.1, in accordance with DoDI 7040.4). DD Form 1391 summarizes the cost, scope, and justification for a MILCON project. It is the primary document reviewed by OSD and Congress during the MILCON project approval process. Information on this form summarizes the more detailed data provided in the facilities study; cost estimates, economic analysis, and project development brochures are discussed below:

P2.C8.12.5.1.3. Facilities Study (guidance in DLAM 4270.1). The facilities study provides detailed justification for the MILCON project and backup information regarding how the scope of the project was determined. For example, the information provided should address the extent of demolition required if the project replaces an existing facility; it should address prospective impacts of the project on wetlands, flood plains, stormwater management, cultural resources, and local regulatory requirements; and results of asbestos or lead-based paint surveys should be included, if applicable to the project.

P2.C8.12.5.1.4. Economic Analysis (guidance in DLAM 4270.1). The economic analysis must either justify the project solely on the basis of economics (Type I or primary analysis), or demonstrate the lowest cost alternative in order to fulfill operational requirements (Type II or secondary analysis). The analysis should be a stand-alone document that provides the sources and derivations of all costs and benefits. It must present net-present-value life-cycle costs of each feasible alternative, ranking of alternatives, benefits, sensitivity of assumptions, and use an approved discount rate for constant-dollar analysis per OMB Circular A-94. Cost estimate for the recommended alternative must agree with figures shown on DD Form 1391, adjusted to program year current dollars. Recommend the use of ECONPAK software, available from the U. S. Army Corp of Engineers, Huntsville District; to obtain, call (256) 895-1838, facsimile (256) 895-1557 or write:

Commander  
USAED - Huntsville  
P.O. Box 1600  
Huntsville, AL 35807-4301

P2.C8.12.5.1.5. Scope and Detailed Cost Estimate (verified by cognizant Corps of Engineers or Naval Facilities (NAVFAC) Engineering Field Division, NAVFAC Public Works Center, Air Force Base Engineering Function (using AF Form 1178), or activities Public Works Departments). The detailed cost estimate provides the source and derivation of proposed project costs shown on DD Form 1391. This estimate shall provide sufficient detail for project reviewers to verify the accuracy of quantities and unit prices. Sources of unit price information must be explicitly cited. Costs must be escalated for inflation to the anticipated mid-point of construction, and adjusted for locality or size differences from the referenced source information. For overseas locations, applicable foreign currency exchange rate must be addressed in the estimate.

P2.C8.12.5.1.6. Project Development Brochure (PDB) (guidance in DLAM 4270.1) or Air Force Requirements and Management Plan (RAMP). This document shall describe in detail customer requirements and special features to be designed in the project. The PDB or RAMP shall further address customer requirements for construction phasing and for contractor constraints for working in the vicinity of ongoing operations.

P2.C8.12.5.1.7. Statement to Secure Host-Nation Support. For overseas terminals, a statement of proponent's attempt to secure host-nation support for the project, clearly demonstrating that such support is unavailable, impractical, unfeasible, or uneconomical.

P2.C8.12.5.1.8. Site Characterization Survey (SCS) (reference DLAM 4270.1) signed by the activity's commander. The SCS provides an evaluation of the potential for encountering environmental contamination at the proposed construction site, and delineates the nature, extent, and level of that contamination, if any.

P2.C8.12.5.1.9. An Environmental Assessment, Environmental Impact Statement, or other record of environmental consideration, will be provided to evaluate the potential impact of the project on the environment. The document provided shall be signed by the activity's responsible environmental officer in accordance with requirements set forth by the National Environmental Policy Act of 1969 (NEPA). The Air Force may use its Standard Certificate of Environmental Compliance, if appropriate; other Military Services may use equivalent documents.

P2.C8.12.5.1.10. Site Approval. A site approval, verified by the cognizant Corps of Engineers, NAVFAC Engineering Field Division, or Air Force Civil Engineering Activity, or a statement of site selection by the Installation Master Planning Board or equivalent, approved by the installation's commander. This document provides approval for the proposed construction at the site by the activity, in conjunction with the activity's master plan.

P2.C8.12.5.1.11. Other Supporting Documents that depict specific deficiencies or deterioration described in the Facility Study, existing conditions, and the proposed construction site (e.g., photographs, notices of violation, etc.). Photos must be submitted with negatives, annotated on the back of each or with a separate indexed sheet stating the location of each and its purpose.

P2.C8.12.5.2. Maintenance and Repair (M&R), Minor Construction (MC), and Environmental Compliance (EC). To ensure expeditious review for funding approval, each project submission MUST contain the following documentation:

P2.C8.12.5.2.1. DD Form 1391, Military Construction Project Data. Other project documentation may be suitable, if such documentation provides project scope, justification, and cost estimate; documentation substitution must be reviewed and approved by DESC.

P2.C8.12.5.2.2. Detailed Cost Estimate. (verified by the Public Works Center, Air Force Base Civil Engineer, Army District Engineer, NAVFAC Engineering Field Division, or Public Works Department). Verification must be noted on cost estimate.

P2.C8.12.5.2.3. Supporting Documentation. Project submissions should include as much supporting documentation as possible. The following documentation is recommended:

P2.C8.12.5.2.3.1. Facilities study (one or two-page document addressing questions outlined in DLAM 4270.1, appendix E).

P2.C8.12.5.2.3.2. Other supporting documents such as sketches and/or photographs, notices of violations, etc.

### P2.C8.12.5.3. Project Prioritization

P2.C8.12.5.3.1. To assist in assessing the relative importance of projects within a given funding program (i.e., MILCON, M&R/MC/EC), the forwarding correspondence must include a prioritized list of projects being submitted. DESC will consider each project's content and the submitter's justification, and develop a consolidated priority list containing all projects proposed for a given fiscal year. The priority list for MILCON projects will be used by the DESC IPRB in determining priority of the fuels slate. DESC shall provide the Military Service/Major Command/Combatant Command JPO a copy of the MILCON project priority list following the DESC IPRB and again following the DLA IPRFP with the estimated funding cut-off indicated.

P2.C8.12.5.3.2. DESC proposed changes to a submitter's M&R/MC/EC priorities will be discussed with the submitter for resolution. The Military Services and Combatant Commands may request or justify adjustment of a project's priority when an "essential" project is not projected to be funded. The submitter's request should provide a brief statement for each project, which may be at variance with DESC's priority system justifying the priority assigned, in order to expedite this resolution. Changes to submitters' MILCON priorities will be resolved at the IPRB.

P2.C8.12.5.3.3. The following criteria should be used to develop a justification statement (not necessarily in order of priority):

P2.C8.12.5.3.3.1. Mission Essential. The activity cannot or will not, by a specific date, be able to perform its fueling mission.

P2.C8.12.5.3.3.2. Required to Comply with Environmental, Safety, Fire Protection, or Other Regulations or Laws. The specific regulation or law being violated must be specified and synopsized as part of the justification.

P2.C8.12.5.3.3.3. Protection of Product from Loss or Contamination. The justification should address how the project will protect DLA product from contamination or loss.

P2.C8.12.5.3.3.4. Economic Payback. The project will result in an economic payback in a specified period of time (e.g., 2 years, 5 years, 10 years, etc.). The payback period must be supported by economic analysis provided as part of the project documentation.

P2.C8.12.5.3.3.5. Directed by DLA/DESC or Other Higher Authority. If the requirement for the project was directed by DLA or DESC, the correspondence providing direction should be referenced.

P2.C8.12.5.3.3.6. Improve Efficiency of Operation. The justification statement must describe how the project will improve operational efficiency. If cost savings are to be incurred (manpower, materials, etc.), these should be described and enumerated.

P2.C8.12.6. Submittal of Project Documentation. It is essential that field activities submit the proposed project documentation within the timeframe specified. Project requests submitted after the date prescribed may not be included in the intended fiscal year program. However, emergency projects that meet the provisions of paragraph P2.C8.12.10. will be accepted at any time, as will requests for funding for remediation of POL spills and leaks (see subparagraph P2.C8.12.7.4., below). The data call, project aggregation, approval and feedback process will occur as noted in the following timetable.

#### P2.C8.12.6.1. MILCON Cycle - Annual

P2.C8.12.6.1.1. May (Program Year - 5). DESC issues data calls for MILCON submissions for program year (e.g., in May 2003, the data call will require MILCON submissions for FY 08). Submissions for outyear projects (after the program year) may consist of preliminary documents. Submissions will be made to DESC-FE via the appropriate chain of command.

P2.C8.12.6.1.2. May to September (Program Year - 5). Activities shall prepare and submit candidate MILCON projects through the appropriate Combatant Command JPO and SCP review and approval chain. Combatant Commands JPOs and SCPs shall review, validate projects, and develop consolidated project priority lists for submission to DESC.

P2.C8.12.6.1.3. October (Program Year - 5). Combatant Command JPOs and SCPs will forward candidate POL MILCON projects and consolidated project priority lists to DESC.

P2.C8.12.6.1.4. October (Program Year - 5). DESC receives candidate project submissions and prepares MILCON slate for IPRB review and validation.

P2.C8.12.6.1.5. November (Program Year - 5). IPRB reviews and prioritizes MILCON projects. DESC publishes IPRB results.

P2.C8.12.6.1.6. December (Program Year - 5) to November (Program Year - 4). Upon notification of IPRB results, activities shall prepare and submit full project documentation for IPRB approved and prioritized projects ranking high enough to be within budgeted funds for the program year. The IPRB may vote to have the Combatant Commands JPOs or SCPs submit additional documentation for projects just below the budget cutoff line as placeholders should changes occur to the budget or other projects drop out.

P2.C8.12.6.1.7. December (Program Year - 4) to January (Program Year -3). DESC shall perform a full review of project documentation of IPRB approved MILCON projects.

P2.C8.12.6.1.8. February (Program Year - 3). Full documentation submitted to DLA.

P2.C8.12.6.1.9. March to August (Program Year - 3). DLA shall verify full project documentation in preparation for design.

P2.C8.12.6.1.10. September (Program Year -3). DLA shall rank projects.

P2.C8.12.6.1.11. October (Program Year -3). DLA Director approves authority to design.

P2.C8.12.6.1.12. November (Program Year - 3). Design agents authorized to design to 35 percent.

P2.C8.12.6.1.13. November (Program Year - 3) to June (Program Year - 2). Agents design to 35 percent.

P2.C8.12.6.1.14. July (Program Year -2). DLA Director approves MILCON Program.

P2.C8.12.6.1.15. September (Program Year -2). DLA submits MILCON Program budget to OSD.

P2.C8.12.6.1.16. January (Program Year -1). President's budget submitted to Congress.

P2.C8.12.6.1.17. January to September (Program Year - 1). Complete design and Congressional review and approval, concurrently.

P2.C8.12.6.1.18. October (Program Year - 1). Obtain MILCON funding (see section P2.C8.12.7.1).

P2.C8.12.6.2. Maintenance/Repair/Minor Construction/Environmental Compliance Cycle-Annual

P2.C8.12.6.2.1. October (Program Year - 2)

P2.C8.12.6.2.1.1. Projects. DESC issues data call for M&R, MC, and EC project nominations for a 2-year period beginning with the budget year (e.g., in October 2003, the data call will require M&R, MC, and EC project submissions for the 2-year period beginning in FY 05 and ending FY 06). Full documentation is required for the first year and line item listings are required for the second year. The data call shall be sent directly to the Combatant Commands JPO and SCPs, as determined to be the appropriate component review and approval chain. Combatant Commands JPO and SCPs will relay data call to field activities with appropriate submission timetable to forward project submission to DESC NLT December 15th.

P2.C8.12.6.2.1.2. Recurring Environmental Costs. Installations, through their SCPs, shall supply DLA/DESC with anticipated recurring environmental compliance costs for the

program year plus one outyear, as with the M&R projects. This information will be requested by DESC in the M&R data call. Guidance for summarizing and reporting individual installation budgets will be provided by DESC-FQ. Activities shall provide justification if anticipated costs are significantly different from the previous year's request.

P2.C8.12.6.2.2. December (Program Year - 1)

P2.C8.12.6.2.2.1. Projects. The SCPs and Combatant Commands JPO shall review and validate projects and develop consolidated project priority list. Overseas projects will be prioritized by the Combatant Commands vice Military Service components. Project documentation and consolidated priority list will be forwarded to DESC-FE no later than December 15th. The SCPs and Combatants JPO shall inform field activities of projects selected and those projects not forwarded to DESC and the reasons for non-submission.

P2.C8.12.6.2.2.2. Recurring Environmental Costs. Combatant Commands JPO and SCPs shall assemble budget request data from activities and forward to DESC-FQ no later than December 15th.

P2.C8.12.6.2.3. January to March (Program Year - 1).

P2.C8.12.6.2.3.1. Projects. DESC shall review, validate, program, and budget for approved projects.

P2.C8.12.6.2.3.2. Recurring Environmental Costs. Budget information submitted to DESC-FQ shall be reviewed and validated, and used as the basis for initiating and updating MIPRs for recurring environmental compliance support (see section P2.C8.12.7.3., below).

P2.C8.12.6.2.4. April (Program Year -1)

P2.C8.12.6.2.4.1. Projects. DESC shall provide a consolidated list of approved projects to the Combatant Commands JPO and SCPs. Additionally, DESC shall provide comments on projects not approved or requiring additional information for approval. Design funding may be available upon approval of the project (depending upon the execution rate of the current year's program).

P2.C8.12.6.2.4.2. Recurring Environmental Costs. DESC shall provide a consolidated list of approved environmental costs to the Combatant Commands JPO and SCPs.

P2.C8.12.6.2.5. October (Program Year)

P2.C8.12.6.2.5.1. Projects. Upon request, DESC shall provide funding for approved projects directly to responsible offices designated by field activities having jurisdiction over POL facilities. Data call for the next year will be issued in September (see paragraph P2.C8.12.7.2., below).

P2.C8.12.6.2.5.2. Recurring Environmental Costs. Funding is issued for costs approved by DESC. Data call for the next year is issued.

P2.C8.12.7. Funding. DLA/DESC is responsible for the planning, programming, budgeting, and funding of MILCON, minor construction, maintenance, repair, and environmental compliance (including design) to include emergency projects.

P2.C8.12.7.1. MILCON

P2.C8.12.7.1.1. When MILCON projects are approved and funding is authorized by Congress, DLA shall provide the funds via a MIPR (DD Form 448) and an accompanying DD Form 448-2, Acceptance of a MIPR, to the activity designated by the Military Service as the office in charge of executing the project. 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's receipt date.

P2.C8.12.7.1.2. The authority to fund MILCON projects expires within two years if the earmarked funds for that authorized fiscal year are not obligated.

P2.C8.12.7.1.3. DLA is responsible for obtaining funding through reprogramming if necessary. In those instances where the level of funding falls short of the project programmed amount, DLA shall be required to seek Congressional action supported by full justification. If Congress disapproves additional funding, the project will be canceled or reprogrammed. Funds received in excess of requirements cannot be used without Congressional approval.

P2.C8.12.7.1.4. Remediation of proposed MILCON sites shall be addressed prior to inclusion of a project in the DLA MILCON program. The cost of remediation will not be included as part of the MILCON project. In addition, remediation shall be funded by the owning and operating Military Service if the cause of contamination occurred prior to DESC taking ownership of the fuel in question.

P2.C8.12.7.2. Maintenance and Repair (M&R), Minor Construction (MC), Environmental Compliance (EC)

P2.C8.12.7.2.1. DLA/DESC shall approve and fund M&R, MC, EC projects using DWCF funds. Funds for approved projects will be provided via MIPR (DD Form 448) and an accompanying Acceptance of MIPR (DD Form 448-2) to the activity designated by the Military Service as the office in charge of executing the project. 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 's receipt date.

P2.C8.12.7.2.2. The DWCF is non-expiring; therefore, the funding authority provided on the MIPR is valid from the date of acceptance to project completion. A MIPR citing DWCF appropriation can be carried over from one fiscal year to the next.

P2.C8.12.7.2.3. Capital funds to support MC projects in excess of \$100,000 and POL equipment are expiring funds, and must be obligated in the year in which they are provided. Specific instructions on the use of this funding will be provided on each applicable MIPR.

P2.C8.12.7.3. Recurring Environmental Compliance Costs. Recurring environmental costs are envisioned to include the costs of permitting, sampling, testing, removal, and disposal of POL wastes, etc., which directly relates to storage and distribution of DLA-owned product. Costs are defined as

recurring if they occur annually or more frequently (monthly, bi-monthly, etc.). DESC provides these funds directly to the bases via a MIPR upon receipt of a written request.

P2.C8.12.7.3.1. Upon receipt of a written funding request, DESC shall furnish each activity a MIPR. The base must accept or reject the MIPR by returning the signed DD Dorm 448-2 to DESC within 30 days of the MIPR's receipt date. Direct fund site MIPRs must be obligated (i.e., contract awarded, within 60 days of the MIPR receipt. DESC-FE must be notified if the MIPR will not be obligated within the 60 days.

P2.C8.12.7.3.2. The level of funding required will be tailored to each installation. Where the actual recurring costs exceed the budgeted amount for a given fiscal year, the activity can request an amendment to the MIPR, citing the additional cost. DESC shall review the request and prepare the amendment as appropriate.

P2.C8.12.7.3.3. The management of these funds will be the responsibility of the activity's commander, and the activity will be responsible for accounting for these funds prior to replenishment. Additionally, the activities must deobligate funds on MIPRs within 30 days of project completion.

P2.C8.12.7.4. POL Spill Reporting and Funding. The following procedures describe actions to be taken following a POL spill of DLA-owned fuel after October 1, 1992 (or after October 1, 1995 at facilities capitalized under IMM Phase IIB).

P2.C8.12.7.4.1. Installations must report fuel spills involving DLA-owned product to DESC-FQ (Environmental) and to the respective DESC Regional/Field Office within 24 hours of discovery. In order to accomplish this, DESC has established a central email address to be used to report fuel spills from DFSPs worldwide. This email address is: [desc.spillreports@dla.mil](mailto:desc.spillreports@dla.mil). Locally used spill report forms are acceptable to DESC and can be attached to the email message as long as the following information is included:

P2.C8.12.7.4.1.1. Date and time of the spill.

P2.C8.12.7.4.1.2. Location and source of the spill.

P2.C8.12.7.4.1.3. Type of product spilled.

P2.C8.12.7.4.1.4. Approximate quantity spilled.

P2.C8.12.7.4.1.5. Cause and circumstances of the spill.

P2.C8.12.7.4.1.6. Environmental impact and potential hazards (fire, explosion, etc.), if any.

P2.C8.12.7.4.1.7. Personal injuries or casualties, if any.

P2.C8.12.7.4.1.8. Corrective action being taken to control, contain, and clean up the spill.

P2.C8.12.7.4.1.9. Name and telephone number for the spill cleanup point of contact.

P2.C8.12.7.4.1.10. Requirement for DESC spill cleanup support and/or funding.

P2.C8.12.7.4.2. The "on-the-scene" incident commander is assumed the best able to make appropriate judgments as to immediate actions required. Contractor costs resulting from these emergency actions may be submitted to DESC subsequent to the action for reimbursement.

P2.C8.12.7.4.3. After immediate spill cleanup actions have been taken, there may be in-depth remediation required, such as cleaning contaminated soil. The plan for remediation and estimated costs should be submitted to DESC prior to commitment. DESC shall review the plan and provide funds as appropriate for the remediation. Delay in determination of remediation required can result in more extensive contamination and more costly cleanup. Activities shall consult DESC-FQ as soon as possible after the incident for assistance in determining methodologies for the most expeditious and cost-effective cleanup of long-term problems if this expertise is required.

P2.C8.12.7.5. Emergency Funding Reimbursement. DESC has procedures for funding emergency projects which are outlined in paragraph P2.C8.12.10. (message to DESC describing requirement and anticipated costs; expedited funds, same day or next day; the Military Service activity then follows with project documentation to DESC). In the event of an emergency, the installation's commander has the authority to obligate funds necessary to remain in compliance with legal or regulatory environmental strictures with subsequent reimbursement by DLA/DESC.

#### P2.C8.12.8. Design

P2.C8.12.8.1. Applicable Guidance. All POL facilities must be designed using guidance provided in paragraph P2.C8.12.2., above, the applicable Military Service type specifications, American Petroleum Institute (API), and National Fire Protection Association (NFPA) Standards. In addition, POL facility designs shall conform to Occupational Safety and Health Administration (OSHA) requirements (or the Military Service's equivalent), applicable Codes of Federal Regulations (CFR), EPA, state, and local environmental regulations.

P2.C8.12.8.2. DLA/DESC Oversight. While the Military Services' petroleum facility design standards are generally to be used on DLA/DESC-funded projects (if deemed appropriate), in accordance with OASD July 31, 1989 memorandum, subject: Follow-up on OIG Report No. 88-06, Defense Management of Wholesale Fuels, DLA/DESC maintains the ultimate discretion over all DLA/DESC-funded project designs including any design required for construction change orders. In addition, DLA/DESC maintains the right to choose and assign design and/or construction agents for any or all projects. If differences arise between user and agents, activities shall contact DESC-FE for resolution.

P2.C8.12.8.3. Document Submission. It is critical that, if requested, the DLA, the DESC, the Combatant Commands JPO and the SCPs be provided copies of the design review documents from conceptual stages through the final design for any project. Project documents (plans, specifications, and cost estimates) MUST be submitted to DESC when individual repair project cost is \$750,000 or greater.

#### P2.C8.12.9. Construction

P2.C8.12.9.1. Coordination of Construction Work. The construction manager (Resident Officer in Charge of Construction (ROICC), Resident Engineer, U.S. Property and Fiscal Officer (USFPO), or Base Civil Engineer) will coordinate all construction with the installation's fuels management officer or his duly authorized representative. This will ensure that POL construction work is performed in harmony with terminal operation requirements. Terminal operation requirements will normally have priority over construction work and should be covered by special clauses in the contract.

P2.C8.12.9.2. Change Orders. In the case of contract work deviations, the ROICC shall obtain prior approval/disapproval from the Combatant Command JPO or SCP who, in turn, will coordinate with DLA/DESC for all necessary project change orders and funding approval.

P2.C8.12.9.3. DLA/DESC Oversight. In accordance with OASD (P&L) memorandum, July 31, 1989, Subject: "Follow-up on OIG Report No. 88-06, Defense Management of Wholesale Fuels," DLA/DESC maintains the right to choose and assign design and/or construction agents for any or all projects. If differences arise between user and agents, activities shall contact DESC-FE for resolution.

P2.C8.12.10. Emergency Projects

P2.C8.12.10.1. Description. Emergency projects are projects that are urgently needed to restore or repair an existing facility or equipment to its normal operation in the event of sudden malfunction or failure. Examples of emergency projects are a leaking pipeline, pump or motor stoppage, storage tank failures, etc.

P2.C8.12.10.2. Notification and Justification. An emergent funding request can be made by message with follow-up transmittal of DD Form 1391, together with cost estimates and photos, if available. Justification for emergency projects shall explain the nature of the emergency and its impact on operations or on the environment. It is imperative that the nature of the accident be accurately described for DLA/DESC's approval.

P2.C8.12.10.3. Funding. The application of funding for repair projects shall be processed as soon as possible after the malfunction or failure occurs. In the event of an emergency, the installation's commander has the authority to obligate funds necessary to remain in compliance with legal or regulatory environmental strictures with subsequent reimbursement by DLA/DESC.

P2.C8.12.10.4. Emergency MILCON. Submission of emergency projects for the DLA MILCON program must be made in accordance with DLAM 4270.1.

P2.C8.12.10.5. POL Spills. See subparagraph P2.C8.12.7.4., above, for discussion of spill incident reporting and funding.

P2.C8.12.11. Actions and Responsibilities

P2.C8.12.11.1. DFSPs shall:

P2.C8.12.11.1.1. Identify deficiencies by reviewing and evaluating activities' master plans, annual inspection summaries, IG findings, recommendations made during inspections and visits by the Military Service's inspection components or other governmental agencies (i.e., EPA, Coast Guard, etc.).

P2.C8.12.11.1.2. Use criteria provided in paragraph P2.C8.12.4., above, to determine whether DLA/DESC is the appropriate funding sponsor.

P2.C8.12.11.1.3. Determine appropriate type of project (MILCON, M&R, MC, and EC) using the definitions provided in paragraph P2.C8.12.3., above, and guidance found in DLAM 4270.1.

P2.C8.12.11.1.4. Develop project documentation in accordance with paragraph P2.C8.12.5., above. This documentation must inherently show or explain in detail why DLA/DESC sponsorship is appropriate.

P2.C8.12.11.1.5. Submit project documentation in accordance with paragraph P2.C8.12.6., above, and figures P2.C8.F1. and P2.C8.F2. This documentation should be submitted via the appropriate chain of command. In addition to project documentation, this submittal shall include a priority list of projects (see subparagraph P2.C8.12.5.3.) and the addresses and contact points of the responsible office or the contracting officer who will accept the MIPR.

P2.C8.12.11.1.6. Ensure that the MIPR is processed in accordance with paragraph P2.C8.12.7.

P2.C8.12.11.1.7. Review design plans, specifications, and construction procedures to ensure they conform to references in paragraph P2.C8.12.2., above, and other standards addressed in paragraph P2.C8.12.8., above, and are appropriate to the geographical location, intended operational requirements, and the facility's purpose.

P2.C8.12.11.1.8. Forward a copy of the design plans, specifications, and construction change orders, if requested, to DESC, the appropriate Combatant Command JPO, and SCP for review and comment.

P2.C8.12.11.1.9. Encourage attendance of applicable major claimants at predesign conference, construction contract preaward, and final acceptance meeting.

P2.C8.12.11.1.10. Provide real property information as requested to update and validate the real property database.

P2.C8.12.11.2. Combatant Command Joint Petroleum Offices shall:

P2.C8.12.11.2.1. Coordinate the DESC data calls with DFSPs and Military Service components within their command chain.

P2.C8.12.11.2.2. Review project documentation to ensure that it is prepared in accordance with paragraph P2.C8.12.5. and that sponsorship justification is adequately addressed.

P2.C8.12.11.2.3. Develop consolidated project priority list using guidance found in subparagraph P2.C8.12.5.3.

P2.C8.12.11.2.4. Forward projects to DESC via the appropriate chain of command.

P2.C8.12.11.2.5. Represent theater major claimants and commands at the DESC IPRB, as required.

P2.C8.12.11.2.6. Encourage the attendance of applicable major claimants at predesign conference, contract preaward, and final acceptance meetings.

P2.C8.12.11.2.7. If required, review design plans and specifications to ensure they conform to references in paragraph P2.C8.12.2., above, and other standards addressed in paragraph P2.C8.12.8., above.

P2.C8.12.11.2.8. If required, review and comment on construction change orders.

P2.C8.12.11.3. Military Service Control Points shall:

P2.C8.12.11.3.1. Coordinate the DLA/DESC data call with appropriate activities.

P2.C8.12.11.3.2. Review project documentation to ensure that it is prepared in accordance with paragraph P2.C8.12.5., above, and that sponsorship justification is adequately addressed.

P2.C8.12.11.3.3. Develop consolidated project priority list for CONUS projects using guidance found in subparagraph P2.C8.12.5.3.

P2.C8.12.11.3.4. Identify those projects that could be considered for an DESC optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

P2.C8.12.11.3.5. Forward projects to DESC.

P2.C8.12.11.3.6. Review, as necessary, all POL design plans and specifications to ensure they conform to references in paragraph P2.C8.12.2., above, and other standards addressed in paragraph P2.C8.12.8., above.

P2.C8.12.11.3.7. Provide technical assistance to activities, Combatant Command JPO, major claimants/commands, DESC, and DLA upon request.

P2.C8.12.11.3.8. Encourage attendance of appropriate representatives at the predesign conference, construction contract preaward, and final acceptance meeting.

P2.C8.12.11.3.9. Provide real property information as requested to update and validate the real property database.

P2.C8.12.11.4. Defense Fuel Regions (DESC Pacific and DESC Europe) shall:

P2.C8.12.11.4.1. Assist the Combatant Command JPO in project validation during the project aggregation and prioritization phase.

P2.C8.12.11.4.2. Identify those projects that could be considered for the DESC optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

P2.C8.12.11.4.3. Validate and inspect selected projects during the construction phase of the facility's maintenance and repair program to ensure appropriate expenditure of funds in accordance with paragraph P2.C8.12.4. paragraph P2.C8.12.7.

P2.C8.12.11.5. DESC shall:

P2.C8.12.11.5.1. Receive, validate, and approve project and POL equipment documentation; provide design funding, upon request, to the designated design agent.

P2.C8.12.11.5.2. Review those projects that could be considered for the DESC optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

P2.C8.12.11.5.3. Coordinate any recommended optimization actions with the responsible Military Service, SCP, Combatant Command JPO, and the DESC Regional Office.

P2.C8.12.11.5.4. Review proposed construction plans, specifications, and cost estimates; validate (with the assistance of the managing DESC field activity and SCP) project necessity; approve and provide funding for proposed M&R, MC, EC projects, and POL equipment.

P2.C8.12.11.5.5. Ensure (through review of randomly selected projects by DESC field activities) projects, as constructed, and POL equipment as installed, are in accordance with the approved scope, fulfill a valid wholesale requirement, and result in the most economic solution to the existing problem.

P2.C8.12.11.5.6. Ensure projects are in accordance with the facility's requirements as outlined in the regional fuel support master plans, as these plans are developed. Plans are to be developed in coordination with the Military Services and final copies provided to SCPs.

P2.C8.12.11.5.7. Provide a detailed accounting of criteria used in the DESC prioritization process to aid Combatant Commands and the Military Services in their respective prioritization. Route GOCO projects through Combatant Command JPOs for in-theater prioritization where appropriate.

P2.C8.12.11.5.8. Ensure that the bulk fuels program complies with all environmental regulatory requirements.

P2.C8.12.11.5.9. Maintain, update, and validate the real property database for DoD infrastructure for which DESC has funding responsibility.

P2.C8.12.11.6. DLA shall:

P2.C8.12.11.6.1. Support valid funding requirements for the DLA/DESC M&R program, environmental compliance costs, and POL equipment.

P2.C8.12.11.6.2. Review project documents and approve or disapprove funding requests for repair projects that exceed the DESC funding approval authority.

P2.C8.12.11.6.3. Receive, validate, prioritize, and support valid requirements for bulk fuels MILCON projects. Budget and fund for these MILCON projects. Provide project management during MILCON design and construction.

P2.C8.12.11.7. DESC Design/Construction Agents shall:

P2.C8.12.11.7.1. Exercise good faith and diligence in the execution of assigned projects.

P2.C8.12.11.7.2. Advise DESC of any contractor claims to ensure coordination with DESC Counsel and provide a DESC position on the claim.