

C3. CHAPTER 3

COAL REQUIREMENTS, PROCUREMENT, AND DISTRIBUTION

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### C3.1. GENERAL

This chapter governs supply procedures to obtain coal designated under Department of the Army Supply Bulletin (SB) 708-21, Cataloging Handbook H2, Federal Supply Classification; Group 91, Fuels, Lubricants, Oils, and Waxes; Class 9110 - Solid Fuel, and provides mandatory guidance to DoD Components and Federal Agencies that requisition coal. Coal management is exempt from the provisions of DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP), and DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP).

### C3.2. TYPES OF COAL

Coal is an organic, heterogeneous material, whose basic characteristics change during mining and market preparation. There are four major classes or ranks of coal mined in the United States. The highest coal ranks are high in carbon content and heat value but low in hydrogen and oxygen content:

C3.2.1. Lignite or Brown Coal. Lignite represents the first stage of coal formation, which is a brownish coal type and classified lowest in carbon content at approximately 30 percent.

C3.2.2. Sub-Bituminous Coal. Sub-Bituminous coal is Lignite coal that changes into harder coal as earth pressure increases.

C3.2.3. Bituminous Coal. Bituminous coal is the most abundant coal variety and ranges from medium to high rank. The Bituminous coal industry has no standard size or quality due to large variance in Bituminous coal chemical and physical characteristics. The basis for requisition specifications of each Bituminous coal item is the design of handling and burning equipment at the DoD customer location, and influenced by the most available coal type in the geographic area.

C3.2.4. Anthracite Coal. Anthracite is the hardest of coals and is created by intense pressure being exerted on Bituminous coal. Anthracite mining occurs in a relatively small area in northeastern Pennsylvania. The coal industry and Pennsylvania Department of Commerce jointly standardized Anthracite marketing regarding nomenclature, minimum size, and product quality. The highest ranked Anthracite contains a carbon content of approximately 98 percent.

### C3.3. REQUIREMENTS

#### C3.3.1. Requisition Procedures

C3.3.1.1. Air Force installations, Service control points (SCPs), and Federal agency inventory control points (ICPs) shall submit DD Form 416, "Purchase Request for Coal, Coke or Briquettes" to the DESC Installation Energy Business Unit (DESC-A) within times prescribed

by DESC 4220.1, “Requirements Submissions Schedules for Energy Commodities and Related Services” to requisition coal products from DESC.

C3.3.1.2. With the exception of Air Force installations, Military installations shall prepare and forward the DD Form 416 to the respective SCP for review and subsequent submission to DESC-A in accordance with SCP guidance. ICPs shall prepare the DD Form 416 on behalf of Federal agencies.

C3.3.1.3. The SCPs, ICPs, and Air Force installations shall provide DESC-A with a single DD Form 416 for each installation and for each class or rank of coal. The DD Form 416 shall include desired coal product specifications, quantity, estimated monthly consumption, desired delivery mode, and purchase program and delivery period.

### C3.3.2. Routine Requirements

C3.3.2.1. DESC-A negotiates and awards delivery order contracts to fulfill DoD and Federal agency installation routine coal requirements.

C3.3.2.2. The installation shall include accounting and appropriation data for purchase orders drawn on DESC-A contracts. DESC-A shall prepare the associated contract action report upon a coal contract award.

### C3.3.3. Emergency Requirements

C3.3.3.1. With the exception of Air Force locations, SCPs shall review, confirm, and approve all emergency coal requirements for respective military installations.

C3.3.3.2. SCPs shall notify DESC-A regarding confirmed emergency coal requirements and advise of the available installation coal quantity with a 30-day coal consumption estimate.

C3.3.3.3. Military installations shall promptly notify the DESC-A Contracting Officer concerning late coal deliveries to minimize potential emergency circumstances and ordering. Installations shall stockpile coal in sufficient quantity to accommodate brief and unforeseen supply interruptions such as minor contractual problems, inclement weather, and so forth.

### C3.3.4. SCP Addresses

C3.3.4.1. U.S. Army: Commander, U.S. Army Petroleum Center/AMSTA-LC-CJPL, 54 M Avenue, Suite 9, New Cumberland, PA 17070-5008.

C3.3.4.2. U.S. Navy: Naval Facilities Engineering Service Center, OP 231, 100 23rd Avenue, Port Hueneme, CA 93043-4370.

C3.3.4.3. U.S. Air Force: HQ Air Force Petroleum Agency, 8725 John J. Kingman Road, Stop 6232, Fort Belvoir, VA 22060-6234.

#### C3.4. PROCUREMENT

C3.4.1. DLA/DESC. DESC is a DLA field activity that serves as the central contracting agency for coal procurement for the Federal Government, and contracts for coal delivery to installations that place purchase orders. DESC does not fund coal contracts and/or coal purchase orders.

C3.4.2. Military Services and Federal Agencies. The Military Services and Federal agencies shall budget and fund all coal requirements.

C3.4.2.1. Local Purchase. Authorized local purchases of coal may occur when the annual requirement per line item does not exceed \$100,000 and when permitted by Military Service and Federal agency regulations.

C3.4.2.2. Emergency Purchase. Military Services and Federal Agencies may make an emergency purchase of coal when urgent situations prevent routine coal requirement submission to DESC-A. The Military Service or Federal agency shall provide explanation of the emergency and a copy of the emergency coal purchase contract to DESC-A.

#### C3.5. TRANSPORTATION

C3.5.1. Coal shipments by rail are free on board (FOB) destination deliveries. The rail transportation cost is included in the contract award price paid by the installation.

C3.5.2. Coal shipments by truck are FOB destination deliveries. The truck transportation cost is included in the contract award price paid by the installation.

#### C3.6. EXCESS COAL STOCK

C3.6.1. Excess Coal Stock Valued at \$20,000 and Less. Excess coal stock line items with a delivered cost valued at \$20,000 or less shall be disposed of in accordance with Military Service and Federal agency disposal procedures and are not reported to DESC-A.

C3.6.2. Excess Coal Stock Valued at Greater Than \$20,000. Installations shall report excess coal stocks through prescribed command channels to the respective SCP. DESC-A shall assist excess coal stock redistribution upon receipt of Standard Form (SF) 120, "Report of Excess Personal Property."

#### C3.7. COAL PRODUCT QUALITY COMPLAINTS

Installations shall forward quality and operational problem reports to the DESC Quality Operations Division (DESC-BQ), 8725 John J. Kingman Road, Suite 2950, Fort Belvoir, VA 22060-6222 in accordance with DLAR 4155.24/AR 702-7/SECNAVINST 4855.5A/AFR 74-6, “Product Quality Deficiency Report Program.”