



DEFENSE LOGISTICS AGENCY
DEFENSE SUPPLY CENTER PHILADELPHIA
700 ROBBINS AVENUE
PHILADELPHIA, PENNSYLVANIA 19111-5092

IN REPLY
REFER TO

DSCP-FTG

December 06, 2006

NAPA TRACKING IT ONLINE SERVICE AGREEMENT EXTENSION

On November 30, 2006, the Defense Supply Center Philadelphia invoked a six month extension to the current agreement with One2OneUS, LLC to provide discount data tracking as cited in the existing Online Service Agreement signed by DSCP and One2OneUS, LLC dated December 5, 2001. The agreement now expires June 05, 2007.

The data tracking services in the agreement are required in order to maintain continuous coverage and assurance that DSCP's Subsistence Prime Vendors are providing all the commercial discounts due the government. Under Section 831 of the FY2002 Defense Appropriations Act, Public Law 107-107, Federal Agencies with contracts with a total value in excess of \$500 million are required to have a cost effective audit recovery program for identifying and recovering any errors in payments to contractors. The data tracking services and associated contractor discrepancy reports serve to assure all the proper discounts are deducted.

Operational considerations include a loss in DSCP customer confidence that they are obtaining discounts, as well as the disruption caused to the DSCP's supply chain contractors and food manufacturers.

DSCP plans on issuing a solicitation in early 2007 to compete the next IT service agreement for data tracking. The plan is to have an IT service provider in place with start-up on 06 June 2007. DSCP solicits input from IT firms and industry concerning what elements should be included in such an agreement in the future.

My point of contact on this matter is Mr. Edward Lees, (215)737-9238, Edward.Lees@dla.mil.

Sincerely,

/S/

THOMAS J. LYDON
Chief, Subsistence Strategic Material Sourcing Group
Subsistence Supplier Operations