



February 6, 2006

**Office of Water Quality Water-Quality Information Note 2006.03**

**Subject: Field supplies—New NFSS pricing model**

Since fully assuming the National Field Supply Service (NFSS) mission in October 2004, the National Water Quality Laboratory (NWQL) has been collecting data and developing information on the operation of the Service including costs, use rates, suppliers, mechanisms for communicating with field offices, and contracting mechanisms. At the direction of the Office of Water Quality (OWQ), a new pricing structure for field supplies has been developed that is intended to ensure full cost recovery for the operation and accountability for any pricing changes that may be necessary. Specifically, the NWQL is required to review the cost basis for field supplies on an annual basis, including all costs associated with the purchase and/or manufacture of field supply items as well as quality-assurance and facilities expenses.

The pricing model used previously was jointly developed by the NWQL and the former Ocala Water Quality and Research Lab (OWQRL) and did not include a full accounting of associated costs. The single most significant factor to be added is the facility cost for the operation of the NFSS. Another recognized need for the NFSS is to provide for the testing of alternate or new components that are being considered for inclusion in the Service. In discussions with the OWQ, a Research, Development, Test, and Evaluation (RDT&E) element has been added to the NFSS designed to accrue approximately \$10,000 annually for use in this type of testing. The funding can be used for the purchase, field testing, and analytical evaluation of new supply items. The revised pricing model results in a combination of decreased and increased prices across the inventory of items offered. The new pricing structure for field supplies has been completed, briefed to OWQ, and mutually agreed to make the change effective April 1, 2006. This will provide ample time for Water Science Centers to purchase supplies using the current pricing structure, if this is advantageous. As previously stated in other correspondence regarding the NFSS, prices may fluctuate based on market changes due to factors such as inflation, rising energy and transportation costs, or through competitive pricing as specified in the NFSS Charter. However, the base calculation of primary components such as labor and facilities will only be adjusted annually.

The new pricing list is available at <http://wwwnwql.cr.usgs.gov/USGS/NFSSPricing020206.xls>

A commercial vendor price comparison spreadsheet will be available within the next few days at <http://1stop.usgs.gov/> [Click on the 'National Field Supply Service' button and look for the link near the top of the page.]

A copy of the NFSS charter is attached.

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**Attachment:** NFSS Charter

## **ATTACHMENT**

Charter for the operation of the  
NATIONAL FIELD SUPPLY SERVICE  
NATIONAL WATER QUALITY LABORATORY  
March 22, 2005

**Purpose:** To establish roles and responsibilities for the Office of Water Quality (OWQ), National Water Quality Laboratory (NWQL) and Hydrologic Instrumentation Facility (HIF) regarding the provision of field supplies in support of Water Resources Discipline (WRD) sampling operations.

**Mission:** The National Field Supply Service (NFSS) is responsible for the acquisition, quality, and distribution of field sampling supplies in support of national WRD field sampling programs.

**Policies:** The NFSS operates under the auspices of the U.S. Geological Survey (USGS), WRD, and OWQ. The NFSS is a primary mission function of the NWQL with the responsibility for development and implementation of policy and procedures related to field supply support for WRD activities nationwide. Management of the NFSS is the responsibility of the NWQL Support Services Section (SSS).

**Administrative Processes:** The NFSS supply catalog is maintained on the USGS 1stop-shopping program. Orders are placed by NFSS customers through 1stop and transmitted to the NFSS via email or electronic files. Orders are generally prepared and released for shipment via Fed Ex Ground by the end of the next workday unless the customer requests priority shipment and provides the carrier account number for overnight shipping. Some items require priority shipment or shipment via freight due to the size and weight. Maintenance of the catalog is the responsibility of the SSS. The NFSS will prepare and maintain the pricing model for catalog items. Small purchases less than \$2500.00 can be made by the SSS but the primary responsibility rests with the NWQL Administrative Services Office. Off-the-shelf commercial items that meet USGS quality control performance criteria should be used whenever possible rather than manufacturing items or precleaning shipping containers in-house.

**Management Controls:** The Chief, SSS performs day-to-day operation and management of the NFSS including customer service, process improvement and problem resolution. The Chief, SSS reports directly to the Chief, NWQL. Major policy decisions regarding operation of the NFSS will be recommended to the OWQ for final approval.

The Chief, Quality Assurance Section (QAS) is responsible for providing quality surveillance, reporting and assistance with problem resolution of the NFSS. The Chief, QAS reports directly to the Chief, NWQL.

The Chief, Business Development Team (BDT) is responsible for the NWQL pricing structure including development of the pricing model for field supplies. The Chief, BDT reports directly to the Chief, NWQL.

The Administrative Officer (AO) is responsible for procurement, contracting, and billing issues related to operation of the NFSS. The AO reports directly to the Chief, NWQL.

The procurement processes used by the NFSS to acquire field supplies are subject to market fluctuations due to factors such as rising energy and transportation costs or through competitive pricing. Unlike the pricing model for analytical services at the NWQL, these supply fluctuations, either increases or decreases, can be passed directly to the customer as each purchase is made by the NFSS. In order to account for these fluctuations, the Chief, NWQL will provide the Chief, OWQ with an annual report on or before 1 November, detailing the statistics of the just completed fiscal year to include total dollar volume and a summary of price fluctuations and causative factors. The Chief, OWQ will be consulted prior to passing along any significant increased costs that could adversely impact customers of the NFSS.

### **Roles and Responsibilities:**

#### **OWQ:**

- Provide headquarters oversight for operation of the NFSS.
- Approve policy and procedures developed and recommended by the NWQL.
- Approve new items to be stocked.
- Approve items for deletion.
- Distribute Water Quality Information (WaQI) Notes for major policy changes regarding the NFSS.

#### **HIF:**

- Provide systems administration for operation of the 1stop shopping program.

#### **NWQL:**

- Responsible for operation of the NFSS including acquisition, quality assurance and quality control, and distribution of field supplies.
- Develop, recommend and implement policy and procedures for operation of the NFSS.
- Provide hands-on customer service and data collection.
- Perform annual review of catalog items.
- Develop and maintain a pricing model for stocked items.
- Receive and evaluate requests for new items to be stocked.
- Obtain OWQ approval for new stock items.
- Obtain OWQ approval for deletion of stock items.
- Determine which catalog items will require quality control/quality assurance and develop appropriate protocols.
- Provide web page access to quality control/quality assurance protocol.
- Develop performance standards for all NFSS catalog items.
- Determine which sample containers in the catalog can be purchased precleaned.
- Determine if off-the-shelf commercial items meet USGS quality control performance standards rather than manufacture items in-house.
- Maintain the catalog in 1stop shopping.

**Dispute Resolution:** Disputes regarding items to be stocked, quality control/quality assurance requirements, etc., will be referred to the applicable NWQL section chief and OWQ representative for resolution. If necessary, the Chief, OWQ and Chief, NWQL will be consulted for a final resolution.

**Annual Review Requirements:** The SSS will conduct an annual review of stock item usage to determine if adjustments in quantities need to be made or items deleted due to lack of consumption. OWQ approval will be obtained prior to deletion of any item from the catalog. During the annual review, the pricing model for each item should be reviewed to determine if adjustments are needed.

**Adding or Deleting Items from the NFSS:** New items can be added to the NFSS catalog by field or other activities by contacting the OWQ or SSS. The OWQ and SSS will collaborate on these requests with the final decision being made by OWQ whether or not to stock the item. Requests for deletion of catalog items can be made by the OWQ, NWQL, or field activities as methods change or supplies are replaced by new technology. The NWQL Methods, Research and Development Program will provide information to the SSS when new items need to be added to the catalog due to method changes or new methods. The final approval for deletion of catalog items rests with the OWQ.

**Communication Responsibilities:** The SSS will communicate catalog changes with the OWQ for approval and with the NWQL QAS regarding quality control/quality assurance requirements. Items manufactured in-house must be cleared through the appropriate Analytical Services Section activity. Major catalog changes should be communicated to district customers via an NWQL Rapi-Note.

**Value Added Services:** When practical, the NFSS and/or OWQ will maintain a list of vendors and items not stocked by the NFSS but approved for use in field sampling activities. This information is available to field offices in the 1stop shopping catalog.

**Quality Assurance Surveillance Plan (QASP) for the NFSS:** The Chief, QAS will develop a comprehensive QASP for all items in the system. Appropriate certificates of analysis will be available for customers via web site. The QAS will ensure the NFSS and its QASP are fully incorporated into the NWQL Quality Management System (QMS) and that National Environmental Laboratory Accreditation Program (NELAP) requirements are fully met.

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