

Pricing Information for DLA Solicitation # SPESEY-17-D-0550 Awarded 7/26/17

For reference (should be independently verified):

Master Lock Company is a large business producer that supplies Mexican end products

Chinrose is a small business producer that supplies Chinese end products

Pacific Lock Company is a small business producer that manufactures US end products

What is shown below is a breakdown of the post award debriefing supplied by the DLA to Pacific Lock Company. It details the initial offer from Pacific Lock, the government's counter offer, and Pacific Lock's final offer. Then it shows the awardees, their pricing, and the delta (percentage) between what Pacific Lock offered and what the awardee offered. The information contained herein is not private in any sense and all of it can be obtained via a FOIA request. As such, it can be distributed freely without concern for privacy.

This information has been prepared by Gregory Waugh, President of Pacific Lock Company. He can be reached at 661-294-3707, ext. 102 or via e-mail: gwaugh@paclock.com.

Executive Summary: The analysis of a recently awarded contract from the DLA shows a lack of small business and US manufacturing support exhibited by the DLA. Pacific Lock Company is a well known and respected domestic small business producer of padlocks in support of the DLA. However, the agency responsible for procuring padlocks for the DLA continually exhibits a lack of concern for leveling the playing fields especially as it relates to small businesses and domestic production.

The breakdown below clearly shows that the small business producing a domestic end product failed to earn the DLA's business, on average, by a difference of less than 5%. Instead, the DLA strictly made its selections on pricing alone where, in some situations, the DLA made the award to the big business producing a Mexican end product so that the DLA could receive one-half or one percent of a discount had they purchased from the small business, domestic producer.

All in all, the DLA made 82% of the award (based on total expected revenue) to companies producing these products outside of the United States with 58% of the total value going to a big business. By making the awards in the manner it did, the DLA created job growth for Mexico and China all for a total dollar savings of \$38,152. That is a 4.7% savings as compared to if the DLA had made the entire award to Pacific Lock Company.

Had the entire award gone to Pacific Lock, there would have undoubtedly been job growth in the USA. As it is, that growth in jobs will be going to Mexico and China so that DLA can save 4.7%.

If you were to ignore the Chinrose products and compare the savings between Master Lock and Pacific Lock, you'd find that the DLA saved only 2.6% by buying from a large business historically producing in Mexico.

CLIN	NSN	U/I	AEQ	Pacific's Initial Offer	Government's Offer	Pacific's Final Offer	Awardee	Awarded Price	Estimated Annual Value	Discount from PACLOCK Price to Awardee Price	Estimated Annual Value if all PACLOCK
0001	5340014088452	SE	5943	\$28.80	\$19.61	\$28.80	Chinrose	\$ 25.40	\$ 150,952.20	11.8%	\$ 171,158.40
0002	5340014370630	SE	2202	\$17.76	\$13.76	\$17.76	Chinrose	\$ 16.80	\$ 36,993.60	5.4%	\$ 39,107.52
0003	5340002914214	SE	1060	\$59.50	\$50.16	\$59.50	Master Lock	\$ 58.59	\$ 62,105.40	1.5%	\$ 63,070.00
0004	5340002914212	SE	522	\$178.20	\$116.24	\$178.20	Master Lock	\$ 168.34	\$ 87,873.48	5.5%	\$ 93,020.40
0005	5340014088434	EA	3689	\$2.96	\$2.42	\$2.96	PACLOCK	\$ 2.96	\$ 10,919.44		\$ 10,919.44
0006	5340002914211	SE	368	\$118.80	\$101.88	\$118.80	Master	\$ 116.17	\$ 42,750.56	2.2%	\$ 43,718.40
0007	5340002920902	SE	240	\$77.61	\$56.46	\$77.61	PACLOCK	\$ 77.61	\$ 18,626.40		\$ 18,626.40
0008	5340004219382	SE	199	\$237.60	\$194.01	\$237.60	PACLOCK	\$ 237.60	\$ 47,282.40		\$ 47,282.40
0009	5340012699345	SE	1265	\$29.65	\$26.69	\$29.65	PACLOCK	\$ 29.65	\$ 37,507.25		\$ 37,507.25
0010	5340010045180	EA	1038	\$5.93	\$4.57	\$5.93	PACLOCK	\$ 5.93	\$ 6,155.34		\$ 6,155.34
0011	5340002914213	SE	528	\$29.90	\$25.75	\$29.90	Master Lock	\$ 29.65	\$ 15,655.20	0.8%	\$ 15,787.20
0012	5340002920904	SE	91	\$178.20	\$155.77	\$178.20	Master Lock	\$ 172.84	\$ 15,728.44	3.0%	\$ 16,216.20
0013	5340002914204	SE	260	\$593.00	\$483.28	\$593.00	Master Lock	\$ 564.37	\$ 146,736.20	4.8%	\$ 154,180.00
0014	5340006821506	SE	64	No Offer		No Offer	Master Lock	\$ 557.35	\$ 35,670.40		\$ 35,670.40
0015	5340002914210	SE	69	\$296.50	\$262.76	\$296.50	Master Lock	\$ 289.94	\$ 20,005.86	2.2%	\$ 20,458.50
0016	5340009124089	SE	120	\$35.58	\$32.02	\$35.58	PACLOCK	\$ 35.58	\$ 4,269.60		\$ 4,269.60
0017	5340002920906	SE	42	\$297.00	\$267.30	\$297.00	Master Lock	\$ 292.69	\$ 12,292.98	1.5%	\$ 12,474.00
0018	5340002914209	SE	32	\$237.60	\$213.84	\$237.60	PACLOCK	\$ 237.60	\$ 7,603.20		\$ 7,603.20
0019	5340004093246	SE	23	\$178.20	\$160.38	\$178.20	PACLOCK	\$ 178.20	\$ 4,098.60		\$ 4,098.60
0020	5340008386987	SE	6	\$296.50	\$263.22	\$296.50	Master Lock	\$ 292.47	\$ 1,754.82	1.4%	\$ 1,779.00
0021	5340004093247	SE	8	No Offer		No Offer	Master Lock	\$ 625.08	\$ 5,000.64		\$ 5,000.64
0022	5340011514203	SE	11	\$148.25	\$133.43	\$148.25	PACLOCK	\$ 148.25	\$ 1,630.75		\$ 1,630.75
0023	5340008385275	SE	10	\$593.00	\$530.87	\$593.00	Master Lock	\$ 589.86	\$ 5,898.60	0.5%	\$ 5,930.00

Annual Expected Value	\$777,511.36	\$815,663.64
As the contract is currently awarded		As if PACLOCK won all items it offered
Expected yearly savings of:	\$38,152.28	
Average percentage savings:	4.7%	
Master Lock total award:	\$ 451,472.58	58%
Chinrose total award:	\$ 187,945.80	24%
Pacific Lock total award:	\$ 138,092.98	18%