CON 234
Contingency Contracting
REFERENCE BOOK

Table of Contents

Service Supplements for Contingency Contracting

Tab A - Army FAR Supplement Manual No. 2

Tab B - Air Force FAR Supplement Appendix CC

Tab C - Naval Contingency Contracting Handbook

Tab D - Marine Corps Purchasing Procedures Manual Appendix B

Other Interest Items

Tab E - Army JAG Operational Law Handbook (Extracts)

Tab F - Army LOGCAP Commander's Guide

CON 234
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REFERENCE BOOK

Introduction

This reference book serves not only as a supplement to the CON234 course material, but as a "field manual" for Contingency Contracting Officers (CCOs). It compiles several important documents from numerous sources into a single, easy to use guide. This book's subject matter coverage makes it a valuable and indispensable tool for contingency mission planning, solicitation, award, and administration of contracts.

Since every inch of cargo space is precious when packing for deployment, this reference book only provides information considered absolutely necessary for ease of transport and use. To account for the ever-changing nature of the material in this book, it has been placed in a three-ring binder so CCOs may easily replace section / pages as they are updated and add new materials as required.

In an effort to keep up with the tremendous pace of technology, these materials have also been converted to electronic format. The CON234 Student Handbook provides information as to where to obtain this data electronically. This allows the CCO to simple modify existing documents rather than create them from "scratch" in the field.

If you know of changes or updates to any of the materials in this (or any other CON234) compilation, please contact a Defense Acquisition University (DAU) CON234 Instructor whose names and contact information are posted in your CON234 student guide or through the CON234 web-site at http://www.nfctc.navy.mil/instructor.htm.

We are always looking for ways to improve the course and its utility to CCOs.

CON 234
Contingency Contracting
REFERENCE BOOK

Web-Sites of Interest

RB Tab A – Army FAR Supplement Manual No. 2 @
http://acqnet.sarda.army.mil/acqinfo/newafar2/afar1197.htm

RB Tab B – Air Force FAR Supplement Appendix CC @
http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/af_afmc/affars/APDX_cc.htm

RB Tab F – Army LOGCAP Commander's Guide @
http://www.amc.army.mil/dcs_logistics/lg-ol/Logcap.htm

DCMC Contingency Contract Administration Services @ http://www.dcmc.hq.dla.mil/Cassites/Intl/ccas.htm. Go to "Onebook" link.

Stafford Act Federal Response Plan @ http://www.fema.gov/r-n-r/frp/, ESF Matrix @
http://www.fema.gov/r-n-r/frp/frpfig4.htm

USAF AFCAP User's Guide @ http://www.afcesa.af.mil/Directorate/CEX/AFCAPbrochre.doc

VETCOM Circular 40-1, Approved Food Establishments @
http://domino1.hcssa.amedd.army.mil/vetsvcs/approved.nsf/1.+main+view?openview&count=100

USAF Directory of Operational Contracting Activities @
http://www.safaq.hq.af.mil/contracting/bluebook/bluebook97/organiza2.pdf

DCMC Directory of OCONUS Offices @ http://www.dcmc.hq.dla.mil/ref_info/dcmc-directory.pdf

Statements of Work for Contingency Contracting @
http://www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing/PWS/Best-in-Class/default.html

(AFMAN 64-108 PWS Templates Index) and
http://www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing/PWS/Market/Default.html

(CE Service Contract Templates IAW AFI 63-124)

Please let your instructor know if any of these sites require update.

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Tab A

ARMY FEDERAL ACQUISITION REGULATION MANUAL NO. 2

(CONTINGENCY CONTRACTING)

TABLE OF CONTENTS

Chapter 1 - Introduction 2
Chapter 2 - Legal Authorities, Limitations, and Policies 4
Chapter 3 - International Relations 9
Chapter 4 - Planning 12
Chapter 5 - Funding Issues 18
Chapter 6 - Structure 20
Chapter 7 - Duties and Responsibilities 27
Chapter 8 - Contracting Procedures During Contingency Operations 33
Chapter 9 - Claims, Seizures, Disputes and Appeals 53
Appendix A - References 56
Appendix B - Imprest Fund Procedures 57
Appendix C - Checklists 59
Appendix D - Contracting Officer's Representative 75
Appendix E - Ordering Officers 79
Appendix F - Contingency Contracting Support Kit 89
Appendix G - SF 44, Purchase Order-Invoice-Voucher 96
Appendix H - DA Form 3953, Purchase Request and Commitment 101
Appendix I - DD Form 448, Military Interdepartmental Purchase Request (MIPR) . . 103
Appendix J - DD From 1155, Order for Supply or Services 105
Appendix K - Standard Form 1165, Receipt for Cash-Sub-voucher 108
Appendix L - Standard Form 30, Amendment of Solicitation/Modification of Contract 110
Appendix M - Standard Form 1449, Solicitation/Contract/Order for Commercial Item 112
Appendix N - Forms 115
Appendix O - Contingency Contracting Support Plan 118
Appendix P - Contract Payment 121
Appendix Q - Contract Close-out 128
Appendix R - Terms and Definitions 131
Glossary 134

Chapter One

Introduction

1-1. Purpose. This manual provides a consolidated source of information for use during the planning and execution of contingency, humanitarian assistance or peacekeeping operations and deployment exercises. It provides guidance for implementing the Federal Acquisition Regulation (FAR), DoD FAR Supplement (DFARS), and the Army FAR Supplement (AFARS).

1-2. Mission Statement. The mission of contingency contracting is to responsively, effectively, and legally contract for, or to contract for the providing of, the supplies, services, and construction necessary to support the mission of the supported organizations.

1-3. Requirement.

a. U.S. Forces have deployed to perform tasks in support of national objectives throughout the world. These contingencies have involved the participation of military and other public, joint, or allied elements to assist in emergency situations caused by war, natural disaster, terrorist or subversive activities, collapse of law and order, or political instability. In addition to rescue and humanitarian relief missions, military contingencies can include demonstrations of force, raids, and larger operations undertaken to protect U.S. interests, lives, and property. Contingencies require planning, rapid response, flexible procedures, and integration of efforts.

b. Contracting is an integral part of the overall process of providing logistics resources. It is a tool used by units to obtain supplies or services in support of the mission.

c. Contracting serves to bridge gaps that may occur before military logistics resources can be mobilized and in some cases will be necessary for the duration of the contingency, humanitarian assistance or peacekeeping operations. It will be valuable where no Host Nation Support (HNS), nation to nation, agreements exist in the deployment area, or where HNS agreements do not provide for the supplies or services required. Satisfying requirements for supplies and services by contracting for locally available resources has proven to improve response time and free airlift and sealift assets for other priority needs.

d. Contracting will augment existing logistics support capabilities, providing a new source for critically required supplies and services. Contracting will provide initial deployment, sustainment, and redeployment supplies and services requirements such as:

(1) Supplies: Class I - bottled water and food; Class II - organization equipment and clothing, expendable office and field supplies; Class III - petroleum, oils, lubricants (POL); Class IV - construction; Class VI - troop support; Class VII - major equipment; Class VIII - medical supplies; Class IX - repair parts.

(2) Services: Laundry, food service, transportation, billeting, utilities, maintenance and repair, and sanitation services.

(3) Construction: : Construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property.

Chapter Two

Legal Authorities, Limitations, and Policies

2-1. Introduction. This chapter addresses various authorities and limitations affecting contracting officers during contingencies. Contracting actions completed during these situations shall comply with statutory requirements, executive orders, and regulations unless a law or regulation authorizes deviation.

a. Assumptions.

(1) The environment for contracting is worldwide. Principles of contingency contracting are applicable to all contingency missions over the entire range of a given operation with considerations for short as well as long-term notification of mobilization.

(2) Because of the urgent/high priority nature of most supplies and services requested, reduced lead-times and expedited delivery requirements can be expected.

(3) Deployed contracting personnel will have authority to conduct business with foreign governments, commercial firms, and other forces in the theater where assigned or deployed.

(4) Limited authority and responsibilities for purchasing can be delegated to an ordering officer. (Appendix E).

(5) Normally, contingency operations above battalion size will be joint, combined, or unified operations under the command and control of a unified commander-in-chief (CINC) and joint or coalition headquarters.

(6) The joint task force commander will activate an acquisition board to coordinate service acquisition activities and to integrate the acquisition flow with the overall theater logistics operation.

(7) Existing U.S. Department of Defense contracting offices and contracts in the area of operations will be utilized wherever possible.

b. Limitations.

(1) Contingency contracting is one option available to fulfill logistics requirements. Others include LOGCAP, HNS and the existing supply system. Contingency contracting will be used, if advantageous, based on criticality, timeliness, quality, administrative effort and costs.

(2) Applicable agreements or lack of any U.S. international agreements such as Host Nation (HN), inter-service, status of forces, and other authoritative agreements in the theater of operations may limit the contracting officer's ability to satisfy some requirements.

(3) Legal review of all acquisitions is required in

accordance with procedures established by the HCA, based on complexity of legal issues involved and otherwise required by law, regulation or policy.

(4) United States public laws and Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS) and Army FAR Supplements (AFARS) are not revoked or suspended by contingencies unless specifically exempted. Acquisition personnel must therefore comply with federal law and applicable regulations in contingency contracting.

2-2. Current Legal Authorities Under Emergency Conditions. In addition to implementing exceptions based on statute, the FAR/DFARS/AFARS provide additional exceptions under emergency conditions. Where justification exists, FAR procedures permit expedited contracting actions to satisfy urgent and compelling requirements. Such circumstances do not provide a blanket waiver of regulatory requirements. The following are examples of where existing authority can be used to expedite contracting actions:

a. Limiting sources in solicitations when an urgent and compelling requirement precludes full and open competition. FAR 6.302-2.

b. Omitting synopses of proposed contract actions when it would delay award and injure the government. FAR 5.202(a)(2).

c. Using oral solicitations, awarding letter contracts and other forms of undefinitized contract actions to expedite the start of work. FAR 16.603 and FAR 15.402(f).

d. Requesting authority to award emergency requirements before resolving a protest against contract award. FAR 33.104(b)(1)(i), AFARS 33.104 (b).

e. Allowing for the Acquisition of commercial items up to $5 million (FAR 12.1).

f. For contracts to be awarded and performed or for purchases made outside the United States in support of military contingency, humanitarian assistance or peacekeeping operations, the simplified acquisition threshold is raised to $200,000. (For the purpose of changes in the simplified acquisition threshold, the 10 U.S.C. 101(a)(13) definition of ‘contingency’ applies and the 10 U.S.C. 2302(7) and 41 U.S.C. 259(d) definition of ‘Humanitarian or Peacekeeping Operations’ under United Nations Chapter VI or VII applies).

g. Additional FAR Exceptions:

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
5.202(a)(2)	Synopsis	Not applicable for purchases conducted using simplified acquisition procedures, if unusual and compelling urgency exists.
5.202(a)(3)	Synopsis	International agreement, treaty or organization specifies the source of supply. For contracts by written direction of foreign governments reimbursing cost of acquisition.
5.202(a)(12)	Synopsis	Does not apply overseas if subject to the Trade Agreements Act or North American Free Trade Agreement (see Subpart 25.4).
6.001(a)	Competition Requirements	Does not apply to contracts awarded using the simplified acquisition procedures in FAR Part 13.
13.111(b)	Covenant Against Contingent Fees	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(c)	Restrictions on Subcontractor Sales to the Government	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(d)	Anti-kickback Procedures	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(e)	Audit and Records - Negotiation	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(f)	Contract Work Hours and Safety Standards Act	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(g)	Drug Free Workplace Certification	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
13.111(h)	Estimate of Recovered Material	Not applicable to contracts or subcontracts at or below the simplified acquisition threshold.
25.102(a)(1)	Buy American Act	Not applicable for items purchased outside U.S. and it’s territories.

25.302(b)	International Balance of Payments Program	Acceptable to buy foreign at or below the simplified acquisition threshold.
25.501	Payment in Local Currency	Contracts entered into and performed outside the US with local foreign firms will be priced and paid in local currency unless international agreement provides for payment in U.S. dollars or contracting officer determines local currency to be inappropriate.
25.703(a) and FAR supplement	Restrictions on Certain Foreign	Authorized to buy items restricted under 25.702(a) in unusual situations for use outside U.S. its possessions or Puerto Rico.
28.102-1(a)	Bonds	Miller Act 40 U.S.C. 270a-f, can be waived by the contracting officer for overseas construction.

h. AFARS exceptions allowed:

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
37.104-90 and DFAR 237-104 (b)(i)(B)(2)	Personal Services	Pursuant to 5 U.S.C. 3109, if advantageous to the national defense. Requires D&F.
1.602-3(b)(3)	Ratifications	Can be delegated to others by the HCA.
1.603-1-90	Contracting Authority of Other Personnel	Imprest fund purchases IAW FAR/DFARS 13.4. Fuel, oil, and emergency repairs IAW AR 703-1. SF 44 and purchase card purchases IAW FAR 13.505 and AFARS 13.90 provided that the individual has been trained and has a written authorization.

Note: Contracting officers should review these exceptions to fully understand their application and use. Although deviations and exceptions to regulatory and statutory procedures cannot be practiced during field exercises, contingency contracting can be applied to field conditions. There are urgency exceptions that apply during deployment. It is important to remember that requirements are driven by commanders and their logistics officers, not procurement personnel.

2-3. Local Purchase Policy for Outside Continental United States (OCONUS).

a. Local purchase, as a source of supply, may be employed at the Corps Material Management Center (CMMC) and Theater Material Management Center (TMMC) level to satisfy requisitions

submitted by supported Supply Support Activities (SSA). All purchase requests and Certification of Funding (DA Form 3953) documents should be validated by G-4s/J-4s.

b. Local purchase may be an option for any centrally managed, commercially available, Army assigned item provided such action is in the best interest of the government in terms of a combination of quality, timeliness, and cost that best meets the requirement. Local purchase may be used provided--

(1) Demand data will be recorded.

(2) The purchase will be limited to the immediate requirement but not to exceed 30 days of supply.

c. The following types of items are normally excluded from local purchase:

(1) Items directly related to the operation of a weapon or weapon system (e.g., classified or controlled electronics).

(2) Items with special security characteristics (e.g., cryptic, classified).

(3) Items of a dangerous nature (e.g., explosives, ammunitions).

Chapter Three

International Relations

3-1. General.

a. Providing support to the operation may require contracting interaction with foreign governments, commercial entities, Non-Governmental Organizations (NGOs) and Private Volunteer Organizations(PVOs). Contracting can be an effective force multiplier of combat service support for deployed forces. Contingency contracting requires an understanding of the legal aspects, funding issues, duties and responsibilities of procurement personnel, their interrelationships with support staff and advisors, and deployment preparation. The ability to deal with people who have vastly different cultures, backgrounds, perspectives, and, most importantly, business practices is another aspect of contingency contracting that will have considerable impact on contracting operations.

b. There may be deployments to remote areas where there is little or no US presence and the structured process of conducting business by the US is much more challenging.

c. Not to be overlooked is setting up Army contingency contracting offices within the United States for emergencies; possibly in areas where local citizens are unfamiliar with U.S. Government procurement procedures and whose local economy has little direct business from federal agencies.

3-2. Negotiating Practices.

a. Feedback from field exercises and recent conflicts has helped educate contracting personnel on several negotiating practices. Much of the business conducted by contractors overseas is by negotiation. They will negotiate most prices. The contracting officer's bargaining position is enhanced when the product or service is available elsewhere or when the requirement is not urgently needed. Local contractors know their immediate competition and will conduct business accordingly. Prices may be higher at the start of an operation due to shortages and great demand. Transportation and delivery may be hindered, depending on the emergency and location, causing costly delays.

b. Contracting personnel should be conscious of the fact that many business cultures expect "kickbacks", "finder's fees", exchange of gifts, or other gratuities that are illegal for U.S. personnel to provide or accept. Contracting officers must be vigilant in advising U.S. Commanders, logistics and engineering personnel, and ordering officers about practices which may violate standards of conduct as prescribed in DoD 5500.7-R, Joint Ethics Regulation.

3-3. Oral Agreements. It is prevalent in many countries to conclude an agreement or contractual understanding with nothing more than a handshake. This may occur at the outset of the contingency, humanitarian assistance or peacekeeping operation, but should be quickly followed with a written contract.

Contracts written in English may be viewed with suspicion and sometimes anger due to a lack of trust in governments other than their own. Signing a contract may become a challenge. When a local businessman or provider refuses to sign contractual documents, the ordering officer, purchasing agent or contracting officer must document the file with a Memorandum for Record (MFR) or annotate the SF 44, SF 26, SF 30, and SF 33. Contracting officers should always remember to keep oral communications simple and straightforward. Once a contract has been performed and the contractor has received payment, relations should improve. Despite this, local customs may predominate in conducting business.

3-4. Competition. Competition is essential in ensuring a fair and reasonable price. Market sources can be developed by posting and making solicitations available at a common bid board. Care must be taken not to relax restrictions that ensure competition in order to expedite contingency, humanitarian assistance or peacekeeping actions. Competition will aid in obtaining fair prices and market sources will develop through readily available solicitations. However, if only one responsible source is available, use that fact as justification for a sole-source procurement. Construction or logistical services under LOGCAP are exempt from competition rules due to the prior award through competition of the basic LOGCAP contract.

3-5. Local Business Practices.

a. Local business practices, a less than stable environment, and the contractor's lack of knowledge of our payment procedures may require contracting officers to arrange for immediate payment. Immediate payment can be made through purchase cards, imprest fund, Finance Officer’s Representatives, or check. Payment for services may be appropriate at the conclusion of each workday, workweek, or upon each specified period of performance. Responsiveness of contractors is directly attributed to the timeliness of the finance officer. Advance payments are the least preferred method of payment and are not advisable. Contractors learn from each other and advancing pay to one may set a precedent. Also, recouping money or forcing a contractor to perform according to contract standards through negotiation and litigation after an advance payment may not get the mission accomplished in a timely manner

b. Local business practices of bargaining, hours of conducting business, and business on weekends or local holidays must be considered in the daily operations of the contract activity when determining delivery of the supplies or services.

3-6. Host Nation Support.

a. It is essential to establish a link with the host nation (HN) support teams and obtain cooperation from HN authorities and personnel to enhance the contracting officer's ability to fulfill the contingency contracting obligation. Contact with local authorities and higher headquarters will help determine whether there is HN support available. Before deployment, coordination with legal assistance, civil affairs units, the Defense Intelligence Agency (through unit S-2/G-2), G-5 and the U.S. Embassy will also be useful as possible sources for identifying contractor information in the area. A liaison officer should have knowledge of the HN laws, regulations, military command structure and coordinate with the HN to initiate on-site surveys. The liaison officer can be

located via the Roster of Key Security Assistance Personnel Worldwide published by the Defense Security Assistance Agency.

b. Reconnaissance visits to proposed contingency, humanitarian assistance or peacekeeping operation sites will help identify what support can be provided by the Host Nation. It must be emphasized to all parties that any preliminary joint site survey/reconnaissance visit is a military logistic liaison effort only and not for contractual arrangements.

c. To facilitate the contracting process with the HN, all requirements should be prepared in a consistent format. This reduces confusion and delays in later negotiations with the HN.

3-7. Multinational Programs. It is highly likely that a deployment will involve coalition forces and greater emphasis on multinational perspectives. Be aware that the international environment is governed by a myriad of statutes, directives, treaties and implementing arrangements for conducting transactions. Guidance concerning these matters should be sought from the HN support team, CINC CJ-4/7, and/or American Embassy.

3-8. Ethics. Especially for procurements conducted in foreign countries, contracting officers should ensure that the appropriate ethics regulations are observed. When ethical or procurement integrity (FAR Part 3.104) requirements conflict with local practices, contracting officers should explain to contractors the restrictions which are placed on U.S. procurement officials.

Chapter Four

Planning

4-1. General. The contracting officer must have a basic understanding of legal authorities, funding practices, and duties of contingency contracting. This chapter will focus on preplanning and preparatory actions for establishing local purchase capability. While not intended to be all inclusive, it will provide the contracting officer a good foundation and better perspective on the role of contingency contracting.

4-2. Planning and Preparation. Advance planning and preparation has proven to be critical to enable a contracting officer to hit the ground running. The areas addressed below provide a basic plan and package that contracting personnel must incorporate into a usable contingency plan. In the event of a deployment, the Head of the Contracting Activity (HCA) and Principal Assistant Responsible for Contracting (PARC) will specify organizational requirements tailored to the mission and location.

a. Personal and Administrative Preparations. The following is a list of required documents a contracting officer and contracting personnel should possess in order to initiate a contingency contracting operation:

(1) Official passport plus 6 to 10 extra photos for visas. This is required to move from country to country if necessary.

(2) Blanket travel orders with variations and Foreign Flag Carrier authorized on TDY orders. This avoids delays when traveling through unprogrammed areas.

(3) Authorization to hire/rent special conveyance.

(4) SF 1402, Certificate of Appointment as a Contracting Officer, with authority equal to potential responsibilities.

(5) A prepacked kit of regulatory guidance, forms, supplies, and equipment (Appendix F).

(6) International Driver's License.

(7) Civilian clothes. In some instances, military uniforms may not be advisable. The chief of the contracting office will provide further instructions regarding the wearing of uniforms.

(8) Imprest fund orders. These orders should be obtained in advance making them contingent on an actual deployment. This will expedite the establishment of an imprest fund buying for immediate requirements.

b. Requirements List and Site Surveys.

(1) The contracting officer should have a basic

understanding of the contingency requirements and contingency plans of the supported units. (See Appendix C, Checklists and Appendix O, Contingency Contracting Support Plan). Contracting officers can expect to: support engineers in the purchase of construction materials, with services contracts; contracts for stevedoring services; supplement transportation requirements with rental vehicles; and make arrangements so that deployed personnel will have billeting, latrine and refuse service, and showers. A more complete list is in Chapter 7.

(2) The contracting officer may have access to site surveys and existing logistics plans which will assist in identifying potential contractors for providing items on the requirements list. However, this is not feasible in all cases. When a site survey is not available, the contracting officer should create a contractor database as requirements are successfully purchased. In addition, maps can be marked to show locations of proven contractors. This is important so newly assigned contracting officers and personnel will not have to reestablish new sources. Local telephone directories are also an invaluable tool.

c. Funding and Availability of Supplies and Services to Support the Contingency Contracting Organization. Contracting officers should be prepared to take care of their own needs immediately upon arrival to the contingency area. Any questions as to funding, availability of equipment, need for interpreters, etc., should be addressed and resolved prior to deployment.

4-3. Deployment.

a. Advance Party. The officer in charge of the procurement function needs to arrive with the FAST (Forward Area Support Team). Ideally, the advance party should include, as a minimum, the contracting officer, finance officer’s representative, comptroller representative/funds certifier, and an acquisition attorney. Bulk funds or an imprest fund of at least $2,500 and a means to replenish the funds should also be provided. (The contracting officer or ordering officer should also carry an approved Government purchase card to facilitate the procurement process whenever and wherever possible.)

b. Typical Organization Structure. The PARC will arrive with an initial support staff of contracting personnel to establish the contracting organization within the first 30 days. Personnel within this deployment will coordinate with agencies that will assist in the contracting function (legal advisors, comptroller and funds certification officer, and command group for the theater headquarters.) The requiring organization will include contingency contracting officers and contracting support personnel in Time-Phased Force Deployment Data (TPFDD) and Processed for Overseas Movement (POM) when necessary.

c. Support Items Required Upon Arrival. Contracting officers should be prepared to take care of their own needs immediately upon arrival. The following items are essential in supporting an effective contingency contracting organization:

(1) A vehicle (assigned or rented) for making purchases, establishing supply sources, and picking up supplies

in the local market.

(2) An interpreter/guide. This person should not only be bilingual, but familiar with the local culture and market area as well. (Contact the local U.S. Embassy, if possible, for assistance.)

(3) The contracting office should make arrangements for some type of communications network, such as mobile radios and/or telephones, to ensure customers (Army units and organizations) can contact the contracting officer.

(4) Arrange for the Class "A" agent to accompany the contracting officer with local currency for local purchases when necessary.

d. Purchasing Rules. The contracting officer will develop procedures that will best support the customer's needs. This will entail establishing a set of rules for customers to follow when submitting requirements. The rules should include instructions on purchase descriptions, funding, approval channels, contract processing, pickup and delivery procedures, and quality control responsibilities. The rules should also discuss consolidating requirements, where possible, to avoid unnecessary trips to the contracting office when the deployed units are located at remote sites. The main thrust of the plan is to familiarize customers with the location, mission, and procedures to expedite purchasing and service contracting.

e. Locating Sources. One of the most difficult problems for the contracting officer at an unfamiliar deployment site is locating capable contractors to fulfill unit requirements. The following are suggestions a contracting officer may use to solve this problem:

(1) Use the knowledge of the interpreter/guide regarding local businesses. This person is a logical first choice for obtaining sources; however, the contracting officer must be careful to avoid a conflict of interest with local contractors and the translator.

(2) Logistics Civil Augmentation Program (LOGCAP) provides civilian contractors to augment logistics and combat service support activities. LOGCAP contracts may already be available for a specific area of operation. A desk guide may be obtained by contacting Headquarters, Department of the Army, Chief of Staff for Logistics, ATTN: DALO-POD, Washington, DC 20310-0500. Telephone (703) 697-4183, DSN 227-4183.

(3) The U.S. Embassy (if available) can be an excellent source of information. The defense attaché office in most embassies can help with currency conversions and storage of funds, as well as providing a source list of reputable contractors. In addition, the Embassy General Services Officer (GSO) may be able to provide some contracting support - particularly if the contract is to be written with the host country.

(4) Site surveys are an excellent tool to speed up the contracting process. Contracting officers should add sources to the site survey list as they become known.

(5) There are a multitude of ways of identifying sources. Some successful ways have included contacts with the Chamber of Commerce (or equivalent), business associations, local clergy, citizens, and local government leaders such as the mayor. The major hotel chains overseas have business offices which can help locate local sources of supplies. In addition, there is nothing wrong with asking other contractors where certain requirements might be obtained. The local yellow pages are an invaluable source of information on local firms.

(6) When possible a "bid board" must be posted in a public place at the contracting office for the purpose of displaying solicitations and announcing awards and proposed contracts.

(7) Coordinate with and assist local trade associations in disseminating information to their members.

(8) Since most major U.S. deployments receive considerable publicity, many firms with international offices will contact you to offer their goods and services. Also, it is recommended that you advertise large procurements in newspapers within the area of operations.

4-4. Operations Set Up.

a. Establishing the Contracting Office.

(1) Establish a central, but separate, location with adequate and secure floor space that is near your customers, other contracting support functions, staff judge advocate, finance, comptroller, and logistics activities. If this is not possible a consideration is to establish the contracting office in or near a first-class local hotel which normally caters to Western business people. This facilitates access to FAX, typing, translators, telephones, copiers, and provides a certain degree of security. It will also help contractors locate the office for business purposes. Office equipment consisting of desks, chairs, file containers, and at least one safe, are necessary. The office must be able to be secured if any cash is maintained. The location of the contracting office depends on the tactical situation and logistical scheme of operations.

(2) Field ordering officers or direct support contracting officers should be with their customers. The main contracting office (Forward Area Support Team) should be separate from individual billeting and located near the J-4/G-4 from whom you get your requirements and planning guidance.

(3) The initial response from local contractors may be immense. A screening of contractors should help establish sources and their capability. A system for business hours, waiting areas, and making appointments with contracting officers must be the first order of business. A clearing activity supported by HN and civil affairs personnel is vital from the start.

(4) Contact existing military and U.S. Embassy officials in the vicinity and exchange contracting information.

b. Role of Contracting Commander.

(1) Attend all logistics and engineering key meetings and establish communications with division and corps liaison officers and commanders. Also, attend daily intelligence/ operations summaries meetings.

(2) Provide early and frequent briefings to the commander, his subordinate commanders, logisticians, and engineers.

(3) Identify the who, what, and when of critical requirements. Verify the requirement flow through logistical channels.

(4) Stay informed and in the information loop.

(5) Establish contact and coordination with finance, comptroller, HN, civil affairs, legal, and logistics organizations.

c. Mobility on Site.

(1) Obtain transportation and communication. Request, rent, lease, or buy vehicles. Establish commercial and DSN telephones, DDN electronic mail or SALTS data-burst SATCOM capability, FAX, and radio communications.

(2) Secure local telephone books or other reference data for locating sources of services and supplies.

(3) Obtain interpreter(s), if required.

d. Learning the Local Market.

(1) Locate local sources and document the information including the point of contact, supplies and services available, and responsiveness to help develop a bidders mailing list.

(2) Obtain maps of the surrounding areas of operations and determine the availability of common items of supply or services to help construct market survey packets.

e. Contracting Support Plans.

(1) Publish the Contingency Contracting Support Plan and ensure all functional areas have input and coordination in the plan. Contracting Support Plans (CSPs) assure full use of contracting resources including LOGCAP and HNS, and that contracting solutions also receive consideration in logistic planning for contingency deployments. CSPs set policies and outline procedures for contracting operations and establish, when required, intercommand agreements explaining contracting support relations between host and guest MACOMs during deployment. Copies of approved CSPs will be provided to supported activities, units, and functions.

(2) Implement the Acquisition and Contracting Annex to

the OPLAN as published by Unified/Joint Command, MACOM, Corps, or Division.

f. Redeployment.

(1) Start redeployment planning as soon as you deploy.

(2) During the redeployment phase, workload will most likely increase as troops are marshaling through an area for redeployment. Those life support items required during the buildup phase are once again needed for troops as they prepare to redeploy.

(3) All payments must be finalized and closed out, and appropriate documentation of actions should be on record.

Chapter Five

Funding Issues

5-1. Introduction. The funds certification officer certifies all purchase requests prior to processing by the contracting office under peacetime conditions. The contracting officer only gets involved in funding when the amount certified is insufficient. However, during contingencies, the issue of funding becomes more involved because of the urgency and source of the requirements.

5-2. Finance and Contracting Relationships. The Finance and Accounting Officer and Contracting Officer shall be co-located. Contracting officers must coordinate with the finance and accounting officer to ensure timely and accurate payments for supplies and services. Regardless of the method of procurement (i.e., SF 44, imprest fund, blanket purchasing agreement, purchase order, or contract), contractors conducting business in a hardship environment may warrant immediate payments in the name of good business.

5-3. Comptroller Support Relationships.

a. The funds certification officer from the requiring activity or the Office of the Comptroller will verify, through signature certification, the availability of appropriate funds or will certify bulk funding for multiple purchasing. Contracting officers are prohibited from purchasing or contracting without sufficient funds. The funds certification officer and contracting officer must work closely during any type of contingency to ensure that funds are appropriate, valid, and sufficient.

b. The bulk funding concept is the system whereby the contracting officer receives authorization from the certifying officer to obligate funds on purchase documents against a specified lump-sum reserved for that purpose over a specified period of time. Rather than obtaining individual obligation authority on each purchase document, funds are precommitted. Strict control of the bulk funds is necessary to preclude the misuse of funds.

5-4. Funding Procedures. Accounting classification codes are required on all contractual documents.

a. DA Form 3953, Purchase Request and Commitment (Appendix H). The funds certification officer certifies that funds are available on the DA Form 3953, Purchase Request and Commitment. The approved funds are an estimate of the amount which may be obligated by the requesting activity for a specific period of time and designated purpose. If the contracting office is issued a bulk funded DA Form 3953, the contracting office is responsible for maintaining a record of obligations and the remaining balance of funds on the reverse of the form.

b. Other Forms. Contracting officers may receive purchase requests on DD Form 448 or DD Form 448-1, Military Interdepartmental Purchase Request (MIPR). These are "one-time" funding documents which can be used only for the purposes stated on the form. These forms

require funding certification by the funds officer or designee prior to purchase (Appendix I).

c. Imprest Funds.

(1) Commanders with contracting authority are authorized to approve the establishment of imprest funds. The number of imprest funds shall be kept to a minimum. Normally only one imprest fund is authorized per command. Exceptions to this general rule may be justified for isolated activities.

(2) General guidelines for use of imprest funds for simplified acquisitions are as follows:

(a) The supplies or services are available for delivery within 60 days, whether at the supplier's place of business or at destination.

(b) The purchase does not require detailed technical specifications or technical inspection.

(c) The purchase is for transactions up to $2,500 in support of contingencies.

(d) Imprest funds may not be used for payments of salaries and wages, advances, and cashing of checks or other negotiable instruments.

(e) Appendix B covers imprest fund procedures.

Chapter Six

Structure

6-1. General.

a. The consistent lesson learned in previous mobilizations and deployments, regardless of where they took place, has been the benefit of preplanning and having a trained contracting team available at a moments notice. Supporting this premise, the development of the Army Acquisition Corps has enabled Department of the Army to identify Functional Area (FA) 97 and Procurement NCO Additional Skill Identifier (ASI) G1 positions throughout the Army for this purpose.

b. The Military Acquisition Position List (MAPL) identifies those approved TOE positions throughout Corps, MACOMs, and Divisions which require Acquisition Corps officers. Corps, MACOMS, and their subordinate organizations must be augmented with trained personnel as necessary to support their respective mobilization plans.

6-2. Structure Overview.

a. This overview is an example of guidance for a large OCONUS deployment; however, this structure will not apply to all situations. Smaller deployments should be tailored to fit the mission requirements.

b. Geographic combatant commanders coordinate contracting operations within their commands. This requirement may be met through the CINC Logistic Procurement Support Board (CLPSB), which is a temporary board designed to achieve a properly coordinated acquisition program. The CLPSB is chaired by the senior logistician’s representative and includes representatives from each of the component commands. CLPSB functions:

(1) Coordinates with US Embassies and host countries for acquisition of supplies and services and for operations by contractors performing under US contracts.

(2)Eliminates duplication by arranging for contracting assignments for specified supplies and services, when appropriate.

(3)Provides an exchange of information among contracting activities covering such matters as sources of supply, prices, and contractor performance.

(4) Provides guidance on consolidation of purchases.

(5) Establishes procedures to coordinate procurement with theater supply operations.

(6) Prescribes payment procedures consistent with currency-control requirements and international agreements.

c. The deployed contracting organization will usually include the HCA and PARC. The PARC may be dual-hatted as the Contracting Theater Headquarters Commander. All Army contracting offices within

the Army contingency area of operation will function under the contracting theater for procurement purposes. All deploying contracting officers and ordering officers without warrants and appointment letters, shall request that they be issued by the theater HCA or PARC. All deploying contracting officers and ordering officers will have their warrants and appointment letters from non -theater HCAs available and shall present their credentials to the theater HCA or PARC for validation. Non-theater HCAs shall not appoint contracting officers for in-theater contracting and shall not award contracts for in-theater services without theater HCA/PARC approval.

d. The PARC will immediately deploy contracting Forward Area Support Teams (FAST) consisting of contracting officers and ordering officers to the contingency site to perform initial purchasing. The size and number of teams will be dependent on the contingency, humanitarian assistance or peacekeeping operational requirements and operational requirements of the mission as determined by the HCA and PARC.

e. The support staff, contracting officers, contract administrators, contract specialists, procurement clerks, cost and price analysts, property administrators, and administrative personnel will deploy with the main element to establish the main contracting organization in the theater.

f. As the support staff arrives and becomes functional, the FAST teams will be integrated under the theater concept and assist in establishing regional contracting offices as identified by the HCA and PARC.

g. The regional contracting office will be in relative proximity to units and will be responsible for ordering officers working in remote areas.

h. As the contingency, humanitarian assistance or peacekeeping operation closes, the contracting function will reverse the build-up process, whereby the regional contracting offices will close out contracts and procurement actions turning functions over to the main contracting organization at the contracting headquarters. As needed, ordering officers and FAST teams will be maintained to continue contracting requirements. As the main element redeploys, a team of contracting personnel will remain in the area of operations until contracting requirements cease and ongoing procurement activity is closed out.

6-3. Theater Responsibilities.

a. Department of the Army. The Assistant Secretary of the Army (Research, Development, and Acquisition) [ASA(RDA)] will appoint the Head of Contracting Activity (HCA). The HCA implements operational plans based upon instructions from the ASA(RDA) and the Deputy Assistant Secretary of the Army (Procurement).

b. Contracting Theater Command. The HCA will be a General Officer. The HCA provides overall guidance throughout the contingency, humanitarian assistance or peacekeeping operation and acts as the approving authority as stipulated by the FAR, DFAR, and AFARS. The HCA also appoints a PARC. Additional

responsibilities of the HCA are:

(1) Monitor plans originating from Army Staff.

(2) Oversee processing of deviations, waivers, and special authorizations.

(3) Approve warrants for contracting officers.

c. PARC/Contracting Commander. The PARC/Contracting Commander will be delegated specific responsibilities by the HCA. Additional responsibilities of the PARC/Contracting Commander include:

(1) Deploy Forward Area Support Teams (FAST).

(2) Coordinate with PERSCOM to deploy qualified contracting personnel under contingency conditions as needed.

(3) Develop contracting regional offices and ensure contracting personnel are deployed forward.

(4) Establish policies and procedures for developing, reviewing, and managing the contingency contracting process. This includes administrative plans to control documents, maintain records, and conduct audit trails of procurement actions for simplified acquisitions (imprest funds, SF 44s, purchase cards, etc.) as well as large contracts.

(5) Coordinate intercommand agreements detailing contracting support relationships between MACOMs and other U.S. Military Services. This would include approving joint service contracting whether the function would be a means of supporting remote Army units or establishing a joint main element for contracting purposes.

(6) Monitor procedures and the appointment of contracting officers and ordering officers.

(7) Coordinate operational plans or requirements originating with Army Staff.

(8) Review HNS, Status of Forces, and Assistance in Kind Agreements or any treaties which may provide--

(a) Billeting.

(b) Food, water and ice.

(c) Transportation.

(d) Utilities (to include communications).

(9) Establish policies and procedures for Non-Appropriated Fund (NAF) contracting support.

(10) Ensure automation for contracting is on-site for the main organization as well as forward offices to facilitate requisition document controls, priority processing, reporting

procedures, standard use of specifications for common and repetitive requirements, and a means of expediting accurate application of clauses and provisions.

(11) Provide input to Theater Command for accountability policy of contracted property (leased and purchased).

d. MACOMs and Divisions. Upon notification from the HCA and PARC (in coordination with PERSCOM, MACOM and Division) contracting officers and contracting support staff should prepare to initiate their Contingency Contracting Support Plan.

6-4. Peacetime Responsibilities: MACOM and Division tables of Organization and Equipment (TOE) have Major and/or Captain, Functional Area (FA) 97 positions allotted for contingency purposes. When not training, all FA 97 officers will normally perform procurement duties with the local contracting office, prepare and maintain a contingency contracting support plan and kit, and deploy for exercises with the parent organization. The commands must also ensure experience and formal training is made available not only for contracting officers (FA 97), but also NCOs with procurement/contracting Additional Skill Identifiers (ASI) G1, support personnel from logistics/supply, and Warrant Officers and NCOs for duty as ordering officers and CORs.

6-5. United States Army Reserve (USAR) and Army National Guard (ARNG) Personnel. USAR and ARNG personnel, FA 97, should be provided every opportunity to become proficient in the procurement arena. To accomplish this, Active Duty for Training (ADT) should be developed to qualify FA 97 personnel to deploy as needed with their assigned unit or replace at installation the deployed officers. This would include Warrant Officers and NCOs with logistical/supply backgrounds.

6-6. Organization Model.

a. General. This describes the contingency contracting organizational model consisting of four divisions or branches (Support, Contracts, Contract Administration and Simplified Acquisition). Although this model describes normal functions to be performed by contracting, commander's assessments of mission, workload analyses, position management, and policies may identify different arrangements. If mission, workload, and span of control considerations do not support establishment of the model organization, the model should be adapted to the local situation.

b. Principal Assistant Responsible for Contracting (PARC). The PARC is the senior acquisition advisor responsible for oversight and administration of the contracting function as planned and executed within the contracting activity, and is authorized to represent the Head of the Contracting Activity (HCA) for all delegated functions. The PARC is located at the contracting activity level with direct access to the HCA. The PARC shall head an organizational element reporting directly to the HCA. Typically the Office of the PARC provides oversight to ensure that all purchases subject to the FAR, DFARS and AFARS are properly executed by contracting officers selected and appointed pursuant to AFARS 1.603. The PARC also maintains surveillance over contracting performance to ensure adequacy of organizational

structure, staffing, and training programs of each contracting office.

c. Contracting Commander. The contracting commander commands all contracting activities assigned or attached to the contingency area and accomplishes missions assigned by the HCA and other competent authorities. The contracting commander may be dual-hatted as the PARC. Typically the Office of the Commander coordinates, plans, organizes, staffs, directs and controls the activities of the Contracting Command.

d. Chief of the Contracting Office. The chief plans, directs, and supervises purchasing and contracting for supplies, services, and construction for assigned customers. The chief may also be dual-hatted as the PARC. This office will typically--

(1) Approve actions requiring approval at a level above the contracting officer.

(2) Review contractual actions to assure compliance with statutes and regulations.

(3) Develop and execute a program to ensure maximum competition.

(4) Assure a positive program for audit tracking.

(5) Accomplish internal reviews to assure regulatory and procedural compliance.

e. Support Division. This division provides support services required to assure efficient contract execution and administration. It will typically:

(1) Administratively support the contracting office.

(2) Maintain records, process data, and prepare reports of procurement actions as required.

(3) Provide status reports and follow-up data to management.

(4) Operate the Standard Procurement System (SPS) or other automated systems.

(5) Perform cost and price analysis and on-site review of contracting documents. Identify areas for prevention of fraud, waste, and abuse for referral to proper authorities, and provide support for property administration.

f. Simplified Acquisition Division. This division performs the functions of planning, soliciting, executing and administering supplies, services, and construction procurements using simplified acquisition procedures. It will typically:

(1) Initiate and complete appropriate purchase actions for the acquisition of supplies and services and construction needs to support all assigned customers.

(2) Provide data for use in preparing procurement action reports.

(3) Prepare management reports as required (DD Form 350/1057).

(4) Resolve all adverse actions associated with small purchase requirements.

(5) Close-out completed purchase actions (Appendix Q)

(6) Operate an imprest fund.

(7) Operate a credit card program

(8) Provide control and guidance to Ordering Officers.

g. Contracts Division. This division performs the function of planning, soliciting and executing supplies, services and construction procurements utilizing other than simplified acquisition procedures. It will typically:

(1) Initiate and complete appropriate contracts for the acquisition of supplies, services and construction requirements to support all assigned customers.

(2) Assist customer activities in preparing performance work statements (PWS) and purchase descriptions; executing advance acquisition planning to ensure efficient and economical use of allotted time and funds.

(3) Resolve all adverse actions associated with acquisition requirements.

(4) Provide data for use in preparing procurement action reports (DD Form 350/1057).

(5) Prepare management reports as required.

(6) Perform the functions of planning, selecting, executing and administering purchases using non-appropriated funds for morale, recreation and welfare purposes in accordance with Army Regulation 215-4.

h. Contract Management Division. This organization is established primarily to provide an effective and efficient organization for administration and the management of contracts. All contracts, other than simplified acquisition, are candidates for transfer to this division. Service contracts require intensified contract administration and will be transferred to this division. This organization will typically:

(1) Administer contracts awarded by the contracts division from award to close out.

(2) Coordinate technical and administrative efforts to ensure the government's best interest is served when the customer receives the supplies and services established by the contract.

(3) Prepare and issue contract modifications,

administrative changes, and termination agreements.

(4) Assist and prepare or issue the contracting officer's decisions, replies to Congressional inquiries, litigation documents, and cure or show cause notices as required.

(5) Appoint CORs and oversee the quality assurance, surveillance and evaluation of contract performance.

(6) Close-out completed contracts (Appendix Q).

(7) Contract administration should be delegated to DCMDI when deployed in theater.

Chapter Seven

Duties and Responsibilities

7-1. Introduction. Initial procedures and responsibilities required in purchasing under contingency, humanitarian assistance or peacekeeping operational conditions rest with the requiring unit/activity/organization.

7-2. Unit Responsibility for Local Purchase Requests.

a. Unit personnel responsible for purchasing will--

(1) Submit DA Form 3953, Purchase Request and Commitment (or equivalent requisition document).

(2) Correctly complete item description and end item application on the request form.

(3) Ensure the commander or designee of the requesting activity has reviewed the request for validity and signed.

(4) Verify non-availability by MILSTRIP requisition.

(5) Ensure the requirements are not split to avoid a local purchase dollar limitation.

(6) Obtain funding.

b. Preparation instructions for DA Form 3953 are at Appendix H.

7-3. Contracting Officer's Duties and Responsibilities. Contracting officers may find themselves more involved in all types of procurements than in a peacetime role. Maintaining standards of conduct and conflict of interest policies may prove to be more challenging, particularly overseas. Issues or questions which may arise should be addressed with the standards of conduct legal advisor. Duties that may violate conflict of interest (that is, verifying requirements, certifying funds, receiving, and paying for goods and services) should not be given to the contracting officer. Additional duties such as Article 32 officer, reports of survey, Survivor assistance officer or escort, etc., should not be given to the contracting officer.

a. Management. A system which will establish an audit trail of all purchase requests and their status must be maintained. These records are critical to keep commanders informed, work with the comptroller, and ensure each rotation of contracting personnel has a history of previous procurement activity.

b. Systems Management. Standard Procurement System (SPS) or an equivalent system will be available to facilitate the management of purchases and produce the actual purchasing documents. Laptop computers with portable printers will assist contracting offices.

(1) Requirements of systems management are assignment and control of purchase orders and contract numbers, and reconciliation of records with finance and comptroller.

(2) Reporting requirements, such as the DD Form 350 and

DD Form 1057, will continue to be submitted.

(3) Automation will greatly facilitate processing of procurement actions and assure appropriate placement of clauses and provisions.

c. Services and Construction Requirements. Local standards and customs for construction materials and measurements may require greater attention. Statements of Work (SOW) may require translation. Requiring activities must supply as much information as possible (this includes sending a representative when necessary). Final acceptance of construction projects will be done with a qualified government (military/civilian) subject matter expert

d. Real Property. The contractual responsibilities of the Corps of Engineers (USACE) in support of a deployment will vary depending on the extent to which OPLANs assign responsibility to USACE. At a minimum, USACE participation in a deployment would involve settling real property transactions. Those USACE representatives assigned may be from the nearest USACE district office, depending on district boundaries. The volume and magnitude of construction contract requirements will be determined by engineering units or assets.

e. By regulation, the USACE is responsible for the leasehold acquisition of real property assets by the Army. Claims arising from the occupancy of real property by U.S. Forces are to be referred to the USACE representatives for settlement (See Chapter 9).

7-4. Buying Supplies.

a. Purchase/Receipt/Delivery. The contracting officer can expect an expanded support role during contingency, humanitarian assistance or peacekeeping operations. Because reliable telephone service may not be available, vendors may have to be contacted in person. In addition, many of the initial business transactions will be "cash and carry," conducted by the contracting officer and finance officer’s representative or an ordering officer.

b. Paying for Supplies. The Finance Officer’s Representative, is responsible for making cash payments for purchases.

c. Referrals. The contracting officer may receive a number of purchase requests for items which are not available in the immediate area but may be available at a location serviced by another contracting office. If the deployment base has routine airlift to and from another military installation, the requirements may be satisfied by referring the purchase request to another contracting office. Open referrals must be documented and the action followed until completion.

d. Transportation Costs. Where military lift or transportation is not available, transportation costs must be considered in determining the material cost levels to provide supplies not available in the contingency area. Transportation costs can range from one third to more than the cost of the item procured due to the remoteness of the area, in-route security, and other factors.

Consideration must also be given to the host country's custom rules and duties before ordering supplies and services.

e. Audit Trail. The importance of accurate purchase documentation cannot be over emphasized. Since normal checks and balances may not exist in the initial phase of the contingency, contracting officers must maintain accurate data on each purchase to answer any questions during and after the purchase.

f. Typical Supply Requirements. While an accurate list of requirements at every contingency location is not possible, it is useful to have an idea of what was required during previous deployments. This can help in determining types of catalogs (preferably those with pictures) contracting officers should include in contingency kits. The pictures are a means of showing contractors what is needed in the event of a language problem. Listed below are some requirements gathered from previous exercises:

(1) Construction Materials.

(a) Sand, gravel, sandbags.

(b) Cement.

(c) Pipes, valves, fittings.

(d) Lumber, plywood.

(e) Electrical parts.

(f) Plumbing supplies.

(2) Administrative Supplies.

(a) Paper, pencils.

(b) Voltage adapters

(c) Other office supplies.

(3) Replacement Parts.

(a) Vehicles.

(b) Common equipment (for example, fans, ovens, heaters, air conditioners, etc.).

(c) Heavy construction equipment.

(4) Medical Supplies.

(a) Bandages, gauze.

(b) Splints.

(c) Medicines.

(d) Medical Equipment.

(5) Subsistence (See Note).

(a) Water, potable and non-potable.

(b) Fresh fruits and vegetables.

(c) Bread.

NOTE: Only those items of subsistence that have prior clearance by the G4 and support veterinarian may be purchased. Consideration should also be given to local cultural issues and customs.

7-5. The unit PBO will

(1) Obtain local purchase authority from the Supply Support Activity (SSA) and request local purchase by the unit ordering officer.

(2) As the functional expert, determine whether the property is non-expendable (requires property book account ability), durable (requires hand receipt accountability only), or expendable (no accountability required).

(3) Upon receipt of supplies and equipment, process the receipt documentation.

7-6. Buying Services and Construction. Buying services and construction is usually more complicated than buying supplies. It is much simpler to describe a product than to describe a service or level of effort needed to satisfy a requirement. Because of these limitations and the ongoing nature of the work involved, the following actions should be taken in every case:

a. A detailed Statement of Work (SOW) must be prepared by the requiring activity. Boilerplate SOWs of basic requirements should be an integral part of the contingency kit (samples at Appendix F). When possible, this will have to be done in both english and the host languages to ensure understanding by the contractor.

b. A Contracting Officer's Representative (COR) must be available from the requiring activity to monitor performance.

c. In repair contracts, the contracting officer should require a hand receipt when government property is given to a contractor for repair services.

d. Service and construction contracts must be in writing, not only for the contractor's benefit, but for the Army's.

e. Contracting officers shall provide a Price Negotiation Memorandum (PNM) to document how a fair and reasonable price was determined. (AFARS 15.808)

f. Appropriate construction and service provisions must be included in the contract. Additionally, if supplies are being procured as a part of either type of contract, the applicable supply clauses must be inserted.

g. The contracting officer, with the COR, must establish a system for monitoring contractor performance and progress. A quality assurance process and surveillance plan should be prepared to define how quality will be assured and how the Government will oversee the provision of goods and services by the contractor.

h. Service and construction requirements in past operations include:

(1) Services.

(a) Billeting/Facility rentals.

(b) Non-tactical vehicle rentals and maintenance.

(c) Commercial communications services (if available).

(d) Interpreter/Translator services.

(e) Civilian labor service.

(f) Utilities services.

(g) Typewriter, calculator and office equipment repair.

(h) Furniture repairs.

(i) Radio repairs.

(j) Emergency tow services.

(k) Refuse collection.

(l) Latrine services.

(m) Laundry service.

(n) Stevedore services.

(o) Shower/bath services.

(p) Waste oil disposal services.

(q) Material Handling Equipment (MHE) lease and repairs.

(r) Mortuary Services

(2) Construction.

(a) Paving.

(b) Revetments.

(c) Fences/barriers.

(d) Temporary structures.

(e) Maintenance/repair of existing structures.

(f) Signs

(g) Gravel/Sand/Dirt

7-7. Contract Management.

a. Contract Administration. The contracting officer may be limited as to the number of site visits because of geographic limitations and considerable workload, and therefore, is dependent on the contracting officer's representative (COR) for assistance. CORs conduct site visits to ensure that service and construction contractors are performing in accordance with IAW the terms of the contract. Every effort must be made on the part of the COR to avoid an action or open dialogue with the contractor during site visits that can be interpreted as an oral change order (a type of "constructive change" to the contract). However, if such changes occur, the contractor can submit a claim (if agreement cannot be reached it will be handled as a dispute). In instances where the COR determines contractor performance must be halted, the COR will request that the contracting officer issue a stop work order.

b. Approving and/or Making Payments. Any ongoing construction or service contract may require progress payments. A progress report is needed from the COR stating how the contractor is performing and the percentage of work completed. This information should be well documented so the contracting officer can determine the amount of the progress payment. Where possible, establish pre-agreed stages for in-process reviews (IPRs), such as: foundation poured, inspected, and approved at which time a progress payment would be made. These periodic reports will also be used to determine final settlement when the contract is closed out.

c. Contracting Officer's Representative (COR) (Appendix D).

(1) CORs are generally subject matter experts or specialists in some specific area. They advise the contracting officer regarding details of the supplies or services purchased.

(2) CORs monitor contractor compliance and assist in administration of the particular contract. The COR plays a key role in the government's quality assurance responsibilities and typically monitors the progress of, inspection, and acceptance of supplies or services delivered to ensure timeliness, quality, and conformance to specifications.

(3) Contracting officers will thoroughly brief assigned CORs as to the scope of their responsibilities and review the requirements of the contract to ensure the COR understands the requirements and standards.

(4) CORs are nominated by the requiring activity and appointed in writing by the contracting officer. CORs are limited to the authority stated in their letters of appointment and will not have the authority to change the contract.

Chapter Eight

Contracting Procedures During Contingency Operations

8-1. General. Two areas of concern are the requirement and the various contracting instruments available to the contracting officer. The flexibility needed to satisfy most requirements by the contracting officer can be met by using simplified acquisition procedures such as imprest fund purchases, Standard Form 44 (Purchase Order-Invoice-Voucher), DD Form 1155 (Order for Supplies and Services), SF 1449 (Solicitation/Contract/Order for Commercial Items), blanket purchase agreements, and purchase card purchases. (FAR 13)

8-2 Competition and Oral Solicitations. Purchases over $100,000 ($200K when authorized), during contingencies will normally be made through negotiations because discussions with offerors will usually be necessary. While the time necessary to make a large purchase will normally be greater than that of a simplified acquisition, there are exceptions available to expedite the process.

a. The contracting officer need not seek full and open competition if the agency's need for the supplies or services is of such an unusual and compelling urgency that the government would be seriously injured unless the agency is permitted to limit the number of sources. Purchase requests citing Uniform Material Movement and Issue Priority System (UMMIPS) codes 01 through 04 reflect a compelling urgency but cannot be used as sole justification to limit sources. Sufficient rationale must be provided by the requiring activity to the contracting officer for a written justification and approval in accordance with (IAW) FAR 6.302-2, 6.303 and 6.304. To prevent abuse of the UMMIPS coding system, it is recommended that all purchase requests, regardless of origin, be first channeled through either the Assistant Chief of Staff, Logistics (G4), or Supply Officer (S4) who will determine the following:

(1) If it is legitimate and authorized.

(2) If it should be filled contractually, and if so--

(3) That the priority of the requirement is validated. The S4/G4 sets logistical priorities which should eliminate confusion over prioritizing 01-04 requisitions. When in abundance, high priority requisitions tend to have equal urgency and slow down the process.

b. A written solicitation is labor and time intensive. An oral solicitation is permitted under FAR 15.402(f) for perishable subsistence. For other supplies and services, an oral solicitation may be used when a written solicitation would delay the acquisition of supplies and services to the detriment of the government. This does not alleviate the contracting officer from complying with all other regulatory requirements. The contract file shall include:

(1) A justification for use of an oral solicitation.

(2) Item description, quantity, and delivery schedule.

(3) Sources solicited, including the date, time, name of individual contacted, and prices quoted.

(4) The solicitation number provided to the prospective contractors. The contracting officer's documentation must provide sufficient rationale for the use of oral solicitations, (A reference to the UMMIPS code is not sufficient rational).

c. Once the contracting officer completes the oral solicitation and determines award, a contract will be prepared for the contractor's signature as quickly as possible. Any delay requires a further explanation in the contract file describing the reasons for the additional delay. Sample contract formats, preprinted forms, and copies of the required clauses in the contingency contracting support kit will accelerate the contracting process.

8-3. Ratifications.

a. When the contracting officer is not one of the first people to arrive at the deployment site, unauthorized actions may undoubtedly occur at a greater rate. The government may assume liability through a ratification process. Ratification actions should be processed in the shortest time possible.

b. It must be made clear to all individuals that if ratification is not possible or permissible, the individual responsible for the unauthorized act may be held liable for the costs of this action.

c. The HCA may delegate to the PARC ratification authority up to $100,000. Also, to further expedite the processing time, the HCA can delegate ratification authority to the Chief of the Contracting Office for actions valued at $10,000 or less.

d. The process for ratification of unauthorized commitments should be established prior to deployment and widely publicized to and by commanders.

e. At the same time, prevention of unauthorized procurements must be stressed. These incidents occur without conscious intent, especially when dealing with the HN. If a U.S. Forces member asks for an item or service, the HN will normally make every attempt to fulfill that request, regardless of proper authorization.

8-4. Selection of a Contract Type.

a. The contracting officer makes the decision on the type of contract to use. This decision is made on a case-by-case basis. The objective is to select the contract type that places a reasonable degree of risk upon the contractor and provides the contractor with the greatest incentive to perform efficiently and economically. Consideration will be given to the factors in FAR 16.104, as well as the stability and predictability of the requirement, the specificity of the description of work, and the quality and availability of historical workload data. Contracting officers must ensure each contract file includes documentation explaining why a particular contract type was

chosen.

b. Contracting officers are cautioned that combination contracts, composed of two or more contract types, must be applied with care. Such contracts should be used only if the work can be described and contracts executed and administered in a manner that ensures the work is performed and the contractor is paid under the terms and conditions which the work was originally negotiated and priced.

c. The type of contract selected will determine both the clauses to be included and the degree of risk accepted by the government. The selection of contract type during a contingency, humanitarian assistance or peacekeeping operation will be more difficult because customer needs may easily be understated or overstated. Often times deployment needs will change daily or even hourly. In these cases, a customer's inability to accurately plan must be taken into consideration when determining the type of contract to use.

d. Types of Contracts.

(1) Time and Materials Contracts (FAR 16.601).

(a) Time and materials contracts are used to acquire supplies or services on the basis of--

(i) Direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit.

(ii) Materials at cost, including (if appropriate) material handling costs.

(b) A time and materials affords the contractor no positive profit incentive to control material or labor costs effectively. Yet this contract type is often the only effective one for repair, maintenance, or overhaul work to be performed in emergency situations. This type of contract may only be used--

(c) A time an materials contract may be used only after the contracting officer executes a written determination and finding that no other contract type is suitable. When the contract includes a ceiling price, the breach of which is at the contractor's risk. If the ceiling price is subsequently raised, the contracting officer shall document the contract file justifying the increase.

(d) In awarding a time and materials contract, the agreed upon hourly rate per direct labor hour is an important source selection factor, but more important is the contractor's technical and managerial skills to include his reputation for getting the job done. It is significant to understand that the contractor gets paid for hours and materials expended; accordingly, awarding to a marginal producer may not be wise over the duration of the contract.

(2) Indefinite Delivery Contracts (FAR 16.5 and DFARS 216.5) The three types of indefinite delivery contracts are

definite-quantity, indefinite-quantity, and requirements contracts. The requirements contract is most likely to be of benefit in a deployment. It has several advantages:

(a) Money is obligated only when the government issues a delivery order against the contract. (Delivery orders are prepared on the DD Form 1155 and contain information similar to a purchase order with some minor differences.(See Appendix J).

(b) The contract price can be based on firm fixed price or cost reimbursement. The prices agreed to can be derived from either catalog or market prices.

(c) Prior to the end of the contract performance period, a written notification is sent to the contractor, after which the government stops issuing delivery orders. The contractor has the burden to prove if additional compensation is warranted.

(d) The inclusion of maximum and minimum order quantity limitations is encouraged when feasible. These contractual limitations are negotiable, with the result that purchase requests for requirements above or below contractual quantity limitations may not result in delivery orders being placed. They will be treated as either a separate, small, or large purchases. The success of the contract depends on the ability of the customer to develop realistic estimates of their needs.

(e) Requirements contracts have the flexibility needed to support deployment without the financial risk and administrative burden that a cost-reimbursement contract would pose. In short, under a requirements contract, one only orders what is needed, when it is needed, and only pays upon acceptance.

(f) Ordering officers can be authorized to issue delivery orders against a requirements contract. The contracting officer may wish to limit that authority in order to control/monitor the volume and cost of orders placed under the contract.

(g) Requirements contracts are typically written for a one-year period based on estimated repetitive needs. Accordingly, supplies and services for which there are repetitive needs should be reviewed to see if a requirements contract might be suitable. One way to determine this is to review the number of simplified acquisition actions being made for the same items. Another way would be to discuss projections of future needs with the G4/S4.

(3) Cost-Reimbursement Contracts (FAR 16.305). There are few contractual requirements that can not be accomplished by a cost-reimbursement contract. A cost-reimbursement contract requires an acceptable accounting system that will allow tracking of costs that are allowable, reasonable, and allocable to the contract. Under deployment conditions there may be no way to determine the acceptability of an accounting system. Additionally, cost-reimbursement contracts require the inclusion of an auditing clause which may be unacceptable to foreign

contractors. Additionally, obtaining auditing support may be difficult.

(a) The administration of a cost-type contract can be complex and labor intensive. This should be considered when determining contract type under contingency conditions. If there are language and/or cultural barriers to overcome, the contracting officer may experience difficulties in explaining the basis for reimbursement of costs and fees.

(b) If a cost reimbursable contract is still desirable, one of the most advantageous to the government would be the cost-plus-award-fee. In the contingency contracting arena, this type of contract is service-oriented and provides for the reimbursement of allowable costs, the payment of a base fee and an award fee. Both fees are based on the estimated cost to complete the contract, not actual costs incurred. Since the base fee is essentially fixed, contractor motivation is maintained through the subjective determination of how much award fee the contractor should receive.

(4) Fixed-Price Contracts (FAR 16.202). Under a fixed-price contract the government must be able to describe exactly the desired contract results and allow the contractor the flexibility to plan, manage, and execute the work in order to achieve those results. During a contingency, humanitarian assistance or peacekeeping operation, this type of contract has tremendous advantages as the performance and cost risk responsibilities lie with the contractor. The firm fixed-price contract entails less administration and as long as the requirements are clearly identified, the contractor should perform and be paid in a timely manner.

(5) Undefinitized Contract Actions (UCA) (DFARS 217.74)

(a) Undefinitized contract actions are those for which the contract terms, specifications, or price are not agreed upon before performance begins. UCAs shall be approved in advance by the Head of Contracting Activity (HCA).

(b) Requests for approval to issue an undefinitized contract action shall include a written statement of urgency as required by DFARS 217-7404.

(c) If the contractor refuses to sign a bilateral contract and the contractor is the only vendor who can perform the contract, the following recommendations are provided:

(i) Write the contract as if the contractor is going to sign.

(ii) Have it witnessed that the contractor refuses to sign (but is willing to do the work).

(iii) Put a memorandum in the file with the contract stating the situation.

(iv) Review the requirements with the contractor and provide a verbal approval to proceed.

(v) The contracting officer must ensure contractual requirements are adhered to in providing the service in a timely manner at a reasonable cost.

(vi) The contracting officer should provide a copy of the requisition and memorandum documentation to the requester, finance, and retain one copy for file.

8-5. Purchase Request Documents.

a. Contracting is only one tool of the system to provide supplies and services to U.S. Forces in an area of operation. All requests for supplies or services are processed in the same manner, with the J4/G4/S4 approving whether the supply or service is filled from the military supply system, HNS, LOGCAP, or by contract.

b. Purchase requests can be made on many different forms (DD Forms 1348-1, 1348-6, DA Form 3953 and DD Form 448 are just a few). Regardless of the type of document, three requirements must be met:

(1) A complete item description.

(2) Certification of funds.

(3) Citation of local purchase authority.

c. For simplified acquisitions, a good description might include the item name, part number/stock number, a picture, or sample of the item (to show potential vendors), the customer's name and organization, and a point of contact. For services and construction requests, the contracting officer will need a complete SOW and name of the customer's COR nomination who will be providing technical support. The SOW should include a detailed, performance oriented, description of what is expected of the contractor; what the government needs, not how it should be accomplished.

d. The total amount of funds certified and the final obligated amount must be designated in dollars. The final obligation should be annotated on the purchase request. Conversion rates at the time of award should also be noted.

e. Requiring activities will provide a list of personnel authorized to certify funds for purchases. Funds certification cannot be further delegated. Signing for the certifying officer is not acceptable.

8-6. Imprest Fund (Appendix B and K).

a. The Imprest Fund. This cash fund of a fixed amount is established by an advance of funds to a duly appointed cashier for the purpose of making immediate cash payments of relatively small amounts for authorized supplies and nonpersonal services. The amount of the fund will be based on the estimated monthly usage of the fund. Imprest funds are established by commanders of installations or activities who have contracting authority. In addition, an alternate cashier will be appointed to act as a

backup for the primary cashier. In no event shall an imprest fund cashier have access to or control of more than one imprest fund.

b. Application. Dollar ceilings for transactions are $500, but are raised to $2,500 for overseas transactions in support of a contingency, humanitarian assistance or peacekeeping effort. The use of the fund must be considered advantageous to the government. The requiring activity must submit a request to initiate use of the imprest fund.

(1) The purchasing information is annotated on a purchase request document and signed by the contracting officer. A purchase requisition, SF 1165 (Receipt for Cash-Subvoucher), and the vendor's sales document may be used to support the purchase.

(2) The requisition document must itemize the supplies or non-personal services to be purchased and indicate the estimated cost. Competition is required anytime the contracting officer does not think that the price is fair and reasonable. Rotating suppliers in the same manner as any other small purchase method should be used to the maximum extent possible.

(3) Material purchases will be delivered to a designated point and the receiver will examine and accept the supplies on either the vendor's invoice or the SF 1165. When the vendor cannot deliver, an authorized person may be designated to pick up the supplies. In this case, an advance of funds will be drawn from the cashier, annotated on an SF 1165, and paid to the vendor. The receipt from the vendor will be returned to the imprest fund cashier with the SF 1165 signed by the vendor as having received a cash payment (FAR 13.4).

c. Responsibilities of the Imprest Fund Cashier. The imprest fund cashier is personally responsible for the money and accountable to the finance and accounting officer. The cashier is also responsible to the contracting officer for the administrative operation of the fund. Every effort must be taken to safeguard the fund. The money should be kept in an adequate safe and securely locked. Cash is kept in an amount sufficient to meet minimum mission requirements.

(1) Pending documentation of receipt of supplies, the cashier maintains an active file of purchase request documents for all fund purchases. Prior to payment, the cashier must match the purchase request document against the request for payment. Finally, the cashier certifies that the supplies were received and the price paid matches the payment request.

(2) Whether the imprest fund is used for vendor delivery payment, receipt by parcel post, or payment for services, the cashier must make certain that each purchase has the required documentation. The verified SF 1165 and the properly executed sales document become a subvoucher which will later be used to reimburse the fund.

(3) Upon presentation of an authorized document with the necessary certification of receipt for supplies or services,

the cashier pays the supplier and obtains the certification of cash payment.

d. Reimbursement of the Imprest Fund. At least monthly, the fund is reimbursed by use of the SF 1129, Reimbursement Voucher, and supported by the cashier's subvouchers. At the close of the fiscal year, a reimbursement voucher covering all remaining subvouchers through 30 September is submitted before closing the allotment accounts for the month. When a vendor refunds cash prior to the submission of the SF 1129, the invoice must be annotated accordingly. If the refund occurs after submission of the SF 1129, the refund is submitted to the disbursing officer and the receipt is filed in the funds records.

8-7. Standard Form 44, Purchase Order-Invoice-Voucher. Standard Form 44, Purchase Order-Invoice-Voucher, (FAR 13.505) is a pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchases of supplies and nonpersonal services. It can be used as a purchase order, receiving report, invoice, and public voucher. The procedures for its use are covered in Appendix G.

a. Since the SF 44 contains no written terms and conditions, its use is authorized only when no other small purchasing method is considered more economical or efficient and all of the conditions listed below are met:

(1) The supplies or services are immediately available.

(2) One delivery and one payment is to be made.

(3) The amount of the purchase is at or below the micro-purchase threshold.

b. Warranted contracting officers may use the SF 44 for overseas transactions in support of declared contingencies, humanitarian assistance or peacekeeping operations for amounts up to $200,000. Like imprest funds, the SF 44 may be used by persons other than the contracting officer provided the individual:

(1) Has written authorization from the contracting officer. The contracting officer should give a copy of the written authorization to the finance and accounting officer, in effect, delegating authority to sign a contract instrument.

(2) Has been trained by the contracting officer to use the form.

c. The buyer is responsible for ensuring that funds are available, that the form is properly processed, and that only authorized items are purchased. Care should be exercised to maintain physical control and accountability of the forms.

8-8. DD Form 1155, Order for Supplies or Services.

a. Purchase Orders. Purchase orders (FAR 13.5) are self-contained, one-time contracts which typically result in one

delivery and one payment. DD Form 1155, Order for Supplies or Services, when used as a purchase order, is authorized for purchases not to exceed the simplified acquisition threshold. Vendors are solicited orally or in writing. The DD Form 1155 is filled in with appropriate information such as shipping, prompt payment discounts, financial data, vendor, quantities, price, and additional data. The form is then mailed, hand carried, or picked up by the vendor, who will either perform the order or sign the back and return it, thereby promising to perform the order. When the item requested has been received or the service requested has been performed, the bottom of the front page may be used as a receiving report for the government. (See Appendix J)

b. Clauses. To protect the interests of the government, unilateral purchase orders should incorporate by reference those applicable clauses listed at DFARS 213.507(a)(i). Use of Alternative I to subparagraph (l) of the Disputes Clause at FAR 52.233-1 is recommended. For those purchase orders requiring the contractor's written acceptance, the clauses at DFARS 213.507(a)(ii) shall be included. Because delivery orders are written against a contract or agreement, the terms and conditions of the basic contract or agreement apply to any delivery orders issued.

c. Modification of Purchase Orders. The SF 30, Amendment of Solicitation/Modification of Contract, is used to modify DD Form 1155 purchase orders. If the contract is bilateral, both parties must agree to the modification unless it falls within the Changes Clause. In addition, a unilateral contract may be changed to a bilateral contract by using the SF 30.

d. Unilateral or Bilateral Action. A unilateral agreement is defined as a promise in return for performance (service or supply), while a bilateral contract is defined as a promise in return for a promise. Most DD Form 1155 actions are unilateral; that is, the government simply sends the vendor the form which authorizes him to perform immediately. Once the vendor has performed, the government is obligated to pay. The vendor is under no duty to perform, since the government's DD Form 1155 is merely an offer which he may accept by performance or refuse to accept by failing to perform. If the vendor fails to deliver, no contract has been breached nor defaulted since no contract existed.

(1) On the other hand, once the vendor has signed the acceptance and mailed it to the contracting officer, a bilateral contract exists and the government has the right under the Termination for Default Clause to terminate the contract if the contractor fails to perform according to its terms and to charge the defaulted contractor with the excess costs of reprocuring the requirement.

(2) The form is used as a bilateral contract when there is a relatively long lead-time, when a more complex contract calls for a greater amount of contract administration, or when previous experience with a supplier indicates a desirability to possess greater leverage through inclusion of Termination for Default Clause.

e. Withdrawal of Purchase Order. Unilateral purchase orders include provisions to allow termination for convenience or default.

(1) A notice of withdrawal should be in writing with a request for written acknowledgment by the contractor. Once the contractor has begun performance on an order, the government has lost its absolute right to withdraw without cost or liability.

(2) If it becomes necessary to terminate such a purchase order, the contractor should be asked to agree to a cancellation of the order without cost or liability. If the contractor refuses to agree to a no-cost settlement, the case is referred to the legal office and action is withheld pending advice from a lawyer.

(3) If the contractor has incurred costs in reliance on the purchase order, an agreement will be negotiated to reimburse him for those costs.

f. DD Form 1155 as a Delivery Order. This form is also the basic document used as a delivery order against indefinite delivery type contracts. Delivery orders are orders for supplies or services placed against an established indefinite delivery contract. A requirements contract contains all appropriate terms and conditions but does not specify exact quantities of supplies or services required. Additionally, a requirements contract does not obligate dollars until a delivery order is issued. As exact requirements become known, a DD Form 1155 is sent to the supplier and this initiates the delivery of supplies or services specified in the delivery order, subject to the terms and conditions of the existing requirements contract. A requirements contract obligates the government to buy all of its requirements from the contractor. Delivery orders may be terminated, modified, or changed in accordance with the terms and conditions of the requirements contract.

8-9. Blanket Purchase Agreements.(FAR 13.2)

a. A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs are designed to reduce administrative costs in accomplishing simplified acquisition by eliminating the need for issuing individual purchase documents.

b. Contracting officers may establish BPAs when there is a wide variety of items in a broad class of goods (e.g., hardware) that are generally purchased but the exact items, quantities and delivery requirements are not known in advance and may vary considerably.

(1) A BPA should be established without a purchase request.

(2) A BPA shall not cite accounting and appropriation data.

(3) BPAs should be made with firms from which numerous

individual purchases will likely be made during a given period. For example, if past experience has shown that certain firms are dependable and consistently lower in price than other firms dealing in the same commodities and if numerous simplified acquisitions are usually made from such suppliers, it would be advantageous to establish BPAs with those firms.

(4) To the extent practical, BPAs of items of the same type should be placed concurrently with more than one supplier. Competitive sources should be given an equal opportunity to furnish supplies or services under BPAs.

(5) If it is determined that BPAs would be advantageous, suppliers should be contacted to make the necessary arrangements for securing maximum discounts, documenting the individual purchase transactions, periodic billing, and other necessary details.

(6) A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish.

(7) BPAs shall be prepared and issued on DD Form 1155, Order for Supplies and Services or SF 1449 Solicitation/Contract/Order for Commercial Items.

c. Terms and Conditions. BPAs shall be established IAW FAR 13.203.

d. Delivery Tickets. BPAs shall include a requirement for all shipments under the agreement be accompanied by delivery tickets or sales slips which shall contain the following minimum information:

(1) Name of supplier.

(2) BPA number.

(3) Date of purchase.

(4) Purchase number.

(5) Itemized list of supplies or services furnished.

(6) Quantity, unit price and extension of each item less applicable discounts.

(7) Date of delivery or shipment.

e. Invoicing method options are as follows:

(1) A summary invoice shall be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period. The summary invoice shall also identify the delivery tickets covered therein, stating their total dollar value and supported by receipted copies of the delivery tickets.

(2) An itemized invoice shall be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets.

(3) When billing procedures provide for an individual invoice for each delivery, these invoices shall be accumulated; provided that a consolidated payment will be made for each specified period; and the period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period.

f. Call Officers. Responsibility for the function of placing calls under BPAs rests with the contracting officer who may authorize individuals assigned to the contracting office to place calls in any dollar amount within the limitation under established BPAs. He may also authorize individuals in requiring activities to place calls not exceeding $2,500 under established BPAs. Contracting Officers who authorize individuals to place calls under BPAs shall--

(1) Instruct the individuals in the proper use of BPAs.

(2) Furnish copies of BPAs to each individual authorized to place calls.

(3) Ensure that individuals have ready access to price lists or catalogs incorporated in or attached to BPAs.

(4) Ensure that individuals equitably distribute calls among suppliers with whom BPAs have been established.

(5) Ensure that individuals do not split purchase transactions to evade monetary limitations.

(6) Require that individuals refer all cases where prices are not considered reasonable to the contracting officer for determination.

(7) If appropriate, obtain from individuals at the end of each billing period copies of delivery tickets or sales slips so that supplier's invoices may be promptly paid.

(8) Maintain continuing surveillance over individuals to ensure compliance with acquisition regulations and to validate the need for retention of BPA call authorization of each individual.

(9) Ensure that suppliers are informed of the names of individuals authorized to place calls.

(10) Inform individuals authorized to place calls that the authority may not be redelegated.

8-10. Purchase Cards.

a. General. A government purchase card is the preferred method of purchasing supplies and services within the micro-purchase threshold ($2,500/$2,000 for construction). The card is also a method of paying for the purchase of supplies and services when used in conjunction with an accepted simplified acquisition procedure (i.e. purchase order, SF 44, etc.). All purchases that are made or paid for using government purchase cards are subject to all applicable provisions of AFARS Part 13 and must be authorized and documented accordingly. While the benefits associated with the use of the card are well known, they may not be readily accepted in many OCONUS locations in a contingency situation.

b. Responsibilities, Qualifications and Uses. Refer to AFARS 13.90.

8-11. File Management.

a. Contract Files. All FAR, DFARS and AFARS administrative recordkeeping and file management will continue under contingency, humanitarian assistance or peacekeeping conditions unless specifically stated otherwise. Contract files must be organized and sufficiently annotated to enable a reconstruction of the entire procurement process to include BPAs, purchase cards and other expenditures. Documentation in files shall be adequate to constitute a complete history of the transactions for the purpose of--

(1) Providing a complete audit trail used as a basis for informed decisions at each step in the acquisition process.

(2) Supporting actions taken.

(3) Providing information for reviews and investigations.

(4) Furnishing essential facts in the event of litigation or congressional inquiries.

b. File Contents. The following are examples of the records normally contained, if applicable, in contract files:

(1) Purchase request, acquisition planning information, and other presolicitation documents.

(2) Justifications and approvals, determinations and findings, price negotiation memorandums, and associated documents.

(3) Evidence of availability of funds.

(4) List of sources solicited.

(5) Government estimate of contract price.

(6) Copy of the solicitation and all amendments.

(7) Copy of each offer or quotation and related abstract and records of determinations concerning late offers or quotations.

(8) Contractor's contingent fee representation and

other certifications and representations.

(9) Pre-award survey reports.

(10) Source selection documentation.

(11) Cost and pricing data and Certificates of Current Cost or Pricing Data.

(12) Packing, packaging and transportation data.

(13) Cost or price analysis.

(14) Justification for type of contract.

(15) Records of negotiation.

(16) Required approvals of award and evidence of legal review.

(17) Notice of award.

(18) The original of the signed contract, all contract modifications and documents supporting modifications.

(19) Notice to unsuccessful quoters or offerors and record of any debriefing.

(20) Post-award conference records.

(21) Orders issued under the contract.

(22) Quality assurance records.

(23) Property administration records.

(24) Bills, invoices, vouchers, and supporting documents.

(25) Record of payments or receipts.

(26) Receiving documentation.

(27) Contract completion documents.

c. Audit System. A simple database reporting system to provide visibility and status of procurement actions is required and should be implemented immediately. Automation to include laptop computers will assist in establishing a more efficient system which will coincide with CONUS systems. The information will be collected and maintained by the contracting office and transferred to the PARC. The system should include the following data fields:

(1) Date of receipt of requisition.

(2) Date of award.

(3) Type of contracting action (i.e., contract,

purchase order, BPA, delivery order, modification).

(4) Amount of committed dollars.

(5) Contractor name.

(6) Procurement Instrument Identification Number (PIIN), Contract number and Requisition number.

(7) Amount of obligated dollars.

(8) Unit of measure/quantity (i. e., each, box, carton, numbers).

(9) Item Description.

(10) Contracting Officer’s name.

(11) Date of receiving report.

(12) Date of final payment.

(13) Date contract was closed out.

(14) Location of contract file.

(15) Remarks.

d. Procurement Action Reports.

(1) DD Form 350 is used to report individual contract actions and consolidated actions in excess of $200,000. The report shall be mailed or sent electronically, within three working days after the date on which the dollars were actually obligated or deobligated by the contracting office.

(2) DD Form 1057 is a monthly summary covering all contracting actions over $25,000 but not in excess of $200,000. A separate DD Form 1057 for all contracting actions of $25,000 or less is still required. Reports are submitted within five working days after the close of each month.

(3) Send DD Forms 350 and 1057 reports to HEADQUARTERS DEPARTMENT OF THE ARMY, ATTN:SARD-PA 5109 Leesburg Pike, Skyline 6, Suite 916, Falls Church, Virginia 22041-3201.

e. Management Reports.

(1) Data collected from the DD Forms 350 and 1057, and data from the tracking system will be used to make established and ad hoc reports. Reports that will be helpful in the management of the contracting activity include those that list the work load production of divisions, aging of requests and dollar amounts of obligations.

(2) Lessons learned or after action reports should be forwarded to the HEADQUARTERS DEPARTMENT OF THE ARMY, SARD-PS, 5109 Leesburg Pike, Skyline 6, Room 916, Falls Church, Virginia 22041-3201. within 30 days of redeployment to home station. After action reports

should include follow-on plans for contracts issued by NATO allies or other agencies in support of the Army's contingency mission.

f. Format/Numbering and Transfer.

(1) All large-purchase records should be filed in a standard six part file folder.

(2) Contract files transferred internally from contracting to administration should be controlled.

(3) The Uniform Procurement Instrument Identification Number (PIIN) system (DFARS 204.70) will be used in assigning identifying numbers to all contracts, solicitation documents, delivery orders, purchase orders, and other instruments. Registers of any PIINs issued and used in the procurement process will be maintained.

g. Logs, either through an automated system or manual, will be maintained to identify purchase requests which are open, completed, and closed. This will provide linkage through the purchase request number between the customer, finance, comptroller, and contracting. In addition, they may be used to develop reports and graphs to present production status.

8-12. Standard Form 1449, Solicitation/Contract/Order for Commercial Items

General. Simplified acquisitions procedures can be used up to $5,000,000 for commercial items. Solicitation and award of contracts under these procedures empower contracting officers with a great deal of flexibility and encourages them to make decisions based on good business sense and best value.

a. Considerations that must be included when purchasing commercial items under simplified acquisition procedures are:

(1) That to protect the interests of the government, each purchase of commercial items and services should be assessed, particularly those over $200,000, to determine whether it should be a unilateral or bilateral contractual instrument. Factors to consider are:

(a) Business and cultural environment. Commercial practices vary among countries. Market research will determine the appropriateness of commercial practices and the level of protection necessary.

(b) Nature of the requirement and impact on the mission. A unilateral purchase order is an offer by the Government to a contractor. The contractor is not obligated to perform. Obtaining a bilateral signature makes it binding on both parties.

(c) Amount of the order, contractor’s financial capability, and potential impact on the mission if the order is not filled.

(2) Purchase Orders. Standard Form 1449 is authorized for the purchase of commercial items exceeding the simplified acquisition threshold, but not exceeding $5 million. Only firm-fixed-price instruments may be used.

(3) Delivery Orders. The SF1449 may be used for delivery

orders (FAR 16.5) for supplies or services placed against an established indefinite delivery contract.

(4) Clauses. Incorporate applicable clauses and provisions prescribed by
FAR Part 12.3. Option clauses (FAR Part 17) may be added if the requirement and mission dictate.

(5) Use of Standard Form 1449. For commercial items and services up to $5 million purchased under simplified acquisition procedures, include in solicitations appropriate instructions on what the offeror must submit with offers to be fairly evaluated for award. Commercial services, particularly those in excess of $200,000 but less than $5 million, should use simplified best value techniques in selecting the contractor as prescribed in Part 12. When best value techniques are used , the contracting officer should use written solicitations.

(6) Reporting. There is currently no way to report commercial versus non-commercial purchases on DD 1057. On DD350, blocks B14 and C14 should be properly marked to identify commercial awards. If FAR Part 12 clauses are not used, the DD350 should not be marked as commercial.

8-13. Referrals.

a. There may be purchase requests which cannot be fulfilled on the local market. These may be referred to another contracting activity for action. The contracting officer should ensure the purchase request includes an adequate description, a fund cite, a valid "ship to" address, and a point of contact. For contract repair items, a hand receipt is required to account for the item.

b. There are usually several sources of contracting expertise geographically separated from the contracting officer which could be used, such as--

(1) The American Embassy.

(2) The nearest permanent military base contracting office.

(3) The joint service offices collocated in the area.

c. Administrative Requirements for Referrals. Referral packages should be kept in an open file until completed. This will help the contracting officer know the status of referrals and help the finance officer keep track of outstanding commitments. Funds may be required to be transferred using DD Form 448, Military Interdepartmental Purchase Request.

8-14. Contract Management.

a. Contract Monitoring. Contractor surveillance under contingency conditions may be difficult due to location, broad customer base, and the performance/delivery time involved. This emphasizes the importance of having as many trained CORs as possible in close proximity to the contractors and the mission, and maintaining close communications with commanders. Commanders must understand the role of CORs who may perform tactical missions in their units and also the role of CORs in

supporting mission success and monitoring contract performance contractor performance. Under contingency conditions, ensuring contractors are (are not) paid for supplies or services performed (not performed) is critical.

(1) CORs will closely monitor contract performance and provide the contracting officer with documentation to identify the contractor's compliance or non-compliance with the terms of the contract. Although the appropriate forms may not always be available, a simple signed memorandum with supporting data will suffice for the contracting officer to take action. This memorandum will be part of the official record in the contract file.

(2) Commanders, as well as CORs, must understand they do not have contractual authority to issue directions or changes to any contract or purchase order. In cases where changes have been made by unauthorized personnel, the contracting officer must be immediately notified. The contracting officer will then note the substance of the change, determine whether the circumstance was appropriate, then initiate action as appropriate

b. Contract Modifications. The contracting officer can expect wide fluctuations in projected requirements versus actual requirements. This is particularly true for service contracts. The following guidelines address change orders, administrative changes, and supplemental agreements. (See Appendix L; SF 30, Amendment of Solicitation/Modification of Contract.)

(1) Contract modification is a generic term meaning any written change in the terms and scope of the contract. Contracts may be modified by use of a change order. A clear distinction must be made between the two terms - change and change order.

(2) A change is any alteration within the scope of the contract. Changes can be made in the specifications, drawings, designs, method of packing or shipment, time or place of delivery, and/or quantity or type of government provided material.

(3) A change order is a written order signed by the contracting officer directing the contractor to make changes that the Changes Clause authorizes him to make without the contractor's consent. If the change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under the contract (whether or not changed by the order) the contracting officer shall modify the contract to make an equitable adjustment in the contract price, the delivery schedule, or both.

(4) The contractor is required to comply with the change pending the outcome of negotiations to establish an equitable adjustment.

c. Administrative changes are written, unilateral changes that do not affect the substantive rights of the parties. They are used to make changes such as a change of paying office or the name of the contracting officer.

d. A supplemental agreement, like the other types of changes, must be in writing and is a bilateral agreement signed by both parties. It is used whenever it is necessary or desirable to have the contractor's consent to a modification to a contract.

(1) Examples of supplemental agreements are--

(a) Negotiate an equitable adjustment resulting from a change order.

(b) Definitize a letter contract.

(c) Reflect any other agreements reached by both parties.

(2) Unilateral modifications (signed only by the contracting officer) are used to make administrative changes, issue change orders or termination notices, or make changes authorized by clauses other than the Changes Clause, such as option clause, property clause, suspension of work clause, changing government furnished property or incorporating a value engineering proposal into the contract.

(3) Whichever method is used, either unilateral or bilateral, contract action should be priced before it is executed for the protection of both parties. The magnitude of some changes and the contingency environment make this difficult.

(a) From a pricing standpoint, unpriced orders are risky business because, during the time that negotiations are being conducted and performance is going on, the contractor has no incentive to keep costs down. If a contract action cannot be priced before it is authorized, an agreement should be reached with the contractor on a ceiling, not to exceed price.

(b) For changes that result in a relatively small increase or decrease in price, efforts should be taken to reach an agreement to incorporate them into the contract on a "no-charge basis."

e. The Changes Clause. There are slight differences in the particular changes clauses, depending on what is being purchased (supplies, services, or construction) and the type of contract that is awarded (fixed price or cost reimbursable). Common elements apply to all changes clauses.

(1) A change order must be in the general scope of the contract.

(2) The change order must be in writing.

(3) The ordered change must be made by the contracting officer.

(4) Quantities may not be unilaterally adjusted by use of the changes clause. A decrease in quantity may be

affected by a partial termination for convenience. If the contract contains the "Variation in Estimated Quantity" clause, a price adjustment is required for items received in excess of the quantity called for (including the variation allowed) that are in excess of $250. These items may, however, be returned at Contractors expense, (FAR 11.701).

g. Payments (Appendix P). There are two different types of payments a contracting officer can authorize: progress and partial/final.

(1) Progress payments are supported by an estimate of job completion (or progress report) stated in percentages to inform the contracting officer of the percentage of the total contract amount that can be released to the contractor for progress payments. Progress payments based solely on evidence of costs incurred are strongly discouraged.

(2) Partial payments are made for services rendered and/or partial delivery of supplies while final payments are made whenever the contractor has successfully completed the contract, or the contracting officer has canceled/terminated any remaining requirements.

h. Terminations. Most terminations will be for convenience as opposed to terminations for default. If the contracting officer decides to terminate a contract for default, performance must be in default under the terms of the Terminations for Default clause and such default must be unexcused. The contracting officer should carefully consider that the contractor will not be bonded, the statement of work will likely contain ambiguities, and the contractor is likely to be the sole source for the needed services. It would serve no purpose to default a sole source contractor if there is no hope of recovering procurement costs or of finding another contractor to do the job. These contracts can normally be terminated by simply issuing a letter of cancellation and release of claims in order for the contracting officer to close out the contract and for finance to release the money remaining on the contract for other requirements. However, the contractor must consent to a release of claims. If a contractor does not concur or does not reimburse the government, a termination for default should be considered. Terminations for convenience could also be handled the same way, except when the contractor has invested substantially to fulfill the contract. In these cases, the normal rules in the FAR, and supplements thereto, should be followed to ensure an equitable adjustment is made to compensate the contractor. A contracting team should remain in the area to ensure close-out of all contracts. (See Appendix Q, Contract Close-out.)

Chapter Nine

Claims, Seizures, Disputes and Appeals

9-1. Claims. The government's policy is to try to resolve all contractual issues in controversy by mutual agreement at the contracting officer's level without litigation. If, however, it is not possible, the contracting officer must issue a final decision to a contractor's claim. In order to be a valid final decision, a document identified as a final decision must fulfill the following requirements; (i) be in writing; (ii) be the decision of the contracting officer; (iii) inform the contractor of his right to appeal; and, (iv) adequately inform the contractor of the reasons behind that decision.

9-2. Contractual Disputes and Appeals.

a. General. Contractors may submit claims that cannot be accepted for statutory, regulatory, or contractual reasons. The government's decision to reject such a claim, either in part or total may result in a contract dispute. If the dispute cannot be resolved, the contracting officer will make a final decision. The contractor can then appeal that final decision under the applicable contract disputes clause.

b. The contracting officer shall decide all questions subject to the Disputes Clause for which authority to act is present. The contracting officer will refer to regulations and legal counsel on these matters.

c. Procedures.

(1) Upon receipt of a claim of over $100,000, the contracting officer should assure that the claim includes the contractor certification required by the Contract Disputes Act, is made in good faith, the supporting data are accurate and complete to the best of the contractor's knowledge, and the amount requested accurately reflects the contract adjustment for which the contractor believes the government is liable. Any suspected fraudulent claim or misrepresentation of fact shall be immediately reported to the legal officer and the chief of the contracting office.

(2) The contracting officer will utilize the specialized skills of the functional representatives and legal officer prior to issuing a final decision. The final decision must be that of the contracting officer.

(3) Final decisions for claims of $100,000 or less must be issued within 60 days after receipt of the claims.

(4) For claims exceeding $100,000, the contracting officer, within 60 days after receipt of a certified claim, must either issue a final decision or notify the contractor when a final decision will be issued.

(5) Final decisions are to be prepared in accordance with FAR 33.211. Final decisions must include notification to the contractor pursuant to the Disputes clause contained in the

contract.

(6) The contracting officer will submit the proposed final decision to the legal officer for review. A copy of the final decision will be forwarded to the contractor by any method that provides evidence of receipt.

9-3. Alternative Dispute Resolution.

a. Disputes that cannot be resolved between the parties often result in litigation. Alternative dispute resolution (ADR) is an alternative to litigation and should be considered prior to embarking on that path. Unlike litigation, ADR keeps decision-making in the contracting chain rather than with lawyers. Also, an agreement developed by the parties, rather than a decision resulting from litigation, will be of immeasurable assistance in maintaining a continuing business relationship with the contractor.

b. The essential elements of ADR include; (i) the existence of an issue in controversy, (ii) a voluntary election by both parties to participate in the ADR process, (iii) an agreement on an alternative technique, (iv) participation in the process by officials of both parties who have the desire and authority to settle, and (v) the contractor certification required by FAR 33.207.

c. There are many ADR techniques. These include facilitation, mediation, fact finding, mini-trials, arbitration, and negotiation. Whenever possible, the contracting officer should attempt to resolve disputes through negotiation with the contractor. The contracting officer should consult legal counsel for assistance with other techniques.

9-4. Seizures.

a. General. Commanders may, under the principle of military necessity, and subject to restrictions, seize private property during hostilities. Seizing private or public property for mere convenience is unlawful. Commanders may not leave civilians without adequate food, clothing, shelter or medical supplies. Legal assistance must be obtained prior to the seizure of any property.

b. Property Control Record Book (PCRB). This book, which may be issued to any level, confers no authority; it merely facilitates the ability to document seizures under the law of war. The book may be used only in designated areas.

c. Procedures.

(1) Each PCRB should be numbered and contain a minimum of ten sets of four serial-numbered copies of the property control record form.

(2) The cover of the book should contain a statement detailing where the book may be used.

(3) The inside cover of the PCRB should contain

instructions to the commander on the use of the forms to include the appropriate distribution of the four property control/receipt records.

(4) The serial-numbered property control record should require the soldier seizing the property to enter pertinent information concerning the seized property and should contain a receipt, both in English and the local language, to be signed by the property owner, if available.

(5) The inside of the back cover should contain a seizure record.

(6) The Staff Judge Advocate Office should be responsible for the issuance of the books to the commanders. Hand receipts can be used to issue PCRBs to the units. It should be emphasized that the SJA is only issuing the books and that accountability for the books and seized property is a command responsibility.

d. Payment for Seizures.

(1) There are several procedures available to provide compensation for seized property. They are--

(a) Ratification. This is the act of approving an unauthorized commitment by an official who has the authority to do so. (See FAR, DFARS, and AFARS 1.602-3.)

(b) Retroactive leases. The Corps of Engineers may negotiate retroactive leases IAW AR 405-15.

(c) Public Law 85-804 as amended by public law 93-155 (50 U.S.C. 1431-1435), as amended and Executive Order 10789 dated November 14, 1958 as amended. Defense agencies may enter into, amend, and modify contracts, without regard to other provisions of law related to making, performing, amending, or modifying, whenever the Secretary concerned considers that such action would facilitate the national defense. (See FAR, DFARS, and AFARS Part 50.)

(d) Claims adjudication IAW AR 27-20, Chapter 10.

(2) Whatever process is used to settle claims will be influenced by the local conditions. However, contracting responsibility is generally limited to ratification actions and extraordinary contractual relief under Public Law 85-804.

APPENDIX A

References

Defense Acquisition Deskbook

Federal Acquisition Regulation

Defense Federal Acquisition Regulation Supplement

Army Federal Acquisition Regulation Supplement

AFARS APPENDIX DD Management Control Evaluation Checklists

AR 5-3	Standard Installation Organization (SIO)
AR 700-137	Logistics Civil Augmentation Program (LOGCAP)
AR 710-2	Supply Policy below the Wholesale Level

APPENDIX B

Imprest Fund Procedures

B-1. General. Each purchase using imprest funds will be based upon an authorized purchase request. (FAR 13.4)

B-2. Receipt of Material.

a. Upon delivery, the receiver will examine the material to ascertain that the quantities and items described on the purchase request document and the supplier's sales document are in agreement. If the material is acceptable, the receiver shall stamp the supplier's sales document "Received and Accepted," date and sign the document, and pass it to the imprest fund cashier for payment.

b. A supplier's sales document, a receipted SF 1165 (Receipt for Cash-Subvoucher), DD Form 1155 (Order for Supplies or Services), or DD Form 1348-1 (DoD Single Line Item Release/Receipt Document) may be used to record the receipt of purchases made from the imprest fund.

B-3. Advance of Funds. When prior arrangements for pickup of material are not practicable, the imprest fund cashier may advance cash to an authorized individual to make a proposed purchase. Individuals receiving a cash advance from the cashier will sign the "Interim Receipt for Cash" portion of the SF 1165. After purchase has been made, the individual will return any unused cash to the cashier with the necessary certifications of receipt, acceptance and cash payment, at which time the cashier will void the interim receipt for cash (See Appendix K).

B-4. Payments. When a blanket purchase agreement is not suitable and it is administratively convenient and agreeable to the supplier, periodic payments from the imprest fund may be made for supplies delivered on a repetitive basis, provided the accumulated amount of the deliveries for the specified period does not exceed the $500 limit ($2,500 for overseas transactions in support of contingencies).

B-5. Reimbursement of Imprest Funds. The imprest fund will be reimbursed by the use of SF 1129 (Reimbursement Voucher) supported by cashier's subvouchers. The cashier will prepare and submit SF 1129s to the disbursing officer as frequently as necessary, but not less often than monthly.

B-6. Accounting. Recordkeeping for the imprest fund shall be as simple as possible consistent with the maintenance of adequate controls. A file of supplier's receipts for amounts paid and not yet certified for reimbursement and copies of paid reimbursement vouchers ordinarily will suffice for the record of the imprest fund cashier.

B-7. Review. The cashier shall be required to account for the established fund at any time by cash on hand, paid supplier's receipts, unpaid reimbursements, and interim receipts for cash.

B-8. Responsibility and Accountability.

a. Installation Commander. When a new imprest fund is established or new or alternate imprest fund cashiers are appointed, the commander will ensure that each cashier or alternate cashier is made familiar with procurement policies in the FAR and supplemental regulations on the use of imprest funds. Imprest fund cashiers are not appointed ordering officers and are not authorized to make purchases using imprest funds. The commander must also furnish safekeeping facilities for the funds. Unannounced reviews and verifications, including cash accounts, are required of each imprest fund at least quarterly.

b. Finance and Accounting Officer (FAO). The FAO will provide each imprest fund cashier written and oral instructions at the time of appointment. These instructions will be reviewed monthly by the cashier. The legal advisor for contracting will resolve questions of doubtful legality of payments made or to be made from the imprest fund.

c. Chief of the Contracting Office. The chief of the contracting office has administrative supervision over the imprest fund cashier. The chief ensures that payments and advances are made per regulation, funds are properly and securely safeguarded, all purchases paid from the imprest fund conform to procurement regulations, the procurement is authorized from funds cited, the transaction is processed according to regulations, and any discrepancies in the fund are immediately reported to the approving authorities and to the FAO.

APPENDIX C

Checklists

C-1. General. This appendix provides contracting officers and contracting organizations with general checklists required to implement the contracting actions and the management process necessary in a contingency environment. Construction projects may require more specific criteria in the development of the requirement. ADPE acquisitions may require a thorough inspection procedure for preventing viruses from being established.

C-2. Responsibilities.

a. Contracting officers will ensure that checklists are updated as necessary and adapted to local conditions as required.

b. Managers will use the management control checklists to--

(1) Test whether prescribed controls are in place, operational and effective.

(2) Identify areas where additions or reductions to existing controls are needed.

(3) Select corrective actions when a deficiency can be corrected locally.

(4) Refer deficiencies that cannot be corrected locally to higher command levels for assistance.

c. Requiring units/activities will use the functional checklists in preparing purchase requests. These checklists are to assist customers in submitting accurate and timely requisitions. The contracting office will not initiate requirements. Checklists aid the users in performing their function of preparing the purchase description or performance work statement.

d. Solicitations and contracts are organized by sections in accordance with the uniform contract format. The performance work statement (PWS) is located in Section "C" of the uniform contract format. The PWS is the most important section of the solicitation package because it describes what is to be accomplished by the contractor. It is the PWS that will ultimately result in the cost that the government incurs for completion of the work. The PWS format is illustrated below:

PERFORMANCE WORK STATEMENT FORMAT

1. GENERAL

Scope of Work	Security Clearances
Background Information	Physical Security
Operating Hours	Access to Facilities
Personnel	Key Control
Contingencies	Management Plan
Quality Control	Other

2. DEFINITIONS

Abbreviations	Acronyms

3. GOVERNMENT-FURNISHED PROPERTY AND SERVICES

Facilities	Utilities
Equipment	Materials
Services	Other

4. CONTRACTOR-FURNISHED ITEMS

Supplies	Maintenance and Repair

5. SPECIFIC TASKS

Relates to Work Breakdown Structure (WBS)
Relates to Definitions (C.2)
Relates to Applicable Documents (C.6)
Relates to Data Requirements or Deliverables
Relates to Performance Requirements Summary

6. APPLICABLE DOCUMENTS

Mandatory	Advisory

TECHNICAL EXHIBITS

Performance Requirements Summary (PRS)
Workload Data
Key Personnel Requirements
Lengthy Descriptions
Data Requirements or Deliverables

ATTACHMENTS

Specifications
Work Frequency Schedules
Special Requirements

DEPLOYMENT OPERATIONS PLANNING CHECKLIST:

1. General Data:

    a. Operation dates:

    b. Ship arrival dates:

    c. Ship discharge operations:

    d. Onward movement operations:

        o Sea and air interface
        o Convoys
        o Rail

    e. Projected port vehicle discharge density:
        _____ wheeled _____ tracks

2. Sea Port of Debarkation (SPOD) Operations:

    a. Facilities:

        o Port ship discharge area
        o Fuel tanker discharge area with storage capability when applicable (coordinate with Defense Fuel Supply Center)
        o Sanitary facilities
        o Refuse receptacles/collection
        o Utilities
        o Port building space
        o Billeting (either building space or area for tentage)
        o Light sets with generators
        o Generators
        o Wash Rack Facilities

    b. Handling services: Stevedoring services

    c. Equipment material usage:

        o Rail loading ramps
        o Tie-down chains and shackles
        o Container handlers and forklifts
        o Packaging and preservation materials
        o Water trailers
        o Bracing Material

    d. Food service

    e. Local transportation: Buses

    f. Long haul transportation:

    g. POL: Type of retail support at the port to fuel vehicles discharged from ships.

    h. Miscellaneous services, supplies and equipment:

        o Firefighting services

- o Security/guard services
- o Security fencing
- o Environmental control units (air conditioning and heating)
- o On-call vehicle recovery service
- o Custom clearance assistance

i. Communications

- o FAX
- o Commercial telephones
- o Radios
- o Data lines
- o Copy machines

3. Marshaling Area Operations:

a. Facilities:

- o Hard surfaced area for vehicle marshaling
- o Covered maintenance facility
- o Use of fixed fuel dispensing station
- o Helicopter landing zone
- o Refuse receptacles/collection (trash and contaminated fuel)
- o Light sets with generators
- o Generators

b. Billeting: Either building space, tentage area or commercial hotels in consideration of distance and operational requirement.

c. Sanitary Facilities: Shower/latrines

d. Rations:

- o Sack lunches for convoy personnel
- o Disposable tableware
- o Unit provided kitchen personnel

e. Local Transportation:

- o Buses - marshaling area/port shuttle
- o Trucks - luggage and miscellaneous supplies and equipment

f. Long Haul Transportation: HETs, low boys, S&P trailers, flat beds

g. POL:

- o Dispensers through metering devices, used to fuel convoy vehicles and transportation used by command and control element. All POL products to include: MOGAS, diesel, aviation fuel, and package products.
- o Coordinate with Defense Fuel Supply Center

h. Miscellaneous Services, Supplies and Equipment:

- o Firefighting services
- o Medical support

- o Security/guard service
- o MP escorts for convoys
- o On-call vehicle recovery service
- o Customs clearance assistance
- o Translators/interpreters when applicable

i. Communications

- o FAX
- o Commercial telephone
- o Radio

4. Air Port of Debarkation (APOD) Operations:

a. Facilities:

- o Operational use of airfields
- o Utilities, refuse receptacles/collection
- o Light sets with generators
- o Generators

b. Equipment Material Usage: Fork-lifts

c. Billeting:

d. Rations:

e. Local Transportation: Buses

f. Long Haul Transportation:

- o Buses - transportation of troops for APOD
- o Trucks - transportation of troop baggage from APOD

g. POL: (when applicable coordinate requirements with Defense Fuel Supply Center)

h. Miscellaneous Services, Supplies and Equipment:

- o Firefighting services
- o Medical support
- o Security service
- o On-call vehicle recovery service
- o Customs clearance assistance
- o Translators/interpreters when applicable

i. Communication:

- o FAX
- o Commercial telephones
- o Radios

SITE SURVEY CHECKLIST:

1. Determination of area to be utilized:

a. What activity is to be performed at site.

b. Number of personnel occupying the site.

c. Period of time to be occupied.

d. Environmental concerns (asbestos, noxious gases, radiation, etc.)

2. Survey of site to determine availability of fixed facilities:

a. Billeting.

b. Showers/latrines.

c. Dining facilities.

d. Office space.

e. Type of electrical power available for office equipment.

f. Miscellaneous adjacent space and facilities.

3. Survey of site for temporary facilities:

a. Open space available and ground conditions for:

- Tent cities.
- Vehicle parking.
- Recreational activities.
- Vehicle washing/cleaning/inspection areas.

b. Existing electric power drops (voltage, cycles per second).

c. Area lighting.

d. Existing sewage facilities/water availability.

e. Road/access routes.

f. Heliport facilities.

g. Telephone availability.

h. Location of refuse collection sites.

i. Requiring activity must coordinate and provide the name of personnel making coordination to determine capacity of facility/utilities (e.g., power, water pressure).

PLOT PLAN CHECKLIST:

1. Attach a plot plan to each requirement.

2. Plot plans should include:

a. To scale, location of all tentage; designate each tent by its use.

b. Show location of latrines, showers, and dumpsters.

c. Mark locations of power drops, water hookups, and telephone drops.

d. Show roads in area and access roads.

e. Mark off parking areas, vehicle cleaning areas, and areas designated for other activities.

f. Locate recreational tents away from sleeping tents.

g. Provide directional signs for wheel/track vehicles.

3. Site Commanders must physically inspect the areas identified on the plot plan to ensure areas will accommodate the number of troops and major activities scheduled for the area.

4. Real estate and theater facilities requirements development can be facilitated with the use of the Army Facilities Components System (AFCS) as found in TM 5-301, TM 5-302 and TM 5-304. The data in AFCS is automated, titled the Theater Army Construction Automated Planning System (TACAPS). It is available from the U.S. Army Corps of Engineers.

INDIVIDUAL PLANNING CHECKLIST (LATRINES).

This is an example and may not be all inclusive of required information for all deployments:

1. Latrines: One (1) latrine (one hole) per 30 personnel with once-a-day servicing. Provide for additional servicing during peak population periods .

NOTE: a. Consolidation of requirements is critical.

b. Service consists of pumping, cleaning and toilet paper.

Recommend that location for consolidated requirements for the area be specified as follows:

Initial placement of latrines to be made within a _____km radius of _____(state name of town or site identification).

An estimate must be furnished as to the total number of separate locations within that radius in which latrines will be placed.

Estimates must also be provided for on-call services, i.e., number of additional required servicing and relocations within the stated radius and also estimates for added emptyings and relocations for latrines moved outside the stated radius.

2. Latrines: (Mark locations on plot plan.) Include total number of personnel to be accommodated at this site.

a. Type: _____

b. Number: One seat latrines:____ Three seat latrines:____

c. Where (Note on plot plan): _____

d. Number of services per day: _____

NOTE: Three-seat latrines are normally more economical and should be considered when a large number of latrines are to be collocated. Standard is daily servicing with additional servicing requests on an as-required basis during peak population periods.

e. Estimate numbers of additional servicing: _____

f. Estimate number of relocations: _____

g. Period of performance: _____

h. Toilet paper: Contractor provide ____, U.S. Gov. provide ____

INDIVIDUAL PLANNING CHECKLIST (REFUSE AND DUMPSTERS):

1. Refuse collection: One (1) cubic meter (CBM) trash container for 60 people per day. Provisions should be made for additional container emptyings during peak population periods. Cost depends on the size of container and the number of collections daily/ weekly. Special containers for types of refuse listed below may be required with appropriate markings to comply with local (Host Nation) environmental laws and policies.

2. Regular trash - all kinds of refuse except the following:

a. Edible garbage - generated by food service facilities. Possible sales contract or a means of selling to farmers or trading the edible garbage for hauling it away might be considered.

b. Mechanical waste - all kinds of refuse generated in motorpools.

c. Waste oil - inclusive of antifreeze, brake fluids and other motor vehicle liquids.

d. Contaminated soil - removed from oil tank areas or soil contaminated by all kinds of accidents.

e. Medical waste - refuse generated in medical installations inclusive of liquids from X-ray labs.

3. Containers: Mark location on a plot plan to indicate number of personnel to be supported.

a. Type: (e.g., trash, edible garbage, medical waste, etc.)

b. Number: ____ Where: _____

c. Size:_____

d. Number of collections per day: _____

e. Estimate number of additional collections: ____

f. Estimate number of relocations: _____

g. Period of performance: _____

MANAGEMENT CONTROL EVALUATION CHECKLIST: This checklist is a tool which serves as a starting point for review of your operation. It may be appropriately modified to fit your individual situation and circumstances.

1. Presolicitation:

a. Initial purchase tasking receipt and review.

(1) Are procedures in place to account for and record the date and time of purchase requests that were received in the contracting office?

(2) Are the purchase requests received with adequate data for identification and accountability control, and are they adequately funded, signed, dated, and approved by those in authority?

(3) Do the purchase descriptions or performance work statements received describe needs that are appropriate for this contracting office to assume purchase responsibility for?

(4) Do purchase descriptions or performance work statements provide a specific description of only the customer's minimum needs?

(5) Are the purchase requests for items delivered after the fact (unauthorized commitments) processed IAW ratification procedures? (FAR 1.602-3)

(6) Are procedures followed for monitoring the work backlog, priority purchase requests, and requests that were transferred for processing?

b. Selecting the best acquisition method.

(1) Are requirements placed on orders against applicable, existing "open ended" agreements or contracts rather than used as the basis for creating a new solicitation or purchase order?

(2) Are "lessons learned" during the previous requirement considered in the preparation of a new solicitation to fill
recurring requirements? Are previously erroneous estimates, descriptions, and assumptions corrected rather than repeated?

c. Competition considerations.

(1) Are competitive proposals being used when it is impractical to use sealed bidding? FAR 6.401(b)(1).

(2) Are negotiated contracts awarded using full and open competition except where justified? FAR 6.301.

(3) Is the urgency exception to full and open competition being properly applied? FAR 6.302-2.

(4) Is a competition advocate appointed and identified; are the approval levels and form for justifications published? FAR 6.501.

(5) Are justifications for other than full and open competition approved in writing at the appropriate level? FAR 6.304.

d. Solicitation preparation and review prior to distribution.

(1) Do solicitations conform with the uniform contract format FAR 14.201-1, FAR 15.406-1 or with the simplified contract format, FAR 15.416?

(2) Do solicitation forms and clauses avoid duplicating or supplementing FAR or DFARS forms and clauses?

(3) Do contract actions requiring legal review prior to issuance receive the required review? AFARS 1.602-2(c).

(4) Is adequate legal support for contracting provided in a timely manner?

2. Solicitation, Evaluation and Award:

a. Solicitation distribution, amendment, and cancellation.

(1) Are records kept of each invitation issued, to include the distribution made and the date the invitation was issued? FAR 14.204.

(2) Are solicitation mailing lists established and maintained? FAR 14.205.

(3) Is a listing of questionable or ineligible contractors available and checked before placing vendors on the solicitation mailing list?

b. Bid opening and proposal closing.

(1) Are offers received prior to opening kept secure in a locked bid box or safe? FAR 14.401.

(2) Are bid opening postponements limited to only justifiable situations? FAR 14.402-3.

(3) Are procedures followed on the receipt and handling of proposals and quotations? FAR 15.411.

(4) Are procedures followed on the disclosure and use of information contained in proposals? FAR 15.411.

c. Responsiveness and certifications.

(1) Are only offers that comply in all material respects with the invitation for bid considered for award? FAR 14.301(a).

(2) Are appropriate certifications and representation required by the solicitation provided by the offeror prior to award?

d. Mistakes and protest resolution.

(1) Are bids and proposals examined for mistakes? FAR 14.407 and FAR 15.607(a).

(2) Are alleged mistakes after bid opening appropriately processed and resolved? FAR 14.407.

(3) Do contracting officers consider, resolve, or forward, as appropriate all protests filed that are related to either their solicitations or procedures? FAR Subpart 33.1.

(4) Is legal counsel consulted on all protest matters?

e. Technical evaluation.

(1) Are technical evaluations documented to ensure that minimal solicitation requirements are met? FAR 15.608(a)(3).

(2) Do contracting officers generally request a technical analysis of the proposals when cost or pricing data are required? FAR 15.805-4.

(3) Do contracting officers obtain assistance from the traffic management office prior to awarding contracts where transportation factors are a consideration in the evaluation? FAR 47.301-1 and 47.301-2.

f. Pricing evaluation.

(1) Do files contain adequate documentation to support the use of price analysis, to include indicating which of the approved techniques were used to accomplish the analysis? FAR 15.805-2.

(2) Do contracting officers obtain independent government estimates (IGE) when needed or appropriate?

(3) Is a properly executed Certificate of Current Cost or Pricing Data obtained when required? FAR 15.804-2 and 15.804-4.

(4) Are price negotiation memorandums prepared and in the contract file for each price negotiation? FAR 15.808.

g. Obtaining approvals and business clearances prior to award.

(1) Do the contract files reflect appropriate award approvals

and signature authorities?

(2) Are public announcements and the release of contract award information in compliance with regulatory requirements? FAR/DFARS/AFARS 5.303.

(3) Do contract files contain the necessary price negotiation memorandum (PNM) when required? AFARS 15.808

(4) Are procedures for the review and approval of PNMs established by the Head of the Contracting Activity (HCA)? AFARS 15.808.

3. Contract Management:

a. Functional representatives/responsibilities and limitations.

(1) Are qualified individuals selected and appointed as contracting officers representatives (CORs) by a contracting officer?

(2) Do CORs written designations clearly indicate their authority and limitations?

(3) Are CORs, inspectors, functional managers, and others routinely involved in performing contract management functions regularly advised and trained regarding their role in contract management?

b. Is consideration given to the need for a postaward orientation/presolicitation notice and performance conference to foster a mutual understanding of the contractual agreement and the responsibilities assigned? FAR 42.5 and 15.404

c. Contract Modifications.

(1) Is legal counsel requested to make a legal sufficiency determination prior to effecting a modification?

(2) Is legal counsel requested to assist in clause preparation and a deviation approval when a clause other than a standard clause is to be incorporated into a modification?

(3) Are price negotiation memorandums prepared and in the contract file for each price negotiation? FAR 15.808.

(4) Are change orders only issued for work within the scope of the contract?

d. Property Administration.

(1) Are contractors required to publish a property control system describing the procedures and techniques to be used in managing government property?

(2) Is regulatory guidance followed to determine contractor liability should government property become lost, damaged, destroyed, or unreasonably consumed? FAR 45.504.

(3) Are there an adequate number of properly trained personnel to manage a property administration program?

e. Quality Assurance.

(1) Are nonconforming supplies or services offered to the government rejected except as provided in applicable regulations? FAR 46.407.

(2) Is contractor performance on service contracts monitored according to established surveillance plans?

f. Damages and delinquency actions.

(1) Do contracting officers take timely action to alleviate or resolve delinquencies?

(2) Do contracting officers obtain legal counsel and technical advice prior to taking action when a default termination is being considered? FAR 49.402-3.

(3) Do contracting officers act to mitigate damages when repurchasing against a defaulted contractor's account? FAR 49.402-6.

(4) Do contracting officers assure that consideration is obtained for the Government for revising the delivery schedules or other contract terms?

g. Receiving reports, acceptance, final payment and contract completion.

(1) Are decisions to accept or reject supplies offered or services performed documented and distributed in a timely manner?

(2) Are there an adequate number of properly trained personnel on hand to perform inspection and acceptance functions?

(3) Are all contractual claims and obligations satisfied on physically completed contracts prior to contract close-out?

4. Special Acquisition Situations and Requirements:

a. Simplified acquisitions.

(1) Are simplified acquisition files reviewed to ensure that requirements are not split to avoid the use of a formal solicitation? FAR 13.103 (c).

(2) Are the most suitable, efficient, and economical simplified acquisition methods used, given the circumstances of each simplified acquisition requirement? FAR 13.104(a).

(3) Are appointments of ordering officers limited to those situations where the appointment is essential for the efficient operation of the contracting mission? AFARS 1.602-2-91.

(4) Are the purchases and procedures of ordering officers inspected or reviewed at least once a year? AFARS 1.602-2-91.

b. Construction requirements.

(1) Site approvals and work classifications must be reviewed and monitored.

(2) Are on-site inspections by quality assurance, technical inspectors, or other requiring activity personnel conducted in sufficient frequency and/or sufficient duration to protect government interests regarding contractor workmanship and progress?

(3) Is the construction material the contractor proposes to use inspected IAW the specifications and approved by the COR?

(4) Has the final list of deficiencies (punch list) been corrected prior to final approval and payment?

(5) Have site approvals including any restorations, requirements or permits been obtained from Host Nations.

c. Service Contract Requirements.

(1) Reference AFARS Appendix BB, Part 4.

(2) Are surveillance plans developed to include both sampling guides and activity checklists needed to monitor the contractor services performed?

d. ADPE Requirements.

(1) Are requests for ADPE systems, software, and maintenance services reviewed to determine whether the requirement could be appropriately satisfied by the applicable and available GSA requirements or schedule contracts?

(2) Is the following order of preference a factor in determining the type of specification or purchase description prepared and used to acquire or lease ADPE?

(a) Functional specifications.

(b) Equipment performance requirements.

(c) Power requirements (including voltage and cycles per second)

(d) Plug compatible.

(e) Brand name or equal.

(f) Specific make and model.

(3) Is the ADPE portion broken out when feasible and a separate purchase made when purchase requests for supplies or services also include ADPE items or services?

(4) Are proposals to purchase or lease ADPE evaluated to determine the lowest overall cost or life cycle cost to the government?

(5) Have certification requirements been met for ADPE specifications to comply with DoD and Army security regulations requirements?

(6) Are the required ADPE contract clauses included in the terms and conditions of ADPE solicitations and contracts?

(7) Are inspection/acceptance procedures adequate to detect the presence of computer viruses installed on hardware or buried in software?

5. Management of the Acquisition Function:

a. Local procedures. Are there local regulations and SOPs published that govern the operations of the contracting office?

b. Staffing, facilities, and training.

(1) Is the staffing in contracting offices adequate to support the mission?

(2) Is the contracting office working environment (for example, office space, conference room space, ventilation, and lighting) adequate?

(3) Is the number and condition of contracting office business machines (for example, copiers, FAX, computers, and class "A" telephone lines) adequate?

(4) Is the training received by employees (both formal classroom training and informal on-the-job training) timely, adequate, and appropriate?

c. Acquisition Reports (contingency, humanitarian assistance or peacekeeping operations).

(1) Are DD Forms 350, Individual Contracting Action Report (Over $200,000), prepared in a timely manner, verified, and submitted for each applicable contractual action? DFARS Part 253 Forms.

(2) Are DD Forms 1057, Monthly Contracting Summary of Actions ($25,000 or less), prepared in a timely manner, verified, and submitted?

(3) Is a DD Form 1057, Monthly Contracting Summary of Actions, prepared for all contracting actions up to $ 200,000.00 in a timely manner, verified, and submitted to the higher headquarters for consolidation on their DD Form 1057?

(4) Are DD Forms 1547, Record of Weighted Guidelines Application , prepared in a timely manner, verified and submitted? DFARS 215.970.

d. Standards of Conduct.

(1) Are the required standards of conduct brought to the attention of DA personnel? DoDD 5500.7-R and AFARS Subpart 3.1.

(2) Are suspected violations of the gratuities clause forwarded by management for appropriate evaluation and action? AFARS 3.203.

(3) Are contractors made aware of their responsibility to maintain internal controls to avoid improper business practices? DFARS 203.70

(4) Are the contracting officers made aware of those indicators of fraud that have been identified by the Office of the Inspector General? DoDD 4075.1-H.

APPENDIX D

Contracting Officer's Representative (COR)

D-1. General.

a. The use of functional representatives, like CORs, cannot alleviate the need for a full time contracting professional to monitor contract surveillance and manage the contract management team. The contracting officer will determine both the need for functional representatives and their duties. COR assignments and duties will be contained in a letter of appointment signed by the contracting officer. A sample of the assignment letter is at the end of this Appendix. At the time of appointment, the contracting officer must provide the COR with requisite formal training. The training should include a review of duties, authority limitations, form completion, and reporting requirements.

b. COR candidates should be identified by the requiring activity, well in advance of deployment. Candidates should be sent to COR training, available from a variety of sources. As a minimum, organizations should identify one primary and one alternate for each category of supply or service normally contracted for during contingency operations.

c. The duties and prohibitions outlined below are not intended to be all-inclusive. As situations and questions arise that are not addressed, CORs and functional representatives should consult the contracting officer to obtain advice on how to proceed.

D-2. Duties. CORs and functional representatives will typically provide assistance to the contracting officer in the following technical areas:

a. Verify that the contractor has performed the technical and management requirements of the contract IAW the contract terms, conditions, and specifications.

b. Perform, or cause to be performed, all necessary inspections.

c. Verify that the contractor has corrected all correctable deficiencies.

d. Perform acceptance for the government of supplies and services received.

e. Maintain liaison and direct communications with both the contractor and the contracting officer.

f. Monitor the contractor's performance, notify the contracting officer of deficiencies observed during surveillance, and recommend appropriate corrective action.

g. Submit, as required, a report concerning performances of services rendered under the contract.

h. Perform, or cause to be performed, property surveillance. This function is sometimes done by the property administrator.

D-3. Prohibitions. CORs and functional representatives are not authorized to do any of the following:

a. Make any agreement with the contractor requiring the obligation of public funds.

b. Encourage the contractor by words, actions, or a failure to act to undertake new work or an extension of existing work beyond the contract period.

c. Interfere with the contractor's management prerogative by "supervising" contractor employees or otherwise directing their work efforts.

d. Authorize a contractor to obtain property for use under a contract.

e. Allow government property accountable under one contract to be used in the performance of another contract.

D-4. Files. As a minimum the COR's file should contain the following:

a. A copy of the appointment letter from the contracting officer.

b. A copy of the contract or appropriate part of the contract and all modifications.

c. All correspondence initiated concerning performance of the contract.

d. Record of inspections performed and their results.

e. Memoranda for record or minutes of any pre-performance conferences, meetings, or discussions with the contractor, or others, pertaining to the contract or contract performance.

Format for letter designating a COR

Use official letterhead and follow standard procedures for correspondence. Address the designation to the individual by name, including rank or grade, and full mailing address.

(Official Letterhead)

(Office Symbol) (Date)

SUBJECT: Designation of Contracting Officer's Representative (COR) for Contract (Enter number.).

1. Pursuant to DFARS 201.602-2 and AFARS 1.602-2-90, you are designated as the contracting officer's representative (COR) in administration of the following contract:
Contract Number:
For: (Enter item/system/services.)
Contractor:
Contract Period:

2. You are authorized by this designation to take action with respect to the following:
a. Verify that the contractor performs the technical requirements of the contract IAW the contract terms, conditions and specifications. Specific emphasis should be placed on the quality provisions, for both adherence to the contract provisions and to the contractor's own quality control program.
b. Perform, or cause to be performed, inspections necessary in connection with paragraph 2a and verify that the contractor has corrected all deficiencies. Perform acceptance for the Government of services performed under this contract.
c. Maintain liaison and direct communications with the contractor. Written communications with the contractor and other documents pertaining to the contract shall be signed as "Contracting Officer's Representative" and a copy shall be furnished to the contracting officer.
d. Monitor the contractor's performance, notify the contractor of deficiencies observed during surveillance and direct appropriate action to effect correction. Record and report to the contracting officer incidents of faulty or nonconforming work, delays or problems. In addition, you are required to submit a monthly report concerning performance of services rendered under this contract.
e. Coordinate site entry for contractor personnel, and insure that any Government-furnished property is available when required.

3. You are not empowered to award, agree to or sign any contract (including delivery orders) or contract modification or in any way to obligate the payment of money by the Government. You may not take any action which may affect contract or delivery order schedules, funds or scope. All contractual agreements, commitments or modifications which involve price, quantity, quality, delivery schedules or other terms and conditions of the contract shall be made by the contacting officer. You may be personally liable for unauthorized acts. You may not redelegate your COR authority.

4. This designation as a COR shall remain in effect through the life of the contract, unless sooner revoked in writing by the contracting officer or unless you are separated from Government service. If you are to be reassigned or to be separated from Government service, you shall notify the contracting officer sufficiently in advance of reassignment or separation to permit timely selection and designation of a successor COR. If your designation is revoked for any

reason before completion of this contract, turn your records over to the successor COR or obtain disposition instructions from the contracting officer.

5. You are required to maintain adequate records to sufficiently describe the performance of your duties as a COR during the life of this contract and to dispose of such records as directed by the contracting officer. As a minimum, the COR file shall contain the following:

a. A copy of your letter of appointment from the contracting officer, a copy of any changes to that letter and a copy of any termination letter.

b. A copy of the contract or the appropriate part of the contract and all contract modifications.

c. A copy of the applicable quality assurance (QA) surveillance plan.

d. All correspondence initiated by authorized representatives concerning performance of the contract.

e. The names and position titles of individuals who serve on the contract administration team. The contracting officer must approve all those who serve on this team.

f. A record of inspections performed and the results.

g. Memoranda for record or minutes of any preperformance conferences.

h. Memoranda for record of minutes of any meetings and discussions with the contractor or others pertaining to the contract or contract performance.

i. Applicable laboratory test reports.

j. Records relating to the contractor's quality control system and plan and the results of the quality control effort.

k. A copy of the surveillance schedule.

l. Documentation pertaining to your acceptance of performance of services, including reports and other data.

6. All personnel engaged in contracting and related activities shall conduct business dealings with industry in a manner above reproach in every aspect and shall protect the U.S. Government's interest, as well as maintain its reputation for fair and equal dealings with all contractors. DoD 5500.7-R sets forth standards of conduct for all personnel directly and indirectly involved in contracting.

7. A COR who may have direct or indirect financial interests which would place the COR in a position where there is a conflict between the COR's private interests and the public interests of the United States shall advise the supervisor and the contracting officer of the conflict so that appropriate actions may be taken. CORs shall avoid the appearance of a conflict of interests to maintain public confidence in the U.S. Government's conduct of business with the private sector.

8. You are required to acknowledge receipt of this designation on the duplicate copy and return it to the contracting officer. Your signature also serves as certification that you have read and understand the contents of DoD 5500.7-R. The original copy of this designation should be retained for your file.

SIGNATURE BLOCK OF
CONTRACTING OFFICER

Receipt of this designation is acknowledged.

NAME: (Print or type) SIGNATURE:

TITLE: DATE:

RANK/GRADE: TELEPHONE

APPENDIX E

Ordering Officers

E-1. General.

a. Under simplified acquisition procedures the ability to delegate simplified acquisition authority augments contracting capability and enhances responsiveness to the requesting activity and/or using organization. This is accomplished through the written appointment of an ordering officer by the chief of the contracting office.

b. Ordering officers are generally not contracting personnel. Usually, ordering officers have no formal procurement training or experience. When the ordering officer arrives in theater it is essential that the theater appointing authority or their designee thoroughly brief each ordering officer on the various acquisition policies and procedures applicable to the type of purchases they will make.

E-2. Policy.

a. It is Army policy that--

(1) The chief of the contracting office be responsible for the efficient performance of the contracting mission assigned the activity.

(2) The contracting function not be decentralized by the indiscriminate appointment of ordering officers.

(3) Ordering officers may not be appointed within a contracting office.

b. Ordering officers may be appointed for valid purposes provided the contracting officer appointing the ordering officers determines appointment is essential for the efficient operation of the contracting mission.

c. When justified, the chief of the contracting office may appoint a unit member as an ordering officer. The ordering officer acts as an agent (under written direction from the chief of the contracting office) for the supporting contracting office to make authorized local purchases (LP). Ordering officers are normally nominated by commanders and appointed by the designated contingency HCA (can be delegated to the chief of the contracting office); and trained and supervised by the appointing authority or his designee (the contracting officer). They may be terminated by the chief of the contracting office. Strict operational control over ordering officers is necessary to preclude violations of law and regulations. Care must be exercised in determining how many ordering officers are necessary yet controllable.

d. When the ordering officer is appointed, the unit commander will ensure that:

(1) The property book officer (PBO) is not appointed as an ordering officer. The ordering officer may be the receiving officer.

(2) The ordering officer shall not make a local purchase without a written request from the PBO.

(3) After receipt of property purchased, the ordering officer provides the PBO copies of all receipt documents to be screened to establish required property accountability.

e. Purposes for which ordering officers may be appointed and references as to limitations of their authority are- -

(1) To purchase with imprest funds.

(2) To purchase over-the-counter and not exceeding $2,500.

(3) To place unilateral delivery orders against pre-priced indefinite delivery type supply and service contracts provided the contract terms permit and all orders are placed within the monetary limitations of the contract terms.

E-3. Types of Ordering Officers. There are different types of ordering officers. All are limited by the scope of their delegated authority as to the type of transaction they may use and a dollar limitation on what they may commit. The following examples are personnel who can be appointed as ordering officers:

a. Logistics personnel on contingency, humanitarian assistance or peacekeeping missions.

b. Commissary officer.

c. Medical supply officer (Example: At a hospital).

d. Engineer supply officer, repairs and utilities.

e. Reserve center coordinator.

f. Maintenance supply officer.

g. Individuals appointed for a specific purchase (Example: Parts for a typewriter repair shop).

E-4. Ordering Officer's Responsibilities. The ordering officer must determine, before making a purchase--

a. If the purchase is authorized (purchase requests must be validated by the G4/S4 or as stated on the appointment orders).

b. If funds are available.

c. If the authority to make this purchase has been specified in the appointing order.

d. Supplies are not available from other governmental sources.

e. If the most efficient/economic purchasing method is being used.

E-5. Authorization. Written authorization (letter of appointment) is needed

before an ordering officer obligates the government.

E-6. Limitations.

a. Ordering officers may not re-delegate their authority.

b. Only military or civilians under the jurisdiction of DA can be appointed as ordering officers. Other Services do not use the term "ordering officer," but do have individuals who perform similar functions.

E-7. Examples of Purchases. The range of purchases should be limited and specified in the appointment letter instructions. Neither the list nor the items, below, are inclusive.

a. Supplies--

(1) Lumber.

(2) ADP equipment and supplies.

(3) Furniture (chairs and tables).

(4) Construction material.

(5) Office equipment.

(6) Medical supplies.

(7) Appliances.

(8) Non-standard supplies.

b. Services--

(1) Laundry.

(2) ADP repair.

(3) Office machine repair.

(4) Vehicle maintenance.

E-8. Surveillance.

a. Ordering officers shall be under the technical supervision of the chief of the contracting office or individual designated by the chief of the contracting office.

b. In a contingency, humanitarian assistance or peacekeeping or field environment, at least once a month, activities of ordering officers shall be physically inspected or reviewed through examination of purchase documents and records by the chief of the contracting office or designee.

c. Inspection or review findings shall be written and shall include specific comments as to whether the ordering officer is--

(1) Operating within the scope and limitations of authority.

(2) Maintaining the standards of conduct as prescribed in DoDD 5500.7-R, Joint Ethics Regulation.

(3) Not delegating authority to others.

(4) Submitting correct and timely information for procurement reporting purposes.

(5) Not making unauthorized purchases of items.

d. Copies of inspection and review findings shall be retained for one year in the files of ordering officers and of inspectors or reviewers.

e. Should an appointing authority find that an ordering officer is not properly performing his duties or fails to take prompt action to correct deficiencies noted in inspections or reviews, the appointing authority shall terminate, in writing, the appointment of the ordering officer.

E-9. Clearance Requirements/Letters of Clearance.

a. When an ordering officer's appointment is terminated, the ordering officer will bring to the chief of the contracting office or his unit commander the following:

(1) Original copy of appointment letter.
(2) Copies of all reports filed previously.
(3) A complete report for any period between the last report and the date of termination, including all copies of the SF 44, Purchase Order-Invoice-Voucher, all sales slips or other receipts, and any justifications (if any) regarding price or source reasonableness.
(4) An original copy of the DA Form 3953, Purchase Request and Commitment.
(5) Any unused SF 44's in his possession.

b. A Letter of Clearance/Termination signed by the chief of the contracting office and an original copy of the approved SF 1129 will be returned to the ordering officer after all the above has been reviewed and certified to be acceptable.

c. Finally, a letter terminating the appointment of the ordering officer will be issued by the chief of the contracting office.

E-10. Letter Formats.

a. Appointment letter. Ordering officers shall be appointed by a letter of appointment in the format illustrated in this Appendix The purchase transaction in paragraph 2A(1) should be changed to “is not in excess of $2500 in emergency conditions”.

b. Termination letter. The appointment of an ordering officer shall remain in effect until the ordering officer is reassigned or his employment is terminated, but it may be revoked at any time by the chief of the contracting office. No revocation shall be made to take effect retroactively. Termination of appointments shall be in writing except when contracts against which ordering officers are appointed to place delivery orders expire upon the dates established in the contract.

c. Report forms. The DD Form 1057, Monthly Contracting Summary of Actions $25,000 or Less, requires information that is captured from the Feeder Report and the Register of orders (sample follows in appendix).

d. Letter of Clearance/Termination is included in the illustrated formats in this appendix.

Format for letter designating an Ordering Officer

Use official letterhead and follow standard procedures for correspondence. Address the designation to the individual by name, including rank or grade, and full mailing address.

(Official Letterhead)

(Office Symbol) (Date)

SUBJECT: Appointment of Ordering Officer

1. Appointment. Under AFARS 1.602-2-91, you are appointed an Ordering Officer for the purposes set forth in paragraph 2. Your appointment shall become effective (enter date) and shall remain effective, unless sooner revoked, until expiration of the contract(s) enumerated in paragraph 2 or until you are reassigned or your employment is terminated. You are responsible to and under the technical supervision of the chief of the (enter name of installation or activity) contracting office for your actions as an Ordering Officer.

2. Authority, Limitations and Requirements. Your appointment is subject to the use of the following method(s) of purchase, limitations and requirements:

a. Subject to your ensuring that local purchase authority exists for the transaction, you may make purchases using imprest funds for payments and using Standard Form 1165, Receipt for Cash--Subvouchers, provided all of the following conditions are satisfied:

(1) The aggregate amount of a purchase transaction is not in excess of $500 under emergency conditions. You may not split purchases to avoid this monetary limitation.

(2) The supplies or non-personal services are available for delivery within 60 calendar days, whether at the supplier's place of business or at destination.

(3) The purchase does not require detailed, technical specifications or technical inspection.

b. Subject to your ensuring that funds are available and that local purchase authority exists for the transaction, you may make purchases using Standard Form 44, Purchase Order--Invoice--Voucher, provided all of the following conditions are satisfied:

(1) The aggregate amount of the purchase transaction is not in excess of $2,500. You may not split purchases to avoid this monetary limitation.

(2) Supplies or non-personal services are immediately available.

(3) One delivery and one payment shall be made.

c. Subject to your ensuring that funds are available and that local purchase authority exists for the transaction, you may place delivery orders (DD Form 1155) without monetary limitation, except that specified in individual contracts, against--

(1) Brand Name contracts published in Defense Personnel Support Center Supply Bulletins in the SB 10-500 or SB 10-600 series;

(2) Defense Personnel Support Center requirements contracts for

subsistence items;

(3) Defense Fuel Supply Center and Defense General Supply Center requirements contracts; and

(4) The following indefinite delivery contracts, copies of which are attached: (List contracts by number and name of contractor.)

d. Subject to your ensuring that funds are available and that local purchase authority exists for the transaction, you may place Service Orders for Household Goods, DD Form 1164, against Commercial Warehousing and Related Services for Household Goods contracts for military and civilian personnel, subject to the criteria and procedures prescribed in DoD 4500.34-R, Chapter 2, and provided that no Service Order shall be in excess of $10,000.

e. You are responsible for (1) distributing and administering delivery orders that you place, (2) establishing controls necessary to ensure that all contract terms and conditions are met and that supplies or nonpersonal services ordered conform to contract requirements before acceptance is made or payment authorized, and (3) reporting deficiencies in contractor performance promptly to the contracting officer who awarded the contract against which the delivery order was placed. You may not make any changes in the terms or conditions of any contracts against which you place delivery orders.

f. The authority granted in this appointment may not be re-delegated to any other person.

3. Standards of Conduct and Contracting Action Reporting Requirements.

a. You shall comply with the standards of conduct prescribed in DoD 5500.7-R.

b. You shall furnish the undersigned and the contracting officer to whom you are responsible such information as may be required for contracting action reporting purposes in the manner and the time specified.

4. Termination of Appointment.

a. Your appointment may be revoked at any time by the undersigned authority or successor and shall be terminated in writing, except that no written termination of your appointment shall be made upon expiration or termination of contracts enumerated in paragraph 2.

b. Should you be reassigned from your present position or separated from Government service while this appointment is in effect, you shall promptly notify the appointing authority in writing. Your appointment will be terminated in writing if you are reassigned; it shall automatically be terminated on the date you are separated from Government service, if it is not revoked sooner.

5. Acknowledgment of Receipt. You are required to acknowledge receipt of this appointment on the duplicate copy and return it to the contracting officer. Your signature also serves as certification that you have read and understand the contents of DoD 5500.7-R. The original copy of this designation should be retained for your file.

SIGNATURE BLOCK OF
APPOINTING AUTHORITY

Receipt of this appointment is acknowledged.

NAME: (Print or type) SIGNATURE:

TITLE: DATE:

RANK/GRADE: TELEPHONE:

1057 FEEDER REPORT

SF 44 ACTIONS

Ordering Officer:

Month Period: _____

Total Dollar Value: _____

Total Number of Actions: _____

Monthly reporting period is 21st through 20th of each month.

Also attach copy number 4 of each SF 44 issued during the reporting period. (See Appendix G)

REGISTER OF ORDERS

SF 44

Name: _____

Organization: _____

Month Period: _____

Order No. Date Description Dollar Amount Vendor
(See Appendix G)

Format for letter of clearance

(OFFICE SYMBOL) (DATE)

MEMORANDUM FOR DIRECTOR OF CONTRACTING

SUBJECT: Letter of Clearance

1. The ordering officer whose name appears below was appointed an ordering officer on (DATE).

NAME: SSN: APPT #:YY-##

2. I have reviewed the following checked items which apply:

a. Original copy of appointment letter.

b. Copies of all reports filed previously.

c. A complete report for any period between the last report and the date of termination, including all copies of the SF 44, all sales slips or other receipts, and any justifications, if any, regarding price or source reasonableness.

d. An original copy of the DA Form 3953.

e. All unused SF 44s.

3. I certify the following SF 44s are cleared, contractually sufficient, and within the scope of the appointed authority.

(Number - Number)

4. I certify the following SF 44s are not cleared, as they exceed the appointed authority.

(Number - Number)
(If NONE, so state)

(OPTIONAL PARAGRAPH 3)

3. I certify no SF 44s were issued against this appointment and all SF 44s in the ordering officer's possession have been returned to the chief of the contracting office.

NAME

GRADE/RANK

Format for termination of an Ordering officer's appointment

(OFFICE SYMBOL) (DATE)

MEMORANDUM FOR (Name) (SSN) (Organization) (Address)
(Location)

SUBJECT: Termination of Ordering Officer Appointment
No. (YY-##)

1. Your appointment as an ordering officer is hereby terminated.

2. The following SF 44s are cleared, contractually sufficient and within the scope of the appointed authority.

(Number - Number)

The following SF 44s are not cleared as they exceed the appointed authority.

(Number - Number)
(If None, so state)

(OPTIONAL PARAGRAPH 2)

2. No Standard Form 44s were issued by you and all SF 44s issued to you have been returned to this office.

(NAME)
(Rank, Branch)
(Chief of Contracting Office)

APPENDIX F

Contingency Contracting Support Kit

F-1. Planning. Each Contracting Officer (FA 97) and deployable contracting element must prepare a Contingency Contracting Support Kit. From previous experience, gathering procurement regulations, equipment, and forms upon deployment notification is too late. Units are already deploying to the site and procuring locally to respond to immediate needs. As a result, there may be many unauthorized purchases which will create a workload upon the arrival of procurement personnel. Individual kits should be developed to specific scenarios or anticipated deployment areas, but all should include samples of a Price Negotiation Memorandum (PRM), a Buyer's Worksheet, and a Justification and Approval (J&A).

F-2. The Contingency Contracting Support Kit:

a. Each kit should include a 90-day supply of the following forms and materials:

FOR INITIALLY DEPLOYING CONTRACTING ELEMENT:

- DA Form 3953, Purchase Request and Commitment
- DD Form 250, Material Inspection and Receiving Report
- DD Form 350. Individual Contracting Action Report (Over $25,000)
- DD Form 1057, Monthly Contracting Summary of Actions $25,000 or less
- DD Form 1155, Order for Supplies or Services

- Standard Form 18, Request for Quotation
- Standard Form 26, Award/Contract
- Standard Form 30, Amendment of Solicitation/ Modification of Contract
- Standard Form 33, Solicitation, Offer, and Award
- Standard Form 44. Purchase Order-Invoice-Voucher
- Standard Form 129, Solicitation Mailing List Application
- Standard Form 252, Architecture-Engineer Contract
- Standard Form 254, Architecture-Engineer and Related Services Questionnaire
- Standard Form 255, Architecture-Engineer and Related Services Questionnaire for Specific Project
- Standard Form 1165, Receipt for Cash-Subvoucher
- Standard Form 1409, Abstract of Offers
- Standard Form 1442, Solicitation, Offer, and Award (Construction, Alteration or Repair)
- Standard Form 1449, Solicitation/Contract/Order for Commercial Items

FOR MAIN ELEMENT CONTRACTING OFFICE:

- o DA Form 3953, Purchase Request and Commitment
- o DD Form 250, Material Inspection and Receiving Report
- o DD Form 350. Individual Contracting Action Report (Over $25,000)
- o DD Form 448, Military Interdepartmental Purchase Request (MIPR)
- o DD Form 448-2, Acceptance of MIPR
- o DD Form 1057, Monthly Contracting Summary of Actions $25,000 or less
- o DD Form 1155, Order for Supplies or Services
- o DD Form 1593, Contract Administration Completion Record
- o DD Form 1594, Contract Completion Statement
- o DD Form 1597, Contract Close-out Checklist
- o DD Form 1598, Contract Termination Status Report
- o Standard Form 18, Request for Quotation
- o Standard Form 26, Award/Contract
- o Standard Form 30, Amendment of Solicitation/ Modification of Contract
- o Standard Form 33, Solicitation, Offer and Award
- o Optional Form 336, Continuation Sheet
- o Standard Form 44, Purchase Order-Invoice-Voucher
- o Standard Form 129, Solicitation Mailing List Application
- o Standard Form 1165, Receipt for Cash-Subvoucher
- o Standard Form 1402, Certificate of Appointment
- o Standard Form 1403, Preaward Survey of Prospective Contractor General
- o Standard Form 1409, Abstract of Offers
- o Standard Form 1410, Abstract of Offers - Continuation
- o Optional Form 1419, Abstract of Offers - Construction
- o Standard Form 1449, Solicitation/Contract/Order for Commercial Items

b. A list of authorized Procurement Instrument Identification Numbers (PIIN) IAW DFARS 204-7003, Uniform Procurement Instrument Identification Numbers. These numbers should be provided by a sponsoring support contracting activity, possibly where the contracting element deploys from or is based. PIINs will facilitate the incorporation of the contracts into the sponsoring activities' files and records. The numbering system is used to facilitate control of individual contracting actions. Registers of the PIINs will be maintained according to the type of contracting action as follows:

- o Blanket Purchase Agreements (A)
- o Invitation for Bids (B)
- o Contracts (C)
- o Indefinite Delivery Type Contracts (D)
- Contracting actions placed with/thru other Government departments or agencies or against contracts placed by department or agencies outside the DoD. (i.e., NIB, NISH, UNICOR.)(F)
- o Basic Ordering Agreements (G)
- o Lease Agreement (L)
- o Purchase Orders (M)
- o Request for Quotations (Q)
- o Request for Proposal (R)

c. Catalogs with pictures of supplies. Because of probable language barriers, such catalogs would be very helpful. Catalogs of hardware, construction supplies, automotive parts, among others, would be useful.

d. Administrative and other supplies, such as:

(1) Office supplies.

(2) Contract file folders.

(3) Hand-held calculators and batteries.

(4) Field safe and/or security container.

(5) Flashlights and batteries.

(6) Sample contract formats.

(7) Authority to carry a sidearm (DA Form 2818, Firearms Authorization).

(8) SF 1402, Certificate of Appointment, issued by the Head of Contracting Activity (HCA) or the Principal Assistant Responsible for Contracting (PARC).

(9) A personal computer with CD-ROM, printer and modem, and a manual typewriter with ribbons.

(10) A small photo copier.

(11) Facsimile machine.

(12) Polaroid camera, batteries, flash and film.

(13) FAR (available in paperback), Defense Acquisition Deskbook, DFARS and AFARS.

e. Currency. The need for cash and U.S. Treasury checks should be determined in conjunction with the finance and accounting office. FAR 25.501 (a) requires that contracting officers make a determination if offshore contracts with local firms are to be paid in local currency. The use of U.S. currency requires a status of forces agreement with the Host Nation.

(1) Cash or U.S. Treasury checks will remain in the possession of finance and accounting office personnel. Authorized finance personnel or finance officer’s representative will normally accompany the ordering officer to pay on the spot for goods received.

(2) A list of banking facilities available in the host country where U.S. cash and checks may be converted to local currencies would be helpful to both finance and supply personnel.

F-3. MTOE Equipment.

(1) Mask, Protective CBR.

(2) Pistol, 9mm and/or Rifle, 5.56mm M16A2.

(3) Portable Phone, Cellular.

F-4. Logistical Support Data Bases. U.S. Army, Pacific is developing a data base designed to identify potential sources of goods and services throughout the Pacific theater. The data base is exportable and can be tailored to meet the needs of deployed units. Such data bases may already be available at your site and should be used to supplement operations whenever possible.

F-5. Voltage Requirements. Equipment may need to be adapted to use the local power sources so include these adapters in your kit. Also, bring along extra batteries/power packs in support of your equipment.

F-6. Standard Specifications.

a. When acquiring logistics and life support through contractual means, writing adequate specifications is one of the most difficult tasks the requiring activity will encounter. In order to simplify the process and provide assistance to requiring units, the following specifications are samples of standard requirements which should be prepared in advance of any deployment. Standard specifications under contingency conditions only require the DA Form 3953, Purchase Request and Commitment, attached with certified funds and authorized signatures.

b. Preparing standard specifications before deployment with the coordination of requiring activities, expedites the process for the unit, clarifies and simplifies the work for the contracting office, and eliminates gold plating or excessive specifications that are beyond the government's minimum needs.

SAMPLE - HOST NATION (HN) COMMODITY DESCRIPTIONS

These general guidelines are not detailed specifications as used for commercial contracting. It is understood that reasonable variations to conform to HN capabilities and the needs of the U.S. Army will be made so long as the safety and the health of U.S. personnel are not endangered.

PERMANENT FACILITIES

Office Space:

Will be heated to ____ C (+/- 3 degrees C), lighted to a minimum of _____ lux at desk level, and have as a minimum:

a. Sufficient number of desks and chairs to accommodate _____ personnel.

b. Use of normal office provisions such as paper, pencils, typewriters, calculators, etc.

c. Access to telephones, copy machines, etc. as listed in the schedule.

d. Access to sanitary facilities.

Dining/Mess Facilities:

Will be heated to _____C (+/- 3 degrees C), lighted to a minimum of _____ lux at table level and have as a minimum:

a. Sufficient number of wares (plates, bowls, glassware, spoons, knives, forks) and tables and chairs to accommodate the total number of personnel indicated.

b. Condiments such as, but not limited to, salt, pepper, sugar, and sauces.

c. Access to sanitary facilities.

Wash Rack:

Will have as a minimum:

a. Roof and sufficient space to accommodate the following vehicles:

b. Access to steam cleaners, water and electricity as follows:

c. Access to portable or fixed ramps.

SAMPLE - CONTRACTED SUPPLIES AND SERVICES

UCC Specification F 0001 - Forklifts:

1. Forklifts provided by the contractor for the stated rental period will be of commercial type that is equipped for outdoor use. The lifts must have the capability of lifting _____ kilos, to a minimum of 2.5 meters in height. In addition the equipment will be capable of maintaining stability on a 6 percent incline, while handling a load of the specified amount.

2. At the time of delivery the forklifts shall be in sound mechanical condition free of all known defects and ready for immediate use. The equipment must meet all the applicable standards (i.e., government and trade unions) for safe operation.

3. The forklifts will be equipped with the following:

a. Gas/diesel powered engine.

b. Self-sustained electrical system to include an electric starter.

c. Pneumatic tires (snow chains to be provided during winter if applicable).

d. Spark proof exhaust system.

e. Front and rear lights that will facilitate on road operations during hours of darkness.

f. Driver protection roll bar.

g. Adjustable forks.

h. Warning device (automatically activated when the lift is placed in reverse gear).

4. The contractor shall furnish all the transportation, labor, material, and supervision required for the delivery, operational test, repair and maintenance, and removal of the equipment through the end of the rental period. In addition, the contractor shall furnish all POL products, (with the exception of fuel). This is to include distilled water for batteries.

5. The contractor shall provide a point of contact for on-call maintenance and/or replacement of equipment. The point of contact must be available from 0800 to 2100 to include Saturdays, Sundays and all local and American holidays. The contractor will provide all labor, material, and supervision required to keep the equipment in a serviceable and safe operating condition. Repair and maintenance may be performed on site, subject to coordination with the COR. If a forklift becomes inoperable due to the need for repair and/or maintenance, the contractor will be notified immediately. The contractor must respond, within six (6) hours after notification, to perform the repair and maintenance services. If repair and maintenance services cannot be performed within the same day, the contractor shall furnish a

replacement unit. Equipment that remains inoperable for more than a 12-hour period will be considered not available for use and rental fees will cease until the equipment is repaired to a fully operational condition or replaced with a serviceable unit. The pickup and removal of inoperable equipment will be accomplished at contractor expense.

6. Acceptance of forklifts by the government. At the time forklifts are delivered to the government, the contractor shall issue a form, written in English, for each forklift, which provides the user a means to annotate the conditions of the equipment. In addition, general operating instructions, to include refueling procedures, how to check and add oil, proper operating techniques, and preventative maintenance procedures will be provided by the contractor. The contractor and the COR will jointly inspect the equipment for completeness and will list all damage (to include scratches and dents, etc.) on the inspection form. The inspection form must be signed and dated by both the COR and the contractor as acknowledgment that the forklift was received by the government in the condition described/annotated. A copy of the inspection form will be retained by the contractor and the COR for use during the joint inspection at the end of the rental period.

7. Return of forklifts to contractor. Upon expiration of the rental period, forklifts will be returned to the contractor, clean, and complete with all accessories. Utilizing the inspection form, a joint inspection will be conducted and all discrepancies will be noted. Both the COR and the contractor, or his authorized representative, will sign the inspection form to acknowledge the return of the equipment in the described condition. Reasonable wear and tear, as well as damages which are not annotated on the turn-in inspection form, will not be considered as valid if the contractor later submits a claim against the government.

APPENDIX G

Standard Form 44, Purchase Order-Invoice-Voucher

G-1. General. This appendix prescribes policies and procedures governing the activities of ordering officers authorized to make simplified acquisitions using Standard Form 44.

G-2. Responsibilities of Ordering Officers.

a. Prior to initiating any procurement using an SF 44, ordering officers must ensure--

(1) Sufficient funds are available. A DA Form 3953, Purchase Request and Commitment Form, signed by a budget officer must be in place prior to the ordering officer entering into any transactions.

(2) The purchase amount of any one transaction does not exceed the dollar limitation specified in the appointment letter. (The requirement will not be split to avoid this dollar limitation.)

(3) The supplies or services are available from the local trade area.

(4) One delivery of over-the-counter supplies or services and one payment will be made per SF 44.

(5) The price is fair and reasonable.

(6) The purchases are rotated among sources of supply when possible.

b. The ordering officer must--

(1) Prepare the Standard Form 44.

(2) Comply strictly with all provisions of the appointment letter.

(3) Maintain a register of orders issued and copies of each SF 44 with supporting documents.

(4) Promptly report individual transactions made during the month and at the completion of the operation.

(5) Become thoroughly familiar with the standards of conduct as prescribed in DoDD 5500.7-R, Joint Ethics Regulation, and review the regulation at least semiannually. The ordering officer will furnish the appointment authority a signed statement that the regulation has been read and is understood.

G-3. Policies/Uses of Standard Form 44.

a. The Standard Form 44 is printed as a carbon interleaved form with four sheets per set and provides, in one document, a purchase or delivery order, a receiving report, a property

voucher, and a payment voucher.

b. Purchases with this form will only be made by a duly appointed ordering and/or contracting officer. Total dollar amount on each SF 44 will not exceed the dollar limitation specified in the appointment letter.

c. Simplified acquisitions normally will be for off-the-shelf items. Prices may be obtained by telephone or from a vendor's place of business. Only one source of supply need be considered, so long as the ordering officer can justify the price as fair and reasonable, and the purchase amount is not over the micro-purchase threshold. Every attempt should be made to rotate vendors.

d. Similar type items will be consolidated, whenever possible, into one order. Requirements will not be split to avoid the limitations of the ordering officer's authority. When the aggregate monetary amount exceeds the authorized dollar limitation of the ordering officer the requirements will be referred to the contracting officer for procurement action.

e. Ordering officers cannot re-delegate their responsibilities and will sign all documents used for purchasing with the same name as appears in their appointment letter with the title "Ordering Officer." No one will sign for an ordering officer as "substitute" or "alternate."

f. When a purchase is to be made using the SF 44, the ordering officer executes the purchase document. The items will be signed for by the receiving officer and paid by the Finance Officer’s Representative agent. (If the Finance Officer’s Representative is not available, the ordering officer will give the seller copies 1 and 2 of the SF 44, with instructions to forward copy 1 to the finance and accounting office (F&AO) at the address shown on the SF 44 for payment.) When a "Discount" is offered by the vendor, the SF 44 will be processed and forwarded for payment without delay in order for the government to take advantage of such discount.

g. Ordering officers will not make any purchases from individuals who are employed by the U.S. Government, or from a company with which the ordering officer or associates have an interest or stock. If this is the only source of supply, the contracting officer must be notified.

G-4. Distribution of Standard Form 44.

a. When the SF 44 is paid immediately by the Finance Officer’s Representative, Copy 1 is signed by the seller and given directly to the Finance Officer’s Representative.

b. Copy 2 (Seller's Copy of Invoice) will be given to the vendor at the time of purchase.

c. Copy 3 (Accounting Copy) will be retained by the Finance Officer’s Representative

d. Copy 4 will be retained by the ordering officer and forwarded with the end of month report.

e. Copy 5 will be annotated by the receiving organization and forwarded to the proper administrative field office.

G-5. Utilization of Standard Form 44.

a. The ordering officer must be aware of the fact that just because an item is authorized by a TDA or other publication does not mean it is authorized for local purchase. Items which are not utilized in direct support of the activity for which the ordering officer was appointed may not be purchased. Purchasing items or contracting for services, other than those authorized, is not legal and the ordering officer may be held pecuniary liable.

b. The ordering officer must be aware that the SF 44 is a direct draft upon the U.S. Treasury and may be accepted by vendors without further proof of authority to execute. Therefore, the ordering officer must safeguard all SF 44s or risk being held accountable for those forms presented for payment over the signature of someone other than the ordering officer.

c. The SF 44 may be used to purchase when one or more of the following conditions exist:

(1) When an emergency situation precludes submission of a purchase request through normal supply channels. Lack of foresight or preplanning does not constitute an emergency.

(2) When authorized supplies are not available through normal supply channels and local procurement for these supplies has been determined to be the most efficient means of re-supply.

(3) When there are no other sources of U.S. Government supply available within a reasonable area.

d. Ordering officers are not authorized to purchase supplies or services available under Federal Supply Schedule (FSS) contracts. Since the types of supplies covered by FSS are greatly varied, the contracting office should identify all applicable FSS contracts, minimum order quantities, and options for supplies that may be needed during a contingency, humanitarian assistance or peacekeeping operation.

G-6. Preparation of Standard Form 44.

a. Ordering officer will fill out the SF 44 with ballpoint pen or it may be typed. All copies of the form must be legible.

b. Order Identification Number: The ordering officers should use the numbers provided by the contracting office and only resort to local numbering if none were provided. In any event the ordering officer must provide the contracting officer a "Record of Purchases".

c. Date of Order: The date the order is placed.

d. Order Number: The "WF6XXX-90-M-0004" reflects the purchase instrument identification number used on the order.

e. Payee or Seller: Business or trade name and address of the vendor must be correct in order to facilitate payment.

f. Furnish Supplies or Services: Print your activity address.

g. Supplies or Services, Quantity and Unit Price: Completed by the ordering officer.

h. Amount, Total and Discount Terms: Must be completed prior to the signature of the ordering officer. Every effort will be made to obtain any applicable discounts. If none is obtained, enter the word "NET" in this block. Other type discounts (quantity, preferred customer, trade, U.S. Government, etc.), if obtained will be computed and recorded directly under the listing of supplies or services.

i. Date Invoice Received: The date of receipt by the ordering officer of the properly signed Seller's Invoice (Copy 1).

j. Agency Name and Billing Address: The address for the finance and accounting office supporting your command.

k. Ordered By: The title and signature of the ordering officer will be used on all copies of the form.

l. Purpose and Accounting Data: The fund cite shown on the DA Form 3953 will be written out in full in this block.

m. Received By: When the delivery or pickup is made, this information will be completed by the receiving officer.

n. Seller: The seller/vendor signs and dates all copies of the form on the date payment was received by the seller, or payment requested by mail by seller if the SF 44 invoice is to be mailed by seller to F&AO. The appropriate "Payment Received"/ "Payment Requested" blocks are checked by seller.

o. All other spaces are reserved for finance and accounting office use.

G-7. Record of Purchases by the Ordering Officer.

a. The ordering officer will maintain a record of purchases made in register format. The register will show as a minimum, purchase instrument number, vendor identification and total cost of the transaction.

b. The ordering officer will also maintain a record of funds remaining available to him on the back of the DA Form 3953. This will be maintained in checkbook register style, with each entry being subtracted and a running balance maintained at all times.

G-8. Reporting of Individual Transactions.

a. A report of the transactions made during the month will be made directly to the contracting office no later than the last

day of each month. Cutoff date for the report will be the 20th day of each month to ensure submittal of the report by the last day of the month.

b. Ordering officers appointed for less than one month, or for an operation lasting less than four weeks, but overlaps the 20th of the month in which the appointment begins, will report NLT after the end of the operation or the date of termination stated in the appointment letter.

c. Negative reports are required in all cases.

d. Ordering officers must clear all their SF 44s prior to departing the command.

APPENDIX H

DA Form 3953, Purchase Request and Commitment

H-1. Purpose. The purpose of this form is to--

a. Furnish a document which evidences the first step in procurement and which can be scrutinized by all interested officials in advance of actual purchase negotiations.

b. Provide a medium on which the finance and accounting officer can indicate approval as to the availability of funds and correctness of the accounting classification.

c. Provide a means of certifying committed and available funds.

d. Provide a worksheet portion on which to record abstract data as required for procurement action.

e. Provide space for maintenance of an obligation record in case partial obligations are involved.

H-2. Local Procurement. DA Form 3953 is required when used in connection with local purchase of subsistence supplies as prescribed in AR 30-18, but is not mandatory as prerequisite to other procurement actions.

H-3. Use as a Purchase Request. DA Form 3953 executed as a purchase request will be completed by the requesting unit to show in the appropriate spaces--

a. Requisition number and date.

b. Explanation of necessity for local procurement.

c. Description, quantity, and purpose of items requested.

d. Signature and titles of initiating officer, supply officer, and the commander or designee.

e. Funds authorized for use and approval of the fund use.

f. Required delivery date or period of performance.

H-4. Preparation. The form will be prepared by the initiating office in as many copies as necessary to satisfy local administrative needs. As a minimum, the form will be prepared in an original and three copies and routed as follows:

a. User/Requester should provide the estimated cost and forward the (original and two copies) to the authorized approving official for approval and certification of availability of funds.

b. The authorized approving officer will retain one copy and forward the original and one copy to the contracting office for procurement processing.

H-5. Retained Copies. Copies retained in the finance and accounting office will be placed in a commitment file pending

receipt of the obligating documents. Upon receipt of the obligation document, a comparison will be made with the retained copy of commitment to determine correctness of the accounting classification and amounts. The retained copy then will be attached to the file copy of the obligation document. In the event more than one obligation document is issued against an individual commitment, the retained commitment, with recorded previous obligations, will be attached to the final obligation document.

H-6. Worksheet. The "worksheet" portion of the form (front right) is designed to reflect data required for preparation of the procurement instrument.

H-7. Reverse Side of Form. The reverse side of the form is designed for maintaining a record of obligations incurred and determining the unobligated balance of the commitment when partial obligations are involved. It is not to be used when the full amount of the commitment is obligated with a single instrument. When used, annotate the reverse side of the form with the following:

a. Amount committed.

b. Date and identifying number of each obligation document.

c. Amount of each purchase order, contract, or other obligation document applicable to the commitment.

d. The unobligated balance of the commitment. This balance is derived by subtracting the total of the obligations from the amount of the authorized commitment.

e. Any remarks necessary for adequate administrative control of the transactions or activities in connection with the commitment.

APPENDIX I

DD FORM 448, Military Interdepartmental Purchase Request (MIPR)

I-1. Issuance of MIPR. The preparation and use of DD Form 448 is substantially self explanatory. Information provided in the MIPRs shall be arranged in the uniform contract format to the extent feasible. The preparation and issuance of the MIPR will be accomplished by the resource management (comptroller) office.

I-2. Acceptance of MIPR.

a. As soon as practicable after receipt of a MIPR, the resource officer shall formally accept the MIPR by issuing a DD Form 448-2, "Acceptance of MIPR." Entries will be typed or printed with ballpoint pen. Sections (1) through (17) below correspond with the numbered blocks on the form and are provided as instructions on how to complete the DD Form 448-2.

(1) Enter address of requiring activity.

(2) Enter MIPR number.

(3) Enter amendment number if this is an amendment.

(4) Enter date MIPR was signed.

(5) Enter dollar amount from MIPR.

(6) Indicate how items will be provided.

(7) Check this box if any one of the MIPR line items is not accepted.

(8) List item numbers, quantities, prices, and total estimated prices for items provided through reimbursement.

(9) List item numbers, quantities, prices and total estimated prices for items purchased by direct citation of funds.

(10) Whenever information is placed in Block 9 for items purchased by direct citation of funds, the approximate contract award date is to be entered.

(11) Enter the total amount of funds required by the procuring department to fund the MIPR items, as accepted.

(12) If the amount in Item 5 is not in agreement with the amount in Item 11, then Item 12 needs to be completed indicating overfunding or underfunding.

(13) If the MIPR line item was not accepted as indicated in Item 7, indicate the line item number and the reason. Also, if any additional funds are required, give justification by MIPR line item.

(14) Enter address of accepting activity.

(15) Enter name and title of accepting activity

official.

(16) Official signature.

(17) Enter date signed.

b. The requester will be furnished four copies (one signed) of the DD Form 448-2. Additionally, each time the MIPR is amended to adjust funding or the delivery schedule, another DD Form 448-2 shall be executed.

I-3. Notification of Inability to Obligate. On 1 August of each fiscal year, the contracting office will advise the resource manager of any MIPRs on hand citing expiring appropriations on which they will be unable to obligate the funds prior to the funds expiration date.

APPENDIX J

DD Form 1155, Order for Supplies or Services

J-1. Preparation.

a. Entries will be typed or printed with ballpoint pen.

b. The DD Form 1155 shall not be used by the contracting officer when issuing written solicitations and awarding contracts and placing orders for commercial items.

c. When preparing the DD Form 1155 as a purchase order, in addition to including the appropriate clauses, the following information will be inserted by the contracting officer: Sections (1) through (25) below correspond with the numbered blocks on the form and are provided as instructions for completing the DD Form 1155. (Differences between these instructions and the guidance in DFARS 253.213-70 are intended to reflect the need for flexibility in form preparation for contingency, humanitarian assistance or peacekeeping contracting purposes.)

(1) Enter the Procurement Instrument Identification (PII) Number. When used as a Purchase Order enter the supplementary identification number (for example: PII Number - 0001).

(2) Enter PII number for delivery orders, when applicable (ie. 001)

(3) Enter the date of the order.

(4) Enter Requisition/Purchase Request Number.

(5) Enter the Appropriate Program ID Code as identified in the Defense Priorities and Allocations System Regulation.

(6) Insert the name and address of the issuing office to include the buyer's name and phone number.

(7) Enter the name and address of the organization responsible for contract administration. If it is the purchase office, insert the statement "See Block 6."

(8) Indicate the Free on Board (FOB) point by checking the applicable box. (For example, if the Government must pick up the supplies, check "other.")

(9) Enter the full business name and address of the contractor or quoter. Disregard the code blocks.

(10) If a single delivery date is applicable, enter it. If multiple delivery dates are applicable, enter "See Schedule" and list delivery dates in the schedule.

(11) Check the appropriate box (i.e. Small Business, Small disadvantaged, etc.)m IN

(12) Enter discount for prompt payment in terms of percentages. (For example: 3 percent discount for payment in 20

days would be written as "3% - 20 days.")

(13) If one of the previous blocks contained the address to mail the invoice to, refer to that block number. Otherwise insert "See Schedule."

(14) If a single ship to point is applicable, enter it here. If multiple ship to points are used, insert "See Schedule."

(15) Enter the name and address of the activity making payment.

(16) Check the block that indicates this is a purchase order. In the next block indicate the type of quotation, i.e., oral or written. If you want the contractor to accept the purchase order, check the last block and indicate the number of copies to be returned.

(17) Enter the accounting classification applicable to the order. If more than one accounting classification is applicable, indicate in the schedule which accounting classification is applicable to which line item.

(18) Enter an item number for each item of supply or service separately identified. (The first line item should be 0001, next 0002, etc.) For each subline item, add a two-letter suffix to the line item number. (The first subline to the first line would be 0001AA. The second subline item to the first line would be 0001AB, etc.) (The letters "I" and "O" shall not be used.)

(19) Enter the most descriptive noun or verb of the supplies or services to be furnished followed by additional words as necessary to complete the description. A national stock number (NSN) should be included if available. Indicate if any quantity variance is allowed by a plus or minus percentage. Also, indicate the point at which inspection/acceptance will take place, presentation and packaging requirements and packing level.

(20) Enter the total quantity ordered for each line item or if these are subline items for each subline item.

(21) Enter the unit of measure.

(22) Enter the unit price per line item or subline item.

(23) Enter the extended dollar amount (quantity x unit price) for each line item.

(24) Enter signature of ordering officer or contracting officer.

(25) Enter the total amount of the order.

d. The remaining blocks are the responsibility of those performing the receiving and payment functions.

J-2. Distribution. The copies of the DD Form 1155 are

distributed as follows: Copies 1, 2, 5, and 6 go to the Theater/Corps Finance Group; copy 3 goes to the contractor; copy 4 stays in the contract file. The remaining copies (7, 8, 9 and 10) go to the customer. (Note: this distribution is only one possibility and can be altered; however, copy 1 always goes to F&AO for payment.)

J-3. Filing. A file folder with PII number matching the purchase order will be established. The file will contain the purchase request, the fourth copy of the DD Form 1155, any Memorandum(s) for Record, any modifications (SF 30), and related information. Basic procurement documents and all modifications should be filed on the left side of the folder, and all other material on the right side.

J-4. Blanket Purchase Agreement (BPA).

a. The DD Form 1155 is completed much in the same way except the schedule will not be used to order anything.

b. A register should be prepared for each BPA. Each call issued against that BPA will be logged and numbered sequentially. Each register should include the vendor's name, the date the call was placed, the requisition or request number, a brief description, and the total dollar value of the purchase. If the call was first placed by telephone, the confirming DD 1155 issued later should be marked "Confirmation Order - Do Not Duplicate."

APPENDIX K

Standard Form 1165, Receipt for Cash-Subvoucher

K-1. Procedures.

a. The ordering officer (or other authorized individual) designated by the contracting officer to pick up material is given a cash advance by the imprest fund cashier. The individual receiving the cash advance shall sign the "Interim Receipt for Cash" portion of Standard Form 1165, or an equivalent receipt form, when the cash is actually received from the imprest fund cashier. Enter the date the advance is received and the amount of imprest funds received. The amount should be written in numerals. The entries should be printed with a ballpoint pen.

b. As the ordering officer, or other requisitioner, you should obtain a sales or receipt document from the vendor to include the following:

(1) The date of payment.

(2) The amount paid.

(3) A statement that cash payment was received in full.

(4) The signature and title of the supplier or his agent who received the cash payment.

c. If this is done, there is no need for the "Receipt for Cash-Subvoucher" portion of the SF 1165. However, if a sales or receipt document is not obtained, the Receipt for Cash-Subvoucher must be completed. Sections (1) through (8) below are provided as instructions on how the Receipt for Cash-Subvoucher should be completed.

(1) Enter the subvoucher number, to designate which subvoucher this is, and today's date.

(2) Next to "Received in Cash From" enter "Imprest Fund." Complete the amount of payment in both words and numerals.

(3) Individually list the supplies or services purchased with the money. Enter the appropriate quantity and cost per item in the columns as indicated. Assure these supplies or services and quantities are the same as those on the purchase request.

(4) Enter the complete name and address of the vendor.

(5) Sign in the block entitled "Purpose."

(6) Enter the appropriation and accounting classification for this purchase.

(7) Have the supplier (vendor) sign here when you receive the goods or services and pay for them. The job title of the supplier should be entered below the signature.

(8) The ordering officer or requisitioner, after the purchase has been made, will return any unused cash to the imprest fund cashier, along with the aforementioned sales or receipt document, at which time the imprest fund cashier shall mark the Interim Receipt for Cash "void" and return it to the ordering officer or requisitioner.

Appendix L

Standard Form 30, Amendment of Solicitation/Modification of Contract

L-1. Procedures.

a. When preparing a contract modification, an SF 30 (Amendment of Solicitation/Modification of Contract) will be used. Entries will be typed or printed with ballpoint pen.

b. Sections (1) through (16) below correspond to the block numbers on the form, and are provided as instructions for completing an SF 30.

(1) Enter the contract identification code for the applicable contract.

(2) Enter the modification number (i.e., P00001 for the first).

(3) Enter the date the modification is to become effective.

(4) Enter the original requisition or purchase number. This is for the benefit of the customer.

(5) Not applicable unless there is a project number. Normally applicable for construction.

(6) Enter complete name and address.

(7) Enter the administrator's name if it differs from section (6) above.

(8) Enter the name and address of the seller or supplier.

(9) Not applicable, unless being issued as an amendment to a solicitation.

(10) Enter the contract identification code from section (1) above or the applicable purchase order or delivery order number if an order is being modified. Provide contract or order date.

(11) Not applicable, unless being issued as an amendment to a solicitation.

(12) Enter the accounting and appropriation data, if required.

(13) Check the appropriate box to indicate the type of modification. Insert the authority under which the modification is issued in the corresponding blank (see FAR 43.103). If Box "C" is checked, then Box "E" must also be checked requiring the contractor to sign this document. (If required to sign, send the contractor the original plus two copies; after signing, the contractor returns the original plus one.)

(14) Describe the modification. If you need more space, use additional OF 336 continuation sheets or blank paper.

(15) If the government wants a supplemental agreement, the contractor is required to sign first. The contractor should enter his/her name, title, and signature in the spaces provided. If this is a unilateral change order, no contractor signature is required.

(16) Type or print the name and title of the contracting officer in the space indicated. Sign in the space provided. Enter today's date.

L-2. Distribution. Once completed, modification distribution will be determined by local requirements; however, the following is a suggested pattern of distribution:

a. Contracting office keeps the original modification unless it pertains to a delivery order in which case the original is sent to commercial accounts.

b. Contractor - one copy.

c. COR - one copy.

d. Theater/Corps Finance Group - three copies.

e. Customer activity - all remaining copies (usually four).

L-3. Terminations.

a. To execute a no-cost settlement agreement involving a complete termination, place the no-cost statement (FAR 49.603-6) in block 14. Use (FAR 49.603-7) for partial terminations.

b. For those situations that will not lend themselves to a no-cost settlement, the SF 30 is to be used as a termination notice. Have the termination notice hand delivered and obtain a written acknowledgment from the contractor.

(1) Distribute copies of the termination notice in the same way described above. Extra copies should also be sent to any known assignee, guarantor, or surety.

(2) After a settlement proposal is obtained from the contractor, determine the need for an audit (not required if less than $25,000), negotiate a final settlement, prepare a negotiation memorandum, and execute a supplemental agreement on a SF 30.

Appendix M

Standard Form 1449, Solicitation/Contract/Order for Commercial Items

P-1. Preparation.

a. Entries will be typed or printed with ball-point pen.

b. When preparing the SF 1449 as a purchase order, in addition to including the appropriate clauses, the following information will be inserted by the contracting officer: Sections (1) through (31) below correspond with the numbered blocks on the form and are provided as instructions for completing the SF 1449. (Differences between these instructions and the guidance in FAR 13.505 are intended to reflect the need for flexibility in form preparation for contingency, humanitarian assistance or peacekeeping contracting purposes.)

(1) Enter Requisition/Purchase Request Number.

(2) Enter the Procurement Instrument Identification (PII) Number. When used as a Delivery Order enter the supplementary number (for example: PII Number - 0001).

(3) Enter the date of the order.

(5) Enter solicitation number. (Solicitation)

(6) Enter date solicitation issued. (Solicitation)

(7) Insert the name and phone number of the buyer. (Solicitation)

(8) Enter date and time offer due. (Solicitation)

(9) Enter the name and address of the buying organization. Include point of contact and phone number.

(10) Mark appropriate block for limitation.

(11) Leave blank to indicate the Free on Board (FOB) point. (Check box if delivery is other than FOB destination.)

(12) Enter discount for prompt payment in terms of percentages. (For example: 3 percent discount for payment in 20 days would be written as "3 percent - 20 days.") (Contractor).

(13) Applies only if order is rated under the Defense Priority Allocation System (DPAS).

(14) Check appropriate block for method of solicitation.

(15) If a single ship to point is applicable, enter it here. If multiple ship to points are used, insert "See Schedule."

(16) Enter the name and address of the organization

responsible for contract administration. If it is the purchase office, insert the statement "See Block 9."

(17) Enter the full business name, address and phone number of the contractor or offeror. Disregard the code blocks. Check appropriate block if payment will be made to different address. (Contractor)

(18) Enter the name, address and phone number of the activity making payment. Check appropriate block if invoices should be submitted to a different address.

(19) Enter an item number for each item of supply or service separately identified. (The first line item should be 0001, next 0002, etc.) For each subline item, add a two-letter suffix to the line item number. (The first subline to the first line would be 0001AA. The second subline item to the first line would be 0001AB, etc.) (The letters "I" and "O" shall not be used.)

(20) Enter the most descriptive noun or verb of the supplies or services to be furnished followed by additional words as necessary to complete the description. A national stock number (NSN) should be included if available. Indicate if any quantity variance is allowed by a plus or minus percentage. Also, indicate the point at which inspection/acceptance will take place.

(21) Enter the total quantity ordered for each line item or if these are subline items for each subline item.

(22) Enter the unit of measure.

(23) Enter the unit price per line item or subline item. (Contractor)

(24) Enter the extended dollar amount (quantity x unit price) for each line item. (Contractor)

(25) Enter the accounting classification applicable to the order. If more than one accounting classification is applicable, indicate in the schedule which accounting classification is applicable to which line item.

(26) Enter total amount of award.

(27) Check appropriate box to indicate whether solicitation or contract incorporates clauses by reference or are attached.

(28) Check to indicate whether contractor should sign and return SF 1449

(29) Enter appropriate information concerning contract award

(30a) Enter signature of offeror/contractor. (Contractor)

(30b) Enter name and title of individual authorized to sign for contractor. (Contractor)

(30c) Enter date contractor signed. (Contractor)

(31a) Enter signature of ordering officer or contracting officer.

(31b) Enter name of contracting officer.

(31c) Enter date contracting officer signed.

c. The SF 1449 may be used as a receiving document; blocks 32, 33 and 42c used for that purpose. Blocks 34 through 41 and 42a-c will be used by payment personnel.

APPENDIX N

Forms

N-1. Reproduction of Procurement Forms. Contracting offices may reproduce the Standard Forms, Optional Forms, and Department of Defense Forms that are illustrated in FAR Part 53 and DFARS part 253.

N-2. Prescription of Forms.

a. Contracting Authority and Responsibilities. SF 1402, Certificate of Appointment, is prescribed for use in appointing Contracting Officers as specified in FAR 1.603-3.

b. Contract Reporting. DD Form 350, Individual Contracting Action Report (Over $25,000), and DD Form 1057, Monthly Contracting Summary of Actions $25,000 or Less, are prescribed for use in reporting contract actions, as specified in DFARS 204.602(c).

c. Responsible Prospective Contractors. The following forms are prescribed for use in conducting preaward surveys of prospective contractors as specified in FAR 9.106-4.

(1) SF 1403, Preaward Survey of Prospective Contractor (General).

(2) SF 1404, Preaward Survey of Prospective Contractor (Technical).

(3) SF 1405, Preaward Survey of Prospective Contractor (Production).

(4) SF 1406, Preaward Survey of Prospective Contractor (Quality Assurance).

(5) SF 1407, Preaward Survey of Prospective Contractor (Financial Capability).

(6) SF 1408, Preaward Survey of Prospective Contractor (Accounting System).

d. Simplified Acquisition Procedures. The following forms are prescribed as stated below for use in simplified acquisitions, orders under existing contracts or agreements, and orders from required sources of supplies and services.

(1) SF 18, Request for Quotation, shall be used in obtaining price, cost, delivery, and related information from suppliers for simplified acquisitions as specified in FAR 13.107(b).

(2) SF 30, Amendment of Solicitation/Modification of Contract, may be used for modifying purchase orders as specified in FAR 13.503(b).

(3) SF 44, Purchase Order-Invoice-Voucher, is prescribed for use in simplified acquisitions simplified acquisition as specified in 13.505-3(b).

(4) SF 1165, Receipt for Cash-Subvoucher, may be used for imprest fund purchases as specified in 13.405(e).

(5) DD Form 1155, Order for Supplies or Services, may be used as follows:

(a) To accomplish simplified acquisitions as specified in DFAR 213.505-1.

(b) To establish Blanket Purchase Agreements (BPAs) as specified in FAR 13.201 and make purchases under BPAs as specified in 13.204(e)(3).

(c) To issue orders under Basic Ordering Agreements (BOAs) as specified in DFAR 216.703(d).

(d) To issue delivery orders under prepriced indefinite quantity and indefinite delivery requirement contracts as specified in DFARS 16.703(d)(2)(i).

e. Contracting by Negotiation. The following forms are prescribed for use in contracting by negotiation except for construction, architect-services, or simplified acquisitions simplified acquisition .

(1) SF 18, Request for Quotation, is prescribed for use in obtaining price, cost, delivery, and related information from suppliers for negotiated acquisitions as specified in FAR 15.406-2(a)(2).

(2) SF 26, Award/Contract, is prescribed for use in entering into negotiated contracts in which the signature of both parties on a single document is appropriate as specified in FAR 15.414(b).

(3) SF 30, Amendment of Solicitation/Modification of Contract, shall be used for amending requests for proposals (RFP) and may be used for amending requests for quotations (RFQ) as specified in FAR 15.410.

(4) OF 336, Continuation Sheet, shall be used in connection with the solicitation and award of negotiated contracts. Award of such contracts may be made by either SF 33 or SF 26 as specified in FAR 15.406-1(b) and 15.414.

(5) SF 129, Solicitation Mailing List Application, shall be used in establishing and maintaining lists of potential sources as specified in FAR 14.205-1(d).

(6) SF 1409, Abstract of Offers and SF 1410, Abstract of Offers - Continuation, may be used in recording offers and proposals.

(7) SF 1411, Contract Pricing Proposal Cover Sheet, (Cost or Pricing Data required) may be used in connection with requirements for obtaining cost or pricing data from offerors or contractors.

(8) SF 1449, Solicitation/Contract/Order for Commercial

Item, may be used:

(a) To accomplish simplified acquisitions as specified in FAR 212.204.

(b) To make purchases under Blanket Purchase Agreements (BPAs) specified in 13.505.

(c) To issue orders under Basic Ordering Agreements (BOAs) as specified in DFAR 216.703(c).

(d) To issue delivery orders under prepriced indefinite quantity and indefinite delivery requirement contracts as specified in FAR 16.703.

(9) DD Form 1547, Record of Weighted Guidelines Application, is used to establish the profit objective on negotiated cost contracts and provide a record.

f. Contract Modifications. SF 30, Amendment of Solicitation/ Modification of Contract, is prescribed for use in:

(1) Amending solicitations, whether advertised or negotiated, as specified in FAR 14.208(a) 15.410(a).

(2) Modifying purchase and delivery orders as specified in FAR 13.503(b).

(3) Modifying contracts as specified in FAR 43.301 and 49.602-5.

(4) Novation and change of name agreements as specified in FAR 42.1203(f).

g. Acceptance/Inspection. DD Form 250, Material Inspection and Receiving Report; DD Form 1155, Order for Supplies or Services; and SF 44, Purchase Order - Invoice - Voucher, are the forms most generally used as receiving and acceptance documents.

h. Military Interdepartmental Purchase Request (MIPR). DD Form 448, Military Interdepartmental Purchase Request, and DD Form 448-2, Acceptance of MIPR, are used to document the funds' transfer and acceptance of the purchase request between military departments.

i. Contract Close-out. The following forms are prescribed for use in contract close-out actions as set out in DFARS 204.8.

(1) DD Form 1593, Contract Administration Completion Record.

(2) DD Form 1594, Contract Completion Statement.

(3) DD Form 1597, Contract Close-out Checklist.

(4) DD Form 1598, Contract Termination Status Report.

j. Purchase Request and Commitment. DA Form 3953 is used to certify funds availability, record them as commitments in account records, and establish the requirement for local purchase.

APPENDIX O

Contingency Contracting Support Plan

O-1. Purpose. Provide a 24 hour capability for responsive contracting action during emergencies and deployments.

O-2. Goals. The Contingency Contracting Support Plan (CCSP) ensures that contracting plans and procedures are carried out in response to the following situations:

a. Duties in support of disaster relief efforts.

b. Response to rapid deployment logistics support requirements.

c. Support of units deployed to remote locations, or to a host nation outside of the continental United States (OCONUS).

d. Support of mobilization stations in CONUS responsible for the deployment of units.

O-3. Policies.

a. A CCSP ensures that the contracting process receives the proper emphasis in all logistics planning. Each MACOM will ensure senior subordinate units have a plan to cover probable emergencies and deployments of the unit(s) supported. As a rule, the program should cover:

(1) Contracting support of the unit(s) supported and publishing the appropriate plans and procedures.

(2) Planning for contract requirements established by the unit(s) supported under various situations.

(3) Designating, deploying, and augmenting contracting and necessary finance units.

(4) Contracting procedures, authorities, and deviations during various situations.

(5) Developing, maintaining, and using contracting deployment kits tailored for locations and situations.

(6) Operating procedures and responsibilities of contracting officers, ordering officers, contracting officer's representatives (COR), finance and accounting officers, resource management, and requiring activities during various situations.

(7) Taking part in site surveys, exercises, and conducting contingency contracting training.

(8) Ensure contracting and finance support are included in the contingency OPLANS.

b. Supported units having contracting support requirements must be made aware of the program and help the supporting contracting activity develop procedures and plans to cover

various situations. Copies of approved contingency contracting support plans are provided to support activities and functions in advance.

O-4. Responsibilities.

a. Major Commands (MACOM)/Theater Army Command. The MACOM/Theater Army Commander is the Head of the Contracting Activity (HCA). The HCA--

(1) Appoints the Principal Assistant Responsible for Contracting (PARC).

(2) Sets policy and outlines procedures for developing and reviewing the Contingency Contracting Support Plan.

(3) Ensures contracting support elements are established at the appropriate subordinate levels to effectively provide contracting support.

(4) Provides authority for contracting offices.

(5) Establishes, when required, intercommand agreements explaining contracting support relationships between host and guest MACOMs during deployment.

(6) Reviews or maintains current files for subordinate units operational plans (OPLANS), host nation support agreements, intercommand/service agreements, and applicable joint support plans for deployment to determine probable deployment support requirements.

(7) Provides legal assistant, trained in contracting, to MACOM/Theater level contracting office and assists subordinate contracting offices as necessary.

b. Logistical Unit Commander. The commander responsible for the logistics mission of assigned and tenant units. The logistical unit commander--

(1) Approves the unit CCSP. A copy must be sent to the parent MACOM and, if applicable, to intermediate commands.

(2) Ensures the contracting, resource management, and finance elements are included in deployments which require contracting support.

(3) Reviews with the chief of contracting element the procedures to be utilized in satisfying local purchase requirements.

(4) Does not assign contracting officers additional duties which would serve to conflict with contracting responsibilities.

(5) Advises subordinate personnel that only the contracting officer is authorized to obligate the government in the local area of support.

(6) Maintains liaison with the supporting resource management office and the finance group to ensure they are included in the CCSP.

(7) Advises all subordinate personnel that each requester for contracting services is responsible for completing the required receiving report (DD 1155 or DD 250). The requester must immediately advise the contracting officer of non-delivery, non-conforming, non-operational, or other vendor failures.

c. Chief, Contracting Element will:

(1) Conduct training to ensure that contracting personnel are given current information regarding individual and unit mobility responsibilities.

(2) Determine need and if applicable establish requirement for equipment other than the Contingency Contracting Support Kit that deploying contracting personnel will need at a deployable location.

(3) Prepare and maintain at least one pre-assembled kit for each potential area of deployment. Exact contents will be determined after review of the unit's overall contingency support mission.

(4) Coordinate and incorporate finance and resource management support into the CCSP.

(5) Prepare written letters of instructions for ordering officers, informing them of their duties, restrictions, limitations and responsibilities in providing contract support.

(6) Develop written operating procedures covering the four functional divisions of a contracting element (Support, Contracts, Contract Administration and Simplified Acquisitions) These procedures will detail the procedures and systems utilized in the deployment for providing contract support.

d. Supporting Finance Group/Theater Finance Command will--

(1) Coordinate with the Chief, Contracting Element, in planning for the finance support necessary for each CCSP. This should include a determination of the number and types of contracts expected to be established, methods of payment (whether by cash or check), and disbursing requirements (both U.S. and foreign currencies).

(2) Develop written operating procedures covering finance support required by each CCSP. This should spell out who, what, when, where, and how finance support will be accomplished.

(3) Prepare written letters of instruction for Finance Officer’s Representative and imprest fund cashiers, informing them of their duties and responsibilities in providing contracting support.

(4) Develop personnel, equipment, and administrative requirements for the deploying finance elements for each CCSP.

(5) Ensure that funds appropriated for military construction are managed by USACE.

APPENDIX P

Contract Payment

P-1. Responsibilities.

a. Finance and accounting officers (FAOs) implement procedures to make commercial payments on time. Public funds can be legally disbursed only when proper documents support the disbursement. FAOs ensure that all commercial payments are legal and proper.

b. Contracting officers are responsible for awarding contracts and issuing purchase orders and delivery orders. They will not take action to award a contract until they have written confirmation that funds are available. The contracting officer may award subject to availability of funds with a later modification to confirm funds available for performance. The confirmation may be from the resource manager or other designated official. Contracting officers also will:

(1) Ensure that all procurement documents show the complete official address of the FAO who is to make payments. Normally, the FAO designated to make payment is the one whose fiscal station number is shown in the fund citation.

(2) Ensure that copies of all procurement documents and modifications are sent to the FAO and the resource manager.

(3) Establish and insert in applicable procurement documents any specific payment terms or dates.

c. Certifying officers outside the finance and accounting office prepare payment vouchers and attach all supporting documents that authorize the payment. Documents to be attached are--

(1) The procurement document or legal authority for the disbursement.

(2) Receiving/acceptance report or certificate of performance.

(3) Vendor's invoice or claim. Before signing a certification, certifying officers must ensure that the supplies and services have been ordered, received, and accepted; and that the vendors invoice is correct. Original documents are sent for the disbursing officers retained accounts. Certifying officers keep copies of all supporting documents.

P-2. Paying Accounts.

a. Supporting Document Sources.

(1) Contracting officers furnish the FAO contracts, purchase orders, delivery orders, and other procurement documents. Vouchers may be prepared by contracting officers, CORs, or certifying officers. In some instances, such as utilities, communication services, or precertified voucher, they

may be prepared by other authorized personnel. In such cases, all necessary supporting documents must be attached to the voucher.

(2) Receiving/acceptance reports and certificates of performance. Accountable property officers, CORs, inspectors, or other duly authorized persons send receiving/acceptance reports to the finance officer.

(3) Vendor invoices must be sent directly to the office designated in the procurement document. Some contracts require that invoices be sent to an approving official for certification before submission to the contracting office.

b. Number of Payments.

(1) Complete Payment. A procurement document is normally paid on a single payment voucher if all the supplies or services are delivered at one time.

(2) Partial Payment. When the government accepts a partial shipment of supplies or performance of services, payment is made for the amount accepted unless the procurement document specifically precludes partial payments. An unlimited number of partial payments may be made. Each partial payment voucher must clearly identify the procurement document number for which payment is being made and that it is a partial payment. The final payment voucher must be marked as final payment. Because of the Prompt Payment Act, deduction/payment will be made in a timely manner

c. Receiving/Acceptance Reports and Certificates of Performance.

(1) Almost any document can be used as a receiving/ acceptance report if it contains the following information:

(a) Procurement or other authorization number.

(b) Product or service description.

(c) Quantities received.

(d) Date property or service was accepted.

(e) Signature, printed name, title, phone number, and mailing address of the receiving official.

(2) Electronically transmitted receiving/acceptance reports may be used but a signed original must be available for audit purposes.

(3) The following forms are most generally used as receiving/acceptance forms:

(a) DD Form 250, Material Inspection and Receiving Report.

(b) DD Form 1155, Order for Supplies or Services.

(c) SF 44, Purchase Order-Invoice-Voucher.

(4) Inspection and Acceptance. The appropriate individual completes a receiving/acceptance report after supplies are received and accepted. The receiving/acceptance report lists the items received and gives the quantity. It also lists any items rejected and the reasons for rejection. The receiving/acceptance activity may use SF 361, Transportation discrepancy report or SF 364, Report of Discrepancy, to report discrepancies to the contracting officer for resolution.

(5) Certificates of Performance. When services are procured, a certificate of performance may be submitted instead of a receiving/acceptance report. It is usually preprinted on a purchase order, delivery order, or receiving/acceptance report form. A certificate of performance may also be typed or stamped on an invoice, delivery ticket, or separate sheet of paper substantially as follows:

"I certify that the services called for in the Purchase/Delivery Order/Contract) have been rendered per the terms and specifications of the order."

(Date Services Accepted)

(Printed Signature Block)

(Signature)

d. Vendor's Invoice.

(1) Description and Content. The vendor's invoice is a request for payment for goods or services the vendor has furnished the government. It should have an itemized listing of quantities, description of items, unit cost, and total cost.

(2) Multiple invoices, monthly or otherwise, payable to one vendor at one office may be combined into one payment. When using this procedure, each invoice must be identified individually. The voucher must show the amount of each invoice as a separate entry in the voucher's "AMOUNT" column.

(3) Invoice Format. There is no prescribed format for a vendor's invoice. The invoice form used in commercial transactions normally is acceptable in government billings. The invoice submitted must be either an original or a copy designated as the ORIGINAL and used as such. A carbon copy of an invoice that the vendor marks "Original" is acceptable provided it contains the required details. However, when an original invoice has been lost or destroyed, a copy must be obtained from the vendor and the voucher processed through regular disbursement channels. A full explanation of circumstances surrounding the loss or destruction of the original invoice and a statement that steps have been take to prevent duplicate payment must be placed on or attached to the invoice copy.

(4) Invoice Certification.

(a) The requirement that vendors' invoices certify that "the bill is correct and just and that payment has not been received" applies only to bills for transportation and accessorial services procured by SFs 1103, U.S. Government Bills of Lading (GBL) or commercial bills of lading for conversion to GBLs.

(b) The absence of the certificate on other bills or invoices does not eliminate the requirement for specific certification of facts required by certain contracts. It does not lessen the vendor's responsibility to comply with all statutory requirements applicable to transactions with the government. It is not to be construed as mitigating a vendors liability for asserting false, fictitious, or fraudulent claims against the United States.

e. Vendor name. Vouchers and checks are usually made out to the official name of a business firm, association, or partnership. Some large corporations ask that checks be made out and mailed to a local office that may or may not have the same name. This is permissible as long as the payment voucher and invoice clearly shows the contract number.

f. Duplicate Payments. Vouchers and supporting documents must be marked so they will not be processed for payment a second time. Personnel must be particularly alert for the possibility of duplicate payments in the following situations:

(1) Payments have been delayed for extended periods after the due date and duplicate invoices have been received from the vendor.

(2) Invoices or bills appear to have been submitted for payment to more than one location.

(3) Adjusted invoices after payments have been made.

P-3. Miscellaneous Payments.

a. Billing Periods under Blanket Purchase Agreements (BPAs).

(1) It may be desirable to arrange for vendors to submit periodic invoices or delivery tickets for purchases made under BPAs. These invoices or tickets must identify, either on the documents or by reference to other documents, the articles covered, unit costs, and total costs.

(2) If the BPA does not have specific payment terms, the payment due date is 30 days after the later of--

(a) The final date of the billing period.

(b) The date the paying office receives a proper invoice or delivery ticket for all deliveries accepted during the billing period.

(c) The date the receiving/acceptance report states the goods or services were accepted.

b. Civilian Clothing Allowances for Soldiers. Entitlements, limitations, definitions, and policies on furnishing initial civilian clothing and continuing allowances to soldiers are contained in AR 700-84. Procedures to pay these allowances are in AR 700-84, Chapter 8. Payment is made on SF 1034, Public Voucher for Purchases and Services Other than Personal.

c. Military Clothing for Civilians. Army civilians are sometimes required to wear the Army field/utility uniform and footwear during field exercises and operations conducted by military members. AR 700-84 authorizes civilians to buy these items from an Army Military Clothing Sales Store (AMCSS). AR 670-1 authorizes insignia, obtained through normal supply channels, to be attached and worn on the field/utility uniform. Commanders may authorize OMA funds, not to exceed $125 a year, to buy these items. Funds will cover the cost of attaching insignia to the uniforms. Payment is made on SF 1034.

d. Reimbursements for Personal Expenditures.

(1) Soldiers and civilian personnel should avoid using their funds to pay government obligations. However, they can be reimbursed if they used their own money to make a payment under urgent or unforeseen emergencies.

(2) Personnel who claim reimbursement after spending their own funds must show an urgent or unforeseen reason for doing so. The claimant prepares SF 1164, Claim for Reimbursement for Expenditure on Official Business, and puts the following statement on the voucher:

> "I certify this claim is true and correct; that there was an unforeseen and urgent reason to spend my funds; and I have not received credit or payment."
>
> (Signature)
> (Date)

(3) The person's commander or supervisor must approve the voucher. Documents to show the goods and services were received and essential must be attached to the voucher.

(4) Army personnel who barter away personal valuables during escape and evasion may also be reimbursed. The commander or commander's representative must approve the reimbursement. The value of each item bartered must be listed and must show its age and condition at time of barter. This list is attached to the certified SF 1164 presented for payment.

P-4. Special Types of Payments.

a. Advances (FAR 32.4)

(1) General Prohibitions against Advance Payments. Under contingency conditions, in particular, advance payment is the least preferred method of contract financing. Without specific statutory authority, payment for goods and services cannot exceed the value of the supplies or services accepted as of the payment

date.

(2) When Advances are Permitted. Advance payments can be made from DoD appropriations for services listed below in relation to contingency contracting. Payments made in accordance with the laws of foreign countries or their ministerial regulation and payments for rent in such countries, if necessary under local custom, can also be paid in advance.

(a) Advance payments for publications and subscriptions.

(b) Advance payments for post office box rental.

(c) Streetcar tickets or tokens, toll road permits and toll bridge tickets.

(d) Payments for public refuse disposal facility tickets.

(e) Cash on Delivery (C.O.D.) charges. Paying C.O.D. charges in cash before the contents are examined is authorized. This applies only when the purchases are made from imprest funds.

(f) Utility connection charge. Paying a public utility for an installation or connection charge is not an advance payment because the government receives full consideration - services not otherwise available become available. Connection charges are later reimbursable by a specified monthly refund on the invoice for utility services.

b. Progress and Advance Payments under Contract Financing.

(1) The term contract financing means the government assists contractors by providing working capital to finance contracts for large amounts or those that extend over a long period of time. Policies and procedures governing progress and advance payments are in the FAR 32.1 and DFARS 232.1 and 232.5. In order to keep funds held outside the U.S. Treasury to a minimum, the amount of advance must be held to the absolute minimum necessary for contract performance. Contract financing includes--

(a) Payment methods.

(b) Loan guarantee.

(c) Administration of debts to the government arising out of contracts.

(d) Contract funding.

(2) Advance payments are money advances from the government to a prime contractor before, in anticipation of, and for the purpose of complete performance under one or more contracts. Since they are not measured by performance, they differ from partial, progress, or to payments based on the performance or partial performance of a contract. Advance

payments may be made to prime contractors to make advances to subcontractors. Advance payments are made as soon as possible after a proper certification by the contracting officer reaches the correct finance office.

(3) Progress payments are payments based either on the cost incurred by the contractor as work progresses or based on a percentage or state of contract completion. The contract must contain direction for either of these two methods of making progress payments as directed by the contract.

(4) Requests for approval. Requests for advance payments and unusual progress payments are submitted, as outlined in FAR, Part 32, through the HCA to DA.

APPENDIX Q

Contract close-out

Q-1. General.

a. Physically completed contracts are those on which services are complete and accepted, but still require contract administration action for closure. Reporting requirements and standard times are set forth in FAR 4.805 and DFARS 204.805. Guidance on close-out of contract files is in FAR 4.804 and DFARS 204.804.

b. The contracting officer is responsible for closing out physically complete contracts. DD Form 1594, Contract Completion Statement, will be used for this purpose.

c. The contracting officer under FAR 4.804-2 will ensure that all required contractual actions have been completed and will prepare a statement to that effect. This is accomplished by completing and signing the lower portion of the DD Form 1594 submitted by the contract administrator. Once completed and signed, the DD Form 1594 is the authority to close the contract file and shall be made part of the official contract file.

d Closing out a large purchase; however, requires a more detailed procedure than just obtaining a receiving report and payment information. A DD Form 1594, Contract Completion Statement, must be used. While the form has more applicability to centrally managed contracts, the form is also applicable to closing out physically completed contracts resulting from contingencies.

e. The contracting officer should keep in mind that the objective of contract close-out is more than documenting the file. The objective is to assure that all contractual claims and obligations have been satisfied. If they have not, the contract file must remain open. All contract files, closed or not, will be turned over to the sponsoring contracting office at the end of deployment, if not sooner.

Q-2. Procedures for Closing Out Contracts.

a. The DD Form 1597, Contract Close-out Checklist, is the primary document for initiating a systematic contract close-out. When all necessary and applicable actions have been completed, the contracting officer will sign and attach this form to the DD Form 1594.

b. When the physically completed contract involves government property in the possession of the contractor, the contracting officer will forward a DD Form 1593, Contract Administration Completion Record, to the property administrator requesting the actual or estimated dates for completion of property administration. The DD Form 1593 should also be used to verify that other functional activities have completed their required close-out actions.

c. The contracting officer will review the status of funds

on physically completed contracts to ascertain whether funds are available for removal prior to final payment.

d. For all contracts not in excess of the simplified acquisition threshold, the contracting officer shall include in the contract file a statement that all contract actions have been completed. The completed form or statement is authority for closing out the contract file.

e. When the purchasing office administers a contract, that office is responsible for ensuring that all required purchase actions and contract administration have been completed, utilizing as necessary DD Form 1597, Contract Close-out Checklist, and DD Form 1593, Contract Administration Completion Record.

f. When all required actions have been completed, the purchasing office shall prepare a Contract Completion Statement, DD Form 1594, for all contracts in excess of the simplified acquisition threshold. The Contract Completion Statement shall be made a part of the official contract file. Sections (1) through (10) below correspond to the numbered blocks on the form, and are provided as instruction on how to complete a DD Form 1594.

(1) Enter the address of the organization performing contract administration functions.

(2) Enter the applicable PIIN, the last modification number, if any, and the last call/order number, if applicable.

(3) Enter the address of the contracting officer.

(4) Enter the address of the contractor.

(5) Indicate if there are, or are not, excess funds. If there are excess funds, enter the amount.

(6) If final payment has been made, enter the voucher number and the date on the voucher. (Contract files cannot be closed out until final payment is made.)

(7) Not applicable, unless invoices are being forwarded to the disbursing office or another activity. If applicable, enter invoice number and date forwarded.

(8) Enter as appropriate statements regarding other contractual aspects (i.e., property clearance if the government property was provided, settlement of claims resulting from a termination for convenience, etc.).

(9) Enter name of official responsible for contract administration, signature, and date.

(10) Section 10.

(a) Check applicable box to indicate the close-out date of the contract file in the contracting office.

(b) Enter any applicable remarks.

(c) Enter name of the contracting officer, sign and date.

Q-3. Terminated Contracts.

a. On termination of a contract for the convenience of the government, complete or partial, the contracting officer will provide a copy of the DD Form 1597 to the termination contracting officer (TCO). The TCO will complete the DD Form 1597, sign it, and forward the form to the contracting officer together with the completed termination case file. The contracting officer would then resume normal contract close-out procedures. In the absence of a TCO, the contracting officer should assume the TCO duties described in FAR 49.105.

b. The termination of a contact for default, complete or partial, is the responsibility of the contracting officer who will resolve the terminated portion. Any non-terminated portion, not yet complete, will be processed for close-out upon completion of the non-terminated portion.

Appendix R

Terms and Definitions

a. Acquisition. “Acquisition” means the acquiring by contract with appropriate funds - supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. It is an integral part of the overall theater logistics plan and operational system which includes requirements generation flow, contract/purchase, inspection, acceptance and user receipt of delivery.

b. Appointment Documents. Appointments for ordering officer, imprest fund cashier, COR, COTR, and various other positions will be made using an appointment letter. The purpose is to specify the responsibilities and limitations of the appointment.

c. Army Federal Acquisition Regulation Supplement. The Army supplement to the FAR and DFAR implements Departmental procedures and instructions.

d. Contingency. A situation involving the deployment of military forces in response to natural disasters, terrorist or subversive activities, collapse of law and order, political instability, or military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response and special procedures to ensure the safety and readiness of personnel, installations and equipment.

e. Contingency Contracting. The provision of those essential supplies and services needed to execute and sustain the mission. It includes emergency contracting in the continental United States (CONUS) or outside the continental United States (OCONUS) for those actions necessary for the mobilization and deployment of units.

f. Contract. A mutually binding legal agreement between two or more persons, enforceable by law.

g. Contracting. Federal Acquisition Regulation (FAR) 2.101 defines contracting as purchasing, renting, leasing or otherwise obtaining supplies or services from non-federal sources. Contracting functions include description (but not determination) of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. It does not include making grants or cooperative agreements.

h. Contracting Officer. Means a person with the authority to enter into, administer and/or terminate contracts and make related determinations and findings. A contracting officer is appointed in writing through a warrant (SF 1402) by the Head of the Contracting Activity (HCA) or the Principal Assistant Responsible for Contracting (PARC).

i. Contracting Officer’s Representative (COR). An individual appointed by the contracting officer (DFARS 201.602-2) to assist in the technical monitoring or administration of a contract. Responsibilities are specifically assigned to the COR in the contracting officer’s letter of designation (see Appendix D)

j. Contractor. A corporation, firm, partnership, or individual who provides a service or supply through a contract.

k. Defense Federal Acquisition Regulation Supplement. A DOD supplement to the FAR establishing uniform policies and procedures applicable to all Defense Agencies.

l. Disbursing Officer. An individual responsible for the disbursement and accountability of funds. The officer works for the finance and accounting officer.

m. Funds Certification Officer. Individual who verifies availability of funds by each account/agency.

n. Finance and Accounting Officer. The staff officer assigned to maintain a system of accounts and financial procedures for an installation or activity and entrusted with the duty to disburse, receive, and account for public moneys.

o. Finance Officer’s Representative. A Commissioned, Warrant, or Noncommissioned Officer (NCO)in the Grade E-6 or above, appointed on orders to act as an agent of the finance and accounting officer (FAO) for the purpose of making payments as specified in the appointment letter.

p. Federal Acquisition Regulation. A statutory directive establishing uniform policies and procedures for acquisition by most government agencies.

q. Functional Activities. Those installation level activities outside the contracting office such as Directorate of Logistics (DOL), Directorate of Personnel and Community Affairs (DPCA) and Directorate of Public Works (DPW).

r. Functional Representative. A member of a functional activity who is tasked to monitor or inspect contractor performance on a specific contract. The person may be a COR, COTR, QAE, or other specialist.

s. Head of Contracting Activity. The official in command of one of the contracting activities (usually MACOM) listed in DFARS 2.101. This official appoints contracting officers at subordinate installations. Contracting officers are responsible to the HCA for ensuring statutory and regulatory compliance.

t. Host Nation Support (HNS). Agreements are normally negotiated through the U.S. State Department to provide HNS for deployed forces. Support items under these agreements may include: billeting, food, water, fuel, transportation, and utilities.

u. Imprest Fund. A cash fund established by an advance of funds without charge against an appropriation, from a finance or disbursing officer to a duly appointed cashier. The fund will be used for payments in cash for simplified acquisitions.

v. Imprest Fund Cashier. Individual appointed to disburse funds from the imprest fund. The cashier is directly accountable to the finance and accounting officer for the accuracy of payments.

w. Logistics Civil Augmentation Program (LOGCAP). LOGCAP plans for the use of civilian contractors to support contingencies or to augment the combat service support force structure of selected forces.

x. Ordering Officer. An individual appointed by the chief of the contracting office (AFARS 1.602-2-91) to purchase goods or services paid from a specific, limited fund. Neither property book officers nor Finance Officer’s Representatives may be ordering officers.

y. Receiving Officer. A individual from the requiring activity, normally in a position to verify receipt of supplies or services. This individual does not have to be on orders. A receiving officer may not be an ordering officer or finance officer’s representative at the same time.

z. Simplified Acquisition. The acquisition of supplies and services, including construction and research and development, the aggregate amount of which does not exceed the simplified acquisition threshold established by Congress.

GLOSSARY

Abbreviations

ACRN - Accounting Classification Reference Number

ADR - Alternative Dispute Resolution

ADT - Active Duty for Training

AFARS - Army Federal Acquisition Regulation Supplement

AL - Acquisition Letter

ALMC - Army Logistics Management College

AMCSS - Army Military Clothing Sales Store

APOD - Air Port of Debarkation

APR - Agency Procurement Request

AR - Army Regulation

ARNG - Army National Guard

ASA(RDA)- Assistant Secretary of the Army (Research, Development and Acquisition)

BOA - Basic Ordering Agreement

BPA - Blanket Purchase Agreement

CCSP - Contingency Contracting Support Plan

CINC - Commander-in-Chief

CMMC - Corps Material Management Center

CONUS - Continental United States

COR - Contracting Officer's Representative

COSCOM - Corps Support Command

COTR - Contracting Officer's Technical Representative

CSS - Combat Service Support

DA - Department of the Army

DCAA - Defense Contract Audit Agency

DFARS - Defense Federal Acquisition Regulation Supplement

DMMC - Defense Materiel Management College

DLA - Defense Logistics Agency

DODAAC - Department of Defense Activity Address Code

DODAAD - Department of Defense Activity Address Directory

DOD - Department of Defense

DPA - Delegation of Procurement Authority

DRA - Defense Resource Act

DRIS - Defense Regional Interservice Support

FA - Functional Area

FAO - Finance and Accounting Officer

FAR - Federal Acquisition Regulation

FAST - Forward Area Support Team

FEMA - Federal Emergency Management Agency

FOB - Free on Board

FSS - Federal Supply Schedule

G1 - Personnel and Administration

G2 - Security

G3 - Assistant Chief of Staff, (Operations and Plans)

G4 - Assistant Chief of Staff, (Logistics)

G5 - Public Affairs

GAO - General Accounting Office

GSA - General Services Agency

GSO - General Services Officer

HCA - Head of Contracting Activity

HHC - Headquarters and Headquarters Company

HN - Host Nation

HNS - Host Nation Support

IGE - Independent Government Estimate

IPR - In-process Review

LNO - Liaison Officer

LOGCAP - Logistics Civil Augmentation Program

LP - Local Purchase

MACOM - Major Command

MAPL - Military Acquisition Position List

MFR - Memorandum for Record

MIPR - Military Interdepartmental Purchase Request

MMC - Materiel Management Center

MOA - Memorandum of Agreement

MTOE - Modified Table of Organization and Equipment

NAF - Non-appropriated Fund

NSN - National Stock Number

OCONUS - Outside Continental United States

OMA - Operations and Maintenance, Army

OPLAN - Operations Plan

PARC - Principal Assistant Responsible for Contracting

PBO - Property Book Officer

PCRB - Property Control Record Book

PERSCOM - Personnel Command

PII - Procurement Instrument Identification

PIIN - Procurement Instrument Identification Number

PNM - Price Negotiation Memorandum

POL - Petroleum, Oils, and Lubricants

PR - Purchase Request

PWS - Performance Work Statement

RFP - Request for Proposal

S1 - Administration and Personnel

S2 - Security

S3 - Operations and Training

S4 - Logistics/Supply

SAACONS - Standard Army Automated Contracting System

SF	-	Standard Form
SJA	-	Staff Judge Advocate
SOFA	-	Status of Forces Agreement
SOW	-	Statement of Work
SOP	-	Standard Operating Procedures
SPOD	-	Sea Port of Debarkation
SSA	-	Source Selection Authority
SUPCOM	-	Support Command
T & M	-	Time and Materiel
TCO	-	Termination Contracting Officer
TDA	-	Table of Distribution and Allowances
TMMC	-	Theater Material Management Center
TOE	-	Table of Organization and Equipment
UCA	-	Undefinitized Contract Action
UMMIPS	-	Uniform Materiel Movement and Issue Priority System
USACE	-	United States Army Corps of Engineers
USAR	-	United States Army Reserve
USC	-	United States Code

Tab B

AFFARS Appendix CC

CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

APRIL 1998

[Amended per CONTRACTING POLICY MEMO 98-C-06 AFFARS Case 98-09. The attached interim AFFARS changes are effective immediately and will be included in the next Air Force Acquisition Circular along with any revisions from field comments.]

TABLE OF CONTENTS

Part 1 - General
- CC-101 Scope
- CC-102 Definitions
- CC-103 Responsibilities

Part 2 - Contracting Authority and Organization
- CC-201 Contracting authority
- CC-202 Establishment of need for contingency contracting officers (CCOs)
- CC-203 Selection of contingency contracting officers.
- CC-204 Appointment of contingency contracting officers.
- CC-205 Contracting organizational relationships.

Part 3 - Planning for Contingency Contracting Support
- CC-301 Planning actions.
- CC-302 Predeployment preparation.
- CC-303 Deployment/mobility kits.
- CC-304 Planning for early contracting involvement.

Part 4 - Training in Contingency Contracting Support
- CC-401 Air Force policy.
- CC-402 Individual CCO training.
- CC-403 Training provided to non-contracting personnel.

Part 5 - Contracting Support for Contingency Operations
- CC-501 Expedited contracting procedures in contingency operations.
- CC-502 Contracting functions under deployed conditions.
  - CC-502-1 Contingency contracting activities during initial deployment.
  - CC-502-2 Contingency contracting activities during build-up.
  - CC-502-3 Contingency contracting during sustainment.
  - CC-502-4 Contingency contracting activity during termination/redeployment.
- CC-503 Post deployment activities.

Attachment CC-1 Deployment Kits

Attachment CC-2 COCSP Initial Training Outline

PART 1-GENERAL

CC-101 Scope.
This appendix establishes policies, assigns responsibilities, and prescribes implementing procedures for the Air Force Contingency Operational Contracting Support Program (COCSP) as described in 5301.601-93. This program is established to ensure responsive contracting support for military and non-military contingencies.

CC-102 Definitions.
"Advance Echelon (ADVON)" means an initial deployment element of personnel and equipment within a specific unit type code (UTC). The ADVON portion of a UTC normally consists of the equipment and personnel required to establish an austere operational capability for a period of up to seven days.

"Area Of Responsibility (AOR)" means a defined area of land and/or sea in which responsibility is specifically assigned to the commander of the area for the development and maintenance of installations, control of movement, and the conduct of tactical operations involving troops under the commander's control along with parallel authority to exercise these functions.

"Contingency" means an emergency, involving military forces, caused by natural disasters, terrorists, subversives, or required military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment.

"Contingency Operations Mobility Planning and Execution System (COMPES)" means a system that enables the Air Force to plan for war and contingencies and, at execution, to match and track requirements, people, and materiel in a time-sensitive manner. It standardizes and automates the procedures used by the Air Force at MAJCOM and base level to select, deploy, and monitor contingency forces.

"Operation Plan (OPLAN)" means a plan for a single or series of connected operations to be carried out simultaneously or in succession. It is usually based upon stated assumptions and is the form of a directive employed by higher authority to permit subordinate commanders to prepare supporting plans and orders. The designation "plan" is usually used instead of "order" in preparing for operations well in advance. An operation plan may be put into effect at a prescribed time, or on signal, and then becomes the operation order.

"Simplified acquisition threshold" means $100,000 except that in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of military contingency, humanitarian, or peacekeeping operation, the term means $200,000.

"Time-Phased Force And Deployment List (TPFDL)" is Appendix 1 to Annex A of the operation plan. It identifies types and/or actual units required to support the operation plan and indicates origin and ports of debarkation or ocean area. It may also be generated as a computer listing from the time-phased force and deployment data.

"Unit Type Code (UTC)" means a five-character, alphanumeric code used in automated planning systems that uniquely identifies a specific unit capability. The UTC is linked with specific personnel and/or logistical detail for the purpose of deployment manning, transportation planning, personnel accounting, and replacement planning. The Mission Capability Statement (MISCAP) linked with each UTC specifies the capabilities the UTC represents as well as the limitations of usage of the UTC.

CC-103 Responsibilities.
Effectively supporting Air Force contingency operations requires thorough planning and support by organizations at all levels of authority. The following list delineates the key responsibilities and duties at each level to ensure well planned and executed contracting support. This list is not all inclusive; each level is expected to identify and implement additional responsibilities as they are identified.

(a) Chief, Operational Contracting Division (SAF/AQCO) shall:

(1) Provide overall policy, procedures, and direction for developing, reviewing, and managing contracting under the COCSP;

(2) Designate a focal point to coordinate all contracting contingency planning and develop appropriate policy within the Air Force;

(3) Coordinate on OPLANs originating at the Air Staff;

(4) Process deviations, waivers, and special authorizations requested in support of contingency operations; and

(5) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties.

(b) Each MAJCOM Division Chief/Director of Contracting shall:

(1) Designate a command focal point to coordinate all contingency planning within the MAJCOM and to facilitate implementation of contracting support of exercises and actual contingency operations;

(2) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties;

(3) Establish supplemental policies and procedures for developing, reviewing, and managing the MAJCOM COCSP;

(4) Develop contracting support elements and Unit Type Code (UTC) packages to meet the requirements of current policy directives and implementation instructions and ensure that subordinate organizations meet force mobility requirements stated in the Air Force 10 series directives/instructions;

(5) Establish, as required, agreements detailing contracting support relationships between MAJCOMs during contingency deployments;

(6) Ensure all individuals assigned responsibilities as contingency contracting officers (CCOs) are properly trained;

(7) Review all MAJCOM OPLANs for:

(i) Host Nation Support Agreements. This includes:

(A) Participating in the identification of the need for Host Nation Agreements, the development of the terms of Host Nation Support Agreements, and the periodic review of Host Nation Agreements; and

(B) Ensuring copies of applicable Host Nation Support Agreements, Acquisition Cross-Servicing Agreements, letters of agreement, and other contract-related materials are provided to and understood by affected operational contracting offices;

(ii) Appropriate contingency contracting taskings; and

(iii) Appropriate contracting input to all tasks as described under Part 3, Planning for Contingency Contracting Support;

(8) Establish management plans, policies, and procedures for Non-appropriated Fund (NAF) Contracting Support during contingencies, in coordination with the Chief of Morale, Welfare, Recreation, and Services (MWRS);

(9) Ensure an adequate number of personnel are identified to augment the deployed forward headquarters function and assist in initial beddown of deployed units in accordance with War Mobilization Planning (WMP), Volume 1, Annex E. These UTC packages will be in addition to the UTC packages identified to support specific unit deployments. In general, 1 UTC package consisting of 1 officer and 1 enlisted contracting member will be

made available to deploy based on every three contracting UTCs (12 people) deployed under independent core packages;

(10) Support the forward air component commander in accordance with National Command Authority directives and/or preestablished agreements;

(11) Perform a UTC availability analysis as required by AFI 10-401, Operation Plan and Concept Plan Development and Implementation. Inputs will be used to update the War and Mobilization Plan for force availability during the deliberate planning process;

(12) Establish Designated Operational Capability Statement (DOCS) and Status of Resources and Training (SORTs) procedures and policies for each unit tasked in support of an OPLAN; and

(13) Establish procedures for preserving lessons learned, disseminating the information collected from field after action reports, and providing copies to SAF/AQCO.

(c) Each Unified Command Air Force Component Director of Contracting shall:

(1) Establish management plans, policies, and procedures for contracting operations during contingencies within respective areas of responsibility;

(2) Process requests for appointment of contracting officers during contingency operations, as necessary;

(3) Ensure any additional manpower requirements to support contingency operations are identified and process requests to supporting commands;

(4) Develop and maintain current site surveys and area unique source and requirements data for the area of responsibility (AOR);

(5) Ensure supporting commands are provided appropriate materials distributed through unified command channels;

(6) Establish requirements (CC-103 (b)(9)) for contingency contracting personnel to augment the deployed forward headquarters function;

(7) Where appropriate, establish inter-service contracting agreements and notify MAJCOM planners if contracting support will be provided to another service or if contracts or contracting capabilities of another service will be required;

(8) Establish the manner in which contracts that exceed the simplified acquisition threshold are to be accomplished in support of a military contingency operation within the AOR. Those procedures must be distributed to each supporting command contracting division;

(9) Establish procedures, when necessary, for assigning and maintaining DOD Activity Address Codes (DODAACs) for deployed forces within the AOR; and

(10) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties.

(d) The commander or chief of each operational contracting organization shall:

(1) Review all tasked OPLANs and relevant Host Tenant Support Agreements, Inter-Command Agreements, Joint Support Plans, and Host Nation Support Agreements to determine deployment support requirements;

(2) Develop and maintain a local COCSP in accordance with this appendix and MAJCOM direction;

(3) Coordinate the planning process with all commanders with contingency contracting requirements;

(4) Select and appoint CCOs meeting the requirements contained in FAR 1.603 and this appendix

(5) Establish initial and refresher CCO training to include the contingency contracting training required by this appendix and initial mobility training (small arms, chemical warfare, self aid, etc.), and ensure the training is provided to each CCO to maintain worldwide mobility status.

(6) Ensure equipment and materials required for support of assigned UTCs are purchased and maintained in perpetual readiness. Minimum equipment required to support UTC XFFK1 is listed in Attachment CC-1, Categories I and III. The minimum equipment required to support UTCs XFFK2 and XFFK3 is listed in the Attachment CC-1, Category I.

Part 2-CONTRACTING AUTHORITY AND ORGANIZATION

CC-201 Contracting authority.
Contracting authority to support contingency operations flows from the Secretary of the Air Force as the Agency Head, through the Assistant Secretary of the Air Force (Acquisition) to the commanders of the organizations identified in 5301.601-91. These individuals are designated Heads of Contracting Activities (HCAs) for Other Contracting, with authority to designate individuals to exercise any delegable HCA authority as the HCA Designee (see 5301.601-91). For JCS declared contingency operations or contingency exercises, the commander of the Air Force unified command component deployed in support of the operation or exercise is the HCA Designee for contracting actions in the AOR of the contingency. (See 5302.101 for authority of the designee.)

CC-202 Establishment of need for contingency contracting officers (CCOs)
The contracting officer is the key individual providing contracting support to contingency operations. Operational contracting activities shall review contingency taskings and designate a sufficient number of qualified individuals to perform those contingency contracting taskings. If the contracting office requires more manpower to support OPLANS than can be reasonably provided without degrading home station functions, then the chief of the contracting office shall notify the MAJCOM of the shortfall. MAJCOM functional areas will identify these manpower shortfalls through the Wartime Manpower Requirements/Force Sizing Exercises (MANREQ/FORSIZE) computation for their command and designate alternate resources to meet the tasking to include Air Force Reserve Individual Mobilization Augmentees (IMAs) if necessary.

CC-203 Selection of contingency contracting officers.
(a) Individuals selected as contingency contracting officers must meet all the requirements for appointment as a contracting officer contained in FAR 1.603.

(b) In addition, contingency contracting officers must also meet the following additional requirements:

(1) CCOs shall be military personnel, whenever possible. Deploy only military CCOs to support overseas contingency OPLANs and actual contingencies involving hostilities. NOTE: If a civilian is designated as a CCO, comply with instructions in AFI 36-507, Mobilization of the Civilian Workforce, for emergency-essential civilian employees.

(2) The Air Force Specialty Code (AFSC) 64PX and 6C0X1 personnel (and 1102/5 personnel supporting local contingency and emergency support plans) designated shall be trained or experienced in operational contracting and contingency contracting procedures. The incumbents shall be trained in all aspects of contingency contracting as quickly as possible after assignment to the organization.

(3) All contingency contracting personnel designated shall be certified at the appropriate level in the Acquisition Professional Development Program (APDP) and have completed or scheduled to complete CONS 234. Contracting Level I certified personnel may be designated for duties requiring a contracting officer warrant limited to simplified acquisition procedures. Contracting Level II certified personnel should be designated for duties requiring a contracting officer warrant exceeding the simplified acquisition threshold. Experienced personnel not possessing a Contracting Level I or II certification and not requiring a contracting officer warrant

may be used to augment already designated Contracting Level I or II certified personnel. The percentage of certified Contracting Level I or II personnel designated for CCO status must be carefully monitored to ensure that mission capability of the home station facility will not be significantly reduced.

(c) Those positions identified for CCO certification shall be designated as "mobility" assets and so coded within the Contingency Operations Mobility Planning and Execution System (COMPES). The combat support group or the resource manager's mobility coordination office should coordinate on this coding process. This will ensure that incumbents in these designated positions are provided the initial and continuation training necessary to meet worldwide deployment taskings.

CC-204 Appointment of contingency contracting officers.
The CCO's permanent duty station shall issue certificates of appointment appropriate for support of potential contingency operations. This certificate of appointment as a contracting officer issued by the CCO's permanent duty station remains valid, unless there are specific limitations on the certificate of appointment that will detract from the CCO's duties in support of the contingency operations. If necessary, the HCA Designee may issue additional warrants or increase the limits of warrants as needed in the theater.

CC-205 Contracting organizational relationships.
When support of contingency operations requires the deployment of CCOs to another command or theater, either CONUS or overseas, the CCOs shall retain their permanent assignment, but shall be under functional control of the receiving command. CCOs deployed with a unit will support that unit's contracting needs; however, the CCOs will be under the functional control of the receiving (unified) command. The HCA Designee will provide authority and direction to the deployed CCOs.

Part 3-PLANNING FOR CONTINGENCY CONTRACTING SUPPORT

CC-301 Planning actions.
Each operational contracting office and tasked organization shall monitor current plans and coordinate on all plans which task the contracting organization for support in accordance with AFI 10-401. Contracting support plans shall be established for (a) contingency support for armed conflict, and (b) contingency support for other than armed conflict.

(a) *Contingency support for armed conflict*. The contracting activity will make appropriate contracting inputs to OPLANs and dedicate a section of the local support plan to contracting support in military contingency operations.

(1) *Review of OPLANs.* The chief of the contracting activity will supervise the review of all OPLANs which require contracting support. Where a MAJCOM contracting activity tasks a contracting office with specific deployment support responsibilities, that MAJCOM will ensure that the office includes such tasking in its planning activities. Plan coordinators will consider the following:

(i) Contracting manpower requirements actually needed for the expected base configuration, population, geographic location, joint usage arrangements, and proximity of local purchase resources to support the unit;

(ii) Allocation of contracting-related UTC packages within the OPLAN and coordination of timing for each package within the Time-Phased Force Deployment Listing (TPFDL). Plans must call for early arrival of contracting personnel to provide contracting support for beddown of initial forces arriving at the deployment site;

(iii) Adequacy of contracting resources tasked from all sources to meet the total contingency contracting requirements for all units at the deployment base;

(iv) Individual Mobilization Augmentee (IMA) availability to support OPLAN taskings or to backfill deployed active duty CCOs;

(v) Equipment and personnel support requirements for the CCO portion of each OPLAN (FAX machine, laptop computers, printer, cellular telephone, other communication, transportation, and office equipment);

(vi) Procedures for each functional area to identify personnel at the deployment site who can validate requirements, accept deliveries, and verify specifications and quality of goods purchased;

(vii) Coordination of contracting and finance functions to ensure that paying agents are designated to support the contracting activity (i.e., establishment of an imprest fund, if necessary);

(viii) Uniform and civilian clothing requirements for each deployment location and initiation of uniform allowance documents for enlisted personnel, if applicable. Authorization for use of civilian clothing must be specified on TDY orders and in compliance with use according to appropriate personnel and finance regulations;

(ix) Special personnel requirements for location-specific limitations to gender, rank, or other cultural factors which affect contracting within the deployment area;

(x) Contracting interface with the supply system at the deployment site to avoid duplication of effort, unnecessary administrative steps, and unnecessary local purchase of supply system items;

(xi) Potential adverse impact on unit mission support due to FAR or statutory contracting restrictions and any deviations which may be necessary to meet unique unit mission requirements at the deployment site;

(xii) Contracting interface with 24 hour emergency operations contact points and purchasing sources in the deployment area;

(xiii) Impact on contracting effectiveness during chemical, biological, or nuclear operations, if applicable;

(xiv) Possible additional duty taskings at various stages of the deployment which may interfere with performing the contracting duties. Additional duties that may interfere with contracting duties include but are not limited to inspecting and receiving supplies/services, funds disbursing agent duties, billeting officer duties, and writing statements of work (SOWs)/performance work statements (PWS), etc.;

(xv) Security and protection needed during the deployment and any requirement for CCOs to carry weapons;

(xvi) Plan taskings which might result in possible CCO conflicts of interest situations (e.g., funds disbursement or acceptance of goods);

(xvii) Reporting and documentation requirements for all stages of the deployment and adequate administrative and documentation support for the operation;

(xviii) Taskings for contract closeout, termination, and claim processing;

(xix) Procedures for preserving lessons learned and disseminating the information collected from after-action reports; and

(xx) For MAJCOM or deployed HCA Designee, evaluate supplemental force package requirements required to support the deployed central contracting function and at the same time help with the beddown of arriving units in the theater of operations. Place these packages in the TPFDL early enough to meet mission beddown requirements.

(2) *Review local contracting support plans.* Contracting offices will develop a comprehensive local support plan to ensure contingency contracting support for taskings under OPLANs. These plans will provide as a minimum:

(i) Appointment documentation for identifying all appointed CCOs provided authority to meet contingency taskings;

(ii) Provisions for assigning Procurement Instrument Identification Numbers (PIINs) to CCOs;

(iii) Instructions for deployed CCOs to maintain records of all purchases in sufficient detail to allow accurate contracting reports to be prepared during or, as soon as practical, after the contingency ends. All required reporting shall be completed in the current monthly reporting cycle of the contracting activity that issued the PIINs or as otherwise directed. Instructions will provide for maintenance of these records whether in manual or automated format (such as laptop computers). If an automated system is used, the COCSP shall provide for automated or manual back-up, and procedures will be developed to instruct CCOs on how to enter data and use the computer software;

(iv) Assigned CCOs will use the plan review list to document annual reviews of all OPLANS under which the organization is tasked. Special care must be given to identifying plans that task elements of the operational contracting activity independently from the host unit. The unclassified portion of plans discussing contracting requirements may be extracted for review and use;

(v) Any specific contracting instructions and planning factors pertinent to the unit(s) to be supported or to the areas of deployment (such as a general list of the kinds of contracting requirements that the unit will generate, unusual contract requirements, instructions on use of support agreements, procedures for contacting embassy officials, etc.);

(vi) Procedures for the submission and validation of purchase requests by the functional areas within the deployed unit;

(vii) Provisions for interfacing with the appropriate Financial Management Board;

(viii) Direction to the CCO regarding the relationship between the gaining command and home station (see CC-205);

(ix) The location of CCO deployment kits and materials which need to be added to kits before departure;

(x) Specific direction for CCOs on how to obtain funding for any emergency deployment. Funding issues need to be resolved prior to deployment;

(xi) Develop and coordinate procedures with the local base accounting office for obtaining funding for emergency deployments, including procedures for prior identification of local currency required and proper denominations (U.S. or foreign currencies). Functional interface with Comptroller personnel and other collateral support functions are necessary with regard to:

(A) *Disbursing or paying agents.* When a contracting support capability is established at a non-DOD installation or remote location, a commercial paying function is required pursuant to Chapter 7 of AFR 177-101, General Accounting and Finance Systems at Base Level. AFI 10-213, Operations Under Emergency Conditions, provides guidance on comptroller operations during emergency conditions. AFI 31-207, Arming and Use of Force by Air Force Personnel, and AFI 31-209, The Installation and Resources Protection Guide, provide guidance for carrying arms and safeguarding funds. CCOs should not be designated as disbursing or paying agents. Exceptions must be approved by the HCA.

(xii) Provisions for performing site surveys and participating in exercises at deployment locations as directed by MAJCOMs;

(xiii) Direction that CCOs complete all training associated with worldwide mobility status and instruction on how local small arms, chemical warfare, and other mobility training will be accomplished;

(xiv) Assumptions on contracting requirements that may be relaxed or waived in an emergency, and direction on how to handle existing rules expeditiously where no authority is granted to relax such requirements; and

(xv) Direction for conducting annual OPLAN reviews and kit inventories including assignment of responsibilities, documentation, and frequency requirements.

(b) *Contingency support for other than armed conflict.* Another section of the local support plan will be dedicated to local emergencies and contingencies other than military contingency operations.

(1) *Review of OPLANS.* In developing and maintaining this section of the local support plan, the chief of the contracting activity will ensure that local contingency plans requiring contracting support for the installation are reviewed and coordinated. These plans typically address local and deployed location conditions ranging from natural disasters and industrial accidents to local hostilities and acts of terrorism. The contracting activity will review these plans to:

(i) Determine types of supplies and services that might be needed with short lead time, such as rental vehicles, snow removal, construction materials, and environmental clean-up services;

(ii) Become familiar with local conditions and factors which are unique to the area, such as geological conditions, industrial hazards, weather conditions and problems, civilian emergency services, etc.;

(iii) Become familiar with base relocation or alternate work site plans;

(iv) Establish alternate data automation capabilities;

(v) Determine appropriate actions to continue performance of essential contractor services pursuant to DODI 3020.37, Continuation of Essential DOD Contractor Services During Crisis;

(vi) Ensure that plans provide for adequate transportation, communications, and office space for contracting and other essential contingency support personnel;

(vii) Verify that plans provide for alternate funding and supply requisitioning procedures; and

(viii) Ensure that procedures provide for adequate receipt and inspection of purchases, and that these procedures facilitate prompt payment and expeditious closeout of contract files.

(2) *Review local contracting support plans.* Contracting offices will develop a comprehensive local support plan to ensure contingency contracting support for taskings under OPLANs. These plans will provide, as a minimum:

(i) A capability for users to contact contracting personnel on short notice through the unit emergency action center or Command Post;

(ii) Identification of appointed CCOs;

(iii) Instructions on where to relocate the contracting office in the event that the primary contracting facility is not usable, considering alternate locations on and off base;

(iv) A current list of the base emergency plans and the contracting portions of base plans;

(v) Provisions for emergency communications with base officials, customers, and suppliers;

(vi) Procedures for manual requisitioning of supplies, including required approval authorities, forms, and general processing requirements;

(vii) Provisions for funding requests, including the use of AF Form 616, Fund Cite Authorization;

(viii) Instructions for manual record keeping where use of the Base Contracting Automated System (BCAS), is interrupted;

(ix) Procedures for using alternate data automation facilities to restore automated purchasing support and records, including alternate BCAS processing sites and use of any automated contract action logs or suitable substitutes until the Standard Procurement System (SPS) is fielded and when BCAS is inoperative for extended periods of time;

(x) Instructions for the use of unit deployment kit(s);

(xi) Current telephone listings for key base offices, local suppliers, and other base contracting offices, and grid maps of the base and local areas; and

(xii) Instructions for developing, maintaining, and using source lists for emergency supplies and services, that identify sources available for 24 hour response to emergency requirements. A separate source list shall be maintained for emergency supplies and services outside a 50 mile radius of the installation's local market area. Both lists include the commodity/service contractor/vendor address, point of contact, and 24 hour telephone number.

CC-302 Predeployment preparation.
The planning function will emphasize the importance of performing site surveys. Resources permitting, each activity will perform site surveys at all preplanned deployment sites for local area and overseas destinations. Designated CCOs shall participate in site surveys and exercises on a rotational basis. Site surveys will:

(a) Update information concerning potential sources in the deployment area, including material obtained from the U.S. Embassy, Consulate, Air Attaches, and other Government agencies operating in the same area. This information shall include a master listing of contractors and identification of those willing to provide emergency response after normal business hours;

(b) Identify sources for potential and pre-identified emergency requirements. If an emergency source is not available for any pre-identified requirement, the COCSP shall provide procedures to ensure that the user is notified that contracting support will not be available for that requirement;

(c) Survey local customs, laws, taxes, and shortages within the local economy, local bureaucratic impediments, language difficulties, currency exchange rate fluctuations, and security concerns. If local sales tax exemption procedures or numbers are available, obtain them through embassy personnel;

(d) Examine local transportation and communication resources availability;

(e) Determine the applicability of the Host Nation Mutual Support Agreements, Status of Forces Agreements, Acquisition Cross-Servicing Agreements, or other diplomatic agreements, if any, and evaluate the impact of these agreements upon contingency contracting within the deployment area;

(f) Survey facilities, equipment, and other support which must be provided by the deployed commander for the deployed contracting office. Note the improvements needed for future deployment plans to this or other locations. Coordinate contracting facility requirements with the Civil Engineer and Logistics functional commanders as necessary;

(g) Consider problems which should be anticipated in supporting contract requirements for an extended exercise or contingency operation at this location, paying particular attention to those items or services which are available at the deployment site but in only limited quantities;

(h) Survey personnel requirements, unit kit requirements, and individual clothing and equipment requirements needed to meet mission demands in this area (consider officer vs. enlisted, male vs. female, civilian clothing vs. uniforms, office support equipment, type and quantity of forms needed, etc.).

(i) Determine what contract formats may be needed in the local area considering Host Nation Support Agreements, expected taskings, and local business customs; and

(j) Passports are required for each CCO. Each CCO shall obtain an official passport when initially designated a CCO. In order to allow sufficient time to process passport applications for short notice deployments, identify procedures, approval authorities, and other requirements that will facilitate expeditious processing of requests pursuant to DOD 1000.21-R, Passport and Passport Agent Services Regulation. When CCOs are deployed they must have their passports in their possession at all times.

(k) Identify procedures necessary to expedite obtaining International Driver License for CCOs. Obtain licenses only if this is a requirement of the deployed location.

CC-303 Deployment/mobility kits.
Operational contracting activities will develop local support plans and kits with contracting supplies, forms, instructions, and office equipment to respond to contingency situations.

(a) Each contracting activity must develop and maintain pre-assembled deployment kits for contingency contracting officer (CCO) use during contingencies. Unit deployment kits may be tailored to the expected deployment location or expected emergency tasking. Unit kits will be pre-assembled and positioned for rapid retrieval and transporting. Kits will be inventoried annually on the same cycle as the support plan review. Contents will be updated periodically to replace outdated material. Mission Capability Statements for contingency contracting unit type codes (UTCs) published in the War and Mobilization Plan, Volume 3, Part 3 contain contracting cargo elements. A complete assembled cargo package is an integral part of the UTC XFFK1 or XFFK2 (if designated as independent). Handcarried contracting kits are part of all other UTCs where taskings do not require the complete cargo packages.

(1) Depending on Operation Plan (OPLAN) taskings, at least one unit deployment kit will be pre-assembled, containing appropriate items in Attachment CC-1, Category I, for each independent UTC (XFFK1) that can be supported based on *authorized manning.* A pre-assembled unit deployment kit is not required for each individual OPLAN tasking a base may be responsible for. Handcarried kits (excluding equipment) will be pre-assembled for each dependent UTC (XFFK2) that the base can support. Regulations requiring periodic posting may be maintained with the normal publication library for the office. These regulations will be marked "Deployment Set" and added to the kit immediately prior to deployment. In that event, the kit should be conspicuously marked to prevent deployment without these critical publications.

(2) Contracting activities may maintain separate kits as shown in Attachment CC-1, Category II, with site-specific information and supplies to support specific OPLAN taskings. These kits may be set up as add-on package(s) to other deployment kits (i.e., "personal" kits, non-contracting personnel kits).

(3) CCOs will maintain "personal" deployment kits according to specific OPLANS and the WMP, Volume 1, Annex E, Contracting Part.

(4) Other kits may be maintained for non-contracting personnel which provide prepositioned instructions, pre-approved letters of authorization, blanket purchase agreements (BPAs), SF 44, Purchase Order-Invoice Voucher, and other forms as appropriate to support contingency situations where contracting resources are not deployed. Where such kits are assembled, the contracting activity will conduct a semi-annual review and update authorizations and contents of the kit(s).

CC-304 Planning for early contracting involvement.
Local contingency support plans will emphasize the need for early deployment of CCOs under OPLAN taskings and other deployments. Where conditions permit secure access to local market sources, the advance echelon ("ADVON") will include qualified and experienced contracting officers, to locate sources and become familiar with local conditions before the arrival of unit personnel. Where no site survey has been done, timing is especially important. Plans should provide for adequate security arrangements and disbursing officer support during advanced deployments. If an ADVON is deployed and conditions permit the presence of a purchasing activity, the CCO personnel should be among the initial forces arriving at the deployment site.

Part 4-TRAINING IN CONTINGENCY CONTRACTING SUPPORT

CC-401 Air Force policy.
Appropriate training shall be provided to all contracting officers designated to support contingency operations. Contingency Operational Contracting Support Plan (COCSP) training may be included as a part of the training required by AFI 64-102, Operational Contracting. COCSP training should be provided to key personnel of major customer activities having contingency contracting support requirements.

CC-402 Individual CCO training.
Training provided to CCOs shall include:

(a) Initial Base-level CCO Training (see Attachment CC-2);

(b) CCO continuation training, tailored to the unit's area of responsibility, to include regular exercise participation;

(c) Nuclear, chemical, and biological warfare training and certification;

(d) Both 9MM and M16 training and certification;

(e) Funds management procedures;

(f) Mobility equipment;

(g) Self-Aid Buddy Care;

(h) CON-234, Contingency Contracting Course and

(i) Force Protection Training as required.

CC-403 Training provided to non-contracting personnel.
The contracting activity will train non-contracting personnel, designated to support contingency plans, in the proper use of established ordering instruments, SF 44, credit cards, and other forms authorized for use. This training will address appropriate decentralized contracting procedures and regulations to ensure these personnel follow sound contracting practices. Note: Recommend using the AFLMA's Contingency Contracting Customer Guide during this training.

Part 5-CONTRACTING SUPPORT FOR CONTINGENCY OPERATIONS

CC-501 Expedited contracting procedures in contingency operations.
(a) For most critical steps in the contracting process, the FAR, DFARS, and AFFARS provide flexibility to permit expedited contracting actions to satisfy urgent and compelling requirements. However, such circumstances do not provide blanket waivers of regulatory requirements, nor do they eliminate the need to maintain required controls and documentation. Examples of existing authorities to expedite contracting actions include:

(1) Limiting sources in solicitations for sealed bids or proposals when unusual and compelling urgency precludes full and open competition (see FAR 6.302-2);

(2) Exceptions for issuing synopses of proposed contract actions when this would delay award and injure the Government (see FAR 5.202);

(3) Awarding letter contracts and other forms of undefinitized contract actions (UCAs) to expedite start of work (see DFARS Subpart 217.74);

(4) Using oral solicitations (see FAR 13.104, FAR 13.106, and FAR 15.402 (f));

(5) Awarding contracts for emergency requirements before resolving a protest (see FAR 33.104 and FAR 33.105);

(6) Waiving bid guarantees (see FAR 28.101-1) and preperformance conferences (see FAR 36.304); and

(7) For contracts awarded and performed, or purchases made outside the U.S. in support of military contingency, humanitarian, or peacekeeping operations, the simplified acquisition threshold is increased to $200,000 allowing use of simplified acquisition procedures (see FAR 2.101)

(b) When the nature of the contingency dictates, the appropriate level of authority may relieve CCOs of specific regulatory requirements contained in the FAR, DFARS, or AFFARS. These authorities are limited to those requirements contained in these regulations that are based on contracting policies established at that level. Department of Defense and Air Force contracting authorities maintain standby packages to initiate relief from regulatory requirements during contingencies. In a similar manner, MAJCOM contracting activities should identify in advance command-specific requirements that may be relaxed or waived during contingency operations. Operational contracting offices should also identify local requirements which would impede contingency contracting and coordinate procedures (within their authority) to relax those requirements.

(c) In the event of a declared contingency operation, it may also be possible to request relief from FAR, DFARS, and AFFARS requirements established as a result of a statutes, Executive Orders, or other Executive Agency regulations (e.g., Department of Labor, Small Business Administration, etc.). Relief from these requirements could take considerable time to obtain, so their identification prior to declaration of a contingency operation is essential. SAF/AQC will be responsible for drafting legislative packages for relief in periods of National Emergency from statutes, Executive Orders, and Executive Agency regulations. MAJCOMs are encouraged to make recommendations for FAR, DFARS, and AFFARS requirements for which relief should be requested in support of contingency operations.

CC-502 Contracting functions under deployed conditions.
In providing contingency contracting support, CCOs will perform tasks required by established OPLANs, contingency support plans, and this appendix. Generally, contracting support of deployments takes place in four phases. A listing of expected activities for each phase is provided as follows.

CC-502-1 Contingency contracting activities during initial deployment.
(a) *The Deployed commander responsible for the unit will:*

(1) Establish the unit's requirements/priority of needs, including:

(i) Food and water for those personnel not serving in field conditions and not receiving a basic allowance for subsistence (BAS);

(ii) Shelter (both living and working facilities);

(iii) Transportation, specifically identifying rental requirements;

(iv) Laundry services;

(v) Human waste and garbage disposal;

(vi) Ground fuels requiring local purchase action;

(vii) Heavy Equipment;

(viii) Communications, to include priorities for use of limited telephone and radio facilities;

(ix) Utilities. (NOTE: Prior to deployment, verify electrical requirements for equipment such as copiers, FAX machines, etc. Some countries may have unique requirements that may not allow U.S. made machines to be connected to telephone lines.);

(x) Quality-of-Life Issues (i.e., recreational equipment); and

(xi) Computer/ADP support (to include equipment maintenance).

(2) Review purchasing procedures with the CCO, to include fund accountability, purchase validation, acceptance and quality assurance procedures;

(3) Place the CCO directly under the deployed commander and ensure that the CCO is not assigned additional duties that may impede contracting responsibilities;

(4) Advise all personnel that only the CCO is authorized to obligate the U.S. Government for local purchases and direct that no one place undue pressure on CCOs to purchase any goods and services which violate contracting laws and regulations;

(5) Provide suitable office space and transportation for the contracting function to include at a minimum a desk, secure filing cabinet, safe for funds and accountable forms, and dedicated vehicles to meet mission requirements;

(6) Furnish the CCO with a list of individuals (by name) from whom the CCO is authorized to accept valid purchase requests and the name of the corresponding individual (or office) providing the funding source;

(7) Provide an interpreter, if necessary;

(8) Provide suitable telephone communications for the CCO office and a mobile unit, if possible;

(9) Ensure that the Accounting and Finance function provides sufficient disbursing agents to allow timely contract support for the CCO and ordering officers;

(10) Ensure that the Base Supply function provides a receiving and quality assurance capability to document receipt of goods and equipment, and that the facility has the capability to transport those goods delivered by vendors to sites outside the unit compound. (NOTE: Personnel requirements for operating a unit transportation and delivery system are not included in contracting UTCs); and

(11) Establish a Requirements Validation Management Board of senior officers and noncommissioned officers (NCOs) to validate local purchase requirements.

(b) *CCOs responsible for supporting the deployed unit will:*

(1) Establish minimum suitable office space;

(2) Obtain low security profile transportation or CCO's dedicated use;

(3) Establish suitable communications for the office and mobile unit, to include at least one Class A telephone with long distance Defense Switched Network (DSN) and off base access;

(4) Contact the HCA Designee, existing military installations within the deployment area, or, in the absence of these, the U.S. Embassy or Consulate in the host nation for guidance on contracting information or Host Country Support Agreements;

(5) Obtain maps of adjacent towns or settlements and conduct personal visits to learn availability of necessary items of supplies or services. Mark maps and prepare source lists. Secure telephone books of the local area, if

available. (NOTE: Maps and source lists should be updated as new information becomes available. Source lists should be annotated to reflect which contractors will provide 24 hour emergency response.);

(6) Work with the deployed commander to establish good working relations with local officials;

(7) Obtain an interpreter, if necessary, at the earliest opportunity;

(8) Keep the deployed commander informed of contracting matters;

(9) Establish a system, for customers to submit purchase requests for local acquisitions:

(i) Update customer training to orient them to the purchasing system as soon as practicable; and

(ii) Adapt the system to suit local conditions;

(10) Appoint decentralized ordering officers within functional areas, as determined necessary, with CCO supervised purchasing authority up to the maximum order limit of the indefinite delivery/requirements contract or blanket purchase agreement Ordering officers will be trained in the use of simplified acquisition procedures and funds accountability.

(c) *Files and Documentation*.

(1) The CCO shall maintain files/registers for contracts, BPAs, and purchase orders to record all contracting actions. The records will include: Purchase Request Number, PIIN, date of purchase or award, name of vendor or contractor, dollar amount (U.S. dollars); and a brief description of supplies or services. Dispose of documents according to AFI 37-133, Volume 2, Disposition of Air Force Records-Records Disposition Schedule.

(i) Immediately after conclusion of a short duration deployment (30 days or less), the CCO will provide all contracting records to the unit's home contracting activity for consolidation and integration with other unit records. Appropriate information will be extracted from the CCO records for inclusion in the magnetic tape of Monthly Procurement Summary, DD-ACQ(M)1015, and Base Procurement Activity Report, RCS: SAF-AQC(M)7106.

(ii) During a deployment longer than 30 days, the CCO will submit reports to the headquarters having contracting authority over the CCO. Report formats will be directed by the headquarters. The headquarters having contracting authority over the deployment area will submit reports indicated in (i) above during the extended deployment.

(iii) The following are required when the deployment of a CCO extends across two fiscal years:

(A) For deployments in support of exercises, the operational contracting activity (OCA) will assign a block of PIINs to the deployed CCO for both fiscal years involved. Following the close of business on 30 Sep, the CCO shall forward the required information pertaining to all deployed purchases made during the fiscal year to the units home contracting activity for incorporation into the end of fiscal year report.

(B) For deployments longer than 30 days in support of declared contingencies, the HCA Designee will assign a block of PIINs to all deployed CCOs within the AOR for both fiscal years involved. After the close of business on 30 Sep, the CCO shall forward the required information to the HCA Designee.

(2) The CCO will maintain a Deployed Contingency Contracting Officer's Continuity Book to provide continuity for any follow-on CCO. The book will include as a minimum:

(i) A current vendor and contractor source listing to include vendor names, addresses, telephone numbers, points of contact, and type of supplies and services provided;

(ii) A current list of vendors and contractors that are willing to provide 24 hour per day emergency support;

(iii) Copies of all headquarters policy letters or messages of guidance received to date;

(iv) Minutes of all meetings attended by CCO personnel during the deployment, to include open action items impacting the contracting function;

(v) A listing of all ratification actions to date, including the authority under which the ratification was made;

(vi) Copies of all customer education handouts developed to date;

(vii) Key points of contact at the deployed site to include name, grade, duty title, unit, telephone number, and after hours point of contact, if available;

(viii) Lessons learned during the deployment to date;

(ix) Copies of weekly reports of actions and dollars spent to date; and

(x) Any other pertinent information.

(d) *Host Nation Support Agreements.*

(1) For contingency and exercise operations in a foreign country, a Host Nation Support Agreement (i.e., National Atlantic Treaty Organization (NATO) Mutual Support Agreement), a Status of Forces Agreement, Assistance in Kind Agreements, or Acquisition Cross-Servicing Agreements may exist. These agreements normally are negotiated through the U.S. State Department to provide host nation support for deployed U.S. forces during a contingency operation. Support items under these agreements may include:

(i) Billeting;

(ii) Food, water, and ice;

(iii) Ground fuel;

(iv) Transportation; and

(v) Utilities (i.e., electricity or communications).

(2) Deployed CCOs do not have authority to enter into contracts or agreements with foreign governments. However, if an agreement is already in existence, the CCO may have authority to write priced delivery orders against them.

CC-502-2 Contingency contracting activities during build-up.
During the build-up phase of a contingency contracting deployment, the purchasing activity will generally be heavily involved in supporting the newly arrived forces. In this phase, additional contracting personnel will generally arrive with the assigned unit to augment the initial contracting teams. Contracting members from home bases should replace those members located at the site to support initial beddown activities. Establish as early as possible a responsive purchasing system. A responsive purchasing system must include:

(a) *Requirements requisitioning controls.* Implement a procedure which is acceptable to the assigned commander. This procedure needs to address:

(1) Formats for requisitions such as DD Form 1348-6, DOD Single Line Item Requisition System Document, and AF Form 9, Request for Purchase;

(2) Approval/Signature authority; and

(3) Finance and Supply coordination.

(b) *Funding and Disbursing.* Implement a procedure with the assigned Finance staff to ensure funds are available to pay for the contracting officer's contract purchases. Where AF Form 616, Fund Cite Authorization, is used for short term contingencies, instructions must be followed to properly record transactions. This instruction should identify any restrictions on equipment or services which are not appropriately funded by the AF Form 616, Fund Cite Authorization.

(1) CCOs will not be assigned as agents of the Accounting and Finance Office (AFO). This improves internal controls over the distribution of funds to the contractor, avoids a potential conflict of interest for the CCO and makes the CCO less susceptible to personal risk. The deployment commander must initiate any requests to waive this requirement and the HCA Designee must approve any waivers.

(2) Armed escort arrangements must be made where significant amounts of cash are carried outside the military installation.

(c) *Purchasing methods.* SF 44, Purchase Order-Invoice Voucher, cash, and Government credit cards are the primary means of purchasing over-the-counter supplies and services during the initial days of the build-up. BPAs should be issued to several suppliers offering items of the same type as soon as possible to expedite ordering.

(1) Individuals in functional areas should be appointed, trained, and authorized to place calls against prepriced BPAs.

(2) Where cash is used, the SF 44 shall be completed as a receipt to document the transaction and shall be clearly marked to show that payment was made in cash to preclude duplicate payment to the supplier.

(3) Government credit card procedures may be implemented to permit decentralized purchasing of small dollar items during extended contingencies.

(d) *Non-appropriated fund (NAF) contracting.* Implement procedures acceptable to the assigned Commander and Chief of Morale, Welfare, Recreation, and Services (MWRS) that address:

(1) Formats for NAF contracting, such as AF Form 9 and AF Form 2209, Non-appropriated Fund Order for Supplies and Services;

(2) Approval/Signature authority for NAF Contracting;

(3) Use of cash to make local purchases of supplies and resale merchandise; and

(4) Use of BPAs and concession contracts.

CC-502-3 Contingency contracting during sustainment.
(a) Sustainment contracting provides contracting support from the completion of the build-up phase and through the duration of the contingency. The purchasing activity may expand into items for additional MWRS supplies, equipment and services, additional office supplies, tools, and equipment. Contingency contracting operations will focus on file documentation and cost reduction.

(b) Requirements will be consolidated whenever possible to achieve the economies of quantity buying.

(c) As requirements become better defined, longer term contract arrangements will be established, such as indefinite quantity and requirements contracts. Emphasis should be on improving statements of work to avoid unnecessary costs and contracting with reliable sources at reasonable prices.

(d) Agreements may be established with other Services to share contract arrangements such as transportation, laundry, etc.

(e) Procedures will be established to acquire local purchase items that are not available in the AOR. Alternatives to consider are:

(1) Stateside support from the unit home base;

(2) Contracting offices in the vicinity of the deployment, but outside the AOR;

(3) A stateside location to receive, process, and forward these items to the deployment site; and

(4) Army Air Force Exchange Service (AAFES) or Navy Exchange Service (NES), if available at the deployment site.

CC-502-4 Contingency contracting activity during termination/redeployment.
(a) On being notified of contingency termination or redeployment, the CCO will:

(1) *Closeout contracts*:

(i) Coordinate with contractors and user activities the timing and procedures for return of all rental items;

(ii) Determine which contracts require formal Termination for Convenience actions and initiate settlement processing procedures with those contractors. During termination of base services, the CCOs will immediately negotiate a reduction to and termination of all base support agreements to coincide with the unit redeployment schedule. As unit assets are redeployed, interim replacement support may be required from the host base or contractor sources, if available. NOTE: Contracts awarded throughout the deployment should be tailored to minimize formal termination requirements wherever possible;

(iii) Ensure that receiving reports and invoices for all purchases pending payment are processed;

(iv) Coordinate with the disbursing agent to ensure that final payments are processed; and

(v) Settle all contractor claims prior to the final CCO redeployment.

(2) *Contract action reporting and documentation*:

(i) Report all contract actions and dollar amounts to the contracting activity that issued the PIINs used during the deployment;

(ii) Document all contracting actions in sufficient detail to provide an audit trail of the acquisition. Include the Purchase Request (PR), award document, justification of fair and reasonable price (if required), receiving reports, invoices, and final payment vouchers; and

(iii) Dispose of documentation in accordance with AFI 37-133, Volume 2.

(3) *After-action report*: Within 30 days after redeployment, each participating CCO shall submit a written after-action report to the designee unless waived by HCA with courtesy copy to assigned MAJCOM/LGC Each quarter, HCA designee will forward a consolidated report to SAF/AQCO (see CC-502-5). after-action reports shall specifically address:

(i) A formal update of site survey information concerning potential sources of supply to include items obtained through the U.S. Embassy, host nation support, or servicing U.S. military installations;

(ii) Problems encountered with the contracting process to include local customs, shortages of supply within the local economy, local political or diplomatic impediments, language difficulties, currency exchange rate fluctuations, and security issues or concerns;

(iii) Local transportation, billeting, and communication resource availability;

(iv) Evaluation of any Host Nation Support Agreement or comparable understanding, Status of Forces Agreements, if applicable, and the impact of these agreements upon contingency contracting within the area (applies to overseas contingency);

(v) Adequacy of facilities, equipment, and other support provided by the deployed commander and the OPLAN under which the deployment was conducted. Specific modifications required for future deployment plans to this or other locations;

(vi) Any specific problems which could be anticipated to support an extended exercise or contingency operation at this location; and

(vii) Special personnel requirements (rank, gender, skill level, etc.), contingency kit requirements, or individual clothing and equipment requirements to meet mission demands in this area.

CC-503 Post deployment activities.
To ensure the widest possible dissemination of lessons learned and problems identified in each exercise or deployment, each participating CCO shall submit a written after-action report to the HCA Designee. That office will distribute after-action report information to contracting planners at MAJCOMs within 30 days following termination of the deployment. MAJCOMs will submit consolidated and condensed versions of the reports to SAF/AQCO on a quarterly basis. The consolidated report shall be submitted to SAF/AQCO no later than the fifteenth day of the first of the month of each quarter. The reports should identify topics and events and point out new or different situations that impact existing policy and significant items dealing with the interface between contracting and the customers on the deployment. Lessons learned shall be incorporated into the initial and continuation training programs (see Attachment CC-2).

ATTACHMENT CC-1
DEPLOYMENT KITS

Each operational contracting organization shall maintain mobility equipment to support deployments. The subparagraphs below identify three major categories of Contingency Contracting kits:

(a) *Category I: Unit Deployment Kit Items (General).* Each operational contracting activity will maintain at least one unit mobility kit. Regulations and publications requiring routine updating and maintenance may be kept as part of the unit library, if they are conspicuously marked "Deployment Set," to identify the necessary supplementation prior to deployment. They must be inserted into the kit immediately before deployment. These items shall be maintained and ready for immediate deployment.

(1) Regulations:

- AFI 23-202, Emergency Procurement of Ground Fuels, Oil, and Other Supplies and Services at Non-DOD Locations;
- AFFARS Appendix CC
- AFI 10-213, Operations Under Emergency Conditions;
- AFI 64-302, Attachment 13, Non-appropriated Fund Contracting;
- FAR, DFARS, AFFARS:
- International Merchants Purchase Authorization Card (IMPAC) Procedures

(2) Forms/Ordering Instruments:

- DD 577, Signature Card;
- DD 1155, Order for Supplies or Services (Note: DFARS 213.203-1 still requires DD 1155s for BPAs)
- SF 26, Award/Contract
- SF 30, Amendment of Solicitation/Modification of Contract;
- OF 336, Continuation Sheet;
- SF 44, Purchase Order Invoice Voucher;
- SF 1409, Abstract of Offers/AF 3062 Abstract of Proposals or Quotations;
- SF 1419, Abstract of Offers Construction;
- SF 1449, Solicitation/Contract/Order for Commercial Items;
- AF 9, Request for Purchase;
- AF 15, USAF Invoice; and
- AF 614, Chargeout Record.

(3) Sample Contract formats:

- Simplified Acquisition (Construction, Services, and Commodities with provisions);
- Major Acquisition (Construction, Services, Commodities with provisions)
- Blanket Purchase Agreement;
- NAF Contract; and
- Letter Contract.

(4) Copy of the Contingency Operational Contracting Support Plan.

(5) Copy of the applicable Base Support Plan, if unclassified.

(6) CCO Certificates of Appointment.

(7) Administrative Supplies (paper, pencils, pens, folders, cash box).

(8) Equipment

a. Laptop or Personal Computers, include "three" when deploying UTC XFFK1

b. Portable printer

c. CD-ROM capability

d. Calculators, one for each UTC team member

e. Facsimile (FAX) capability

f. AC/DC 12 volt power pack

g. Power transformers, include "three" when deploying UTC XFFK1

h. Operating/maintenance instructions and supplies for equipment

(NOTE: This equipment may be used during regular activities and added to the kit immediately prior to deployment (with operating/maintenance instructions and materials, if available).)

(9) Preprinted or electronic purchase order clauses.

(10) One general products catalog to help communicate anticipated requirements to customers and vendors.

(11) List of Procurement Instrument Identification Numbers (PIINs) issued by sponsoring support contracting activity (normally the CCO home base).

(12) All Air Force Logistics Management Agency Projects entitled: "Contingency Contracting," "Contracting Deployment Customer Guide," and "Air Force Directory of Contracting Activities"

(13) Flashlight/batteries/bulbs.

(14) Installation telephone numbers.

(15) Julian Calendar.

(16) Directory of Air Force Operations Support Contracting Activities.

(17) IMPAC Card. Note IMPAC cards should be secured

(b) *Category II: Deployment Specific Items.*

(1) Site surveys of the deployment location.

(2) Source lists and other area specific materials.

(3) Morale, Welfare, Recreation, and Services (MWRS) Site Operations Guide, if applicable.

(c) *Category III: Deployment Equipment.* The following items should be maintained in ready condition for deployment: (Note: Equipment should be maintained in operational condition and used during daily operations to provide familiarization and training. Equipment will be added to the deployment kit upon activation.)

(1) Laptop computer with portable printe

(2) Facsimile (FAX) capability (or instructions/provisions to lease at deployment site).

(3) Copy Machine (or instructions/provisions to lease at deployment site).

(4) Operating maintenance instructions and supplies for the equipment.

(5) Any automated contract action logs or suitable substitutes until the Standard Procurement System (SPS) is fielded.

(6) CD-ROM capability

ATTACHMENT CC-2
CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM
INITIAL TRAINING OUTLINE

PHASE I: GENERAL

(a) Purpose

(b) AFFARS Appendix CC
- (1) Purpose
- (2) Format

(c) Program Requirements
- (1) Basic Issues
- (2) Wartime Issues
- (3) Peacetime Issues

(d) Organizational Responsibilities
- (1) SAF/AQCO
- (2) MAJCOM
- (3) Unified Commands
- (4) Commanders
- (5) Operational Contracting Offices
- (6) Deployed CCO's Authorities And Responsibilities

(e) Contingency Acquisition Deviations
- (1) FAR, DFARS, AFFARS
- (2) Special Authorizations

PHASE II: TRAINING TO SUPPORT POTENTIAL CONFLICT DEPLOYMENTS

(a) Predeployment Preparation
- (1) Planning Responsibilities
  - (i) MAJCOM
  - (ii) Operational Contracting Office
- (A) Monitor And Review Current Plans
- (B) Coordination And Inputs On OPLANS

(b) Deployment Kit Contents
- (1) Category I: Unit Deployment Kits
- (2) Category II: Deployment Specific Items
- (3) Category III: Deployment Equipment

(c) Site Surveys And Documentation

(d) Qualification And Designation Of CCO Positions

(e) Training Requirements

(f) Deployment Beddown
- (1) Responsibilities
  - (i) HCA Designee
  - (ii) CCO
- (2) Files/Documentation

(g) Build-Up And Sustainment Activities
- (1) Build-Up
  - (i) Types Of Items And Services Required
  - (ii) Requirements Requisitioning Controls
  - (iii) Funding And Disbursing
  - (iv) Purchasing Methods
  - (v) Customer Roles
- (2) Sustainment Contracting
  - (i) Types Of Items And Services Required
  - (ii) Requirements Consolidation
  - (iii) Long Term Contracts
  - (iv) Inter-Service Agreements
  - (v) Establishing Local Purchase Procedures

(h) Termination and Redeployment
- (1) Contract Closeout
- (2) Contract Reporting And File Documentation
- (3) After-Action Reports And Lessons Learned

PHASE III: TRAINING FOR LOCAL EMERGENCIES

(a) Planning Responsibilities
- (1) Reviewing Local Emergency Plans
- (2) Local Conditions And Unique Emergency Situations
- (3) Kit Contents

(b) Contracting Operations
- (1) Communications And Transportation
- (2) Record Keeping/Reporting
- (3) Manual Requisitioning Procedures And Controls
- (4) Relocation To Other Sites
- (5) Use Of Forms
- (6) Contracting Procedures Under Emergencies

(c) Deployment To Assist Other Locations

Tab C

The Naval Contingency Contracting HANDBOOK

DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
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Ser 02X/012
MAY 16 1997

From: Commander, Naval Supply Systems Command

Subj: THE NAVAL CONTINGENCY CONTRACTING HANDBOOK (NAVSUP PUBLICATION 713)

1. This manual covers the acquisition process and related system support for U.S. Naval personnel contracting in a contingency or field environment. It provides guidance for implementing the Federal Acquisition Regulation (FAR), and the Defense Acquisition Regulation Supplement (DFARS) and provides procedures, techniques and examples for conducting contracting actions in the field. This manual strives to be as generic as possible; it is expected that Navy military and civilian personnel assigned to contingency billets under the auspices of the Navy Contingency Contracting Program will normally supplement existing contracting operations of a joint or multi-national nature.

2. This manual applies to civilian and military warranted contingency contracting officers serving the Department of the Navy. For military members, it applies to both the active duty and the U.S. Naval Reserve (USNR) components.

3. Changes to this manual are not official unless the Office of the Assistant Secretary of the Navy (ASN) Research, Development and Acquisition (RD&A) and Acquisition Business Management (ABM) approves them. A word of caution: this manual makes frequent references to the FAR and DFARS, both of which are updated, on a frequent basis. The user should always verify all references to ensure application of the most current guidelines and regulations.

4. The proponent agency for this manual is the Office of the Assistant Secretary of the Navy (RD&A)(ABM). That office has in turn delegated authority to the Naval Supply Systems Command (NAVSUP) to coordinate the Naval Contingency Contracting Program and maintain this manual. Accordingly, users are invited to send comments and suggested improvements directly to the Deputy Commander for Contracting Management, NAVSUP 02X, Naval Supply Systems Command, P.0. Box 2050, 5450 Carlisle Pike, Mechanicsburg, PA 17055-0791. Comments may also be submitted via the NAVSUP web page located at: http://www.navsup.navy.mil.

CDR RICHARD M. DESCHAUER, SC, USN
By direction

Distribution:
List D
List E

THE NAVY CONTINGENCY CONTRACTING MANUAL

Paragraph		Page
CHAPTER 1 INTRODUCTION		
1-1	Purpose	1
1-2	Mission Statement	1
1-3	Requirement for Contingency Contracting Support	1
CHAPTER 2 STRUCTURE		
2-1	General	3
2-2	Structure Overview	3
2-3	Theater Responsibilities	4
2-3.1	Department of the Navy	4
2-3.2	Contracting Theater Command	4
2-4	Peacetime Responsibilities	5
2-5	United States Naval Reserve Personnel	5
2-6	Organizational Model	6
2-6.1	General	6
2-6.2	Contracting Commander	6
2-6.3	Chief of the Contracting Office	6
2-6.4	Support Division	6
2-6.5	Simplified Acquisition Division	7
2-6.6	Contracts Division	7
2-6.7	Contract Management Division	7
CHAPTER 3 PLANNING		
3-1	General	9
3-2	Predeployment Planning and Preparation	9
3-2.1	Personal and Administrative Preparation	9
3-2.2	Requirements Lists and Site Surveys	10
3-3	Deployment	10
3-3.1	Advance Party	10
3-3.2	Typical Organization Structure	10
3-3.3	Support Items Required Upon Arrival	10
3-3.4	Purchasing Rules	11
3-3.5	Locating Sources	11
3-4	Operations Set-up	11
3-4.1	Establishing the Contract Office	11
3-4.2	Role of the Senior Contracting Officer or Head of Contracting Office	12
3-4.3	Mobility on Site	12
3-4.4	Learning the Local Market	12
3-4.5	Redeployment	12

Paragraph **Page**

CHAPTER 4 DUTIES AND RESPONSIBILITIES

4-1	Introduction	13
4-2	Requiring Activity Responsibility for Local Purchase Request	13
4-3	Contracting Officer's Duties and Responsibilities	13
4-3.1	Standards of Conduct and Conflict of Interest	14
4-3.2	Management	14
4-4	Buying Supplies	14
4-4.1	Purchase/Receipt/Delivery	14
4-4-2	Paying for Supplies	14
4-4.3	Referrals	14
4-4.4	Audit Trail	14
4-4.5	Typical supply Requirements	14
4-5	Buying Services and Construction	15
4-6	Contract Management	17
4-6.1	Contract Administration	17
4-6.2	Approving and/or Making Payments	18
4-6.3	Contracting Officer's Representative (COR)	18

CHAPTER 5 LEGAL AUTHORITIES, LIMITATIONS, AND POLICY

5-1	Introduction	19
5-1.1	Assumptions	19
5-1.2	Limitations	19
5-2	Legal Authorities Under Emergency Conditions	20
5-3	Local Purchase Policy For Outside Continental United States (OCONUS)	23

CHAPTER 6 INTERNATIONAL AND UNITED STATES RELATIONS

6-1	General	24
6-2	Negotiating Practices	24
6-3	Oral Agreements	24
6-4	Competition	25
6-5	Local business Practices	25
6-6	Host Nation support	25
6-7	Ethics	26

CHAPTER 7 FUNDING ISSUES

7-1	Introduction	27
7-2	Finance and Contracting	27
7-3	Comptroller Support Relationships	27

Paragraph		Page
7-4	Funding Procedures	27
7-4.1	Request for Contractual Procurement	27
7-4.2	Other Forms	28
7-4.3	Imprest Funds as a Funding Procedure	28
7-4.4	Government-wide Commercial Purchase Card as Payment Method	29

CHAPTER 8 CONTRACTING PROCEDURES DURING A CONTINGENCY

8-1	General	30
8-2	Purchase Request Documents	30
8-3	Contracting in contingencies	30
8-4	Imprest Fund	30
8-4.1	The Imprest Fund	31
8-4.2	Application	31
8-4.3	Responsibilities of the Imprest Fund Cashier	31
8-4.4	Reimbursement of the Imprest Fund	32
8-5	Standard Form 44, Purchase Order-Invoice-Voucher	32
8-6	DD Form 1155, Order for Supplies or Services	33
8-6.1	Purchase Orders	33
8-6.2	Delivery Orders	33
8-6.3	Clauses	33
8-6.4	Use of DD Form 1155	33
8-6.5	Modification of Purchase Orders	33
8-6.6	Unilateral or Bilateral Action	34
8-6.7	Withdrawal of Purchase Order	34
8-6.8	DD Form 1155 as a Delivery Order	34
8-7	Blanket Purchase Agreements	35
8-7.1	General	35
8-7.2	Establishment	35
8-7.3	Terms and Conditions	36
8-7.4	Delivery Tickets	36
8-7.5	Invoicing Method Options	36
8-7.6	Call Officers	37
8-8	Government-wide Commercial Purchase Card	37
8-8.1	General	37
8-8.2	Responsibilities, Qualifications and Uses	38
8-9	Recordkeeping	38
8-10	Competition and Oral Solicitations	38
8-11	Selection of a Contract Type	39
8-11.1	Types of Contracts	39
8-11.2	Indefinite Delivery Contracts	40
8-11.3	Cost-Reimbursement Type Contracts	41

Paragraph		Page
8-11.4	Fixed-Price Type Contracts	41
8-11.5	Undefinitized Contract Actions (UCA)	42
8-12	Ratification’s	43
8-13	Referrals	43
8-14	File Management	44
8-14.1	File Contents	44
8-14.2	Format/Numbering and Transfer	44
8-15	Contract Management	45
8-15.1	Contract Monitoring	45
8-15.2	Contract Modifications	45
8-15.3	The Changes Clause	46
8-15.4	Payments	47
8-15.5	Terminations	47
8-16	Reports	48
8-16.1	Audit System	48
8-16.2	Procurement Action Reports	48
8-16.3	Management Reports	49

CHAPTER 9 CLAIMS, SEIZURE, DISPUTES AND APPEALS

9-1	Claims	50
9-2	Seizures	50
9-2.1	General	50
9-2.2	Property Control Record Book (PCRB)	50
9-2.3	Procedures	50
9-2.4	Payment for Seizures	51
9-3	Contractual Disputes and Appeals	51
9-3.1	General	51
9-4	Alternative Disputes Resolution	52
9-4.1	ADR Techniques	53

APPENDIX	SUBJECT
A	Certificate of Appointment as a Contracting Officer Standard Form 1402
B	Contingency Contracting Deployment Support Kit
C	Contracting Checklist
D	Glossary/Definitions
E	Request for Contractual Requirement NAVCOMPT Form 2276
F	Military Interdepartmental Purchase Request (MIPR) DD Form 448
G	Imprest Fund Procedures
H	Contracting Officer's Representative (COR)
I	Standard Form 44, Purchase Order-Invoice-Voucher
J	DD Form 1155, Order for Supplies or Services
K	Standard Form 30, Amendment of Solicitation/ Modification of Contract
L	Contract Payments
M	Contract Close-Out
N	Forms
0	Abbreviations and Acronym
P	Government-Wide Commercial Purchase Cards

CHAPTER 1

INTRODUCTION

1-1. Purpose. This manual provides a consolidated source of information for use during the planning and conduct of guidance for implementing the Federal Acquisition Regulation (FAR) and the DOD FAR Supplement (DFARS).

l-2. Mission Statement. The mission of contingency contracting is to responsively, effectively, and legally contract for, or to contract for the providing of, the supplies, services, and construction necessary to support the mission of the supported organizations.

1-3. Requirement for Contingency Contracting Support.

a. U.S. Forces have deployed to perform tasks in support of national objectives throughout the world. These contingencies have involved the participation of military and other public, joint, or allied elements to assist in emergency situations caused by war, natural disaster, terrorist or subversive activities, collapse of law and order, or political instability. In addition to rescue and humanitarian relief missions, military contingencies can include demonstrations of force, raids, and larger operations undertaken to protect U.S. interests, lives, and property. Contingencies require planning, rapid response, flexible procedures, and integration of efforts.

b. Contracting is an integral part of the overall process of providing logistics resources. It is a tool used by service units to obtain supplies or services in support of the contingency or mission. From a contracting perspective, a contingency can generally be divided into four phases.

(1) The first phase, mobilization, is normally the first 30 to 45 days of a deployment and is characterized by chaos and confusion. During this phase, contracting officers may be expected to establish contracts for billeting, food service, transportation and equipment rental, bottled water, ground fuel, laundry services, communications, refuse collection and other requirements as needed.

(2) The second phase is sustainment. This is the period after the actual deployment is completed and before any actual hostilities begin. During this phase, host nation support may kick in to satisfy some of the requirements contracted for during the mobilization phase and some of those contracts may be terminated or transferred to the host nation.

(3) The third phase is wartime hostilities should they occur. Contracts awarded during the first two phases will continue in effect. Performance under those contracts however, may be made more difficult. Flexibility and imagination may be required to ensure that essential supplies and services continue to be made available to the end-user.

(4) The final phase, redeployment, is marked by a cessation of hostilities or completion of the mission. During this phase, the contracting officer must ensure that all basic services continue to be furnished until the last person has redeployed and all invoices and claims have been processed and paid. It is essential that no loose ends remain on site for someone else to resolve or finalize.

c. Contracting serves to bridge gaps that may occur before military logistics resources can be mobilized and in some cases will be necessary for the duration of the contingency. It will be valuable where no HNS (nation to nation) agreements exist in the deployment area, or where HNS agreements do not provide for the supplies or services required. Satisfying requirements for supplies and services by contracting for locally available resources has proven to improve response time and free airlift and sealift assets for other priority needs.

CHAPTER 2

STRUCTURE

2-1. General. The consistent lesson learned in previous mobilizations and deployments, regardless of where they took place, has been the benefit of preplanning and having a trained contracting team available at a moment's notice.

2-2. Structure Overview.

a. This overview is an example of guidance for a large OCONUS deployment; however, this structure will not apply to all situations. Smaller deployments should be tailored to fit mission requirements and may result in completely autonomous operations with "cradle-to-grave" contracting.

b. The deployed contracting organization will include the HCA or his/her appointed designee. All contracting offices within the Navy contingency area of operation will function under the contracting theater for procurement purposes. All deploying contracting officers and purchasing agents will have their warrants and appointment letters, respectively, issued by the HCA of the lead service component in the theater. Non-theater HCAs shall not appoint contracting officers for in-theater contracting and shall not award contracts for in-theater services without theater HCA approval.

c. The Expeditionary Logistics Support Force (ELSF) will immediately deploy contracting Forward Area Support Teams (FAST) consisting of contracting officers to the contingency site to perform initial purchasing. The size and number of teams will be dependent on the contingency and operational requirements of the mission as determined by the theater HCA and ELSF.

d. The support staff, contracting officers, contract administrators, contract specialists, procurement clerks, cost and price analysts, property administrators, and administrative personnel will deploy with the main element to establish the main contracting organization in the theater.

e. As the support staff arrives and becomes functional, the FAST teams will be integrated under the theater concept and assist in establishing regional contracting offices as identified by the theater HCA.

f. The regional contracting officer will be in relative proximity to units and will be responsible for ordering officers working in remote areas.

g. As the contingency closes, the contracting function will reverse the build-up process, whereby the regional contracting offices will close out contracts and procurement actions turning functions over to the main contracting organization at the contracting headquarters. As needed, contracting officers and FAST teams will be maintained to continue contracting

requirements. As the main element redeploys, a team of contracting personnel will remain in the area of operations until contracting requirements cease and ongoing procurement activity is closed out.

2-3. Theater Responsibilities.

2-3.1 Department of the Navy. In the event that the Navy serves as the lead service component in the theater, the Assistant Secretary of the Navy (RD&A)(BMA) will appoint the theater Head of Contracting Activity (HCA). The theater Head of Contracting Authority (HCA) as appointed by ASN (RD&A)(BMA) implements operational plans based upon instruction6 from the ASN (RD&A)(BMA) and the Deputy Assistant Secretary of the Navy (Procurement).

2-3.2 Contracting Theater Command. The HCA will be a Flag Officer. The HCA provides overall guidance throughout the contingency and acts as the approving authority as stipulated by the Federal Acquisition Regulations (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and Navy Acquisition Procedure Supplement (NAPS).

Additional responsibilities of the HCA are:

a. Monitor plans originating from Navy Staff.

b. Oversee processing of deviations, waivers, and special authorizations.

c. Approve warrants for contracting officers and purchasing agents.

2-3.3 Contracting Commander. The Contracting Commander will be delegated specific responsibilities by the HCA. Additional responsibilities of the Contracting Commander include:

a. Notify subordinate commands and deploy Forward Area Support Teams (FAST).

b. Coordinate with Naval Supply Systems Command (NAVSUP) to deploy qualified contracting personnel under contingency conditions from divisions and commands as needed.

c. Develop contracting regional offices and ensure contracting personnel are deployed forward.

d. Establish policies and procedures for developing, reviewing, and managing the contingency contracting process. This includes administrative plans to control documents, maintain records, and conduct audit trails of procurement actions for small purchasing (imprest funds, SF 44s, credit cards, etc.) as well as large contracts.

e. Coordinate inter-command agreements detailing contracting support relationships between TYCOMs and other U.S. Military

Services. This would include approving joint service contracting whether the function would be a means of supporting remote Navy units or establishing a joint main element for contracting purposes.

f. Monitor procedures and appointment of contracting officers and ordering officers.

g. Coordinate operational plans or requirements originating with Navy Staff.

h. Process deviations, waivers and special authorizations.

i. Review Host Nation Support (HNS), Status of Forces, and Assistance in Kind Agreements or any treaties which may provide:

(1) Billeting,

(2) Food, water and ice,

(3) Transportation, and

(4) Utilities (to include communications).

j. Establish policies and procedures for Non-Appropriated Fund (NAF) contracting support.

k. Ensure automation for contracting is on-site for the main organization as well as forward offices to facilitate requisition document controls, priority processing, reporting procedures, standard use of specifications for common and repetitive requirements, and a means of expediting accurate application of clauses and provisions.

l. Provide input to Theater Command for accountability policy of contracted property (leased and purchased).

2-4. Peacetime Responsibilities. Contracting personnel will be either in place (active duty or civilian), or already performing contracting duties available for mobilization (Naval Reserve). Contracting personnel must coordinate with support personnel from the logistics arena.

2-5. United States Naval Reserve Personnel. U.S. Naval Reserve (USNR) personnel should be provided every opportunity to become proficient in the procurement area and more-specifically, in procurement activities in support of contingency operations. To accomplish this, Active Duty for Training (ADT) should be developed to qualify reserve personnel to deploy as needed to sites of contingency operations or to replace deployed active duty components.

2-6. Organizational Model.

2-6.1 General. This describes the contingency contracting organizational model consisting of four divisions or branches (Support, Contracts, Contract Administration and Simplified Acquisitions). Although this model describes normal functions to be performed by contracting, commander's assessments of mission,

workload analyses, position management, and policies may identify different arrangements. If mission, workload, and span of control considerations do not support establishment of the model organization, the model should be adapted to the local situation.

2-6.2 Contracting Commander. The contracting commander commands all contracting activities assigned or attached to the contingency area and accomplishes missions assigned by the HCA and other competent authorities. Typically the Office of the Commander coordinates, plans, organizes, staffs, directs and controls the activities of the Contracting Command.

2-6.3 Chief of the Contracting Office. The chief plans, directs, and supervises purchasing and contracting for supplies, services, and construction for assigned customers. This office will typically:

a. Approve actions requiring approval at a level above the contracting officer.

b. Review contractual actions to assure compliance with statutes and regulations.

c. Develop and execute a program to ensure maximum competition.

d. Ensure a positive program for audit tracking.

e. Accomplish internal reviews to ensure regulatory and procedura1 compliance.

2-6.4 Support Division. This division provides support services required to ensure efficient contract execution and administration.

It will typically:

a. Administratively support the contracting office.

b. Maintain records, process data, and prepare reports of procurement actions as required.

c. Provide status reports and follow-up data to management.

d. Perform cost and price analysis and on-site review of contracting documents. Identify areas for prevention of fraud waste, and abuse for referral to proper authorities, and provide support for property administration.

2-6.5 Simplified Acquisition Division. This division performs the functions of planning, soliciting, executing and administering supplies, services, and construction procurements using simplified acquisition procedures. It will typically:

a. Initiate and complete appropriate purchase actions for the acquisition of supplies and services and construction needs to support all assigned customers.

b. Provide data for use in preparing procurement action reports.

c. Prepare management reports as required. (See DD Form 1057).

d. Resolve all adverse actions associated with simplified acquisition requirements.

e. Close-out completed purchase actions and dispose of purchase files.

f. Operate an imprest fund.

2-6.6 Contracts Division. This division performs the function of planning, soliciting and executing supplies, services and construction procurements utilizing other than small purchase and other simplified purchase procedures. It will typically:

a. Initiate and complete appropriate contracts for the acquisition of supplies, services and construction requirements to support all assigned customers.

b. Assist customer activities in preparing Statements of Work (SOW) and purchase descriptions; executing advance acquisition planning to ensure efficient and economical use of allotted time and funds.

c. Support the resolution of all adverse actions associated with acquisition requirements above the Simplified Acquisition Threshold (SAT).

d. Provide data for use in preparing procurement action reports (DD Form 350).

e. Prepare management reports as required.

2-6.7 Contract Management Division. This organization is established primarily to provide an effective and efficient organization for administration and the management of contracts. All contracts, other than small purchases, are candidates for transfer to this division. Service contracts require intensified contract administration and will be transferred to this division. This organization will typically:

a. Administer contracts awarded by the contracts division from award to close-out.

b. Coordinate technical and administrative efforts to ensure the government’s best interest is served when the customer receives the supplies and services established by the contract.

c. Prepare and issue contract modifications, administrative changes, and termination agreements.

d. Assist and prepare or issue the contracting officer's decisions, replies to Congressional inquiries, litigation documents, and cure or show cause notices as required.

e. Appoint CORs and oversee the quality assurance, surveillance and evaluation of contract performance.

f. Close-out completed contracts and dispose of contract files.

CHAPTER 3

PLANNING

3-1 General. The contracting officer must have a basic understanding of legal authorities, funding practices, and duties of contingency contracting. This chapter will focus on preplanning and preparatory actions for establishing local contracting capability. While not intended to be all inclusive, it will provide the contracting officer a good foundation and better perspective on the role of contingency contracting.

3-2 Predeployment Planning and Preparation. Advance planning and preparation has proven to be critical to enable a contracting officer to hit the ground running. The areas addressed below provide a basic plan and package that contracting personnel must incorporate into a usable contingency plan. In the event of a deployment, the Head of the Contracting Activity (HCA) will specify organizational requirements tailored to the mission and location.

3-2.1 Personal and Administrative Preparations. The following is a list of required documents contracting officers and contracting personnel who are likely to be deployed in the event of a contingency operation should possess in order to initiate contingency contracting activities:

a. Official passport plus 6 to 10 extra photos for visas. This is required to move from country to country if necessary.

b. Blanket travel orders with variations and Foreign Flag Carrier authorized on TDY orders. This avoids delays when traveling through unprogrammed areas.

c. Authorization to hire/rent special conveyance.

d. SF 1402, Certificate of Appointment as a Contracting Officer, with authority equal to potential responsibilities. (Appendix A)

e. A prepacked kit of regulatory guidance, forms, supplies, and equipment. (Appendix B) The nature of these items may require longer lead times to acquire than might otherwise be available prior to deployment. Therefore, these items should be preassembled and ready to go on an immediate basis.

f. International Driver's License.

g. Civilian clothes. In some instances, military uniforms may not be advisable. The chief of the contracting office will provide further instructions regarding the wearing of uniforms.

h. Imprest fund orders. These orders should be obtained in advance making them contingent on an actual deployment. This will expedite the establishment of an imprest fund buying for immediate requirements. Note that as of 1 October 1997, specific

Under Secretary of Defense authorization will be required for the establishment of imprest funds for OCONUS operations.

3-2.2 Requirements Lists and Site Surveys.

a. The contracting officer should have a basic understanding of contingency requirements and contingency plans for the supported units. Contracting officers can expect to support engineers in the purchase of construction materials and services contracts, contract for stevedoring services, supplement transportation requirements with rental vehicles, and make arrangements so that deployed personnel will have billeting, latrine and refuse service, and showers. A more complete list is in Chapter 7.

b. The contracting officer may have access to site surveys which will assist in identifying potential contractors for providing items on the requirements list. However, this is not feasible in all cases. When a site survey is not available, the contracting officer should create a contractor database as requirements are successfully purchased. In addition, maps can be marked to show locations of proven contractors. This is important so newly assigned contracting officers and personnel will not have to reestablish new sources. Local telephone directories are also an invaluable tool.

3-3 Deployment.

3-3.1 Advance Party. A contracting team will normally arrive ahead of the main deployment force to establish a procurement activity able to respond to initial requirements as the first troops arrive.

3-3.2 Typical Organizational Structure. The advance party will be supplemented with a support staff of contracting personnel to establish the contracting organization within the first 30 days of the initiation of the contingency operation. Personnel within this deployment will coordinate with agencies that will assist in the contracting function (legal advisors, comptroller and funds certification officer, and command group for the theater headquarters.)

3-3.3 Support Items Required Upon Arrival. Contracting officers should be prepared to take care of their own needs immediately upon arrival. The following items are essential in supporting an effective contingency contracting organization:

a. A vehicle (assigned or rented) for making purchases, establishing supply sources, and picking up supplies in the local market.

b. An interpreter/guide. This person should not only be bilingual, but familiar with the local market area as well. (Contact the local U.S. Embassy, if possible, for assistance.)

c. A fixed location from which to operate.

d. If possible, the contracting officer should attempt to make arrangements for some type of communications network, such as mobile radios and telephones, to ensure customers can contact the contracting officer on the road.

e. Arrange for a disbursing officer to accompany the contracting officer with local currency for local purchases when necessary.

f. Obtain maps and when available, phone books of the surrounding areas of operations.

3-3.4 Purchasing Rules. The contracting officer will develop procedures that will best support the customer's needs. This will entail establishing a set of rules for customers to follow when submitting requirements. The rules should include instructions on purchase descriptions, funding, approval channels, contract processing, pickup and delivery procedures, and quality control responsibilities. The rules should also discuss consolidating requirements, where possible, to avoid unnecessary trips to the contracting office when the deployed units are remote. The main thrust of the plan is to familiarize customers with the location, mission, and procedures to expedite purchasing and service contracting.

3-3.5 Locating Sources. One of the most difficult problems for the contracting officer at an unfamiliar deployment site is locating capable contractors to fulfill unit requirements. The following are suggestions a contracting officer may use to solve this problem:

a. Investigate the possibilities of initiating a contract for husbanding services with a local source to assist in the identification of and conduct of business with local vendors.

b. Use the knowledge of an interpreter/guide regarding local businesses. This person is a logical first choice for obtaining sources; however, the contracting officer must be careful to avoid a conflict of interest with local contractors and the translator.

c. The U.S. Embassy or consulate (if available) can be an excellent source of information. The defense attaché office in most embassies or consulate can help with currency conversions and storage of funds, as well as providing a source list of reputable contractors. In addition, the Embassy General Services Officer (GSO) may be able to provide some contracting support particularly if the contract is to be written with the host country.

d. Site surveys are an excellent tool to speed up the contracting process. Contracting officers should add sources to the site survey list, as they become known.

e. There is a multitude of ways of identifying sources. Some successful ways have included contacts with the Chamber of Commerce (or equivalent), business associations, local clergy, citizens, and local government leaders such as the mayor. Consider running advertisements in local newspapers describing expected general requirements. The major hotel chains overseas have business offices which can help locate local sources of supplies. In addition, there is nothing wrong with asking other contractors where certain requirements might be obtained. The local yellow pages are an invaluable source of information on local firms.

f. A "bid board" must be posted in a public place at the contracting office for the purpose of displaying solicitations and announcing awards and proposed contracts.

g. Coordinate and assist local trade associations in disseminating information to their members.

h. Since most major U.S. deployments receive considerable publicity, many firms with international offices will contact you to offer their goods and services. Also, it is ret recommended that you advertise large procurements in newspapers within the area of operations.

3-4 Operations Set-up.

3-4.1 Establishing the Contract Office.

a. Establish a central, but separate, location with adequate and secure floor space that is near your customers, other contracting support functions, staff judge advocate, finance, comptroller, and logistics activities. Establish minimum office requirements and start by consulting with the command security officer. Although it is desirable to have easy access to, and be accessible to, potential suppliers, security considerations may require that the contracting office be located within a secure perimeter. The location of the contracting office depends on the tactical situation and logistical scheme of operations. Contracting officers should be with their customers. If security allows for it, a consideration is to establish the contracting office in or near a first-class local hotel that normally caters to western business people. This facilitates access to FAX, typing, translators, telephones, copiers, and provides a certain degree of security. It will also help contractors locate the office for business purposes. Office equipment consisting of desks, chairs, file containers, and at least one safe, are necessary. The office must be able to be secured if any cash is maintained.

b. The initial response from local contractors may be immense. A screening of contractors should help establish sources and their capability. A system for business hours, waiting areas, and making appointments with contracting officers must be the first order of business. A clearing activity for

screening potential contractors, supported by the host nation and civil affairs personnel is vital.

c. Contact existing military and U.S. Embassy officials in the vicinity and exchange contracting information.

3-4.2 Role of the Senior Contracting Officer or Head of Contracting Office.

a. Attend all logistics and engineering key meetings, and establish communications with division officers and commanding officers. Also, attend daily intelligence/operations summaries meetings.

b. Provide early and frequent briefings to the commander, his subordinate commanders, logisticians, and engineers.

c. Identify the who, what, and when of critical requirements. Verify how requests will be approved through the logistical channels.

d. Stay informed and in the information loop.

e. Establish contact and coordination with finance, comptroller, host nation, civil affairs, legal, and logistics organizations.

3-4.3 Mobility on Site.

a. Obtain transportation and communication. Request, rent, lease, or buy vehicles. Establish commercial and DSN telephones, DDN electronic mail capability, FAX, and radio communications.

b. Secure local telephone books or other reference data for locating sources of services and supplies.

c. Obtain interpreter(s), if required.

3-4.4 Learning the Local Market.

a. Locate local sources and document the information including the point of contact, supplies and services available, and responsiveness to help develop a bidders mailing list.

b. Obtain maps of the surrounding areas of operations and determine the availability of common items of supply or services to help construct market survey packets.

3-4.5 Redeployment.

a. Start redeployment planning as soon as you deploy.

b. All payments must be finalized and closed out, and appropriate documentation of actions should be on record.

CHAPTER 4

DUTIES AND RESPONSIBILITIES

4-1. Introduction. Initial procedures and responsibilities required in purchasing under contingency conditions rest with the requiring activity.

4-2. Requiring Activity Responsibility for Local Purchase Requests.

a. Personnel responsible for requirements identification will:

(1) Submit NAVCOMPT Form 2276, Request for Contractual Procurement or equivalent requisition document. (See Appendix E)

(2) Correctly complete item description and end item application on the request form.

(3) Ensure the commander or designee of the requesting activity has reviewed the request for validity and signed.

(4) Verify nonavailability by MILSTRIP requisition.

(5) Ensure the requirements are not split to avoid a local purchase dollar limitation.

(6) Obtain appropriate funding.

b. In all cases, two basic requirements must be met. First, there must be a good description of the item or service to be acquired and, secondly, there must be a certification of funds. For a small dollar supply purchase, a good description might include a name brand description, part number, a picture of the item if possible, or a sample of what is needed so that the contracting officer can show it to potential vendors. This can be particularly useful when there are difficulties encountered in adequately communicating the requirement. Also required is the name and organization of the customer and the point of contact. For larger goods and services, the contracting officer will need a comprehensive Statement of Work and may, dependent upon the nature and complexity of the requirement, require a nominee to serve as COTR. A good Statement of Work should include a detailed description of what is expected from the contractor, as “performance oriented” as possible. Preparation instructions for NAVCOMPT Form 2276 are contained in Appendix E.

4-3 Contracting Officer's Duties and Responsibilities. The majority of requirements presented to the contracting officer will fall under the simplified acquisition threshold and will have a short suspense. Contracting officers may find themselves more involved in all types of procurements than in a peacetime role.

4-3.1 Standards of Conduct and Conflict of Interest. Maintaining standards of conduct and conflict of interest policies may prove to be more challenging, particularly overseas. Issues or questions which my arise should be addressed with the standards Of conduct legal advisor. Duties that may violate conflict of interest (that is, verifying requirements, certifying funds, receiving, and paying for goods and services) should not be given to the contracting officer. Additional duties such as Article 32 officer, reports of survey, survivor assistance officer or escort, etc., should not be given to the contracting officer.

4-3.2 Management. A bookkeeping system that will establish an audit trail of all purchase requests and their status must be maintained. These critical records keep commanders informed and ensure each rotation of contracting personnel has a history of previous procurement activity.

4-4. Buying Supplies.

4-4.1 Purchase/Receipt/Delivery. The contracting officer can expect an expanded support role during contingency operations. Because reliable telephone service may not be available, vendors may have to be contacted in person. In addition, many of the initial business transactions will be “cash and carry,” conducted by the contracting officer or purchasing agent and an Agent Cashier.

4-4.2 Paying for Supplies. The Disbursing Officer/Agent Cashier, nominated by the commander and appointed by the finance and accounting officer, is responsible for making payments for purchases. Chapter 7 entitled “Funding Issues” entails specific duties and responsibilities of paying agents.

4-4.3 Referrals. The contracting officer may receive a number of purchase requests for items which are not available in the immediate area but may be available at a location serviced by another contracting office. If the deployment base has routine airlift to and from another military installation, the requirements may be satisfied by referring the purchase request to another contracting office. Open referrals must be documented and the action followed until completion.

4-4.4 Audit Trail. The importance of accurate purchase documentation cannot be over emphasized. Since normal checks and balances may not exist in the initial phase of the contingency, contracting officers must maintain accurate data on each purchase to answer any questions during and after the purchase.

4-4.5 Typica1 Supply Requirements. While an accurate list of requirements at every contingency location is not possible, it is useful to have an idea of what was required during previous deployments. This can help in determining types of catalogs (preferably those with pictures) contracting officers should include in contingency kits. The pictures are a means of showing contractors what is needed in the event of a language problem.

Listed below are some requirements gathered from previous exercises:

a. Construction Materials:

(1) Sand, gravel, sandbags,

(2) Cement,

(3) Pipes, valves, fittings,

(4) Lumber, plywood,

(5) Electrical parts, and

(6) Plumbing supplies.

b. Administrative Supplies:

(1) Paper, pencils and

(2) Other office supplies.

c. Replacement Parts:

(1) Vehicles,

(2) Common equipment (for example, fans, ovens, heaters, air conditioners, etc.), and

(3) Heavy construction equipment.

d. Medical Supplies:

(1) Bandages, gauze,

(2) Splints,

(3) Medicines, and

(4) Medical Equipment.

e. Subsistence (See Note):

(1) Water - Potable and non potable,

(2) Fresh fruits and vegetables, and

(3) Bread.

NOTE: Only those items of subsistence that have prior clearance by the support veterinarian may be purchased. Consideration should also be given to local cultural issues and customs.

4-5 Buying Services and Construction. Buying services and construction is usually more complicated than buying supplies.

It is much simpler to describe a product than to describe a service or level of effort needed to satisfy a requirement. Because of these limitations and the ongoing nature of the work involved, the following actions should be taken in every case:

a. As discussed previously, detailed Statements of Work (SOW) must be prepared by the requiring activity. In many cases, the Statement of Work will have to be written bilingually to ensure complete understanding by both the contractor and U.S. Government representatives. A sample format for SOW(s) of basic requirements is included under Appendix C.

b. A Contracting Officer's Representative. (COR) must be available from the requiring activity to monitor performance.

c. In repair contracts, the contracting officer should require a hand receipt when government property is given to a contractor for repair services.

d. Service and construction contracts must be in writing, not only for the contractor's benefit, but for the Navy's.

e. Contracting officers shall provide a Memorandum of Negotiation to document how a fair and reasonable price was determined. A Business Clearance Memorandum (BCM) in lieu of a negotiation memorandum is necessary for all negotiated contract actions which exceed $500,000. (IAW NAPS 5210.690-2).

f. Appropriate construction and service provisions must be included in the contract. Additionally, if supplies are being procured as a part of either type of contract, the applicable supply clauses must be included.

g. The contracting officer, with the COR, must establish a system for monitoring contractor performance and progress.

h. Service and construction requirements in past operations include:

(1) Services:

(a) Bilge Barges,

(b) Billeting/Facility rentals,

(c) Fuel,

(d) Water,

(e) Cranes,

(f) Nontactical vehicle rentals and maintenance,

(g) Commercial communications services (if available),

(h) Interpreter service,

(i) Civilian labor service,

(j) Utilities services,

(k) Computer, typewriter, calculator and office equipment repair,

(l) Furniture repairs,

(m) Radio repairs,

(n) Emergency tow services,

(o) Refuse collection,

(p) Latrine services,

(q) Laundry service,

(r) Stevedore services,

(s) Shower/bath services,

(t) Waste oil disposal services, and

(u) Material Handling Equipment (MHR) lease and repairs.

(2) Construction:

(a) Paving,

(b) Revetments,

(c) Fences/barriers,

(d) Temporary structures, and

(e) Maintenance/repair of existing structures.

4-6 Contract Management.

4-6.1 Contract Administration. The contracting officer may be limited as to the number of visits to the site of contract performance because of geographic limitations and considerable workload; and therefore, is dependent on a contracting officer's representative (COR) or assistance. CORs conduct site visits to ensure that service and construction con-tractors are performing in accordance with the terms of the contract. Every effort must be made on the part of the COR to avoid an action or open dialogue with the contractor during site visits that can be interpreted as an oral change order (a type of "constructive change" to the contract). However, if such changes occur, the contractor can submit a claim (if agreement cannot be reached it will be handled as a dispute). In instances where the COR

determines contractor performance must be halted, the COR will request that the contracting officer issue a stop work order.

4-6.2 Approving and/or Making Payments. Any ongoing construction or service contract may require progress payments. A progress report is needed from the COR stating how the contractor is performing and the percentage of work completed. This information should be well documented so the contracting officer can determine the amount of the progress payment. Where possible establish pre- agreed stages for in-process reviews (IPRs); such as foundation poured, inspected, and approved would be equal to a progress payment. These periodic reports will also be used to determine final settlement when the contract is closed out.

4-6.3 Contracting Officer's Representative (COR). (See Appendix H)

a. CORs are generally subject matter experts or specialists in some specific area. They advise the contracting officer regarding details of the supplies or services purchased.

b. CORs monitor contractor compliance and assist in administration of the contract. The COR plays a key role in the government's quality assurance responsibilities and typically monitors the progress of, inspection, and acceptance of supplies or services delivered to ensure timeliness, quality, and conformance to specifications.

c. Contracting officers will thoroughly brief assigned CORs as to the scope of their responsibilities and review the requirements of the contract to ensure the COR understands the requirements and standards. A COR booklet should be provided to all CORs as a daily reference of their duties and procedures.

d. CORs are nominated by the requiring activity and appointed in writing by the contracting officer. CORs are limited to the authority stated in their letters of appointment and will not have the authority to change the contract.

CHAPTER 5

LEGAL AUTHORITIES, LIMITATIONS, AND POLICY

5-1 Introduction. This chapter addresses various authorities and limitations affecting contracting officers during contingencies.
Contracting actions completed during these situations shall comply with statutory requirements, executive orders, and regulations unless a deviation is authorized.

5-5.1 Assumptions.

a. The environment for contracting is worldwide. Principles of contingency contracting are applicable to all contingency missions over the entire range of a given operation with considerations for short as well as long-term notification of mobilization.

b. Because of the urgent/high priority nature of most requests for supplies and services, reduced lead-times and expedited delivery requirements can be expected.

c. Deployed contracting personnel will have authority to conduct business with foreign governments, commercial firms, and other forces in the theater where assigned or deployed.

d. Normally, contingency operations will be joint, combined, or unified operations under the command and control of a unified Commander-in-Chief (CINC) and joint or coalition headquarters such as NAT0 or the United Nations.

e. The joint task force commander will activate an acquisition board to coordinate service acquisition activities and to integrate the acquisition flow with the overall theater logistics operation.

f. Existing U.S. Department of Defense contracting offices and contracts in the area of operations will be utilized wherever possible.

5-1.2 Limitations.

a. Host Nation Support (HNS) or existing supply systems will not be replaced by contingency contracting.

b. Applicable agreements or lack of any U.S. international agreements such as Host Nation (HN), interservice, status of forces, and other authoritative agreements in the theater of operations may limit the contracting officer's ability to satisfy some requirements.

c. Legal review of all acquisition actions with dollar amounts of $100,000 or more is required. Legal review of acquisitions under this amount should be conducted to the maximum extent possible in coordination with legal counsel.

d. United States public laws and Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS) are not revoked or suspended by contingencies unless specifically exempted. Acquisition personnel must therefore comply with federal law and applicable regulations in contingency contracting.

5-2. Legal Authorities Under Emergency Conditions.

a. Since many of your requirements will fall within the modified threshold it is important to note that for contracts to be awarded and performed or for purchases made outside the United States in direct support of declared military contingency operations, the simplified acquisition threshold is raised to $200,000. (10 U.S.C. 2302.)

b. In addition, Congress has enacted several laws recognizing the Government must respond quickly in times of crisis. There are currently over 350 laws, which expand and/or restrict legal authorities affecting all functions of the government. While there are several laws, which affect contracting, three have the greatest impact on contingency contracting in foreign theaters of operation.
They are:

(1) The "National Defense Contracts Exempt From Certain Statutory Limitations Act" 50 USC 1431-1435, which authorizes the DOD to enter into, modify, or make advance payments on contracts in the interest of the national defense without regard to certain statutory limitations.

(2) "Exemptions of Certain Purchases and Contracts From Formal Advertising Requirements" as contemplated by the Competition in Contracting Act of 1984 (CICA) 10 U.S.C. 2304(c)(2) authorizes the agency to forego full and open competition when its need for property or services, "is of such an unusual and compelling urgency the United States would be seriously injured..." This is the authority a contracting officer would most likely use (for purchases over $200,000) since justification and approval can be processed after the fact. Another authority from CICA, which may be used, particularly during exercises, is 10 U.S.C. 2304 (c)(4) entitled, "International Agreement." This authorizes using other than full and open competition "when a contemplated acquisition is for services to be performed, or supplies to be used in the sovereign territory of another country and the terms of a treaty or agreement specify or limit the sources to be solicited." -- (DOD FAR SUP 225.801)

(3) The Defense Resources Act is designed to provide the authority necessary to meet various contingencies. As such, contracting officers should be notified before deployments exactly what has been authorized before using this authority.

c. In addition to implementing exceptions based on statute, the FAR and DFARS provide additional exceptions under emergency conditions. Where justification exists, FAR procedures permit expedited contracting actions to satisfy urgent and compelling requirements. Such circumstances do not provide a blanket waiver of regulatory requirements. The following are examples of where existing authority can be used expedite contracting actions:

(1) Limiting sources in solicitations when an urgent and compelling requirement precludes full and open competition. FAR 6.302-2(a)(2).

(2) Providing exceptions for issuing synopses of proposed contract actions when it would delay award and injure the government. FAR 5.202(a)(2).

(3) Awarding letter contracts and other forms of undefinitized contract actions to expedite the start of work. FAR 16.603-2.

(4) Allowing for the use of oral solicitations. FAR 13.106(b)(2).

(5) Requesting authority to award emergency requirements before resolving a protest against contract award. FAR 33.104(b)(1)(i), FAR 33.105(d)(1)(ii).

(6) Requesting authority to continue performance notwithstanding receipt of protest after award prior to resolution of the protest. FAR 33.104(c)(2).

(7) Allowing for the incurrence of pre-contract costs when necessary for a required delivery schedule to be met. FAR 31.205-32.

d. Additional FAR exceptions:

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
5.202(a)(12)	Synopsis	Does not apply overseas
5.202(a)(2)	Synopsis	Not applicable if unusual and compelling urgency
5.202(a)(3)	Synopsis	International agreement specifies the source of supply

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
6.001(a)	Competition Requirements	Does not apply to small purchases under $200,000. (See part 13 for small purchase competition requirements)
25.102(a)(1)	Buy American Act	Not applicable for items purchased outside the U.S.
25.302(b)	International Balance of Payments Program	Acceptable to buy foreign under $25,000. See FAR cite for further exceptions.
25.501	Payment in Local Currency	Foreign contracts should be priced and paid in local currency, unless contracting officer determines it to be inappropriate.
25.703	Restrictions on Foreign Purchases	Authorized to buy certain items from Vietnam, Cambodia, North Korea and Cuba in emergencies.
28.102-1(a)	Bonds	Miller Act 40 U.S.C. 270a-f and FAR Supl, can be waived by the contracting officer for overseas construction.

e. DFARS/NAPS Exceptions Allowed:

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
37.104(b) and 37.104(70)(I)(6)	Personal Services	Pursuant to 5 U.S.C. 3109 if advantageous to the national defense (Required D&F).

REFERENCE	SUBJECT	EXCEPTIONS ALLOWED
1.670-3(a)	Ratifications	Can be delegated by the HCA
1.699	Contracting Authority of Other Personnel	Imprest fund purchases IAW FAR/DFARS 13.4 Fuel, oil, and emergency repairs, SF44, and credit card purchases IAW FAR 13.505-3.

Note: Contracting officers should review these exceptions to fully understand their application and use. Although deviations and exceptions to regulatory and statutory procedures cannot be practiced during field exercises, contingency contracting can be applied to field conditions. There are urgency exceptions that apply during deployment. It is important to remember that requirements are driven by commanders and their logistics officers, not procurement personnel.

5-3. Local Purchase Policy For Outside Continental United States (OCONUS).

a. Local purchase may be an option for any centrally managed, commercially available, Navy assigned item provided such action is judged to be in the best interest of the government in terms of a combination of quality, timeliness, and cost that best meets the requirement. Local purchase may be used provided:

(1) Demand data will be recorded.

(2) The purchase will be limited to the immediate requirement but not to exceed 30 days of supply.

b. The following types of items are normally excluded from local purchase:

(1) Items directly related to the operation of a weapon or weapon system (e.g., classified or controlled electronics).

(2) Items with special security characteristics (e.g., cryptic, classified), and

(3) Items of a dangerous nature (e.g., explosives, ammunitions).

CHAPTER 6

INTERNATIONAL AND UNITED SATES RELATIONS

6-1 General. Contingency contracting requires an understanding of the legal aspects, funding issues, duties and responsibilities of procurement personnel, their inter-relationships with support staff and advisors, and deployment preparation. The ability to deal with people who have vastly different cultures, backgrounds, perspectives, and, most importantly, business practices is another aspect of contingency contracting that will have considerable impact on your operation. There may be deployments to remote areas where there is little or no American presence and the structured process of conducting business by the United States may take on new meaning. Not to be overlooked is the potential for setting up contingency contracting offices within the U.S. for emergencies; possibly in areas where local citizens are unfamiliar with U.S. Government procurement procedures and whose local economy has little direct business from federal agencies.

6-2 Negotiating Practices.

a. Feedback from field exercises and recent conflicts has helped educate contracting personnel on several negotiating practices. Much of the business conducted by contractors overseas is by negotiation. They will negotiate most prices. The contracting officer's bargaining position is enhanced when the product or service is available elsewhere or when the requirement is not urgently needed. Local contractors know their immediate competition and will conduct business accordingly. In addition, you may be competing with other services or nations for limited products and services. Prices may be higher at the start of an operation due to shortages and great demand. Transportation and delivery may be hindered, depending on the emergency and location, causing costly delays.

b. Contracting personnel should be conscious of the fact that many business cultures expect "kickbacks", "finder's fees", exchange of gifts, or other gratuities that are illegal for U.S. personnel to provide or accept. Contracting officers must be vigilant to ensure U.S. Commanders, logistics and engineering personnel, and ordering officers do not violate standards of conduct as prescribed in FAR Part 3 (Improper Business Practices and Personal Conflicts of Interest) and DOD 5500.7-R, Joint Ethics Regulation. Whenever an improper business practice is required, the contracting officer shall document the file and notify his/her superior immediately of the situation. Whenever possible, the contracting officer should have other operating forces personnel witness the breach of regulation and confirm the necessity of the action.

6-3 Oral Agreements. It is prevalent in many countries to conclude an agreement or contractual understanding with nothing more than a handshake. This may occur at the outset of the contingency, but should be quickly followed with a written

contract. Contracts written in English may be viewed with suspicion and sometimes anger due to a lack of trust in governments other than their own. Signing a contract may become a challenge. When a local businessman or provider refuses to sign contractual documents, the purchasing agent or contracting officer must document the file with a Memorandum for the Record (MFR) or annotate the SF 44, SF 26, SF 30, and SF 33. (See Appendix B) Contracting officers should always remember to keep oral communications simple and straight forward. Once a contract has been performed and the contractor has received payment, relations should improve. Despite this, local customs may predominate in conducting business.

6-4 Competition. Competition is essential in ensuring a fair and reasonable price. Market sources can be developed by posting and making solicitations available at a common bid board. Care must be taken not to relax restrictions that ensure competition in order to expedite contingency actions. Competition will aid in obtaining fair prices and market sources will develop through readily available solicitations. However, if only one responsible source is available, use that justification for a sole-source procurement.

6-5 Local Business Practices.

a. Local business practices, a less than stable environment, and the contractor's lack of knowledge of our payment procedures may require contracting officers to arrange for immediate payment. Immediate payment can be made through the imprest fund, check or credit card. Payment for services may be appropriate at the conclusion of each workday, work-week, or upon each specified period of performance. Responsiveness of contractors is directly attributed to the timeliness of payments. Advance payments are the least preferred method of payment and are not advisable. Con- tractors learn from each other and advancing pay to one may set a precedent. Also, recouping money or forcing a contractor to perform according to contract standards through negotiation and litigation after an advance payment is made may not get the mission accomplished in a timely manner.

b. Local business practices of bargaining, hours of conducting business, and business on weekends or local holidays must be considered in the daily operations of the contract activity when determining delivery of the supplies or services.

6-6 Host Nation Support.

a. Cooperation by Host Nation (HN) authorities and personnel will enhance the contracting officer's ability to fulfill the contingency contracting obligation. Contact with local authorities and higher headquarters will help determine whether there is HN support available. Before deployment, coordination with legal assistance, civil affairs units, and the Defense Intelligence Agency will also be useful as possible sources for identifying contractor information in the area. A liaison officer should have knowledge of the RN laws, regulations and

military command structure. He or she should ensure maximum coordination with the RN to initiate on-site surveys. The liaison officer can be located via the Roster of Key Security Assistance Personnel Worldwide published by the Defense Security Assistance Agency.

b. Reconnaissance visits to proposed contingency sites will identify what support can be provided by the Host Nation. It must be emphasized to all parties that any preliminary joint site survey/reconnaissance visit is a military logistic liaison effort only and not for contractual arrangements.

c. To facilitate the contracting process with the UN, all requirements should be prepared in a consistent format. This reduces confusion and delays in later negotiations with the HN.

6-7 Ethics. Especially for procurements conducted in foreign countries, contracting officers should ensure that the appropriate ethics regulations are observed. When ethical or procurement integrity (FAR 3.104) requirements conflict with local practices, contracting officers should explain to contractors the restrictions which are placed on U.S. procurement officials.

CHAPTER 7

FUNDING ISSUES

7-1 Introduction. Under peacetime conditions, one of the responsibilities of the Financial Control Officer is to certify all purchase requests prior to processing by the contracting office. The contracting officer relies upon that certification to ensure that appropriated funds are properly allocated to the requirement.
Under contingency operations, the issue of funding becomes more involved due to the urgency and source of requirements.

7-2 Finance and Contracting Relationships. Contracting officers must coordinate with the finance and accounting officer to ensure the commitment, obligation and payment of funds for supplies and services is made in a timely and accurate manner. Regardless of the method of procurement (i.e., SF 44, imprest fund, blanket purchasing agreement, purchase order, contract, or purchase/bank card), contractors conducting business in a hardship environment may warrant immediate payments in the name of good business. (See Appendix I & N)

7-3 Comptroller Support Relationships.

a. The Financial Control Officer from the requiring activity or the Office of the Comptroller will verify, through signature certification, the availability of appropriate funds or will certify bulk funding for multiple purchasing. In accordance with the Anti-Deficiency Act (31 USC 1341), contracting officers are prohibited from purchasing or contracting without sufficient funds prior to initiation of the procurement. The funds certification officer and contracting officer must work closely during any type of contingency to ensure that funds are appropriate, valid, and sufficient.

b. The bulk funding concept is the system whereby the contracting officer receives authorization from the certifying officer to obligate funds on purchase documents against a specified lump-sum reserved for that purpose over a specified period of time. Rather than obtaining individual obligation authority on each purchase document, funds are pre-committed. Strict control of the bulk funds is necessary to preclude the misuse of funds. Bulk funding is a standard practice for use of the purchase/bank card.

7-4 Funding Procedures. Accounting classification codes are required on all contractual documents.

7-4.1 Request for Contractual Procurement. The funds certification officer certifies funds are available on the NAVCOMPT Form 2276. The approved funds are an estimate of the amount which may be obligated by the requesting activity for a specific period of time and designated purpose. If the contracting office is issued a bulk funded NC Form 2276, the contracting office is responsible for maintaining a record of

obligations and the remaining balance of funds on the reverse of the form. NAVCOMPT Form 2276, Request for Contractual Procurement (See Appendix E).

7-4.2 Other Forms. Contracting officers may receive purchase requests from other services or agencies on a DD Form 448 or DD Form 448-1, Military Interdepartmental Purchase Request (MIPR). These are "one-time" funding documents which can be used only for the purposes stated on the form. These forms require funding certification by the funds officer or designee prior to purchase. Requests for purchases under a bulk funded Government purchase/bank card do not require traditional agency purchase requests and may use established local procedures. In a contingency operation, Navy contracting officers should also become familiar with service specific procurement request forms such as the Department of the Army's DA Form 3953 and the Department of the Air Force's AP Form 9. (See Appendix F).

7-4.3 Imprest Funds as a Funding Procedure.

a. As of 1 October, 1997, imprest funds are not authorized for OCONUS operations except as specifically approved for contingency situations by the Under Secretary of Defense (USD) (see Naval Supply Systems Command policy letter 96-9). In theater CINC is authorized to approve the establishment of imprest funds. The number of imprest funds will be specifically approved in writing and shall be kept to a minimum. Normally only one imprest fund is authorized per unit or command. Exceptions to this general rule may be justified for isolated activities.

b. General guidelines for use of imprest funds for purchases made using simplified acquisition procedures are as follows:

(1) An imprest fund should only be used when considered advantageous to the government,

(2) The $500 limit as specified in NAVSUPINST 4200.85 series is increased up to $2,500 in support of contingencies, and

(3) The supplies or services are available for delivery within 60 days, whether at the supplier's place of business or at destination.

(4) The purchase does not require detailed technical specifications or technical inspection.

b. Imprest funds may not be used for the following:

(1) Payments (or advances) of salaries and wages,

(2) Cashing of checks or other negotiable instruments,

(3) Payment of public utility bills,

(4) Purchases from contractors or contractor's agents who are military personnel or civilian employees of the U.S. government,

(5) Repeated purchases from the same contractor when another method (i.e. BPA) would be appropriate.

7-4.4 Government-wide Commercial Purchase Card as Payment Method. The Government purchase card may be used as a payment method against any existing contract vehicle. The following payment procedures supplement the procedures for use of the card for purchases discussed in chapter 8-8.

a. The contracting or finance officer may authorize payment for awards issued via purchase orders, delivery orders, contract, or electronic commerce under the following provisions:

(1) Contract or order provisions allow for payment via the Government purchase card.

(2) Payment is against a single line of accounting data for each unique transaction. Contracts or orders citing accounting classification reference numbers (ACRN) are never appropriate for payment via the purchase card.

(3) Single purchase limits and billing cycle limits have been adjusted to reflect use of the card as a payment method above the authorized purchase limit.

(4) Contracts or orders issued which authorize payment via purchase card should be adequately marked as such to preclude potential duplicate payment by a U.S. paying office.

CHAPTER 8

CONTRACTING PROCEDURES DURING A CONTINGENCY

8-1 General. Two areas of concern are the requirement and the various contracting instruments available to the contracting officer.

8-2 Purchase Request Documents.

a. Purchase requests can be made on many different forms (DD Forms 1348-1, 1348-6, NAVCOMPT Form 2276, DD Form 448 are just a few). Regardless of the type of document, three requirements must be met:

(1) A complete item description.

(2) Certification of funds.

(3) Citation of local purchase authority.

b. For purchase to be made under simplified acquisition procedures, a good description might include the item name, part number/stock number, a picture, or sample of the item (to show potential vendors), the customer's name and organization, and a point of contact. For services and construction requests, the contracting officer will need a complete SOW and name of the customer's COR nomination who will be providing technical support. The SOW should include a detailed, performance-oriented description of what is expected of the contractor; what the government needs not how it should be accomplished. For micro-purchases to be made using the government purchase card, while a detailed SOW is not required, an adequate description of the requirement shall be provided.

c. The total amount of funds certified and the final obligated amount must be designated in dollars. The final obligation should be annotated on the purchase request. Conversion rates at the time of award should also be noted.

d. Requiring activities will provide a list of personnel authorized to certify funds for purchases. Funds certification cannot be further delegated. Signing for the certifying officer is not acceptable.

8-3 Contracting in Contingencies. The flexibility needed to satisfy most requirements by the contracting officer can be met by using simplified purchase procedures such as imprest fund purchases, Standard Form 44 (Purchase Order-Invoice-Voucher), DD Form 1155 (Purchase and Delivery Order), blanket purchase agreements, and credit card purchases. (FAR 13)

8-4 Imprest Fund. (see Appendix G)

8-4.1 The Imprest Fund. This cash fund of a fixed amount is established by an advance of funds to a duly appointed cashier for the purpose of making immediate cash payments of relatively small amounts for authorized supplies and non-personal services. As in Chapter 7, it is again noted that as of 1 October, 1997, specific authorization must be received from the Office of the Under Secretary of Defense for establishment of an imprest fund for OCONUS operations. The amount of the fund will be based on the estimated monthly usage of the fund. Imprest funds are established by commanders of installations or activities who have contracting authority. In addition, an alternate cashier will be appointed to act as a backup for the primary cashier. In no event shall an imprest fund cashier have access to or control of more than one imprest fund.

8-4.2 Application. Dollar ceilings for transactions are normally $500, but are raised to $2,500 for overseas transactions in support of a contingency. The use of the fund must be considered advantageous to the government. The requiring activity must submit a request to initiate use of the imprest fund.

a. The purchasing information is annotated on a purchase request document and signed by the contracting officer. A purchase requisition, SF 1165 (Receipt for Cash-Subvoucher), and the vendor's sales document may be used to support the purchase.

b. The requisition document must itemize the supplies or non-personal services to be purchased and indicate the estimated cost. Competition is required anytime the contracting officer does not think that the price is fair and reasonable. Rotating suppliers in the same manner as any other small purchase method should be used to the maximum extent possible.

c. Material purchases will be delivered to a designated point and the receiver will examine and accept the supplies on either the vendor's invoice or the SF 1165. When the vendor cannot deliver, an authorized person may be designated to pick up the supplies. In this case, an advance of funds will be drawn from the cashier, annotated on an SF 1165, and paid to the vendor. The receipt from the vendor will be returned to the imprest fund cashier with the SF 1165 signed by the vendor as having received a cash payment (FAR 13.4).

8-4.3 Responsibilities of the Imprest Fund Cashier. The imprest fund cashier is personally responsible for the money and accountable to the finance and accounting officer. The cashier is also responsible to the contracting officer for the administrative operation of the fund. Every effort must be taken to safeguard the fund. The money should be kept in an adequate safe and securely locked. Cash is kept in an amount sufficient to meet minimum mission requirements.

a. Pending documentation of receipt of supplies, the cashier maintains an active file of purchase request documents for all fund purchases. Prior to payment, the cashier must match the purchase request document against the request for payment. Finally, the cashier certifies that the supplies were received and the price paid matches the payment request.

b. Whether the imprest fund is used for vendor delivery payment, receipt by parcel post, or payment for services, the cashier must make certain that each purchase has the required documentation. The verified SF 1165 and the properly executed sales document becomes a subvoucher that will later be used to reimburse the fund.

c. Upon presentation of an authorized document with the necessary certification of receipt for supplies or services, the cashier pays the supplier and obtains the certification of cash payment.

8-4.4 Reimbursement of the Imprest Fund. At least monthly, the fund is reimbursed by use of the SF 1129, Reimbursement Voucher. and supported by the cashier's subvouchers. At the close of the fiscal year, a reimbursement voucher covering all remaining subvouchers through 30 September is submitted before closing the allotment accounts for the month. When a vendor refunds cash prior to the submission of the SF 1129, the invoice must be annotated accordingly. If the refund occurs after submission of the SF 1129, the refund is submitted to the disbursing officer and the receipt is filed in the funds records.

8-5 Standard Form 44, Purchase Order-Invoice-Voucher.

a. Standard Form 44, Purchase Order-Invoice-Voucher, (FAR 13.505-3) is a pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchases of supplies and non-personal services. It can be used as a purchase order, receiving report, invoice, and public voucher. The procedures for its use are covered in Appendix I.

b. Since the SF 44 contains no written terms and conditions, its use is authorized only when no other small purchasing method is considered more economical or efficient and all of the conditions
listed below are met:

(1) The supplies or services are immediately available,

(2) One delivery and one payment is to be made, and

(3) The purchase is not in excess of the contingency simplified acquisition threshold as declared by the Secretary of Defense. The use of the SF 44 for overseas transactions by warranted contracting officers in support of contingencies declared by the Secretary of Defense raises the $2,500 limit to $200,000.

c. Like imprest funds, the SF 44 may be used by persons other than the contracting officer provided the individual:

(1) Has written authorization from the contracting officer. The contracting officer should give a copy of the written authorization to the finance and accounting officer, in effect, delegating authority to sign a contract instrument.

(2) Has been trained by the contracting officer to use the form.

d. The buyer is responsible for ensuring that funds are available, that the form is properly processed, and that only authorized items are purchased. Care should be exercised to maintain physical control and accountability of the forms.

8-6 DD Form 1155, Order for Supplies or Services. (see Appendix J)

8-6.1 Purchase Orders. Purchase orders (FAR 13.5) are self-contained, one-time contracts which typically result in one delivery and one payment. DD Form 1155 is authorized for purchases not to exceed the simplified acquisition threshold.

8-6.2 Delivery Orders. Delivery orders (FAR 16.501) are orders for supplies or services placed against an established indefinite delivery contract.

8-6.3 Clauses. To protect the interests of the government, unilateral purchase orders should incorporate by reference those applicable clauses listed at DFARS 213.507(a)(i). Use of Alternative I to subparagraph (h) of the Disputes Clause at FAR 52,233-l is recommended. For those purchase orders requiring the contractor's written acceptance, the clauses at DFARS 213.507(a)(ii) shall be included. Because delivery orders are written against a contract, the terms and conditions of the contract apply to any delivery orders issued.

8-6.4 Use of DD Form 1155. Vendors are solicited orally or in writing. The DD Form 1155, Order for Supplies or Services, is filled in with appropriate information concerning shipping, prompt payment discounts, financial data, vendor, quantities, price, and additional data. The form is then mailed, hand carried, or picked up by the vendor, who will either perform the order or sign the back and return it, thereby promising to perform the order. When the item requested has been received or the service requested has been performed, the bottom of the front page may be used as a receiving report for the government.

8-6.5 Modification of Purchase Orders. The SF 30, Amendment of Solicitation/Modification of Contract (see Appendix K) is used to modify DD Form 1155 purchase orders. If the contract is bilateral, both parties must agree to the modification unless it falls within the Changes Clause. In addition, a unilateral contract may be changed to a bilateral contract by using the SF

30. Since DD Form 1155 is unilateral (acceptance by performance) a signature is recommended though not mandatory.

8-6.6 Unilateral or Bilateral Action. A unilateral agreement is defined as a promise in return for performance (service or supply), while a bilateral contract is defined as a promise in return for a promise. Most DD Form 1155 actions are unilateral; that is, the government simply sends the vendor the form which authorizes him to perform immediately. Once the vendor has performed, the government is obligated to pay. The vendor is under no duty to perform, since the government's DD Form 1155 is merely an offer which he may accept by performance or refuse to accept by failing to perform. If the vendor fails to deliver, no contract has been breached nor defaulted since no contract existed.

a. Once the vendor has signed the acceptance and mailed it to the contracting officer, a bilateral contract exists. Under these circumstances, the government has the right under the Termination for Default Clause to terminate the contract if the contractor fails to perform according to its terms and to charge the defaulted contractor with the excess costs of repurchasing the requirement.

b. The form is used as a bilateral contract when there is a relatively long lead-time, when a more complex contract calls for a greater amount of contract administration, or when previous experience with a supplier indicated the desirability of possessing greater leverage through the Termination for Default Clause.

8-6.7 Withdrawal of Purchase Order. Unilateral purchase orders include provisions to allow termination for convenience.

a. A notice of withdrawal should be in writing with a request for written acknowledgment by the contractor. Once the contractor has begun performance on an order, the government has lost its absolute right to withdraw without cost or liability.

b. If it becomes necessary to terminate such a purchase order, the contractor should be asked to agree to a cancellation of the order without cost or liability. If the contractor refuses to agree to a no-cost settlement, the contracting officer shall initiate termination for convenience action in accordance with FAR Part 49. Wherever practical, the contracting officer shall obtain legal review before termination.

c. If the contractor has incurred costs in reliance on the purchase order, a settlement will be negotiated to reimburse him for those costs.

8-6.8 DD Form 1155 as a Delivery Order. This form is also the basic document used as a delivery order against indefinite delivery type contracts. There are three types of indefinite delivery contracts: definite-quantity, requirements, and indefinite-quantity. An indefinite delivery contract specifies

all the terms and conditions of a regular contract but may not specify exact quantities or time of delivery of supplies or services required. Additionally, a requirements contract does not obligate dollars until a delivery/task order is issued. As exact requirements become known, a DD Form 1155 is sent to the supplier and this initiates the delivery of supplies or services specified in the delivery order, subject to the terms and conditions of the existing indefinite delivery contract. A requirements contract obligates the government to buy all of its requirements from the contractor. Delivery orders may be terminated, modified, or changed in accordance with the terms and conditions of the contract. When used as a delivery order, the DD Form 1155 does not have a dollar limitation.

8-7 Blanket Purchase Agreements.

8-7.1 General.

a. A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents.

b. Whenever practicable, establish pre-priced BPAs by negotiating firm unit prices for specific periods of time or by incorporating in or attaching to BPAs supplier's price lists or catalogs.

8-7.2 Establishment.

a. Contracting officers shall establish BPAs when there is a wide variety of items in a broad class of goods (e.g., hardware) that are generally purchased but the exact items, quantities and delivery requirements are not known in advance and may vary considerably.

b. A BPA should be established by the contracting office without a specific purchase request. The contracting office should liaison with the requiring components to anticipate recurring needs for potential contract under a BPA.

c. A BPA shall not cite accounting and appropriation data.

d. BPAs should be made with firms from which numerous individual purchases will likely be made during a given period. For example, if past experience has shown that certain firms are dependable and consistently lower in price than other firms dealing in the same commodities and if numerous small purchases are usually made from such suppliers, it would be advantageous to establish BPAs with those firms.

e. To the extent practical, BPAs of items of the same type should be placed concurrently with more than one supplier.

Competitive sources should be given an equal opportunity to furnish supplies or services under BPAs.

f. If it is determined that BPAs would be advantageous, suppliers should be contacted to make the necessary arrangements for securing maximum discounts, documenting the individual purchase transactions, periodic billing, and other necessary details.

g. A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish.

h. BPAs shall be prepared and issued on DD Form 1155, Order for Supplies and Services.

8-7.3 Terms and Conditions. BPAs shall be established IAW FAR 13.203.

8-7.4 Delivery Tickets. BPAs shall include a requirement for all shipments under the agreement be accompanied by delivery tickets or sales slips which shall contain the following minimum information:

a. Name of supplier,

b. BPA number,

c. Date of purchase,

d. Purchase number,

e. Itemized list of supplies or services furnished,

f. Quantity, unit price and extension of each item less applicable discounts,

g. Date of delivery or shipment.

8-7.5 Invoicing Method Options.

a. A summary invoice shall be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period. The summary invoice shall also identify the delivery tickets covered therein, stating their total dollar value and supported by receipted copies of the delivery tickets.

b. An itemized invoice shall be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets.

c. When billing procedures provide for an individual invoice

for each delivery, these invoices shall be accumulated; provided that a consolidated payment will be made for each specified period; and the period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period.

8-7.6 Call Officers. Responsibility for the function of placing calls under BPAs rests with the contracting officer who may authorize competent individuals to place calls in any dollar amount within the limitation under established BPAs. Call officers may reside in the contracting office or in requiring activities. Contracting officers who authorize individuals to place calls under
BPAs shall:

a. Instruct the individuals in the proper use of BPAs.

b. Furnish individual copies of BPAs to each individual authorized to place calls.

c. Ensure that individuals have ready access to price lists or catalogs incorporated in or attached to BPAs.

d. Ensure that individuals equitably distribute calls among suppliers with whom BPAs have been established.

e. Ensure that individuals do not split purchase transactions to evade monetary limitations.

f. Require that individuals refer all cases where prices are not considered reasonable to the contracting officer for determination.

g. If appropriate, obtain from individuals at the end of each billing period copies of delivery tickets or sales slips so that supplier's invoices may be promptly paid.

h. Maintain continuing surveillance over individuals to ensure compliance with acquisition regulations and to validate the need for retention of BPA call authorization of each individual.

i. Ensure that suppliers are informed of the names of individuals authorized to place calls.

j. Inform individuals authorized to place calls that the authority may not be redelegated.

8-8 Government-Wide Commercial Purchase Card.
(Also see Appendix P)

8-8.l General. A government-wide commercial purchase card (commonly called purchase or credit card) is a method of buying supplies and services up to the micro-purchase threshold of $2,500 in accordance with FAR Part 13, DFARS Part 213, NAPS 5213, and NAVSUPINST 4200.85 series. It may also be used as a payment

method when used in conjunction with other procurement methods and may be used to order directly from Government sources (e.g., GSA wholesale supply or Federal Prison Industries).

8-8.2 Responsibilities, Qualifications and Uses. Refer to FAR Part 13 and Appendix P.

8-9 Record Keeping.

a. All FAR and DFARS administrative record keeping will continue under contingency conditions unless specifically stated otherwise.

b. Contract files must be sufficiently organized and annotated to enable a reconstruction of the entire procurement process to include expenditures.

c. Logs, either through an automated system or manual, will be maintained for procurement planning purposes, to identify purchase requests, which are open, completed, and closed. This will provide linkage through the purchase request number between the customer, finance, comptroller, and contracting, and facilitate procurement planning. In addition, they may be used to develop reports and graphs to present production status.

8-10 Competition and Oral Solicitations. Purchases over $100,000 ($200K when authorized in a declared contingency) formal negotiated procurement (FAR Part 15). While the time necessary to make a large purchase will normally be greater than that of a purchase using simplified acquisition procedures, there are exceptions available to expedite the process.

a. The contracting officer need not seek full and open competition if the agency's need for the supplies or services is of such an unusual and compelling urgency that the government would be seriously injured unless the agency is permitted to limit the number of sources. Purchase requests citing Uniform Material Movement and Issue Priority System (UMMIPS) codes 01 through 04 reflect a compelling urgency but cannot be used as sole justification for the use of an oral solicitation. Sufficient rationale must be provided by the requiring activity to the contracting officer for a written justification and approval in accordance with FAR 6.302-2, 6.303 and 6.304.

b. A written solicitation is labor and time intensive. An oral solicitation is permitted under FAR 15.402(f) for perishable subsistence. For other supplies and services, an oral solicitation may be used when a written solicitation would delay the acquisition of supplies and services to the detriment of the government. This does not alleviate the contracting officer from complying with all other regulatory requirements. The contract file shall include:

(1) A justification for use of an oral solicitation.

(2) Item description, quantity, and delivery schedule.

(3) Sources solicited, including the date, time, name of individual contacted, and prices quoted.

(4) The solicitation number provided to the prospective contractors. The contracting officer's documentation must provide sufficient rationale for the use of oral solicitations, not just a reference to the UMMIPS code.

c. Once the contracting officer completes the oral solicitation and determines award, a contract will be prepared for the contractor's signature as quickly as possible. Any undue delay requires a further explanation in the contract file describing the reasons for the additional delay. Sample contract formats, preprinted forms, and copies of the required clauses in the contingency contracting support kit will accelerate the contracting process.

8-11 Selection of a Contract Type.

a. The contracting officer makes the final decision on the type of contract to use. This decision is made on a case-by-case basis. The objective is to select the contract type that places a reasonable degree of risk upon the contractor and provides the contractor with the greatest incentive to perform efficiently and economically. Consideration will be given to the factors in FAR 16.104, as well as the stability and predictability of the requirement, the specificity of the description of work, and the quality and availability of historical workload data. Contracting officers must ensure each contract file includes documentation explaining why a particular contract type was chosen as prescribed in FAR 16.103(d).

b. Contracting officers are cautioned that combination contracts, composed of two or more contract types, must be applied with care. Such contracts should be used only if the work can be described and contracts executed and administered in a manner that ensures the work is performed and the contractor is paid under the terms and conditions that the work was originally negotiated and priced.

c. The type of contract selected will determine both the clauses to be included and the degree of risk accepted by the government. The selection of contract type during a contingency will be more difficult because customer needs may easily be understated or overstated. Often times deployment needs will change daily or even hourly. In these cases, a customer's inability to accurately plan must be taken into consideration when determining the type of contract to use.

8-11.1 Types of Contracts.

a. Time and Materials Contracts:

(1) Time and materials contracts are used to acquire:

(a) a contractor's best effort in performing the SOW. Reimbursement under the direct labor is based upon established billing rates that include wages, overhead, general and administrative expenses and profit; and

(b) Materials at cost, including (if appropriate) material handling costs as well.

(2) A time and materials contract is one of the least desirable types of contracts because it affords the contractor no positive profit incentive to control material or labor costs effectively. Yet this contract type is often the only effective one for repair, maintenance, or overhaul work to be performed when the required level of effort is unknown. This type of contract may only be used:

(a) after the contracting officer executes a written determination and finding that no other contract type is suitable, and

(b) when the contract includes a ceiling price, the breach of which is at the contractor's risk. If the ceiling price is subsequently raised, the contracting officer shall document the contract file justifying the increase.

(3) In awarding a time and materials contract, the agreed upon hourly rate per direct labor hour is an important source selection factor, but more importantly is the contractor's technical and managerial skills to include his reputation for getting the job done. It is significant to understand that the contractor gets paid for hours and materials expended; accordingly, awarding to a marginal producer may not be wise over the duration of the contract.

8-11.2 Indefinite Delivery Contracts.

a. The use of indefinite delivery contracts for services is appropriate only in those instances in which the units truly represent services, a reasonable basis exists for those quantities estimated, and the government can place orders without discussion with the contractor as to price, quantity, or performance period.

b. The three types of indefinite delivery contracts are definite-quantity, indefinite-quantity, and requirements contracts. The requirements contract is most likely to be of benefit in a deployment. It has several advantages:

(1) No money is obligated when a requirements contract is awarded. Money is obligated only when the government issues a delivery order against the contract. (Delivery orders are prepared on the DD Form 1155 and contain information similar to a purchase order with some minor differences.)

(2) The contract price can be based on firm fixed price or cost reimbursement. The prices agreed to can be derived from either catalog or market prices.

(3) The contract is relatively easy to cancel compared to most other contracts. Prior to the end of the contract performance period, a written notification is sent to the contractor, after which the government stops issuing delivery orders. The contractor has the burden to prove if additional compensation is warranted.

(4) Requirements contracts are binding contracts only because of the explicit understanding that the government promises to place delivery orders under that contract and only that contract if and when a need occurs. The inclusion of maximum and minimum order quantity limitations is encouraged, so that the contractor is not hurt financially by too small an order quantity or fails to perform on too large an order quantity. These contractual limitations are negotiable, with the result that purchase requests for requirements above or below contractual quantity limitations may not result in delivery orders being placed on that contract. They will be treated as either a separate small, or large purchase. The success of the contract depends on the ability of the customer to develop realistic estimates of their needs.

(5) Requirements contracts are typically written for a one-year period based on estimated repetitive needs. Accordingly, supplies and services for which there are repetitive needs should be reviewed to see if a requirements contract might be suitable. One way to determine this is to review the number of purchases being made under simplified acquisition procedures for the same item(s).

8-11.3 Cost-Reimbursement Type Contracts.

a. Cost contracts are flexible, but require an acceptable accounting system that will allow tracking of costs that are allowable, reasonable, and allocable to the contract. Under deployment conditions there may be no way to determine the acceptability of an accounting system. Additionally, cost-reimbursement contracts require the inclusion of an auditing clause which may be unacceptable to foreign contractors. Additionally, obtaining auditing support may be difficult.

(1) The administration of a cost-type contract can be complex and labor intensive. This should be considered when determining contract type under contingency conditions relating to personnel resources and continuous monitoring required to ensure performance. If there are language and/or cultural barriers to overcome, the contracting officer may experience difficulties in explaining the basis for reimbursement of costs and fees.

(2) If a cost contract is still desirable, one of the most advantageous to the government would be the cost-plus-award-fee.

In the contingency contracting arena, this type of contract is service-oriented and provides for the reimbursement of allowable costs, the payment of a base fee and an award fee. Both fees are based on the estimated cost to complete the contract, not actual costs incurred. Since the base fee is essentially fixed, contractor motivation is maintained through the subjective determination of how much award fee the contractor should receive.

8-11.4 Fixed-Price Type Contracts. Under a fixed-price contract the government must be able to describe exactly the desired contract results and/or requirements and allow the contractor the flexibility to plan, manage, and execute the work in order to achieve those results. During a contingency, this type of contract has tremendous advantages as the performance and cost risk responsibilities lie with the contractor. The firm fixed-price contract entails less administration and as long as the requirements are clearly identified, the contractor should perform and be paid in a timely manner.

8-11.5 Undefinitized Contract Actions (UCA).

a. Undefinitized contract actions are those that are not definitively priced nor are terms agreed upon prior to the creation of a contractual obligation. Some examples include letter contracts, unpriced orders, and undefinitized contract modifications. UCAs shall be approved in advance by the Head of Contracting Activity (HCA) and per DFARS 217.7402 all UCAs shall include a ceiling price.

b. Requests for approval to issue an undefinitized contract action shall include:

(1) A written statement of urgency as required by DFARS 217-7403, and

(2) The contracting officer's findings and determination supporting the use of an unpriced instrument as the only practicable means of achieving the required delivery date. The written statement of urgency must be approved by the senior official in the requiring activity prior to being sent to the HCA. The statement should focus on when the requirement was first known to exist and the consequences if the required date is not achieved.

c. In the event that the contractor refuses to sign a bilateral contract and the contractor is the only vendor who can meet the stated requirements, the following recommendations are provided:

(1) Write the contract as if the contractor is going to sign,

(2) Have it witnessed that the contractor refuses to sign (but is willing to do the work),

(3) Put a memorandum in the file with the contract stating the situation,

(4) Review the requirements with the contractor and provide a verbal approval to proceed,

(5) The contracting officer must ensure contractual requirements are adhered to in providing the service in a timely manner at a reasonable cost, and

(6) The contracting officer should provide a copy of the requisition and memorandum documentation to the requester, finance, and retain one copy for file.

8-12 Ratifications.

a. When the contracting officer is not one of the first people to arrive at the deployment site unauthorized actions, or commitments will undoubtedly occur. Unauthorized commitments are those obligations incurred on the part of the government by an individual who does not have a warrant nor the authority to incur the liability. To correct these unauthorized actions, the government may assume liability through a ratification process. Ratification actions should be processed in the shortest time possible.

b. It must be made clear to all individuals that if ratification is not possible or permissible, the individual creating the irregular acquisition may be held liable for the costs of this action.

c. The process for ratification of unauthorized commitments should be established upon deployment and widely publicized to and by commanders.

d. At the same time, prevention of unauthorized procurements must be stressed. These incidents may occur without conscious intent, especially when dealing with the HN. If a U.S. Forces member asks for an item or service the HN will normally make every attempt to fulfill that request regardless of proper authorization. Active support from commanders in avoiding unauthorized commitments must be exercised.

8-13 Referrals. There may be purchase requests, which cannot be fulfilled on the local market. These may be referred to another contracting activity for action. The contracting officer should ensure the purchase request includes an adequate description, a fund cite, a valid "ship to" address, and a point of contact. For contract repair items, a hand receipt is required to account for the item.

a. There are usually several sources of contracting expertise geographically separated from the contracting officer which could be used, such as:

(1) The American Embassy,

(2) The nearest permanent military base contracting office, and

(3) The joint service offices collocated in the area.

b. Administrative Requirements for Referrals. Referral packages should be kept in an open file until completed. This will help the contracting officer know the status of referrals and help the finance officer keep track of outstanding commitments. Funds may be required to be transferred using DD Form 448, Military Interdepartmental Purchase Request.

8-14 File Management. Effective, proper contract file management is essential in providing an accurate and complete history of all transactions. Files should be managed in accordance with FAR 4.801.

8-14.1 File Contents. Contract files should contain all documentation as prescribed by FAR 4.803(a) and DFARS 204.802.

8-14.2 Format/Numbering and Transfer.

a. All large-purchase records should be filed in a standard six-part file folder in accordance with the prescribed format.

b. Contract files transferred internally from contracting to administration should be controlled in accordance with DFARS 204.202 and 204.8.

c. The Uniform Procurement Instrument Identification Number (PIIN) system (DFARS 204.70) should be used in assigning identifying numbers to all contracts, solicitation documents, delivery orders, purchase orders, and other instruments. Registers of any PIINs issued and used in the procurement process should be maintained.

8-15 Contract Management.

8-15.1 Contract Monitoring. Contractor surveillance under contingency conditions may be difficult due to location, broad customer base, and the performance/delivery time involved. This emphasizes the importance of having as many trained CORs as possible in close proximity to the contractors and the mission, and maintaining close communications with commanders. Commanders must understand the role of CORs who may perform tactical missions in their units and also the role of CORs in supporting mission success due to contractor performance. Under contingency conditions, ensuring contractors are (are not) paid for services/supplies performed (not performed) is critical.

a. CORs should closely monitor contract performance and provide the contracting officer with documentation to identify the contractor's compliance or non-compliance with the terms of the contract. Although the appropriate forms may not always be available, a simple signed memorandum with supporting data will suffice for the contracting officer to take action. This memorandum will become part of the official contract file.

b. Commanding Officers, as well as CORs, must understand they do not have contractual authority to issue directions or changes to any contract or purchase order. In cases where unauthorized personnel have made changes, the contracting officer must be immediately notified. The contracting officer will then note the substance of the change, determine whether the circumstance was appropriate, and take action for inclusion in the contract file as necessary.

8-15.2 Contract Modifications. The contracting officer can expect wide fluctuations in projected requirements versus actual requirements, particularly for service contracts. The following guidelines address change orders, administrative changes, and supplemental agreements.

a. Contract modifications are addressed in FAR Part 43 and DFARS Part 243;

b. A Standard Form 30, Amendment of Solicitation/ Modification of Contract shall be used to document all contract modifications (see Appendix K).

c. Contract modification is a generic term meaning any written change in the terms and scope of the contract. Contracts may be modified by use of a change order. A clear distinction must be made between the two terms -- change and change order.

(1) A change is any alteration within the scope of the contract. Changes can be made in the specifications, drawings, designs, method of packing or shipment, time or place of delivery, and/or quantity or type of government provided material.

(2) A change order is a written order signed by the contracting officer directing the contractor to make changes that the Changes Clause authorizes him to make without the contractor's consent. If the change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under the contract (whether or not changed by the order) the contracting officer shall modify the contract to make an equitable adjustment in the contract price, the delivery schedule, or both.

(3) The contractor is required to comply with the change pending the outcome of negotiations to establish an equitable adjustment. Changes clauses are required for fixed price and cost reimbursable type contracts for supplies, services, and construction.

d. Administrative changes are written, unilateral changes that do not affect the substantive right of the parties. They are used to make changes such as a change of paying office or the name of the contracting officer.

e. A supplemental agreement must be in writing and is a bilateral agreement, agreed to and signed by both parties. It is

used whenever there is a change in the scope of the contract or when it is otherwise necessary or desirable to have the contractor's consent to any modification to a contract.

(1) Supplemental agreements are used to:

(a) Negotiate an equitable adjustment resulting from a change order,

(b) Definitize a letter contract, and

(c) Reflect any other agreements reached by both parties inside or outside the scope of the contract.

(2) If the contractor refuses to sign the agreement, follow procedures outlined in PCRB paragraph 9-2d(6).

(3) Unilateral modifications (signed only by the contracting officer) are used to make administrative changes, issue change orders or termination notices, or make changes authorized by clauses other than the Changes Clause, such as exercising an option, changing government furnished property or incorporating a value engineering proposal into the contract. (Also see FAR 43.103(b)).

f. Whichever method is used, either unilateral or bilateral, the policy is that, if possible, the modification should be priced before it is executed for the protection of both parties. The magnitude of some changes and the contingency environment make this difficult.

(1) From a pricing standpoint, unpriced change orders are risky business because, during the time that negotiations are being conducted and performance is going on, the contractor has no incentive to keep costs down. If a change cannot be priced before it is authorized, an agreement should be reached with the contractor on a ceiling, not to exceed price, for the change.

(2) For those changes that result in a relatively small increase or decrease in price, it is common practice to incorporate them into the contract on a "no-charge basis." This practice is encouraged to hold down administrative costs that result from modifying the contract.

8-15.3 The Changes Clause. There are slight differences in the various changes clauses, depending on what is being purchased (supplies, services, or construction) and the type of contract that is awarded (fixed price or cost reimbursable). Common elements are in all changes clauses.

a. A change order must be in the general scope of the contract.

b. The change order must be in writing.

c. The contracting officer must make the ordered change.

d. There are changes not provided for in the changes clauses that the contracting officer may consider necessary for the effective contract administration. Among these are changes in quantity. Quantity may not be unilaterally adjusted by use of the changes clause. A decrease in quantity may be affected by a partial termination for convenience. Usually, increases in quantity are new procurements and may be affected by supplemental agreement only if the rules regarding competition are not violated. However, if the contract contains the "Variation in Estimated Quantity" clause, a price adjustment may be available if quantities either exceed 115 percent or fall below 85 percent of the contract estimated quantity, where the variation in quantity is not the result of action by the contracting officer.

8-15.4 Payments. There are two different types of payments a contracting officer can authorize: progress and partial/final. (See Appendix L)

a. Progress payments are supported by an estimate of job completion (or progress report) stated in percentages to inform the contracting officer of the percentage of the total contract amount that can be released to the contractor for progress payments. Progress payments based solely on evidence of costs incurred are strongly discouraged.

b. Partial payments are made for services rendered and/or partial delivery of supplies while final payments are made whenever the contractor has successfully completed the contract, or the contracting officer has canceled/terminated any remaining requirements.

8-15.5 Terminations. Most terminations will be for convenience as opposed to terminations for default. If the contracting officer decides to terminate a contract for default, performance must be in default under the terms of the Terminations for Default clause and such default must be inexcusable. In deciding which form of termination to pursue in a contingency operation, the contracting officer should carefully consider that the contractor will not likely be bonded, the statement of work may very well contain ambiguities, and the contractor is likely to be the sole source for the needed services. It would serve no purpose to default a sole source contractor if there is no hope of recovering procurement costs or of finding another contractor to do the job.

a. These contracts can normally be terminated by simply issuing a letter of cancellation and release of claims in order for the contracting officer to close out the contract and for finance to release the money remaining on the contract for other requirements. However, the contractor must consent to a release of claims. If a contractor does not concur or does not release the government for unliquidated progress payments, a termination for default should be considered.

b. Terminations for convenience could also be handled the same way, except when the contractor has invested substantially

to fulfill the contract. In these cases, the normal rules in the FAR, and supplements thereto, should be followed to ensure an equitable adjustment is made to compensate the contractor. A contracting team should remain in the area to ensure close-out of all contracts. (See Appendix M)

8-16 Reports.

8-16.1 Audit System. A simple database reporting system to provide visibility and status of procurement actions is required and should be implemented immediately. Automation to include laptop computers will assist in establishing a more efficient system, which will coincide with CONUS systems. The system should include the following data fields:

a. Date of receipt of requisition.

b. Date of award.

c. Type of contracting action (i.e., contract, purchase order, BPA, delivery order, modification).

d. Amount of committed dollars.

e. Contractor name.

f. Federal Supply Class.

g. Procurement Instrument Identification Number (PINN)/Contract number/Requisition number.

h. Amount of obligated dollars.

i. Unit of measure/quantity (i. e., each, box, carton, numbers).

j. Item Description.

k. Remarks.

8-16.2 Procurement Action Reports.

a. DD Form 350 is used to report individual contract actions and Consolidated actions in excess of $100,000. ($25,000 if you are not a deployed OCONUS contingency contracting office.) The report shall be mailed or sent electronically, within three working days after the date on which the dollars were actually obligated or deobligated by the contracting office.

b. DD Form 1057 is a monthly summary covering all contracting actions of $25,000 or less. Reports are submitted within five working days after the close of each month.

c. Deployed contingency contracting offices will report contract actions over $25,000 but less than or equal to $100,000 on DD Form 1057 within five working days after the close of each

month. A separate DD Form 1057 for all contracting actions of $25,000 or less is still required.

d. Send DD Forms 350 and 1057 reports to FISC Norfolk Washington Detachment, Attn: PMRS Group, 901 M Street SE, Washington Navy Yard, Building 200, Washington, DC 20374 8-16.3 Management Reports. Data collected from the DD Forms 350 and 1057, and data from the tracking system will be used to make established and ad hoc reports. Reports that will be helpful in the management of the contracting activity include those that list the work load production of divisions, aging of requests and dollar amounts of obligations.

8.16-3 Management Reports. Data collected from the DD Forms 350 and 1057, and data from the tracking system will be used to make established and ad hoc reports. Reports that will be helpful in the management of the contracting activity include those that list the work load production of divisions, aging of requests and dollar amounts of obligations.

CHAPTER 9
CLAIMS, SEIZURE, DISPUTES AND APPEALS

9-l Claims. The government's policy is to try to resolve all contractual issues in controversy by mutual agreement at the contracting officer's level without litigation. If, however, it is not possible, the contracting officer must issue a final decision to a contractor's claim. In order to be a valid final decision, a document identified as a final decision must fulfill the following requirements:

a. be in writing,

b. be the decision of the contracting officer,

c. inform the contractor of his right to appeal, and,

d. adequately inform the contractor of the reasons behind that decision.

9-2 Seizures.

9-2.1 General. Commanders may, under the principle of military necessity, and subject to restrictions, seize private property during hostilities when indispensable for securing quickly the submission of the enemy. Seizing private or public property for mere convenience is unlawful. Commanders may not leave civilians without adequate food, clothing, shelter or medical supplies. Legal assistance must be consulted in the seizure of any property if contracting is involved.

9-2.2 Property Control Record Book (PCRB). This book, which may be issued to any level, confers no authority; it merely facilitates the ability to document seizures under the law of war. The book may be used only in designated areas.

9-2.3 Procedures.

a. Each PCRB should be numbered and contain a minimum of ten sets of four serial-numbered copies of the property control record form.

b. The cover of the book should contain a statement detailing where the book may be used.

c. The inside cover of the PCRB should contain instructions to the commander on the use of the forms to include the appropriate distribution of the four property control/receipt records.

d. The serial-numbered property control record should require the soldier seizing the property to enter pertinent information concerning the seized property and should contain a receipt, both in English and the local language, to be signed by the property owner, if available.

e. The inside of the back cover should contain a seizure record.

f. The Staff Judge Advocate Office should be responsible for the issuance of the books to the commanders. Hand receipts can be used to issue PCRBs to the units. It should be emphasized that the SJA is only issuing the books and that accountability for the books and seized property is a command responsibility.

9-2.4 Payment for Seizures.

a. There are procedures available to provide compensation for seized property. They are:

(1) Ratification. This is the act of approving an unauthorized commitment by an official who has the authority to do so. (See FAR, DFARS)

(2) Public Law 85-04 and Executive Order 10789. Defense agencies may enter into, amend, and modify contracts, without regard to other provisions of law related to making, performing, amending, or modifying, whenever the Secretary concerned considers that such action would facilitate the national defense. (See FAR, DFARS)

b. Whatever process is used to settle claims will be influenced by the local conditions. However, contracting responsibility is generally limited to ratification actions and extraordinary contractual relief under Public Law 85-04.

9-3 Contractual Disputes and Appeals.

9-3.1 General.

a. Contractors may submit claims that cannot be accepted for statutory, regulatory, or contractual reasons. The government's decision to reject such a claim, either in part or total may result in a contract dispute. If the dispute cannot be resolved, the contracting officer will make a final decision in accordance with FAR subpart 33.2. The contractor can then appeal that final decision under the applicable contract disputes clause.

b. The contracting officer shall decide all questions subject to the Disputes clause for which authority to act is present. The contracting officer will refer to regulations and legal counsel on these matters.

c. Procedures.

(1) Upon receipt of a claim in excess of $100,000, the contracting officer should assure that the claim includes the contractor certification required by the Contracts Dispute Act, attesting to the fact that the claim is made in good faith, that the supporting data are accurate and complete to the best of the contractor's knowledge, and that the amount requested accurately

reflects the contract adjustment for which the contractor believes the government is liable. Any suspected fraudulent claim or misrepresentation of fact shall be immediately reported to the legal officer and the chief of the contracting office.

(2) The contracting officer will utilize the specialized skills of the functional representatives and legal officer prior to issuing a final decision. The final decision must be that of the contracting officer.

(3) Final decisions for claims of $100,000, the contracting officer, within 60 days after receipt, must either issue a final decision or notify the contractor when a final decision will be issued.

(4) For claims exceeding $100,000, the contracting officer, within 60 days after receipt must either issue a final decision or notify the contractor when a final decision will be issued.

(5) Final decisions are to be prepared in accordance with FAR 33.211. Final decisions must include notification to the contractor pursuant to the Disputes clause contained in the contract.

(6) The contracting officer will submit the proposed final decision to the legal officer for review. A copy of the final decision will be forwarded to the contractor by any method that provides evidence of receipt.

9-4 Alternative Disoutes Resolution.

a. Disputes that cannot be resolved between the parties often result in litigation. The Alternative Disputes Resolution (ADR) process is an alternative to litigation and should be considered prior to embarking on that path. Unlike litigation, ADR keeps decision making in the contracting chain rather than with lawyers. Also, an agreement developed by the parties, rather than a decision resulting from litigation, will be of immeasurable assistance in maintaining a continuing business relationship with the contractor.

b. The essential elements of ADR include:

(1) the existence of a dispute,

(2) a voluntary election by both parties to participate in the dispute resolution process,

(3) an agreement on an alternative technique,

(4) participation in the process by officials of both parties who have the desire and authority to settle, and

(5) the contractor certification required by FAR 33.207.

9-4.1 ADR Techniques. These include facilitation, mediation, fact-finding, minitrials, arbitration, and negotiation. Whenever possible, the contracting officer should attempt to resolve disputes through negotiation with the contractor. The contracting officer should consult legal counsel for assistance with other techniques.

APPENDIX A

CERTIFICATE OF APPOINTMENT AS A CONTRACTING OFFICER

STANDARD FORM 1402

CERTIFICATION OF APPOINTMENT

Under authority vested in the undersigned and in conformance with
Subpart 1.6 of the Federal Acquisition Regulation

is appointed

Contracting Officer

for the

United States of America

Subject to the limitations contained in the Federal Acquisition Regulation and to the following:

Unless sooner termined, this appointment is
effective as long as the appointee is assigned to:

_____
(Organization)

_____
(Agency/Department)

_____
(Signature and Title)

_____ (Date) _____ (No.)

NSN 7540-01-152-5812

STANDARD FORM 1402 (10-83)
Prescribed by GSA - FAR (48 CFR) 53.201-1

APPENDIX B

CONTINGENCY CONTRACTING DEPLOYMENT KIT

B-1 Planning. Each Navy contracting activity with a deployable contracting officer and/or deployable contracting unit should prepare a Contingency Contracting Deployment Support Kit. From previous experience, gathering procurement regulations, equipment, and forms upon deployment notification is too late. Units are already deploying to the site and procuring locally to respond to immediate needs. As a result, there may be many unauthorized purchases, which will create a workload upon the arrival of procurement personnel. Individual kits should be developed to specific scenarios or anticipated deployment areas.

B-2 The Contingency Contracting Development Support Kit:

a. Each kit should include a 90-day supply of the following forms and materials:

- DD Form 250, Material Inspection and Receiving Report
- DD Form 350, Individual Contracting Action Report (Over $25,000)
- DD Form 448, Military Interdepartmental Purchase Request (MIPR)
- DD Form 448-2, Acceptance of MIPR
- DD Form 1057, Monthly Contracting Summary of Actions ($25,000 or less)
- DD Form 1155, Order for Supplies or Services – Request for Quotations NSN 0102-LP-001-1553
- DD Form 1592, Contract Cross Reference Data
- DD Form 1593, Contract Administration Completion Statement
- DD Form 1594, Contract Completion Statement
- NSN 0102-LP-016-3502
- DD Form 1597, Contract Close-out Checklist
- DD Form 1598, Contract Termination Status Report
- DD Form 1784, Small Purchase Pricing Memorandum
- NSN 0102-LP-025-5000
- NAVCOMPT Form 2276, Purchase Request and Commitment
- Standard Form 18, Request for Quotations
- Standard Form 26, Award/Contract NSN 7540-01-152-8069
- Standard Form 30, Amendment of Solicitation/Modification of Contract NSN 7540-01-152-8070
- Standard Form 33, Solicitation, Offer, and Award
- NSN 7540-01-152-8064
- Standard Form 36, Continuation Sheet
- Standard Form 44, Purchase Order-Invoice-Voucher NSN 7540-01-152-8068
- Standard Form 1129, Solicitation Mailing List Application
- Standard Form 1165, Receipt for Cash-Surrender
- Standard Form 1402, Certificate of Appointment

- Standard Form 1403-8, Preaward Survey of Prospective Contractor Series
- Standard Form 1409, Abstract of Offers NSN 7540-01-142-9844
- Standard Form 1410, Abstract of Offers Continuation

b. A list of authorized Procurement Instrument Identification Numbers (PIIN) IAW DFARS 204-7003 – Uniform Procurement Instrument Identification Numbers. These numbers should be provided by a sponsoring support contracting activity, possibly where the contracting element deploys from or is based. PIINs will facilitate the incorporation of the contracts into the sponsoring activities' files and records. The numbering system is used to facilitate control of individual contracting actions. Registers of the PIINs will be maintained according to the type of contracting action as follows:

- Blanket Purchase Agreements (A)
- Invitation for Bids (B)
- Contracts (C)
- Indefinite Delivery Type Contracts (D)
- Delivery Orders (F)
- Basic Ordering Agreements (G)
- Purchase Orders (M)
- Request for Quotations (Q)
- Request for Proposal (R)

c. Catalogs with pictures of supplies. Because of probable language barriers, such catalogs would be very helpful. Catalogs of hardware, construction supplies, automotive parts, among others, would be useful

d. Administrative and other supplies, such as:

(1) Office supplies.

NSN	Unit of Description	Issue	Qty
7530-00-043-1194	Folders, pressboard	hd	5
7510-00-161-4291	Clip, paper (butterfly)	bx	4
7510-00-161-4292	Clip, paper (gem Pattern)	bx	3
7510-00-205-1439	Rubber band (2 1/2 x 1/16)	bx	6
7510-00-223-7046	Eraser, rubber	dz	3
7510-00-235-6068	Fasteners, paper (2 in)	bx	10
7510-00-272-9805	Envelope, transport (l0xl3)	ea	25
7510-00-281-5234	Pencils, general (#2)	dz	3
7510-00-543-6792	Refills, ball point (blk med)	dz	4
7510-00-551-5073	Rubber band (3 l/2 x l/2)	bx	5
7510-00-634-1358	Tape, correction (l/6 in)	roll	2
7520-00-162-6178	Sharpener, pencil	ea	1

NSN	Unit of Description	Issue	Qty
7520-00-281-5918	Clipboard (9 l/2 x 11 letter)	ea	6

7520-00-935-7136	Pens, ball point	dz	2
7530-00-223-7939	Notebook, stenographers	pkg	1
7530-00-281-5941	File folders, (letter size)	hd	4
7530-00-290-0599	Paper, bond	bx	2
7530-00-935-6554	Envelope, mail	mx	1
7530-00-990-8884	Folders, pressboard	ea	50
7530-01-060-7511	Memorandum books (3 1/2 x 4 1/2)	ea	30
8105-01-183-9768	Bag, plastic	bx	5
	See GSA Sch 74IA		
	Typewriter, portable non-electric	ea	2
	See GSA Sch 74IIA		
	Calculators with ribbon and tape	ea	5
	English/Foreign language Dictionary for appropriate language	ea	2

(2) A personal laptop computer with software, printer, modem, power converter, extension cords, batteries, diskettes, paper, telephone line adapters, AC/DC adapter of the type used to connect to an automobile cigarette lighter, and other peripherals as required.

(3) Portable cellular phone

(4) Flashlights and batteries.

(5) Sample contract formats.

(6) SF 1402, Certificate of Appointment, issued by the Head of Contracting Activity (HCA) or the Principal Assistant Responsible for Contracting (PARC).

(7) Hand-held calculators and batteries.

(8) A small photo copier.

(9) Facsimile machine.

(10) Polaroid camera, batteries, flash and film.

(11) A field desk and chairs.

(12) UPS/Surge Protector/Voltage Converter

(13) Field safe and/or security container.

(14) FAR and DFARS both paperback and software versions.

e. The need for cash and U.S. Treasury checks should be determined in conjunction with the finance and accounting office. FAR 25.501 (a) requires offshore contracts with local firms to be paid in local currency. The use of U.S. currency requires a status of forces agreement with the Host Nation.

(1) Cash or U.S. Treasury checks will remain in the possession of finance and accounting office personnel.

(2) A list of banking facilities available in the host country where U.S. cash and checks may be converted to local currencies would be helpful to both finance and supply personnel.

APPENDIX C
CONTRACTING CHECKLIST

C-l **General**. This appendix provides contracting officers and contracting organizations with a general checklist required to implement the contracting management process necessary in a contingency environment.

C-2 **Responsibilities**.

a. Contracting officers will ensure that checklists are updated as necessary and adapted to local conditions as required.

b. Managers will use the internal control checklists to

(1) Test whether prescribed controls are in place, operational and effective,

(2) Identify areas where additions or reductions to existing controls are needed.

(3) Select corrective actions when a deficiency can be corrected locally.

(4) Refer deficiencies that cannot be corrected locally to higher command levels for assistance.

c. Solicitations and contracts are organized by sections in accordance with the uniform contract format. The Statement of Work (SOW) is located in Section C of the contract in accordance with the uniform contract format. The SOW is the most important section of the solicitation package because it describes what is to be accomplished by the contractor. It is the SOW that will ultimately determine the cost that the government incurs for completion of the work. A model SOW format is illustrated on the next page.

STATEMENT OF WORK SUGGESTED FORMAT

GENERAL

Scope of Work	Security Clearances
Background Information	Physical Security
Operating Hours	Access to Facilities
Personnel	Key Control
Contingencies	Management Plan
Quality Control	Other

DEFINITIONS

Abbreviations	Acronyms

GOVERNMENT-FURNISHED PROPERTY AND SERVICES

Facilities	Utilities
Equipment	Materials
Services	Other

CONTRACTOR-FURNISHED ITEMS

Supplies, Maintenance and Repair

SPECIFIC TASKS

Acronyms Relates to Work Breakdown Structure (WBS)
Relates to Definitions (C.2)
Relates to Applicable Documents (C.6)
Relates to Data Requirements or Deliverables
Relates to Performance Requirements Summary

APPLICABLE DOCUMENTS

Mandatory
Advisory

TECHNICAL EXHIBITS

Performance Requirements Summary (PRS)
Workload Data
Key Personnel Requirements
Lengthy Descriptions
Contract Data Requirements List (CDRL) or Deliverables

ATTACHMENTS

Specifications
Work Frequency Schedules
Special Requirements

C-3 Internal Control Review Checklist. This checklist is a tool, which serves as a starting point for review of your contracting operation. It may be appropriately modified to fit your individual situation and circumstances.

C-3.1 Presolicitation.

a. Initial purchase tasking receipt and review.

(1) Are procedures in place to account for and record the date and time of purchase requests that were received in the contracting office?

(2) Are the purchase requests received with adequate data for identification and accountability control, and are they adequately funded, signed, dated, and approved by those in authority?

(3) Do the purchase descriptions or performance work statements received describe needs that are appropriate for this contracting office to assume purchase responsibility for?

(4) Do purchase descriptions or performance work statements provide a specific description of only the customer's minimum needs?

(5) Are the purchase requests for items delivered after the fact (unauthorized commitments) processed in accordance with ratification procedures? (FAR 1.602.3)

(6) Are procedures followed for monitoring the work backlog, priority purchase requests, and requests that were transferred for processing?

b. Selecting the best acquisition method.

(1) Are requirements placed on orders against applicable, existing "open ended" agreements or contracts rather than used as the basis for creating a new solicitation or purchase order?

(2) Are "lessons learned" during the previous requirement considered in the preparation of a new solicitation to fill recurring requirements? Are previously erroneous estimates, descriptions, and assumptions corrected rather than repeated?

c. Competition considerations.

(1) Are negotiations being used when it is impractical to use sealed bids? FAR 6.401(b)(1)

(2) Are negotiated contracts awarded using full and open competition except where justified? FAR 6.101

(3) Is the urgency exception to full and open competition being properly applied? FAR 6.302-2

(4) Is a competition advocate appointed and identified; and the approval levels and form for justifications published? FAR 6.501

(5) Are justifications for other than full and open competition approved in writing at the appropriate level? FAR 6.304

d. Solicitation preparation and review prior to distribution.

(1) Do solicitations conform to the uniform contract format? FAR Subpart 14.2, FAR 15.406-1

(2) Do solicitation forms and clauses avoid duplicating or supplementing FAR or DFARS forms and clauses?

(3) Do solicitations requiring a legal sufficiency review prior to issuance receive the required review?

(4) Is adequate legal support for contracting provided in a timely manner?

C-3.2 Solicitation, Evaluation and Award:

a. Solicitation distribution, amendment, and cancellation.

(1) Are records kept of each solicitation issued, to include the distribution made and the date the solicitation was issued? FAR 14.204

(2) Are solicitation mailing lists established and maintained? FAR 14.205

(3) Is a listing of questionable or ineligible contractors available and checked before placing vendors on the solicitation mailing list?

b. Bid opening and proposal closing.

(1) Are offers received prior to opening kept secure in a locked bid box or safe? FAR 14.401

(2) Are RFP postponements limited to only justifiable situations? FAR 14.402-3

(3) Are procedures followed on the receipt and handling of proposals and quotations? FAR 15.411

(4) Are procedures followed on the disclosure and use of information contained in proposals? FAR 15.411

c. Responsiveness and certifications.

(1) Are only offers that comply in all material-respects with the solicitation considered for award? FAR 14.301(a)

(2) Are appropriate certifications and representation required by the solicitation provided by the offeror prior to award?

d. Mistakes and protest resolution.

(1) Are bids and proposals examined for mistakes? FAR 14.406-l and FAR 15.607(a)

(2) Are alleged mistakes after bid opening appropriately processed and revolved? FAR 14.406

(3) Do contracting officers consider, resolve, or forward, as appropriate all protests filed that is related to either their solicitations or procedures? FAR Subpart 33.1

(4) Is legal counsel consulted on all protest matters?

e. Technical evaluation.

(1) Are technical evaluations documented to ensure that minimal solicitation requirements are met? FAR 15.608(a)(2)

(2) Do contracting officers generally request a technical analysis of the proposals when cost or pricing data is required? FAR 15.805-4

(3) Do contracting officers obtain assistance from the traffic management office prior to awarding contracts where transportation factors are a consideration in the evaluation? FAR 47.301-l and 47.301-2

f. Pricing evaluation.

(1) Do files contain adequate documentation to support the use of price analysis, to include indicating which of the approved techniques were used to accomplish the analysis? FAR 15.805-2

(2) Do contracting officers obtain independent government estimates (IGE) when needed or appropriate?

(3) Is a properly executed Certificate of Current Cost or Pricing Data obtained when required? FAR 15.804-2 and 15.804-4

(4) Are price negotiation memorandums prepared and in the contract file for each price negotiation? FAR 15.808

g. Obtaining approvals and business clearances prior to award.

(1) Do the contract flies reflect the obtainment of appropriate award approvals and signature authorities?

(2) Are public announcements and the release of contract award information in compliance with regulatory requirements?

(3) Do contract files contain the necessary negotiation memorandum when required?

(4) Are procedures for the review and approval of negotiation memoranda established by the Head of the Contracting Activity (HCA)?

C-3.3 Contract Management:

a. Functional representatives/responsibilities and limitations.

(1) Are qualified individuals selected and appointed as contracting officer representatives (CORs) by a contracting officer?

(2) Do CORs written designations clearly indicate their authority and limitations?

(3) Are CORs, inspectors, functional managers, and others routinely involved in performing contract management functions regularly advised and trained regarding their role in contract management?

b. Post-Award orientation/pre-performance conference. Is consideration given to the need for a post-award orientation/pre-performance conference to foster a mutual understanding of the contractual agreement and the responsibilities assigned? FAR 42.502

c. Contract Modifications.

(1) Is legal counsel requested to make a legal sufficiency determination prior to effecting a modification?

(2) Is legal counsel requested to assist in clause preparation and a deviation approval when a clause other than a standard clause is to be incorporated into a modification?

(3) Are price negotiation memorandums prepared and in the contract file for each price negotiation? FAR 15.805-2

(4) Are change orders only issued for work within the scope of the contract?

d. Property Administration.

(1) Are contractors required to publish a property control system describing the procedures and techniques to be used in managing government property?

(2) Is regulatory guidance followed to determine contractor liability should government property become lost, damaged, destroyed, or unreasonably consumed? FAR 45.504
(3) Are there an adequate number of properly trained personnel to manage a property administration program?

e. Quality Assurance.

(1) Are nonconforming supplies or services offered to the government rejected except as provided in applicable regulations? FAR 46.407

(2) Is contractor performance on service contracts monitored according to established surveillance plans?

f. Damages and delinquency actions.

(1) Do contracting officers take timely action to alleviate or resolve delinquencies?

(2) Do contracting officers obtain legal counsel and technical advice prior to taking action when a default termination is being considered? FAR 49.402-3

(3) Do contracting officers act to mitigate damages when repurchasing against a defaulted contractor's account? FAR 49.402-6

(4) Do contracting officers assure that consideration is obtained by the Government for revising the delivery schedules or other contract terms?

g. Receiving reports, acceptance, final payment and contract completion?

(1) Are decisions to accept or reject supplies offered or services performed documented and distributed in a timely manner?

(2) Are there an adequate number of properly trained personnel on hand to perform inspection and acceptance functions?

(3) Are all contractual claims and obligations satisfied on physically completed contracts prior to contract close-out?

C-3.4 Special Acquisition Situations and Requirements:

a. Simplified acquisition purchase transactions.

(1) Are simplified acquisition purchase files reviewed to ensure that requirements are not split to avoid the use of a formal solicitation? FAR 13.103(b)

(2) Are the most suitable, efficient, and economical simplified acquisition methods used,
each requirement? given the circumstances of FAR 13.104(a)

b. Service Contract Requirements. Are surveillance plans developed to include both sampling guides and activity checklists needed to monitor the contractor services performed?

c. Acquisition Reports (contingency).

(1) Are DD Forms 350, Individual Contracting Action (Over $1,000,000), prepared in a timely manner, verified, and Report submitted for each applicable contractual action? DFARS Part 253 Forms

(2) Are DD Forms 1057, Monthly Contracting Summary of Actions ($25,000 or less), prepared in a timely manner, verified, and submitted?

(3) Is a separate DD Form 1057, Monthly Contracting Summary of Actions, $25,000 and $100,000 prepared a timely manner, verified, and submitted?

(4) Are DD Forms 1547, Record of Weighted Guidelines Application ($500,000 or more), prepared in a timely manner, verified and submitted? DFARS 215.970

APPENDIX D

GLOSSARY/DEFINITIONS

Acquisition - The overall process that uses contracting to deliver material and services needed to accomplish a mission. It is an integral part of the overall theater logistics plan and operational system which includes requirements generation and flow, contract/purchase, inspection, acceptance and user receipt of delivery.

Agency/Organization Program Coordinator (APC) - An individual designated by the Head of the Activity who shall have overall responsibility for the management, administration and day-to-day operations of the Governmentwide Commercial Purchase Card (GCPC) Program at the activity.

Appointment Documenation - Appointments for contracting officer, purchase agent, imprest fund cashier, contracting officer's representative (COR), and various other positions will be made using an appointment letter or a SF 1402, Certificate of Appointment as a Contracting Officer (Appendix A). The purpose of this documentation is to specify the responsibilities and limitations of the appointment.

Approving Official (AO) - An individual who has under his/her purview a number of cardholders. The approving official is responsible for, a minimum, reviewing his/her cardholders' monthly statements and verifying that all purchases were necessary for official Government purposes and made in accordance with applicable directives.

Billing Cycle Purchase Limit - The spending limit imposed on a cardholder's cumulative purchases and transactions in a given billing cycle.

Cardholder - Any individual designated by the Head of the Activity or Designee to be issued a card. The card bears the individual's name and may be used by him/her to purchase authorized supplies and services in accordance with this instruction, the GSA Contract Guide, the activity internal operating procedures, and the cardholder's delegation of authority.

Contingency - A situation involving the deployment of military forces in response to natural disasters, terrorist or subversive activities, collapse of law and order, political instability, or military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response and special procedures to ensure the safety and readiness of personnel, installations and equipment.

Contingency Contracting - The acquisition supplies and services needed to sustain essential missions in response to a crisis or actual declaration of war. It includes emergency contracting in

continental United States (CONUS) or outside continental United States (OCONUS) for those actions necessary for the mobilization, deployment and redeployment of units.

Contract - A mutually binding legal agreement between two or more persons, enforceable by law.

Contracting - The FAR defines contracting as purchasing, renting, leasing or otherwise obtaining supplies or services from non-federal sources. Contracting functions include preparation of descriptions (but not determinations) of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. It does not include making grants or cooperative agreements.

Contracting Officer - An official with the authority to enter into, administer and/or terminate contracts. A contracting officer is appointed in writing through a warrant (SF 1402) by the Head of the Contracting Activity (HCA) or designee.

Contracting Officer Representative (COR) - An individual nominated by the requiring activity and appointed by the contracting officer, to act as a representative of the contracting officer. Responsibilities are specifically assigned to the COR in conjunction with the limitations of authority.

Contractor - A corporation, firm, partnership, or individual who provides a service or supply through a contract.

Defense Federal Acquisition Regulation Supplement - A DOD supplement to the FAR establishing uniform policies and procedures applicable to all Defense Agencies.

Designated Billing Office - The office and point of contact designated in the activity internal operating procedures to receive the official invoice and, in some instances, make payments against the official invoice.

Disbursing Officer - An individual responsible for the disbursement and accountability of funds. The officer works for the finance and accounting officer.

Disputes Office - The office and point of contact designated in the internal operating procedures that shall assist the activity and the bank in tracking and resolving disputed purchases.

Financial Summary Report - The official invoice sent to the designated billing office. This monthly invoice will include a summary of all purchase card transactions against all cardholder accounts held by the activity.

Funds Certification Officer - Individual within the requiring organization responsible for the verification of the availability of funds by each account/agency.

Federal Acquisition Regulation - A statutory directive establishing uniform policies and procedures for acquisition by DOD and most other government agencies.

Functional Activities - Those installation level activities outside the contracting office such as Directorate of Logistics (DOL), Directorate of Personnel and Community Affairs (DPCA) and Directorate of Public Works (DPW).

Functional Representative - A metier of a functional activity who is tasked to monitor or inspect contractor performance on a specific contract. The person may be a COR, COTR, or other specialist.

Head of Contracting Agency - The official in command of one of the contracting activities listed in DFARS 2.101(a). This official appoints contracting officers at subordinate installations. Contracting officers are responsible to the HCA for ensuring statutory and regulatory compliance in the performance of their acquisition duties.

Head of the Activity (HA) - For purposes of this chapter, the Head of the Activity is the military officer in command or the civilian executive in charge of the mission of a DON command or activity, which has been granted contracting authority by the cognizant HCA and who has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

Host Nation Support (HNS) - Agreements normally negotiated through the U.S. State Department to provide HNS for deployed forces. Support items under these agreements may include billeting, food, water, fuel, transportation, and utilities.

Imprest Fund - A cash fund established by an advance of funds without charge against an appropriation, from a finance or disbursing officer to a duly appointed cashier. The fund will be used for payments in cash for small purchases.

Imprest Fund Cashier - Individual appointed to disburse funds from their imprest fund. The cashier is directly accountable to the finance and accounting officer for the accuracy of payments.

Merchant Type Code - A commercial unique code assigned by the bank which categorizes each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided.

Navy Acquisition Procedures Supplement - The Navy supplement to the FAR and DFARS, which implements departmental acquisition procedures and instructions.

Purchasing Agent - An official with the authority to enter into and/or terminate contracts usually in the form of purchase orders at or below the simplified acquisition threshold using simplified

acquisition procedures. Like a contracting officer, a purchasing agent is appointed in writing through a warrant (SF 1402) by the Head of the Contracting Activity (HCA) or his/her designee.

Simplified Acquisition Threshold - The mandatory threshold for exercising contracts under the authority of PAR Part 13. The SAT is $100,000. The SAT for contracts locally awarded outside of the United States in direct support of a declared contingency operation is $200,000. (See part 2-2[f]).

Single Purchase Limit - The dollar limitation assigned to each cardholder for a single purchase.

Transaction Type - The transaction type is the method in which an order is placed with the purchase card. Purchase card buys may be made over-the-counter or by telephone.

APPENDIX E

REQUEST FOR CONTRACTUAL REQUIREMENT

NAVCOMPT FORM 2276

1. THIS ORDER MUST BE ACCEPTED ON A REIMBURSABLE BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE.	2. DOCUMENT NUMBER

3. REFERENCE NUMBER	4. FUNDS EXPIRE ON	5. DMS RATING	6. PRIORITY	7. DATE REQUIREDD	8. AMENDMENT NO.

9. FROM:	10. FOR DETAILS CONTACT:
11: TO: UIC	12. MAIL INVOICES TO:

13. ACCOUNTING DATA TO BE CITED ON RESULTING BILLINGS

A. ACRN	B. APPROPRIA-TION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT

14. AMOUNTS WILL NOT BE EXCEEDED IN THE OBLIGATION DOCUMENT WITHOUT PRIOR WRITTEN APPROVAL FROM THE ISSUER.	L. TOTAL THIS DOCUMENT	
	M. CUMULATIVE TOTAL	

15.

PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED
THESE ITEMS ☐ ARE ☐ ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY PROGRAM AND
REQUIRED INTERSERVICE SCREENING ☐ HAS ☐ HAS NOT BEEN ACCOMPLISHED

A. ACRN	B. ITEM NO.	C. FSC	D. DESCRIPTION (NAT.STOCKNO.,SPEC. AND/OR DRAWING NO., ETC.)	E. QUANTITY	F. UNIT	G.ESTIMATED UNIT PRICE	H. ESTIMATED AMOUNT

16. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.	I. GRAND TOTAL

17. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's plant)

18.. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR THE WORK OR SERVICES REQUESTED.	AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE)	DATE
19. THIS ORDER IS ACCEPTED AND THE WORK OR SERVICES WILL BE PROVIDED IN ACCORDANCE HEREWITH.	ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE)	DATE

CONDITIONS/INSTRUCTIONS GOVERNING USE OF THIS FORM AND THE ACCEPTANCE OF THIS REQUEST

CONDITIONS/INSTRUCTIONS GOVERNING USE OF THIS FORM:

This form will only be used for requesting contractual procurement or local purchase of material or services.. This form will not be used for requesting work and/or services or for requisitioning material from existing Govern- ment stocks.

Note: Requests for work and/or services will be accomplished through the use of Order for Work and Services, NAVCOMPT FORM 2275 (2-81).

Request for standard and/or non-standard stock available within the U.S. Government will be accomplished through the use of DOD Single Line Item Requisition System Documents (DD Form 1348 and/or 1348-6, as appropriate).

CONDITIONS/INSTRUCTIONS GOVERNING THE ACCEPTANCE OF THIS REQUEST:

1. Written acceptance of this request is required and will be accomplished by completing Block 19 on one copy of this request and returning it to the requesting activity cited in Block 9. Acceptance must be on a direct citation basis only.

2. Amounts authorized by this document have been reserved and/or committed by the requesting activity and will be obligated upon receipt of contracts or purchase or delivery orders awarded.

3. Amounts authorized by this document may not be exceeded. Additional funds, if required, will be requested from the activity cited in Block 9. Approval of such requests will be accomplished by the requesting activity through the issuance of an amendment to this document, appropriately reflecting the amount of additional funds being provided. The grand total cited in Block M constitutes a 3679, R.S. limitation when the purchasing office or contracting activity is a separate entity not under the immediate supervision of the commanding officer issuing the requrest.

4. Resulting obligation documents must be executed by the activity cited in Block 11 by the date indicated in Block 4. Such documents must include the document number cited in Block 2.

5. A complete copy of each executed obligation document resulting from this request must be forwarded to the activity cited in Block 9.

Designed using PerFORM PRO, HQMC/ARAE, Mar 95

ORDER FOR WORK AND SERVICE/DIRECT CITATION

1. THIS ORDER MUST BE ACCEPTED ON A REIMBURSABLE BASIS AND/OR DIRECT CITATION AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE. (Check Applicable box(es)) ☐ WR ☐ PO ☐ DIRECT CITATION

2. DOCUMENT NUMBER

3. REFERENCE NUMBER	4. FUNDS EXPIRE ON	5. WORK COMPLETION DATE	6. DATE PREPARED	7. AMENDMENT NO.

8. FROM

9. FOR DETAILS CONTACT:

10. TO

UIC

11. MAIL BILLINGS TO:

12. ACCOUNTING DATA TO BE CITED ON RESULTING BILLINGS

A. ACRN	B. APPROPRIATION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT

L.	TOTAL THIS DOCUMENT	
M.	CUMULATIVE TOTAL	

13. ORDER SELECTION

13A. THIS ORDER IS ISSUED AS A ☐ PROJECT ORDER ☐ AN ECONOMY ACT ORDER AND IS TO BE ACCOMPLISHED ON A ☐ FIXED PRICE OR ☐ COST REIMBURSEMENT BASIS. WHEN THE FIRST BLOCK IS CHECKED, THE FOLLOWING ITEMS ON THE REVERSE SIDE APPLY: _____

13B. ☐ DIRECT CITATION PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED: THESE ITEMS ☐ ARE ☐ ARE NOT - INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING ☐ HAS ☐ HAS NOT BEEN ACCOMPLISHED

13C. USE OF THE REVISED ACCEPTANCE PROCEDURE ☐ IS ☐ IS NOT AUTHORIZED.

14. DESCRIPTION OF WORK TO BE PERFORMED AND OTHER INSTRUCTIONS

A. ACRN	B.ITEM NO.	C. QUANTITY	(Attach separate sheet - if more space is required)	D. ESTIMATED AMOUNT

15. PROVIDED THRU REIMBURSEMENT			16. PROCURED BY DIRECT CITATION			17. SUMMARY	ESTIMATED AMOUNT
A. ACRN	B.ITEM NO.	C. ESTIMATED AMOUNT	A. ACRN	B.ITEM NO.	C. ESTIMATED AMOUNT	A. TOTAL-BLOCK 14D =	
						B. TOTAL-BLOCK 15C =	
						C. TOTAL-BLOCK 16C =	
						D. BLOCK 15C + 16C	
						CUM. TOTAL TO DATE: E. REIMBURSABLE	
						CUM. TOTAL TO DATE: F. DIRECT CITATION	

18. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR ITEMS REQUESTED.	AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE)	DATE
19. THIS REQUEST IS ACCEPTED AND THE ITEMS WILL BE PROVIDED IN ACCORDANCE HEREWITH.	ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE)	DATE

CONDITIONS/INSTRUCTIONS GOVERNING USE OF THIS FORM

This form will only be used for requesting work and/or services, contractural procurement or local purchase of material or services. This form will not be used for requisitioning material from existing Government stocks. The purchase/porcurement, or requisitioning from stock, of material incident to the performance of this order, however, is permissible. (Note: Requests for standard and/or non-standard stock available within the U.S. Government will be accomplished through the use of DOD Single Line Item Requisition System Documents (DD Form 1348 and/or 1348-6, as appropriate).

SUPPLEMENTARY ITEMS:

1. Written acceptance of this order is required and will be accomplished by completing Block 19 on one copy of this order and returning it to the requiring activity cited in Block 8. Acceptance must be on a reimbursable basis and/or direct citation only.

2. Amounts authorized by this document have been reserved and/or committed by the requiring activity. Those amounts identified in Block 15 will be obligated upon receipt of the acceptance copy of this document, and those amounts identified in Block 16 will be obligated upon receipt of contracts or purchase or delivery orders awarded.

3. Amounts authorized in Block 15 are not subject to 31 USC 1517, unless specifically indicated on the face of the document. Additional funds, if required, will be requested from the activity cited in Block 8. Approval of such requests will be accomplished by the requiring activity through the issuance of an amendment to this document, appropriately reflecting the amount of additional funds being provided. The total of Block 17F constitutes a 31 USC 1517 limitation when the purchasing office or contracting activity is a separate entity not under the immediate supervision of the commanding officer issuing the request.

4. The funds authorized by the document are available for obligation by the performing activity cited in Block 10 through the dates indicated in Block 4 or 5, as appropriate. Funds not actually obligated by the performing activity by that date will be returned to the requesting activity via Status of Reimbursable Orders or similar acceptable form.

5. Extension of the work completion date cited in Block 5 of this order, if required, must be requested in writing and is subject to the approval of the requiring activity cited in Block 8. Approval of such requests will be accomplished by the requesting activity through the issuance of an amendment to this document citing the work completion date.

6. Those items identified in Block 15 as a Project Order, as indicated in Block 13A, are placed in accordance with 41 USC 23 and DOD Directive 7220.1 (Regulations Governing the Use of Project Orders). Performance of the work and/or services requested must be accomplished in accordance with these same statutes and regulations.

7. Billings will normally be submitted by the performing activity on a monthly basis unless specifically stated in Block 14.

8. Those items identified in Block 15 are placed pursuant to the Economy Act (31 U.S.C. 1535) and will be performed in accordance therewith.

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points. such as systems command must be requested through the issuance of a NAVCOMPT Form 2276. All such NAVCOMPT Forms 2276 will be assigned a 15-digit standard document number in accordance with paragraph 035452-2.

035422 PREPARATION

1. GENERAL. The Request for Contractual Procurement (NAVCOMPT Form 2276) will be prepared by the organizational component funding the contractual procurement or by such other component designated by the commanding officer of the funding activity. The official responsible thereto will approve each request and each amendment for the funds cited thereon. Except for Block 19 (Accepting Official), the funding activity will complete all blocks on the NAVCOMPT Form 2276, inserting the information required thereon. However, the detailed description of each item of supplies, material, equipment, or services required to be inserted in Block 15 may be accomplished by an organizational component or activity other than the funding activity.

2. PREPARATION. The NAVCOMPT Form 2276 will be prepared as follows:

Block No.	Title and Description/Explanations
1	Emphasizes requirements that the document must be accepted and accomplished on a direct citation of funds basis and that the request is subject to the conditions listed on the back of the form.
2	Document Number - The document number assigned in accordance with NAVCOMPTINST 7300.99C. This is the document number under which the funds cited in Block 13 are to be recorded prior to the award of the contract/order; i.e., the document number under which the funds are to be recorded as an initiation, commitment or consignment. The funds cited in Block 13, however, MUST be obligated under the Procurement Instrument Identification Number (PIIN) (contract/order number) upon receipt of the executed (signed) copy of the related contract/order. Document type code RC will be used in constructing the document number. It should be noted that the NAVCOMPT Form 2276 MUST be referenced in all resulting contracts/orders.
3	Reference Number - Before an organization or activity can issue a NAVCOMPT Form 2276, it must be in receipt of some form of authorization of funds, such as an operating budget, allotment, Project Directive, Advice of Project Funds, or in the case of performing work or services for others, a reimbursable order. It is the document number assigned to such authorizations of funds that is to be entered in this block. In the case of Marine Corps activities, the Marine Corps Headquarters Commitment Authority Number, in addition to the allotment number, will be entered in this block, when applicable.

4 Funds Expire On - The date that the funds cited in Block 13 expires for obligation purposes. It should be noted that contracts resulting from NAVCOMPT Forms 2276 MUST be fully executed (signed) by both the contractor and the Government contracting officer on or before the date appearing in this block.

★5 DPAS Rating - The appropriate Defense Priorities and Allocations System DO or DX rating will be assigned and entered in this block by the requesting activity cited in Block 9. DPAS ratings will be assigned in accordance with NAVSUP Instruction 4330.11 of 23 July 1986.

6 Priority – The appropriate priority designator will be assigned and entered in this block by the requesting activity cited in Block 9. Priority designators will be assigned in accordance with the Uniform Material Movement and Issue Priority System (UMMIPS) (OPNAVINST 4614.1E).

7 Date Required – Enter the date that the items or services being requested in Block is are required. This date should be realistic. If a term type service contract is being requested, vice a contract/order for a deliverable item, the requested term of the contact must be identified.

8 Amendment No. – A sequential number commencing with "001", assigned by the funding activity to uniquely identify each amendment to the original (basic) document. The word "BASIC" will be entered in this block in the case of the initial issuance of the form.

9 From – The name and address of the activity or organization funding the procurement. (See special in subparagraph3)

10 For Details Contact – The name, code and telephone number of the individual to be contacted in the event the contracting (performing) activity has any questions concerning the item(s) or services to be procured. It should be noted that the individual named in this block may be from an activity or organization other than the funding activity cited in Block 9. (See special instructions in subparagraph 3)

11 To - The Unit Identification Code (UIC), name and address of the activity of organization that will actually be awarding the contract/order, even though the NAVCOMPT Form 2276 may be forwarded to some other organization or activity by the originator of the form for the completion of Block 15.

12 Mail Invoices To - The name and address of the organization or activity to whom the vendor's invoices are to be mailed.

Block No.	Title and Description/Explanations
13	Accounting Data To Be Cited On Resulting Contracts - The accounting data to be cited in the contract(s)/order(s) awarded by the contracting activity. The ACRNs cited in Block 13A will be used, in conjunction with the document number cited in Block 2, for recording initiations, commitments or consignments. The ACRNs appearing in the resulting contracts(s), however, will be used, in conjunction with the PIIN (contract) number, for obligation recording purposes. ACRNs wil1 be assigned in accordance with NAVCOMPTINST 7300.99C. Block 13L represents the total amount of funds authorized for that particular document or amendment. Block 13M represents the cumulative total amount of funds authorized, including ah previous amendments, as of the date of that particular document/amendment. In the case of a "basic" document, the amounts appearing in Blocks 13L and 13M will be identical.
14	Emphasizes that the amounts authorized on the NAVCOMPT Form 2276 may not be exceeded in resulting contracts/orders without prior written approval from the requesting activity circled in Block 9. Item number 3 under the "conditions/instructions" section on the back of the NAVCOMPT Form 2276 applies.
15	Procurement By Contract Of The Following Items Is Requested – Enter a specific, definite, and complete description of each item of supplies, material, equipment, or services required. When appropriate, each item described will be identified to its respective line of accounting date through the use of Accounting Classification Reference Numbers (ACRNs). The need for an accurate and comprehensive description of the items or services being requested in this block cannot be overstressed. All appropriate and applicable columns under this block should be completed. Block 151 should reflect the total estimated costs of the items listed under Block 15, for that particular document/amendment, and should be the same as the amount entered in Block 13L.
16	Advises that attached pages should be consulted for delivery schedules, preservation and packing instructions, shipping instructions and instructions concerning the distribution of the resulting contract(s) and related documents. All such attachments must be identified with the document number entered in Block 2 and assigned appropriate page numbers. The total number of pages involved in the request should be entered in the space provided in the upper right corner of the NAVCOMPT Form 2276.
17	Transportation Allotment - Enter allotment or other accounting data to be charged for transportation charges when applicable.

Block No.	Title and Description/Explanations
18	Authorizing Official - The name, title, and signature of the individual of the requesting activity authorized to issue the document. The date the authorizing official actually signed the document must also be included. This date is the basis for determining the accounting month under which the commitment or consignment is to recorded.
19	Accepting Official - The name, title, and signature of the individual in the contracting activity authorized to accept such requests. The date the accepting official actually signed the document must also be included. (see acceptance instructions in subparagraph 5)

3. SPECIAL INSTRUCTIONS. NAVCOMPT Form 2276 will be used by headquarters activities and parent commands to request contractual procurement on behalf of their field activities for which they have retained control of the funds authorized to pay for such procurement. Accordingly, the following special procedures apply:

1. the NAVCOMPT Form 2276 will be prepared by the funding command/activity in accordance with the preceding paragraph except that the point of contact to be named in Block 10 must be an employee of the field activity. In addition, the words “Funding activity only” will be entered parenthetically in Block 9 immediately following the name of the funding activity: and the words “Requiring activity” will be entered parenthetically in Block 10 immediately following the name of the point of contact. The completed NAVCOMPT Form 2276 will be submitted to the procuring activity via the requiring field activity;

2. when the procuring activity is a Navy stock point, such as a naval supply center or a naval air nation, a separate and distinct 10 digit MILSTRIP/MILSTRAP requisition number, as prescribed by NAVSUP Publication P-437, must be assigned to each separately deliverable item of material or equipment indicated in Block 15D of the NAVCOMPT Form 2276. These MILSTRIP requisition numbers will be assigned by the field activity cited in Block 10 and entered in Block 15D immediately following each item of material or equipment to be procured. This action is required to provide the capability to the stock point to split actions between procurement, issue from stock or referral into the DOD supply systems for individual items listed:

3. any questions the contracting activity may have concerning the items to be procured or concerning funding matters will be directed to the individual (activity) cited in Block 1O of the NAVCOMPT Form 2276. The requiring field activity will coordinate all funding matters with the parent command/activity.

4. DISTRIBUTION. After the Authorizing of official has signed the NAVCOMPT Form 2276, it will be distributed as follows:

   1. the original and 5 copies to the contracting activity in Block 11,
   2. one copy to the fiscal office recording the NAVCOMPT Form 2276 on the official accounting records of the funding activity,
   3. one copy to the office responsible for the funds cited in Block 13.

After acceptance by the contracting activity (see paragraph 5), 1 copy of the NAVCOMPT Form 2276 indicating acceptance will be returned to the funding activity. The original and

remaining 4 copies will be retained and utilized by the contracting activity as necessary. One of the remaining 4 copies, however will be used by the contracting activity when final contractual action has been completed. This will be accomplished by marking a copy of the NAVCOMPT Form 2276 “Final” and annotating the form with the difference between the estimated and the actual cost of the contract(s) issued and forwarding the copy to the funding activity. The difference between the estimated and the actual cost of the contract(s) automatically reverts to the funding activity. Such notification is not required for NAVCOMPT Forms 2276 resulting in the issuance of Basic Purchasing Agreements (BPA’s) or payments from imprest funds.

★5. ACCEPTANCE. Acknowledge acceptance of the NAVCOMPT Form 2276 by Department of the Navy contracting/purchasing activities is required for all NAVCOMPT Form 2276s. Acknowledgment of acceptance of Military Interdepartmental Purchase Request (MIPRs) issued to contracting/purchasing organizations of other Military Departments, Defense agencies, or other Government agencies, should be requested on DD Form 448-2a.

035423 RESPONSIBILITIES

1. GENERAL. When properly prepared, the Request for Contractual Procurement (NAVCOMPT Form 2276) received by a contracting activity is the authority for that activity to contract for the material, equipment, or services requested thereon within the amount specified.

2. RESPONSIBILITIES OF THE REQUESTING/FUNDING ACTIVITY. The activity requesting/funding the contractual procurement is responsible for:

1. ensuring that the items or services being requested are properly and adequately described under Block 15D of the NAVCOMPT Form 2276;
2. ensuring the propriety of the funds cited in Block 13;
3. ensuring that adequate funds are available and properly reserved to cover the cost of the items or services being requested;
4. ensuring that Block 11 of the form contains the name and address of the activity other than the activity requesting/funding the procurement complete Block 15; and
5. including any other restrictive statements on the RCP deemed appropriate.

3. RESPONSIBILITIES OF THE CONTRACTING ACTIVITY. The activity accepting and fulfilling the requirements of an RCP is responsible for:

1. ensuring that the funds authorized on the form including additional amounts which may be authorized by local agreements between the requestor and the contracting activity, are adequate to cover the total cost involved; i.e., that the funds authorized are sufficient enough to cover not only the cost of the material being requested but also to cover any transportation or accessorial charges involved;
2. ensuring that each fund citation authorized on the RCP is not exceeded;
3. notifying the requesting/funding activity by telephone or naval message upon receipt of the first evidence that the funds authorized in an RCP are insufficient. The requesting/funding activity will be given the option of either amending the order to provide adequate funds or to reduce or cancel the items of services requested;
4. ensuring that any restrictive statements contained on the RCP are diligently followed;
5. ensuring that all resulting contracts are fully executed (signed) prior to the expiration date of the funds, as cited in Block 4 of the RCP. (NOTE: the execution of a contract subsequent to the funds expiration date is improper and could lead to a violation of 31 U.S.C. 1517):

6. ensuring that confirmed copies of the resulting contracts/orders are promptly sent to both the requesting/funding activity and their authorization accounting activity (AAA);
7. ensuring that the related RCP document number cited in Block 2 and any MILSTRIP/MILSTRAP document numbers cited in Block 15D are referenced in each resulting contract/order issued; and
8. ensuring compliance with the following procedures:

(a) the NAVCOMPT Form 2276 will not be taken up in the accounting records of the contracting (performing) activity; i.e., RCP's will not be treated as reimbursable orders not as authorizations of funds requiring allotment or operating budget accounting procedures. RCP's will always be accepted and processed on a direct citation of funds basis:
(b) in the event a contacting activity receiving a NAVCOMPT Form 2276, for any reason, cannot perform and must pass the request to another contracting activity for accomplishment, the passing of the RCP to that activity will be done by written endorsement. A copy of that endorsement will be provided to both the requesting/funding activity and their AAA; and
(c) the contracting activity will notify the requesting/funding activity at least 60 days in advance of the funds expiration date cited on the RCP of amounts for which contracts/orders will not be executed by the expiration date. Such amounts will no longer be available to the contracting activity and will be withdrawn from the recipient through issuance of an amendment to the NAVCOMPT Form 2276 to ensure proper recording on the accounting records of the requesting activity. If the need for the items of services originally requested exist subsequent to the funds expiration date, the requesting/funding activity must issue a new RCP citing current funds.

(For example, the holder of the authorization of funds (allotment of operating budget holder) funding the purchase of goods or services bears the responsibility of adjusting funds obligated for the purchase to cover exchange rate fluctuations where funds are not subject to Foreign Currency Fluctuation, Defense (FCF,D) or Foreign Currency Fluctuation, Construction, Defense (FCF,C,D).)

4. APPLICATION OF TITLE 31 U.S.C., SECTION 1517. The grand total amount cited in Block 13M of a NAVCOMPT Form 2276, and/or the latest amendment thereto, constitutes a limitation that is not to be exceeded. Such amounts constitute a 31 U.S.C. 1517 limitation whenever the purchasing office or contracting activity is a separate entity not under the immediate supervision of the commanding officer of the activity funding the request.

035424 ACCOUNTING

Since the NAVCOMPT Form 2276 must be processed on a direct citation of funds basis, the only accounting required will be accomplished by the fiscal office for the funding activity in accordance with the following:

1. a commitment or firm reservation, with a corresponding reduction in available balances will be recorded upon issuance of NAVCOMPT Form 2276, except in the case of NAVCOMPT Form 2276 citing O&M or Navy Industrial Funds (NIF). NAVCOMPT Forms 2276 citing O&M funds will be processed/recorded in accordance with NAVSO P-3006 or P-3013, as appropriate.

NAVCOMPT Forms 2276 and resulting contracts/purchase orders citing NIF funds will be processed/recorded in accordance with Volume 5 of this Manual.

2. NAVCOMPT Forms 2276 will always be recorded under the 15-digit Navy standard document number appearing Block 2;
3. obligations/undelivered orders will be recorded, with corresponding reductions in related outstanding commitments/consignments, upon receipt of confirmed copies of the resulting contracts/purchase orders.

Section V: WORK AND SERVICES FOR SHORE ACTIVITIES AND SHIPS AND REQUESTS FOR CONTRACTUAL PROCUREMENT

Subsection 1: REIMBURSABLE ORDERS

035400 INTRODUCTION AND SCOPE
The politics and instructions in this Subsection apply to the issuance, acceptance, and performance of reimbursable orders issued between components of the Department of the Navy and between Department of the Navy components and components of other military departments, defense agencies, and other Government departments, bureaus or agencies. The policies and instructions in this Subsection supersede ah existing policies and instructions applicable to the issuance, acceptance, and performance of Project Orders (NAVCOMPT Form 2053), Work Requests (NAVCOMPT Form 140), Funded Reimbursable Work Estimates (NAVCOMPT Form 2044), and Orders for Work (NAVCOMPT Form 2043) since these forms have been replaced by a single form, Order for Work and Services (NAVCOMPT Form 2275).

035401 DEFINITIONS

1. REIMBURSABLE ORDER. A reimbursable order is any written agreement between components of the Federal Government requiring the performance of work or services by one component and the ultimate payment thereof by the other component.

2. WORK. As used herein, work refers to efforts resulting in the supply of an end product. For instance work consists of labor, material, and overhead (when applicable) which results in the repair, maintenance, or overhaul of ships, aircraft, other weapons systems, equipment, material, or research and development that results in a product such as a report. Work can also result in the production of material or items for stock or for immediate use in connection with other ongoing efforts or projects. Work may also include indirect costs in the case of work performed by process shops.

3. SERVICES. Services are those that call directly for the time and effort of a performing activity, Services, therefore, consist of labor, material, and overhead (when applicable) which result in either tangible or intangible benefits to the requesting component other than the repair, maintenance, or overhaul of weapons systems, equipment, or material or the production of material. Examples of services are lawn mowing, snow removal, computer services, providing essential feeding services, providing utilities, transportation (including port handling), guard services, fire-fighting services, the performance of travel, or research calling only for the time and effort of a performing activity where there is no end product to be provided; i.e., either a written report is not required, or any required written report is merely incidental to the research.

4. PROJECT ORDER REGULATIONS. The term “Project Order Regulations” is the approved short title for the Regulations Governing the Use of Project Orders within the Department of Defense described in paragraph 035402-2.

5. PROJECT ORDER. A project order is a specific, definite, and certain order issued under the authority contained in Title 41 U.S. Code 23 for the production of material or for the repair, maintenance or overhaul of weapons systems, equipment or material or for other work or services (see paragraph 035405) which, when placed with and accepted by a separately managed and financed Government-owned and operated establishment, serves to obligate appropriations and funds in the same manner as contracts or orders placed with commercial enterprises. Any order that is issued for any of the purposes set forth in paragraph 035405, which conforms to the requirements of paragraphs 035407 and 035408, which is placed with a Government-owned and operated establishment, will be rather than the delivery of a concrete end product.

6. REIMBURSABLE ECONOMY ACT ORDER. A reimbursable Economy Act order is an order issued under the authority contained in Title 31 U.S. Code 1535

for work or services which, when placed with and accepted by a separately managed and financed Government-owned and operated establishment, serves to obligate appropriations and funds similar to a project order but does not meet the requirements of paragraph 035407. Any order for work or services which does not conform with the requirements of paragraph 035407 and which is placed with a Government owned and operated establishment for the purposes set forth in paragraph 035409 will be deemed to be a reimbursable Economy Act orders.

7. INTRADEPARTMENTAL REIMBURSABLE ORDER. The term “intradepartmental reimbursable order” when used in these instructions means a reimbursable order issued and accepted by components of the same military department or defense agency; e.g., a reimbursable order issued and accepted within the Department of the Navy.

8. INTERDEPARTMENTAL REIMBURSABLE ORDER. The term “interdepartmental reimbursable order” when used in these instructions means a reimbursable order issued by a component of one military department or defense agency to a component of another military department or defense agency.

9. INTERAGENCY REIMBURSABLE ORDER. The term “interagency reimbursable order” when used in these instructions means a reimbursable order issued by a component of the Department of the Navy to a Government-owned and operated establishment or organization outside the Department of Defense and vice versa.

10. COMPONENT. A component, as regards the Department of the Navy, is any office, bureau, command, Headquarters U.S. Marine Corps, inventory control point, fleet or type commander, morale, welfare and recreation activity or other activity having the authority to issue and/or accept reimbursable orders under paragraph 035404 or to issue and/or accept/fulfill requests for contractual procurement under paragraph 035450. Outside the Department of the Navy, a component is any executive department, independent establishment of the Government, or any bureau, office or other organizational entity thereof, authorized to issue and/or accept/fulfill orders for work or services or requests for contractual procurement.

11. CROSS-DISBURSING. “Cross-disbursing” is defined as a paying service performed by disbursing officers of one military department or defense agency affecting the funds of another department or agency of the Department of Defense.

12. GOVERNMENT-OWNED AND OPERATED ESTABLISHMENT. A Government-owned and operated establishment, as used in these instructions, is any shipyard, ordnance plant, or other production or processing plant or shop, equipment maintenance or overhaul shop, research and development laboratory or testing facility, or proving ground, or morale, welfare and recreation activity, or any other type of establishment which is owned and operated by the U.S. Government, without regard to the manner in which the establishment is financed. All Government owned and operated establishments are referred to in these instructions as “performing activities.”

13. OTHER TERMS. Terms such as “contractual relationships,” “commercial contracts,” “defaulting contractors,” and “commercial contracting” when used in these instructions are intended to indicate the close relation between project orders and commercial contracts in the particular circumstances involved. T he use of these and similar terms should not bc construed as requiring project orders to be subject to the provisions of the Defense Acquisition Regulations (DAR) nor as imposing upon the parties to a project order agreement responsibilities (legal or otherwise) not prescribed by these instructions.

14. CONTRACTUAL PROCUREMENT. Contractual procurement is the acquisition of weapons systems, equipment, material, or services through contracts or orders placed with commercial enterprises by the Navy, other Department of Defense, or other Government contracting offices or agencies.

APPENDIX F

MILITARY INTERDEPARTMENTAL PURCHASE REQUEST (MIPR) DD FORM 448

F-l. Issuance of MIPR. The preparation and use of DD Form 448 is substantially self-explanatory. Information provided in the MIPRs shall be arranged in the uniform contract format to the extent feasible. The preparation and issuance of the MIPR will be accomplished by the activity's Office of the Comptroller.

F-2. Acceptance of MIPR.

a. As soon as practicable after receipt of a MIPR, the requiring activity shall formally accept the MIPR by issuing a DD Form 448-2, "Acceptance of MIPR." Entries will be typed or printed with ball-point pen. Section (1) through (17) below correspond with the numbered blocks on the form and are provided as instructions on how to complete the DD Form 448-2.

(1) Enter address of requiring activity.

(2) Enter MIPR number.

(3) Enter amendment number if this is an amendment.

(4) Enter date MIPR was signed.

(5) Enter dollar amount from MIPR.

(6) Indicate how items will be provided.

(7) Check this box if any one of the MIPR line items is not accepted.

(8) List item numbers, quantities, prices, and total estimated prices for items provided through reimbursement.

(9) List item numbers, quantities, prices and total estimated prices for items purchased by direct citation of funds.

(10) Whenever information is placed in Block 9 for items purchased by direct citation of funds, award date is to be entered the approximate contract award date is to be entered.

(11) Enter the total amount of funds required by the procuring department to fund the MIPR items, as accepted.

(12) If the amount in Item 5 is not in agreement with the amount in Item 11, then Item 12 needs to be completed indicating overfunding or underfunding.

(13) If the MIPR line item was not accepted as indicated in Item 7, indicate the line item number and the reason. Also, if any additional funds are required, give justification by MIPR line item.

(14) Enter address of accepting activity.

(15) Enter name and title of accepting activity official.

(16) Official signature.

(17) Enter date signed.

b. The requester will be furnished four copies (one signed) of the DD Form 448-2. Additionally, each time the MIPR is

amended to adjust funding or the delivery schedule, another DD Form 448-2 shall be executed.

F-3. Notification of Inability to Obligate. On 1 August of each fiscal year, activity of any MIPRs on hand citing expiring appropriations on which they will be unable to obligate the funds prior to the funds prior to the funds expiration date.

MILITARY INTERDEPARTMENTAL PURCHASE REQUEST

1. PAGE 1 OF PAGES

2. FSC	3. CONTROL SYMBOL NO.	4. DATE PREPARED	5. MIPR NUMBER	6. AMEND NO.

7. TO:

8. FROM: (Agency, name, telephone number of originator)

9. ITEMS ☐ ARE ☐ ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING
☐ HAS ☐ HAS NOT BEEN ACCOMPLISHED.

ITEM NO. a	DESCRIPTION (Federal stock number, nomenclature, specification and/or drawing No., etc.) b	QUANTITY c	UNIT d	ESTIMATED UNIT PRICE e	ESTIMATED TOTAL PRICE f

10. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.

11. GRAND TOTAL

12. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's plant)

13. MAIL INVOICES TO (Payment will be made by)

PAY OFFICE DODAAD

14. FUNDS FOR PROCUREMENT ARE PROPERLY CHARGEABLE TO THE ALLOTMENTS SET FORTH BELOW, THE AVAILABLE BALANCES OF WHICH ARE SUFFICIENT TO COVER THE ESTIMATED TOTAL PRICE.

ACRN	APPROPRIATION	LIMIT/ SUBHEAD	SUPPLEMENTAL ACCOUNTING CLASSIFICATION	ACCTG STA DODAAD	AMOUNT

15. AUTHORIZING OFFICER (Type name and title)	16. SIGNATURE	17. DATE

ACCEPTANCE OF MIPR

1. TO (Requiring Activity Address)(Include ZIP Code)	2. MIPR NUMBER	3. AMENDMENT NO.
	4. DATE (MIPR Signature Date)	5. AMOUNT (As Listed on the MIPR)

6. The MIPR identified above is accepted and the items requested will be provided as follows: (Check as Applicable)

a. ☐ ALL ITEMS WILL BE PROVIDED THROUGH REIMBURSEMENT (Category I)

b. ☐ ALL ITEMS WILL BE PROCURED BY THE DIRECT CITATION OF FUNDS (Category II)

c. ☐ ITEMS WILL BE PROVIDED BY BOTH CATEGORY I AND CATEGORY II AS INDICATED BELOW

d. ☐ THIS ACCEPTANCE, FOR CATEGORY I ITEMS, IS QUALIFIED BECAUSE OF ANTICIPATED CONTINGENCIES AS TO FINAL PRICE. CHANGES IN THIS ACCEPTANCE FIGURE WILL BE FURNISHED PERIODICALLY UPON DETERMINATION OF DEFINITIZED PRICES, BUT PRIOR TO SUBMISSION OF BILLINGS.

7. ☐ MIPR ITEM NUMBER(S) IDENTIFIED IN BLOCK 13, "REMARKS" IS NOT ACCEPTED (IS REJECTED) FOR THE REASONS INDICATED.

8. TO BE PROVIDED THROUGH REIMBURSEMENT CATEGORY I			9. TO BE PROCURED BY DIRECT CITATION OF FUNDS CATEGORY II		
ITEM NO. a	QUANTITY b	ESTIMATED PRICE c	ITEM NO. a	QUANTITY b	ESTIMATED PRICE c
d. TOTAL ESTIMATED PRICE			e. TOTAL ESTIMATED PRICE		

10. ANTICIPATED DATE OF OBLIGATION FOR CATEGORY II ITEMS	11. GRAND TOTAL ESTIMATED PRICE OF ALL ITEMS

12. FUNDS DATA (Check if Applicable)

a. ☐ ADDITIONAL FUNDS IN THE AMOUNT OF $ _____ ARE REQUIRED (See justification in Block 13)

b. ☐ FUNDS IN THE AMOUNT OF $ _____ ARE NOT REQUIRED AND MAY BE WITHDRAWN

13. REMARKS

14. ACCEPTING ACTIVITY (Complete Address)	15. TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL	
	16. SIGNATURE	17. DATE

APPENDIX G

IMPREST FUND PROCEDURES

G-l **The Imprest Fund**. This cash fund of a fixed amount is established by an advance of funds to a duly appointed cashier for the purpose of making immediate cash payments of relatively small amounts for authorized supplies and nonpersonal services. The amount of the fund will be based on the estimated monthly usage of the fund. Imprest funds are established by commanders of installations or activities who have contracting authority. In addition, an alternate cashier will be appointed to act as a backup for the primary cashier. In no event shall an imprest fund cashier have access to or control of more than one imprest fund.

G-2 **Application**. The dollar ceiling for transactions is $500, but may be raised to $2,500 for overseas transactions in support of a contingency. The use of the fund must be determined to be advantageous to the government. The requiring activity must submit a request to initiate the use of the imprest fund. Each purchase using imprest funds will be based upon an authorized purchase request. (FAR 13.4)

a. The purchasing information is annotated on a purchase request document and signed by the contracting officer. A purchase requisition, SF 1165 (Receipt for Cash-Subvoucher), and the vendor's sales document may be used to support the purchase.

b. The requisition document must itemize the supplies or nonpersonal services to be purchased and indicated the estimated cost. Competition is required anytime the contracting officer does not think that the price is fair and reasonable. Rotating suppliers in the same manner as any other small purchase method should be used to the maximum extent possible.

c. Material purchases will be delivered to a designated point and the receiver shall examine the material to ascertain that the quantities and items described on the purchase request document and the supplier's sales document are in agreement. A supplier's sales document a receipted SF 1165 (Receipt for Cash DD Form 1155 (Order for Supplies/Services), or DD Form 1348-l (DOD Single Line Item Release/Receipt Document) may be used to record the receipt of purchases. When the vendor cannot deliver, the supplies, an authorized person may be designated to pick up the supplies. In this case, an advance of funds will be drawn from the cashier, annotated on a SF 1165, and paid to the vendor. The receipt from the vendor will be returned to the imprest fund cashier with the SF 1165 signed by the vendor as having received a cash payment (FAR 13.4)

G-3 Responsibilities of the Imprest Fund Cashier. The imprest fund cashier is personally responsible for the money and accountable to the disbursing officer. The cashier is also responsible to the contracting officer for the administrative operation of the fund. Every effort must be taken to safeguard the fund. The money should be kept in an adequate safe and securely locked. Cash is kept in an amount sufficient to meet minimum mission requirements.

a. Pending documentation of receipt of supplies, the cashier maintains an active file of purchase request documents for all fund purchases. Prior to payment, the cashier must match the purchase request document against the request for payment. Finally, the cashier certifies that the supplies were received and the price paid matches the payment request.

b. Whether the imprest fund is used for vendor delivery payment, receipt by parcel post, or payment for services, the cashier must make certain that each purchase has the required documentation. The verified SF 1165 and the properly executed sales document serves as a subvoucher, which will later be used to reimburse the fund.

c. Upon presentation of an authorized document with the necessary certification of receipt for supplies or services, the cashier pays the supplier and obtains the certification of cash payment.

d. Recordkeeping for the imprest fund shall be as simple as consistent with the maintenance of adequate controls. A file of supplier's receipts for amounts paid and not yet certified for reimbursement and copies of paid reimbursement vouchers ordinarily will suffice for the record of the imprest fund cashier. (See Imprest Fund Log, figure G-l)

e. The cashier shall be required to account for the established fund at any time by cash on hand, paid supplier's receipts, unpaid reimbursements, and interim receipts for cash.

G-4 Reimbursement of the Imprest Fund. At least monthly, the fund is reimbursed by the use of the SF 1129 Reimbursement Voucher, and supported by the cashier's subvouchers. At the close of the fiscal year, a reimbursement voucher covering all remaining subvouchers through 30 September is submitted before closing the allotment accounts for the month. When a vendor refunds cash prior to the submission of the SF 1129, the invoice must be annotated accordingly. If the refund occurs after submission of the SF 1129, the refund is submitted to the disbursing officer and the receipt is filed in the funds records.

G-5 Specific Instructions on use of the Standard Form 1165. Receipt for Cash-Subvoucher. (See figure G-2)

a. The imprest fund cashier gives the authorized individual designated by the contracting officer to pick up materials. The individual receiving the cash advance shall sign the "Interim Receipt for Cash" portion of Standard Form 1165, or an equivalent receipt form, when the cash is actually received from the imprest fund cashier. Enter the date the advance is received and the

amount of imprest funds received. The amount should be written in numerals. The entries should be printed with a ballpoint pen.

b. A sales or receipt document should be received from the vendor to include the following:

(1) the date of payment,

(2) the amount paid, and

(3) A signature and title of the supplier or his agent who received the cash payment.

c. If this is done there is no need for the "Receipt for Cash-Subvoucher" portion of the SF 1165. However, if a sales or receipt document is not obtained, the Receipt for Cash-Subvoucher must be completed as follows:

(1) Enter the subvoucher number to designate which subvoucher it is, and the date.

(2) Next to "Received in Cash From" enter "Imprest Fund." Complete the amount of payment in both words and numerals.

(3) Individually list the supplies or services purchased with the money. Enter the appropriate quantity and cost per item in the columns as indicated. Ensure that these supplies or services and quantities are the same as those on the purchase request.

(4) Enter the complete name and address of the vendor.

(5) Sign in the block titled "Purpose."

(6) Enter the appropriation and accounting classification for this purchase.

(7) Have the supplier (vendor) sign when you receive the goods or services and pay for them. The job title of the supplier should be entered below the signature.

(8) The requisitioner after the purchase has been made, will return any unused cash to the imprest fund cashier, along with the aforementioned sales of receipt document, at which time the imprest fund cashier shall mark the Interim Receipt for Cash "void" and return it to the requisitioner.

DOCUMENT IDENTIFER	ROUTING IDENTIFIER	M & S	ITEM IDENTIFICATION* (NSN, FSCM/Part No., Other)		UNIT OF ISSUE	QUANTITY	DOCUMENT NUMBER	
			FSCM	PART NUMBER			SERV	REQUISITIONER
1 2 3	4 5 6	7	8 9 10 11 12	13 14 15 16 17 18 19 20 21 22	23 24	25 26 27 28 29	30	31 32 33 34 35

DOCUMENT NO. (Cont.)		DEMAND	SERV	SUPPLEMENTARY ADDRESS	SIGNAL	FUND CODE	DISTRI-BUTION CODE	PROJECT CODE	PRIORITY	REQUIRED DELIVERY DAY OF YEAR	ADVICE CODE	BLANK
DATE	SERIAL											
36 37 38 39 40 41 42	43 44 45 46 47 48 49 50				51	52 53	54 55 56	57 58 59	60 61	62 63 64	65 66	67 68 69

	REJECT CODE (FOR USE BY SUPPLY SOURCE ONLY)	IDENTIFICATION DATA
70 71 72 73 74 75 76 77 78 79 80	65 66	*1. MANUFACTURER'S CODE AND PART NO. (When they exceed card columns 8 thru 22)
		2. MANUFACTURER'S NAME

3. MANUFACTURER'S CATALOG IDENTIFICATION	4. DATE (YYMMDD)	5. TECHNICAL ORDER NUMBER
6. TECHNICAL MANUAL NUMBER	7. NAME OF ITEM REQUESTED	
8. DESCRIPTION OF ITEM REQUESTED		8a. COLOR 8b. SIZE
9. END ITEM APPLICATION		9a. SOURCE OF SUPPLY
9b. MAKE	9c. MODEL NUMBER	9d. SERIES / 9e. SERIAL NUMBER
10. REQUISITIONER (Clear text name and address)	11. REMARKS	

FOLD LINE

FOLD LINE

DD Form 1348-6, FEB 85 (EG) Edition of Apr 77 may be used until exhausted.

Designed using Perform Pro, WHS/DIOR, Feb 96

DOD SINGLE LINE ITEM REQUISITION SYSTEM DOCUMENT *(MANUAL - LONG FORM)*

APPENDIX H

CONTRACTING OFFICER'S REPRESENTATIVE (COR)

H-l General.

a. The use of functional representatives, like CORs, cannot alleviate the need for a full time contracting professional to monitor contract surveillance and manage the contract management team. The contracting officer will determine both the need for functional representatives and their duties. COR assignments and duties will be contained in a letter of appointment signed by the contracting officer. A sample of the assignment letter is at the end of this Appendix. At the time of appointment, the contracting officer must provide the COR with requisite formal training. The training should include a review of duties, authority limitations, form completion, and reporting requirements.

b. The duties and prohibitions outlined below are not intended to be all-inclusive. As situations and questions arise that are not addressed, CORs and functional representatives should consult the contracting officer to obtain advice on how to proceed.

H-2 Duties. CORs and functional representatives will typically provide assistance to the contracting officer in the following technical areas:

a. Verify that the contractor has performed the technical and management requirements of the contract in accordance with the contract terms, conditions, and specifications.

b. Perform, or cause to be performed, all necessary inspections.

c. Verify that the contractor has corrected all correctable deficiencies.

d. Perform acceptance for the government of supplies and services received.

e. Maintain liaison and direct communications with both the contractor and the contracting officer.

f. Monitor the contractor's performance, notify the contracting officer of deficiencies observed during surveillance, and recommend appropriate corrective action.

g. Submit, as required, a report concerning performances of services rendered under the contract.

h. Perform, or cause to be performed, property surveillance. The property administrator sometimes does this function.

H-3 Prohibitions. CORs and functional representatives are not authorized to do any of the following:

a. Make any agreement with the contractor requiring the obligation of public funds.

b. Encourage the contractor by words, actions, or a failure to act to undertake new work or an extension of existing work beyond the contract period.

c. Interfere with the contractor's management prerogative by “supervising” contractor employees or otherwise directing their work efforts.

d. Authorize a contractor to obtain property for use under a contract.

e. Allow government property accountable under one contract to be used in the performance of another contract.

H-4 Files. As a minimum the COR’s file should contain the following:

a. A coy of the appointment letter from the contracting officer.

b. A copy of the contract or appropriate part of the contract and all modifications.

c. All correspondence initiated concerning performance of the contract.

d. Record of inspections performed and results.

e. Memoranda for record or minutes of any pre-performance conference, meetings, or discussions with the contractor, or others pertaining to the contract or contract performance.

FORMAT FOR LFTTER DESIGNATING A COR

(Official Letterhead)

(Office Symbol)
(Date)

SUBJECT: DESIGNATION OF CONTRACTING OFFICER'S REPRESENTATIVE (COR)
FOR CONTRACT XYZ

(Name and address)

1. Pursuant to the provisions of DFAR 201.6,you are hereby designated the Contracting Officer's Representative (COR) in administration of the following contract.

CONTRACT NUMBER:

FOR:

CONTRACTOR:

CONTRACT PERIOD:

2. You are authorized by this designation to take any or all action with respect to the following which could lawfully be taken by me as contracting officer, except any action specifically prohibited herein or by the terms of subject contract.

a. Verify that the contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.

b. Perform, or cause to be performed, connection with 2.a. above and verify that the contractor has corrected all deficiencies. Perform acceptance for the government of services performed under this contract.

c. Maintain liaison and direct communication with the contractor. Written communications with the contractor and other documents pertaining to the contract shall be signed as "Contracting Officer's Representative" with a copy furnished to the contracting officer

d. Monitor the contractor's performance and notify the contracting officer of deficiencies observed during surveillance. Record and report to the contracting officer incidents of faulty or nonconforming work, delays, or problems. In addition, you are required to submit a monthly report concerning performance or services rendered under this contract.

e. Coordinate site entry for contractor personnel and ensure that any government-furnished property is available when required.

3. You must adhere to the following limitations:

a. You are not empowered to award, agree to, or sign any contract (including delivery orders) or modifications thereto, or in any way to obligate the payment of money by the government.

b. You may not take any action that may impact on the contact or delivery order schedules, funds, or scope. You may not make any contractual agreements, commitments, or modifications that involve prices, quantities, quality, or delivery schedules. Only the contracting officer shall make these.

4. This designation as a COR shall remain in effect through the life of the contract, unless sooner revoked or terminated by the contracting officer. Such termination of the designation shall be in writing. If your designation is revoked for any reason before completion of this contract, turn your records over to the successor COR or obtain disposition instructions from the contracting officer. If you are reassigned or separate from service, you shall request termination and relief of your duties from the contracting officer sufficiently in advance of reassignment or separation to permit timely selection, training, and designation of a successor COR. You may not redelegate your COR authority.

5. You are further required to maintain adequate records to sufficiently describe the performance of your duties as a COR during the life of this contract and to distribute such records as applicable. As a minimum, the COR file shall contain the following:

a. A copy of the appointment letter from officer.

b. A copy of the contract or appropriate part of the contract and all modifications.

c. All correspondence initiated concerning performance of the contract.

d. Record of inspections performed and results.

e. Memoranda for record or minutes of any pre-performance conferences, others, meetings or discussions with the contractor, or pertaining to the contract or contract performance.

6. All personnel engaged in contracting and related activities shall conduct business dealings with industry in a manner above reproach in every aspect and shall protect the U.S. Government's interest, as well as maintain its reputation for fair and equal dealings with all contractors. DoDD 5500.7-R sets forth applicable standards of conduct for all personnel directly and indirectly involved in contracting.

7. Any COR who may have direct or indirect financial interests that would place him or her in a position where there is a

conflict between their private interests and the public interests of the United States shall advise their supervisors and the contracting officer of the conflict so that appropriate actions may be taken. A COR should avoid the appearance of such conflict to maintain public confidence in the U.S. Government's conduct of business with the private sector.

8. You are required to acknowledge receipt of this appointment on the original copy and return it to the contracting officer for retention in the contract file. The duplicate copy should be retained for your file.

Signature
(Contracting Officer)

Receipt of this appointment is hereby acknowledged:

Name (print/type)	Signature
Title	Date
Rank/Grade	Telephone

APPENDIX I

PURCHASE ORDER-INVOICE-VOUCHER

STANDARD FORM 44

I-l **General**.

a. The Standard Form 44 is a pocketsize purchase order form designed for on-the-spot, over the counter purchases of supplies and services while away from the purchasing office or at isolated activities. It is a multi-purpose form that can be used as a purchase order, receiving report, invoice, and/or public voucher. Since the SF 44 does not contain any of the general clauses or provisions normally found on purchase orders, it will be used only when another purchase method is not available.

b. Past history indicates widespread use of the SF 44 since it may be used up to $25,000 (or higher levels if authorized). Problems arise in its use when vendors are unwilling to accept the document as a valid claim against the Government and desire payment immediately. Under these circumstances, the imprest fund is a more desirable method if the dollar limitations are not exceeded. The SF 44 is a good method of conducting business if the local populace will accept it since the purchasing clerks can be sent into the field with a minimum of documentation to carry and they are extremely simple to complete. Whenever the procurement extends beyond merely handing over a purchase form and accepting the goods on the spot, the DD 1155 is the preferred method.

I-2 **Conditions for Use**. The SF 44 may be used only if all of the following conditions exist:

a. The purchase is not in excess of the contingency small purchase threshold as declared by the Secretary of Defense. The use of the SF 44 for overseas transactions by warranted contracting officers in support of contingencies declared by the Secretary of Defense raises the $2,500 limit to $100,000.

b. The supplies or services are immediately available from contractor's stocks in the local trade area or are readily obtainable from establishments in the local trade area regularly performing services of the type required.

c. One delivery and one payment will be made.

d. Supplies or services purchased do not require technical inspection.

e. The use of the SF 44 is determined to be more economical and efficient than use of any other small purchase method.

f. The applicable decision of exception and necessary documentation has been made prior to procurement of a foreign made item.

I-3 Preparation and Execution. An authorized ordering employee shall prepare the Purchase Order-Invoice-Voucher (SF 44) in quadruplicate at the time of the purchase. Although the title of the form includes the words "Purchase Order", a SF 44 shall not be executed prior to delivery or performance by the contractor. Notwithstanding the instructions printed on the inside cover of each book of forms, the ordering employee will make appropriate entries in the common blocks and columns on all four (4) copies of the SF 44.

I-4 Distribution. Upon completion of the purchase on the SF 44, distribution shall be as follows:

a. Copies 3 and 4 shall be returned promptly by the ordering employee to the ordering activity.

b. Copies 1 and 2 shall be given to the contractor at time of purchase. Contractors should be instructed to submit copy 1 as an invoice (with or without a commercial invoice) to the disbursing activity indicated in the block entitled "Agency Name and Billing Address”.

c. Copy 4 shall be forwarded to the appropriate fiscal office for recording of obligations.

I-5 Accountability and Safeguarding of the SF 44. Each activity maintaining books of SF 44s shall establish adequate control procedures to ensure that only ordering employees of the activity uses the SF 44. The ordering employees authorized to use the SF 44 shall be designated in writing by the supply officer or the commanding officer of the activity, as appropriate.

I-6 Reports of Purchases Made on the SF 44. Contracting activities shall report the number and dollar value of purchases made on the SF 44 on the Monthly Procurement Summary of Actions under $25,000 by the Purchasing Office.

APPENDIX J
ORDER FOR SUPPLIES OR SERVICES
DD FORM 1155

J-l **Purchase Orders**. Purchase orders (FAR 13.5) are self-contained, one-time contracts which typically result in one delivery and one payment. Use of the DD Form 1155 is authorized for purchases not to exceed the simplified acquisition monetary threshold.

J-2 **Delivers Orders**. Delivery orders (FAR 16.501) are orders for supplies or services placed against an established indefinite delivery contract. There are three types of indefinite delivery contracts: definite-quantity, requirements, and indefinite-quantity.

J-3 **Clauses**. To protect the interests of the government, unilateral purchase orders should incorporate by reference those applicable clauses listed at DFARS 213.507(a) (i). Use of Alternative I to subparagraph (h) of the Disputes Clause at FAR 52.233-l is recommended. For those purchase orders requiring the contractor's written acceptance, the clauses at DFARS 213.506(a) (ii) shall be included. Because delivery orders are written against a contract, the terms and conditions of the contract apply to any delivery orders issued.

J-4 **Use of DD Form 1155**. Vendors are solicited orally or in writing. The DD Form 1155, Order for Supplies or Services, is filled in with appropriate information concerning shipping, prompt payment discounts, financial data, vendor, quantities, price, and additional data. The form is then mailed, hand carried, or picked up by the vendor, who will either perform the order or sign the back and return it, thereby promising to perform the order. When the item requested has been received or the service requested has been performed, the bottom of the front page may be used as a receiving report for the government.

J-5 **Modification of Purchase Order**. The SF 30, Amendment of Solicitation/Modification of Contract, is used to modify DD Form 1155 purchase orders. If the contract is bilateral, both parties must agree to the modification unless it falls within the Changes Clause. In addition, a unilateral contract may be changed to a bilateral contract by using the SF 30. Since DD Form is unilateral (acceptance by performance) a signature is recommended though not mandatory.

J-6 **Unilateral or Bilateral Action.**

a. A unilateral agreement is defined as a promise in return for performance (service or supply), while a bilateral contract is defined as a promise in return for a promise. Most DD Form 1155 actions are unilateral; that is, the government simply sends the vendor the form, which authorizes immediate performance. Once the vendor has performed, the government is obligated to pay. The vendor is under no duty to perform, since the government's DD Form 1155 is merely an offer which he may accept by performance

or refuse to accept by failing to perform. If the vendor fails to deliver, no contract has been breached nor defaulted since no contract existed.

b. Once the vendor has signed the acceptance and mailed it to the contracting officer, a bilateral contract exists and the government has the right under the Termination for Default Clause to terminate the contract if the contractor fails to perform according to its terms and to charge the defaulted contractor with the excess costs of repurchasing the requirement.

c. The form is used as a bilateral contract when there is a relatively long lead-time, when a more complete contract calls for a greater amount of contract administration, or when previous experience with a supplier indicates the desirability of possessing greater leverage through the Termination for Default Clause.

J-7 Withdrawal of Purchase Orders. Unilateral purchase orders include provisions to allow termination for convenience or default.

a. A notice of withdrawal should be in writing with a request for written acknowledgment by the contractor. Once the contractor has begun performance on an order, the government has lost its absolute right to withdraw without cost or liability.

b. If it becomes necessary to terminate such a purchase order, the contractor should be asked to agree to the cancellation of the order without cost or liability. If the contractor refuses to agree to a no-cost settlement, the case is referred to the legal office and action is withheld pending advice from legal counsel.

c. If the contractor has incurred costs in reliance on the purchase order, an agreement will be negotiated to reimburse him for those costs.

J-8 Preparation of Purchase Order - DD Form 1155.

a. General. When preparing a purchase order, DD Form 1155, be sure to check "PURCHASE" box in block 16. This distinguishes the form as a purchase order vice delivery order. All dates shall be expressed by the last two digits of the calendar year, the three letter month abbreviation, and a two digit number for the day (i.e., 95 JAN 10). All applicable block and spaces should be completed with the required data.

b. DD Form 1155 Block by Block Instructions.

(1) BLOCK 1 - Contract/Purchase Order Number. This is a sixteen digit number call a Procurement Instrument Identification Number (PIIN). The PIIN is constructed as follows:

(a) First position is an "N" for Navy or "M” for Marine Corps.

(b) Second through sixth positions are for the unit identification code (UIC) established in the NAVCOMPT Manual, Volume 2, Chapter 4.

(c) Seventh position is a hyphen (-).

(d) Eighth and ninth positions are for the fiscal year the order is placed.

(e) Tenth position is a hyphen (-).

(f) Eleventh position is for the type of order that is being issued.

(g) Twelfth position is a hyphen (-).

(h) Thirteenth through sixteenth positions are for the serial number of the purchase order. Serial numbers begin with 0001 at the start of each fiscal year and continue to 9999. If needed, numbering continues as A001 through A999, BOO1 through B999, etc. Do not use the letters "I" or “O”.

EXAMPLE: N21032-9S-M-0012

(i) To log the purchase orders, use the Open Purchase Log.

(2) BLOCK 2 - Delivery Order Number. If DD Form is used as a purchase order, leave blank.

(3) BLOCK 3 - Date of Order. Enter the date of the order. The date is written using the last two digits of the calendar year, followed by the three letter abbreviation of the month, and a two digit number of the day (i.e., 95 JAN 10).

(4) BLOCK 4 - Requisition/Purchase Request Number. Enter the applicable purchase requisition number, which authorized the purchase. If there is more than one requisition, annotate the block with "See Schedule" and list each requisition number in the schedule under the description for each line item.

(5) BLOCK 5 - As applicable.

(6) BLOCK 6 - Issued By. Enter the activity's name and address and ZIP code of the issuing office. In the Code Block enter the activity's UIC.

(7) BLOCK 7 - See BLOCK 6.

(8) BLOCK 8 - Delivery FOB. Indicate the FOB point by checking the applicable box.

(9) BLOCK 9 - Contractor/Quoter

(a) Contractor's name and address. Enter the full name and address of the contractor. Verify with the contractor that

the name and address you intend to enter in block 9 is exactly the same as that which will appear on the invoice. This entry must be
correct for the contractor to be paid.

(b) Contractor code/facility code. Leave blank.

(10) BLOCK 10 - Delivery to FOB Point By.

(a) If there is a single date for delivery, enter the specific calendar date, e.g. for March 21, 1995, enter 95 MAR 21.

(b) If there are multiple delivery dates, enter "See Schedule" and list the dates on a SF 36, Continuation Sheet or an OF 336 Optional Sheet.

(c) If the order is for services, enter the start and stop dates during which the service(s) are to be performed, e.g., 95 JUN 03 through 95 SEP 30.

(11) BLOCK 11 - Small Business. Check the appropriate box, if applicable.

(12) BLOCK 12 - Discount Terms. Enter discounts offered by the contractor for prompt payment. For example, if the contractor's terms are "3/10 net 30" which means 3% discount if paid within 10 days or the entire amount is due in 30 days, you enter "3% 10 days; Net 30 days".

(13) BLOCK 13 - Mail Invoices To. Enter the reference block number containing the appropriate address, e.g. "See BLOCK xx" (xx can be 6, 14, or 15). If the appropriate address is not contained in a block, enter "See Schedule" and put the appropriate address on OF 336, Continuation Sheet.

(14) BLOCK 14 - Ship To.

(a) If there is a single receiving point for the enter the name, address, and UIC (in Code box).

(b) If there are multiple receiving points, enter "See Schedule" and list all receiving points on the SF 36/OF 336 Continuation Sheet.

(15) BLOCK 15 - Payment Will Be Made By. Enter the UIC and cite the complete name and address of the paying office.

(16) BLOCK 16 - Type of Order.

(a) Enter "X" in applicable block, purchase or delivery.

(b) Following "Reference your" enter type of quotation, e.g., oral, letter or TWX on which the order is based.

(c) If the purchase order is to be bilateral by contractor acceptance, check the lower left box and indicate the number of copies to be returned.

(17) BLOCK 17 - Accounting and Appropriation Data. Every line of accounting and appropriation data must have an Accounting Classification Reference Number (ACRN) prefix.

(a) If there is a single accounting classification line item, enter AA for the ACRN in the item number column.

(b) If there are multiple line items and appropriation data, at the end of the item number descriptions, cite the multiple lines of accounting applicable to the line item, ensuring that the line item numbers and dollar values agree with the data on the order.

(c) If transportation is not FOB destination and prepay and add procedures are used, the appropriated TAC must be entered in the lower half of BLOCK 14.

Appropriations TAC

APN	(17*1506)	N837
WPN	(17*1507)	N839
SCN	(17*1611)	N844
OPN	(17*1810)	N846
O&MN	(17*1804)	N867
OGMNR	(17*1806)	N888

*Note: Last digit of fiscal year in which funds are available.

Note: A TAC is not necessary when the procurement appropriation cited is other than the above (e.g. prepay and add purchases supported with NIF or Stock Funds).

(18) BLOCK 18 - Item Number. Number consecutively using four digits, e.g., 0001, 0002, etc.

(19) BLOCK 19 - Schedule of Supplies/ Services.

(a) First line. Enter part number, if applicable.
(b) Enter the noun name of the item followed by the remainder of the item's description in plain English, kind of material (i.e., type, grade, etc.), end use, etc.

(c) If multiple line items are ordered and different accounting classifications used, list the ACRN, requisitions, and cost codes for the items below each description.

(d) Information which will not fit in BLOCK 19, such as long purchase descriptions, clauses, etc. should be put on SF 36/OF 336 Continuation Sheet, or on a piece of plain bond paper.

(20) BLOCK 20 – Quantity Order/Accepted. Enter total quantity for each line item. If applicable, enter breakdown on quantities going to different Ship To points.

(21) BLOCK 21 – Unit - Enter the unit of issue for each line item.

(22) BLOCK 22 - Unit Price. Enter the unit price for a single unit of each line item.

(23) BLOCK 23 - Amount. Enter the total dollar amount for each line item (quantity multiplied by the unit price).

(24) BLOCK 24 - Contracting Officer. Type in the name of the contracting officer. The contracting officer signs in this block.

NOTE: No one can sign "For" or "By Direction" for a contracting officer.

(25) BLOCK 25 - Total. Enter the total dollar amount for all items in BLOCK 23. If the price is on an FOB "OTHER" basis (BLOCK 11) where prepay and add procedures are used, enter the works "PLUS TRANS" above the amount in BLOCK 25.

(26) BLOCKS 26 Through 42 - Reserved for receiving and payment offices.

J-9 Distribution. A system must be developed and maintained to control the distribution of purchase orders. The supplier must receive his copy in order to ship and to invoice properly; the receiving department storekeeper must have a copy to verify the order received; and the paying office must have the original purchase order signed by the contracting officer in order to pay the invoice. Three files are the basis of the system: (1) the Purchase Documentation File (PDF), (2) the Materials Outstanding File (MOF) and (3) the Purchase Payment File (PPF).

a. Distribution Prior to Receipt of Material.

(1) Original-------> PPP

(2) Signed Copy----> Supplier

(3) Copy-----------> MOF

(4) Copy-----------> PDF

b. Material Receipt. Only an individual designated in writing can receipt for material. The individual designated for the receipt of materials must be other than the requisitioner or the contracting officer.

(1) Obtain the three following documents:

(a) Original DD Form 1155 from PPF;

(b) DD Form 1155 copy from PDF; and

(c) DD Form 1155 copy from MOF.

(2) Inspect. Inspect delivery for the quality and quantity as specified by the contract.

(3) Date/sign. If the quantity is correct, circle the quantity on the DD 1155, original and each copy. Date and sign in BLOCK 26, on each copy.

(4) Mark DD 1155. On the DD 1155 MOF copy, stamp (type) the following information:

(a) date material received;

(b) date dealer's invoice received;

(c) number of dealer's invoices;

(d) date forwarded for payment; and,

(e) paying activity.

(5) Receipt Processing Timeframes. Submit the invoices to the paying office within five working days. Payments are due to the contractor within 30 days following receipt of the supplies or services as outlined in the Prompt Payment Act unless specified differently in the contract.

c. Distribution after receipt of material/services.

(1) MCF copy and copy of dealer's invoice------> MCF

(2) PDF copy and copy of dealer's invoice------> PDF

(3) Original DD 1155 and original and 3 copies of dealer's invoice------ >Paying Office

d. Avoid duplicate payments. Process dealer's invoices for payment only if the material/services have been received and accepted. Return improper or incorrect invoices to the dealer by cover letter requesting proper billing. Proper invoices include:

(1) Invoice date;

(2) Contractor’s name;

(3) Contract/order number;

(4) Contract line item number;

(5) Contract description of the items or services;

(6) Quantity;

(7) Contract unit of measure;

(8) Unit price;

(9) Extended total;

(10) Shipment number and date of shipment;

(11) Bill of lading number (if shipped on Government bills of lading);

(12) Weight of shipment (if shipped on Government bills of lading);

(13) Name and address where payment is to be sent (this must be the same as the name and address on the purchase order);

(14) Contact person (where practicable), title, telephone number, and mailing address (in event of an incorrect invoice);

(15) Any other information required by the order/contract.

The invoice shall be prepared and submitted in quadruplicate. One copy shall be marked “ORIGINAL.

J-10 Use of DD 1155 as a Delivers Order. An indefinite delivery type contract is one for supplies and services to be delivered as needed and required by individual orders. The DD 1155 is used as a delivery order against indefinite delivery type contracts. A requirements contract specifies all the terms and conditions of a regular contract but does not specify exact quantities of supplies or services required. Additionally, a requirements contract does not obligate dollars until a delivery order is issued. As exact requirements become known, a DD Form 1155 is sent to the supplier and this initiates the delivery of the supplies or services specified in the delivery order, subject to the terms and conditions of the existing requirements contract. A requirements contract obligates the government to buy all of its requirements from the contractor. Delivery orders may be terminated, modified, or changed in accordance with the terms and conditions of the requirements contract. When used as a delivery order, the DD Form 1155 does not have a dollar limitation.

J-11 Preparation of Delivers Order.

a. DD Form 1155s shall be completed as follows (only the exceptions to the normal purchase order (DD 1155) preparation are covered here):

(1) BLOCK 1 - Enter the contract number from the contract.

(2) BLOCK 2 - Enter the next delivery order number from the delivery order number log. The delivery order number consists of the activity's UIC and a four-digit serial number separated by a hyphen, e.g., 05504-0001.

(a) Serial numbers begin with 0001 and progress through 9999.

(b) At the beginning of each fiscal year, restart the serial numbers at 0001.

(3) BLOCK 16 - Place an "X" in delivery box vice purchase box.

(4) BLOCKS 18 THROUGH 23 - Enter data denoting item numbers.

b. Delivery Order Documentation Distribution. All documents are distributed the same as for DD Form 1155 purchase order.

J-12 Payment Procedure.

a. Fixed Price Invoicing. The supplier can either:

(1) Submit an individual invoice with the receipted copy of the delivery ticket, or

(2) Submit a consolidated summarized bimonthly invoice with receipted copies of each delivery ticket for the period covered. The consolidated invoice is generally used if there are numerous oral orders. The summarized bimonthly invoice may be submitted for payment covering all oral orders made during the previous two working weeks. The summarized invoice shall be accompanied with a receipted copy of each delivery ticket along with the confirming DD 1155.

b. Imprest Fund Payment. Verbal orders may be paid from imprest funds providing:

(1) Payment does not exceed the established monetary limit;

(2) The base contract monetary limitation, price, discount, and place of delivery provisions apply to the order;

(3) The base contract contains a clause providing payment from the imprest fund;

(4) The contractor agrees to accept cash payment.

J-13 Purchases Under Blanket Purchase Agreements.

a. General. A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs are designed to reduce administrative costs in accomplishing smaller purchases by eliminating the need for issuing individual purchase documents.

b. BPA Call Limitations. Only persons expressly authorized by the contracting officer who issued the BPA, may within their dollar limitation, place calls against a BPA. Individual calls may not exceed $25,000 except that calls for subsistence (food) are unlimited as to dollar value.

c. Requirements Screening Prior to Placement of Calls. Procurement by the BPA method does not eliminate the necessity for screening of requirements against availability from regular supply channels. Therefore, prior to placing calls against the

BPA each shall be screened for availability from stock and for procurement from other mandatory sources of supply.

d. Placement of BPA Calls. BPA calls will normally be placed by telephone. Written calls can be made on the DD Form 1155.

e. Documentation of BPA Calls. Each BPA call shall be documented on the purchase request (requisition) or on a work abstract sheet. The documentation must include the following:

(1) BPA number;

(2) call number,
(3) date of call;

(4) date or required delivery;

(5) accounting and appropriation data;

(6) quantity;

(7) unit, extended, and total price of call; and

(8) signature of person placing call.

f. Distribution Calls. The annotated procurement request, shall be distributed as follows:

(1) The original including all documentation shall be retained in the BPA file except for Fast Pay calls.

(2) A copy shall be forwarded to the fiscal office.

(3) A copy shall be forwarded to the receipt control branch promptly after completion of the call to the contractor.

g. Receipt of Material. When delivery is made or services are the contractor's sales document, delivery ticket, or invoice (if it reflects the essential elements).

h. Numbering. A four-position numeric call number beginning shall identify BPA calls with 0001 through 9999.

i. BPA Log. All calls shall be recorded on the BPA log per vendor.

Purchase Order Log

N05504	89	M or V
UIC	FY	Type

PIIN Ser. No.	Today's Date	Requisition Julian	Requisition Serial	Item/Service	Qty	Total Price	Promised Del. Date	Dealer's Name	Remarks
0001	10/03/88	8276	0025	Gasket Fueling	001	712.50	10/07/88	Marine Supplies	"M" - Regular Purchase Order

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved
OMB No. 0704-0187
Expires Jun 30, 1997

PAGE 1 OF

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES.
SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.

1. CONTRACT/PURCH ORDER NO.	2. DELIVERY ORDER NO.	3. DATE OF ORDER (YYMMMDD)	4. REQUISITION/PURCH REQUEST NO.	5. PRIORITY

6. ISSUED BY — CODE

7. ADMINISTERED BY (If other than 6) — CODE

8. DELIVERY FOB
- [ ] DEST
- [ ] OTHER

(See Schedule if other)

9. CONTRACTOR — CODE — FACILITY CODE

NAME AND ADDRESS

10. DELIVER TO FOB POINT BY(Date) (YYMMMDD)

11. MARK IF BUSINESS IS
- [ ] SMALL
- [ ] SMALL DISAD-VANTAGED
- [ ] WOMEN-OWNED

12. DISCOUNT TERMS

13. MAIL INVOICES TO

14. SHIP TO — CODE

15. PAYMENT WILL BE MADE BY — CODE

MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER

16. TYPE OF ORDER

DELIVERY	[ ]	This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
PURCHASE	[ ]	Reference your furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR — SIGNATURE — TYPED NAME AND TITLE — DATE SIGNED (YYMMMDD)

[ ] If this box is marked, supplier must sign Acceptance and return the following number of copies:

17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICE	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT

* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.

24. UNITED STATES OF AMERICA

BY: CONTRACTING/ORDERING OFFICER

25. TOTAL

29. DIFFERENCES

26. QUANTITY IN COLUMN 20 HAS BEEN
- [ ] INSPECTED
- [ ] RECEIVED
- [ ] ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

DATE — SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

27. SHIP. NO.
- [ ] PARTIAL
- [ ] FINAL

28. D.O. VOUCHER NO.

30. INITIALS

32. PAID BY

33. AMOUNT VERIFIED CORRECT FOR

31. PAYMENT
- [ ] COMPLETE
- [ ] PARTIAL
- [ ] FINAL

34. CHECK NUMBER

35. BILL OF LADING NO.

36. I certify this account is correct and proper for payment.

DATE — SIGNATURE AND TITLE OF CERTIFYING OFFICER

37.RECEIVED AT	38. RECEIVED BY (Print)	39. DATE RECEIVED (YYMMMDD)	40.TOTAL CONTAINERS	41. S/R ACCOUNT NUMBER	42. S/R VOUCHER NO.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE		PAGE 1 OF PAGES	
2. AMENDMENT/MODIFICATION NO. P00001	3. EFFECTIVE DATE 89 JUN 06	4. REQUISITION/PURCHASE REQ. NO. N66432-8341-3210	5. PROJECT NO. (If applicable)
6. ISSUED BY CODE V03366		7. ADMINISTERED BY (If other than Item 6) CODE	

Contracting Officer
USS America (CV66)
Washington, DC 20001

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

XYZ Company
4321 Zero Street
Washington, DC 20003

CODE 13840 FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

X 10A. MODIFICATION OF CONTRACT/ORDER NO. V003366- 89-M-4321

10B. DATED (SEE ITEM 13) 89 MAY 13

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
X	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The appropriation symbol and subhead in Block 17 of subject purchase order is hereby changed: From: 1781804.2910
To: 1791804.2910

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print) C. P. Mennigan	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED 89 JUN 06

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		2

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
P00002	89 JUN 08	03343 / 8322 / 6001	

6. ISSUED BY CODE 03343

Contracting Officer
USS CORAL SEA (CV43)
FPO New York, NY 09550-2720

7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

XYZ Company
4321 Zero Street
Washington, DC 20003

CODE 13840 FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

X 10A. MODIFICATION OF CONTRACT/ORDER NO. N00001- 89-M-4321

10B. DATED (SEE ITEM 13) 15 DEC 89

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

1791804.2910 000 12345 0 000168 2D 000000 157864GH901

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: 10 U.S.C. 2304(g)

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Due to an increase in the need for lighting fixtures this purchase order is being changed as follows:

The unit quantity of Item 1 is increased: By: 5 ea., From 10 ea.; To 15 ea.

The unit price remains the same. The total order amount is increased:
By: $114, From: $228.00; To: $342.00

Continued on Page 2 . . .

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print)	
Joseph Smith, President, XYZ Co.		SKC M. J. Half	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	10 JUN 89

AMENDMENT OF SOLICITATION/MODIFICATION OFCONTRACT

1. CONTRACT ID CODE	PAGE OF PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
P00001	89 APR 02	V03341-8086-1234	

6. ISSUED BY CODE V03341

Supply Officer
USS MIDWAY (CV41)
FPO San Francisco, CA 96631-2710

7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

Timely Delivery Co.
123 Speedy Road
Long Beach, CA 89903

CODE FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

X 10A. MODIFICATION OF CONTRACT/ORDER NO. V03341- 89-M-5432

10B. DATED (SEE ITEM 13) 88 NOV 23

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

AA 1791804.502G 000 57011 0 660951 2D 000000 0272102GE10 Net Increase $10.00

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Confirming telcon of 30 MAR 89 between L. Blanton (USS CONWAY) and J. Dykes (Timely Delivery Co.), the above numbered order is modified as follows:

1. Part No. for Item 0001 is changed from WZX12 to WZX13
2. Unit price of Item 0001 is changed from $2.00 to $3.00. Extended price of Item 0001 is changed from $20.00 to $30.00.
3. As a result of the above, the total amount of the order shown in Blocks 17 and 25 is changed from $20.00 to $30.00.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print)	
		W. A. McDowell	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	89 APR 02

Delivery Order Number Log
Block 2 – DD 1155

Contract No. N00228-88-D

N05504	89	M or V
UIC	FY	Type

PIIN Ser. No.	Today's Date	Requisition Julian	Requisition Serial	Item/Service	Qty	Total Price	Promised Del. Date	Dealer's Name	Remarks
0001	11/09/88	8313	1218	Clean and Renovate Foul Weather Jackets, Type N4, All size	298	596.00	11/11/88	Sanitary Linen Company	

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved
OMB No. 0704-0187
Expires Jun 30, 1997

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES.
SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.

1. CONTRACT/PURCH ORDER NO.	2. DELIVERY ORDER NO.	3. DATE OF ORDER (YYMMMDD)	4. REQUISITION/PURCH REQUEST NO.	5. PRIORITY
N00282-88-D-0012	20132-0001	5 Dec 88	20132 / 8306 / 0001	

6. ISSUED BY CODE
USS DIXON (AS-37)
FPO SAN FRANCISCO, CA 96648-2605

7. ADMINISTERED BY (If other than 6) CODE
USS DIXON (AS-37)
FPO SAN FRANCISCO, CA 96648-2605

8. DELIVERY FOB
[X] DEST
[ ] OTHER
(See Schedule if other)

9. CONTRACTOR CODE FACILITY CODE
NAME AND ADDRESS
Kimberly-Clark Corporation
2100 Winchester Road
Neenah, WI 54956-0058

10. DELIVER TO FOB POINT BY(Date) (YYMMMDD)
05JAN89

11. MARK IF BUSINESS IS
[X] SMALL
[ ] SMALL DISAD-VANTAGED
[ ] WOMEN-OWNED

12. DISCOUNT TERMS
2% 30 Days

13. MAIL INVOICES TO
See Block 6

14. SHIP TO CODE

15. PAYMENT WILL BE MADE BY CODE
UIC N68688

MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER

16. TYPE OF ORDER

DELIVERY	[X]	This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
PURCHASE	[ ]	Reference your furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR | SIGNATURE | TYPED NAME AND TITLE | DATE SIGNED (YYMMMDD)

[ ] If this box is marked, supplier must sign Acceptance and return the following number of copies:

17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE

1791804.702D 000 53824 B 60957 2D R20132 R20132050606

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICE	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT
19	Paper Towels, single roll 55850 HI DRI TOWELS, 2ply	100	RL	$0.71	$71.00

* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.

24. UNITED STATES OF AMERICA
BY: D.A. CAPIZZI, CDR, SC CONTRACTING/ORDERING OFFICER

25. TOTAL $71.00

29. DIFFERENCES

26. QUANTITY IN COLUMN 20 HAS BEEN
[ ] INSPECTED [ ] RECEIVED [ ] ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

DATE | SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

27. SHIP. NO.
[ ] PARTIAL
[ ] FINAL

28. D.O. VOUCHER NO.

30. INITIALS

31. PAYMENT
[ ] COMPLETE
[ ] PARTIAL
[ ] FINAL

32. PAID BY

33. AMOUNT VERIFIED CORRECT FOR

34. CHECK NUMBER

35. BILL OF LADING NO.

36. I certify this account is correct and proper for payment.
DATE | SIGNATURE AND TITLE OF CERTIFYING OFFICER

37. RECEIVED AT	38. RECEIVED BY (Print)	39. DATE RECEIVED (YYMMMDD)	40. TOTAL CONTAINERS	41. S/R ACCOUNT NUMBER	42. S/R VOUCHER NO.

BPA Call Log Vendor _____

N01437	88	A
UIC	FY	Type

Call No.	Today's Date	Item/Service	Qty	Total Price	Promised Del. Date	Remarks
0001	11/11/88	Tubing .005 Dia	50 Ft.	250.00	12/18/88	

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved
OMB No. 0704-0187
Expires Jun 30, 1997

PAGE 1 OF

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES.
SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.

1. CONTRACT/PURCH ORDER NO.	2. DELIVERY ORDER NO.	3. DATE OF ORDER (YYMMMDD)	4. REQUISITION/PURCH REQUEST NO.	5. PRIORITY

6. ISSUED BY — CODE

7. ADMINISTERED BY (If other than 6) — CODE

8. DELIVERY FOB
- [ ] DEST
- [ ] OTHER

(See Schedule if other)

9. CONTRACTOR — CODE — FACILITY CODE

NAME AND ADDRESS

10. DELIVER TO FOB POINT BY(Date) (YYMMMDD)

11. MARK IF BUSINESS IS
- [ ] SMALL
- [ ] SMALL DISAD-VANTAGED
- [ ] WOMEN-OWNED

12. DISCOUNT TERMS

13. MAIL INVOICES TO

14. SHIP TO — CODE

15. PAYMENT WILL BE MADE BY — CODE

MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER

16. TYPE OF ORDER

DELIVERY	[ ]	This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
PURCHASE	[ ]	Reference your furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR — SIGNATURE — TYPED NAME AND TITLE — DATE SIGNED (YYMMMDD)

[ ] If this box is marked, supplier must sign Acceptance and return the following number of copies:

17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICE	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT

* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.

24. UNITED STATES OF AMERICA

BY: CONTRACTING/ORDERING OFFICER

25. TOTAL

29. DIFFERENCES

26. QUANTITY IN COLUMN 20 HAS BEEN
- [ ] INSPECTED
- [ ] RECEIVED
- [ ] ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

DATE — SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

27. SHIP. NO.
- [ ] PARTIAL
- [ ] FINAL

28. D.O. VOUCHER NO.

30. INITIALS

32. PAID BY

33. AMOUNT VERIFIED CORRECT FOR

31. PAYMENT
- [ ] COMPLETE
- [ ] PARTIAL
- [ ] FINAL

34. CHECK NUMBER

35. BILL OF LADING NO.

36. I certify this account is correct and proper for payment.

DATE — SIGNATURE AND TITLE OF CERTIFYING OFFICER

37.RECEIVED AT	38. RECEIVED BY (Print)	39. DATE RECEIVED (YYMMMDD)	40.TOTAL CONTAINERS	41. S/R ACCOUNT NUMBER	42. S/R VOUCHER NO.

APPENDIX K

AMENDMENT OF SOLICITATION/ MODIFICATION OF CONTRACT

STANDARD FORM 30

K-l **Procedures**.

a. When preparing a contract modification an SF 30 (Amendment of Solicitation/Modification of Contract) will be used. Entries will be typed or printed with ball-point pen.

b. Sections (1) through (16) below correspond to the block numbers on the form, and are provided as instructions for completing an SF 30.

(1) Enter the contract identification code for the applicable contract.

(2) Enter the modification number (i.e., P00001 for the first).

(3) Enter the date the modification is to become effective.

(4) Enter the original requisition or purchase number. This is for the benefit or the customer.

(5) Not applicable unless there is a project number. Normally applicable for construction.

(6) Enter complete name and address.

(7) Enter the administrator's name if it differs from section (6) above.

(8) Enter the name and address of the vendor or supplier.

(9) Not applicable, unless being issued as an amendment to a solicitation.

(10) Enter the contract identification code from section (1) above or the applicable purchase order or delivery order number if an order is being modified. Provide contract or order date.

(11) Not applicable, unless being issued as an amendment to a solicitation.

(12) Enter the accounting and appropriation data, if required.

(13) Check the appropriate box to indicate the type of modification. Insert the authority under which the modification is issued in the corresponding blank (See FAR 43.103). If Box “C" is checked, then Box “E” must also be checked requiring the contractor to sign this document. If required to sign, send the

contractor the original plus two copies. After signing, the contractor returns the original plus one.

(14) Describe the modification. If you need more space, use additional SF 36 continuation sheets or blank paper.

(15) If the government wants a supplemental agreement, the contractor is required to sign first. The contractor should enter his/her name, title, and signature in the spaces provided. If this is a unilateral change order, no contractor signature is required.

(16) Type or print the name and title of the contracting officer in the space indicated. Sign in the space provided. Enter the actual date of signature.

K-2 Distribution. Once completed, modification distribution will be determined by local requirements; however, the following is a suggested pattern of distribution:

a. Contracting office keeps the original modification unless it pertains to a delivery order in which case the original is sent to commercial accounts.
b. Contractor - one copy.
c. COR - one copy.
d. Finance/Accounting - three copies.
e. Customer activity - all remaining copies (usually four).

K-3 Terminations.

a. To execute a no-cost settlement agreement involving a complete termination, place the no-cost statement (FAR 49.603-6) in block 14. See (FAR 49.603-7) for partial terminations.

b. For those situations that will not lend themselves to a no-cost settlement, the SF 30 is to be used as a termination notice. Have the termination notice hand delivered and obtain a written acknowledgment from the contractor.

(1) Distribute copies of the termination notice in the same way described above. Extra copies should also be sent to any known assignee, guarantor, or surety.

(2) After a settlement proposal is obtained from the contractor, determine the need for an audit (not required if less than $25,000), negotiate a final settlement, prepare a negotiation memorandum, and execute a supplemental agreement on a SF 30.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE 1 OF PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)

6. ISSUED BY CODE	7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	(X)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
		10A. MODIFICATION OF CONTRACT/ORDER NO.
CODE / FACILITY CODE		10B. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print)	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED

INSTRUCTIONS

Instructions for items other than those that are self-explanatory, are as follows:

(a) Item 1 (Contract ID Code). Insert the contract type identification code that appears in the title block of the contract being modified.

(b) Item 3 (Effective date).

(1) For a solicitation amendment, change order, or administrative change, the effective date shall be the issue date of the amendment, change order, or administrative change.

(2) For a supplemental agreement, the effective date shall be the date agreed to by the contracting parties.

(3) For modification issued as an initial or confirming notice of termination for the convenience of the Government, the effective date and the modification modification number of the confirming notice shall be the same as the effective date and modification number of the initial notice.

(4) For a modification converting a termination for default to a termination for the convenience of the Government, the effective date shall be the same as the effective date of the termination for default.

(5) For a modification confirming the Contracting Officer's determination of the amount due in settlement of a contract termination the effective date shall be the same as the effective date of the initial decision.

(c) Item 6 (Issued By). Insert the name and address of the issuing office. If applicable, insert the appropriate issuing office code in the code block.

(d) Item 8 (Name and Address of Contractor). For modifications to a contract or order, enter the contractor's name, address, and code as shown in the original contract or order, unless changed by this or a previous modification.

(e) Items 9, (Amendment of Solicitation No. - Dated) and 10, (Modification of Contract/Order No. - Dated). Check the appropriate box and in the corresponding blanks insert the number and date of the original solicitation, contract, or order.

(f) Item 12 (Accounting and Appropriation Data). When appropriate, indicate the impact of the modification on each affected accounting classification by inserting one of the following entries:

(1) Accounting classification _____
Net increase $_____

(2) Accounting classification _____
Net decrease $_____

NOTE: If there are changes to multiple accounting classifications that cannot be placed in block 12, insert an asterisk and the words "See continuation sheet".

(g) Item 13. Check the appropriate box to indicate the type of modification. Insert in the corresponding blank the authority under which the modification is issued. Check whether or not contractor must sign this document. (SEE FAR 43.103.)

(h) Item 14 (Description of Amendment/Modification).

(1) Organize amendments or modifications under the appropriate Uniform Contract Format (UCF) section headings from the applicable solicitation or contract. The UCF table of contents, however, shall not be set forth in this document.

(2) Indicate the impact of the modification on the overall total contract price by inserting one of the following entries:

(i) Total contract price increased by $ _____

(ii) Total contract price decreased by $ _____

(iii) Total contract price unchanged.

(3) State the reason for modification.

(4) When removing, reinstating, or adding funds, identify the contract items and accounting classifications.

(5) When the SF 30 is used to reflect a determination by the Contracting Officer of the amount due in settlement of a contract terminated for the convenience of the Government, the entry in Item 14 of the modification may be limited to -

(i) A reference to the letter determination; and

(ii) A statement of the net amount determined to be due in settlement of the contract.

(6) Include subject matter or short title of solicitation/ contract where feasible.

(i) Item 16B. The Contracting Officer's signature is not required on solicitation amendments. The Contracting Officer's signature is normally affixed last on supplemental agreements.

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE

NAME OF OFFEROR OR CONTRACTOR

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	TOTAL				

APPENDIX L

CONTRACT PAYMENTS

STANDARD FORM 1103

L-l Responsibilities.

a. Finance and accounting officers implement procedures to make commercial payments on time. Public funds can be legally disbursed only when proper documents support the disbursement.

b. Contracting officers are responsible for awarding contracts and issuing purchase orders and delivery orders. They will not take action to award a contract until they have written confirmation that funds are available. The contracting officer may award subject to availability of funds with a later modification to confirm funds available for performance. Contracting officers will:

(1) Ensure that all procurement documents show the complete official address of the accounting office that is to make payments.

(2) Ensure that copies of all procurement documents and modifications are sent to the accounting office and the requiring activity.

(3) Establish and insert in applicable procurement documents any specific payment terms or dates.

c. Certifying officers outside the finance and accounting office prepare payment vouchers and attach all supporting documents that authorize the payment. Documents to be attached may include:

(1) The procurement document or legal authority for the disbursement.

(2) Receiving/acceptance report or certificate of performance.

(3) Vendor's invoice or claim. Before signing a certification, certifying officers must ensure that the supplies and services have been ordered, received, and accepted; and that the vendor's invoice is correct. Original documents are sent for the disbursing officers retained accounts. Certifying officers will keep copies of all supporting documents.

L-2 Paying Accounts.

a. Supporting Document Sources.

(1) Contracting officers will furnish financial and accounting offices copies of all contracts, purchase orders, delivery orders, and other procurement documents. Vouchers may

be prepared by contracting officers, CORs, or Certifying officers. All necessary supporting documents must be attached to the voucher and forwarded via the contracting officer to the accounting and finance office for payment.

(2) Receiving/acceptance reports and certificates of performance. Accountable property officers, CORs, inspectors, or other duly authorized persons send receiving/acceptance reports to the contracting officer who will authorize payments and forward to the appropriate accounting office.

(3) Vendor invoices must be sent directly to the office designated in the procurement document. Some contracts require that invoices be sent to an approving official for certification before submission to the contracting office.

b. Number of Payments.

(1) Complete Payment. A procurement document is normally paid on a single payment voucher if all the supplies or services are delivered at one time.

(2) Partial Payment. When the government accepts a partial shipment of supplies or performance of services, payment is made for the amount accepted unless the procurement document specifically precludes partial payments. An unlimited number of partial payments may be made. Each partial payment voucher must clearly identify the procurement document number for which payment is being made and that it is a partial payment. The final-payment voucher must be marked as final payment.

c. Receiving/Acceptance Reports and Certificates of Performance.

(1) Almost any document can be used as a receiving/acceptance report if it contains the following information:

(a) Procurement or other authorization number.
(b) Product or service description.
(c) Quantities received.
(d) Date property or service was accepted.
(e) Signature, printed name, title, phone number, and mailing address of the receiving official.

(2) Electronically transmitted receiving/acceptance reports may be used but a signed original must be available for audit purposes.

(3) The following forms are most generally used as receiving/acceptance forms:

(a) DD Form 250, Material Inspection and Receiving Report.
(b) DD Form 1155, Order for Supplies or Services.
(c) SF 44, Purchase Order-Invoice-Voucher.

(4) Inspection and Acceptance. The appropriate individual completes a receiving/acceptance report after supplies are received and accepted. The receiving/acceptance report lists the items received and gives the quantity. It also lists any items rejected and the reasons for rejection. The receiving/acceptance activity may use SF 361, Discrepancy in Shipment Report, or SF 364, Report of Discrepancy, to report discrepancies to the contracting officer for resolution.

(5) Certificates of Performance. When services are procured, a certificate of performance may be submitted instead of a receiving/acceptance report. It is usually preprinted on a purchase order, delivery order, or receiving/acceptance report form. A certificate of performance may also be typed or stamped on an invoice, delivery ticket, or separate sheet of paper substantially as follows:

> “I certify that the services called for in the (Purchase/Delivery Order/Contract) have been rendered per the terms, conditions and specifications of the order."
>
> (Date Services Accepted)
>
> (Printed Signature Block)
>
> (Signature)

d. Vendor's Invoice.

(1) Description and Content. The vendor's invoice is a request for payment for goods or services the vendor has furnished the government. It should have an itemized listing of quantities, description of items, unit cost, and total cost.

(2) Multiple invoices, monthly or otherwise, payable to one vendor at one office may be combined into one payment. When using this procedure, each invoice must be identified individually. The voucher must show the amount of each invoice as a separate entry in the voucher's “AMOUNT” column.

(3) Invoice Format. There is no prescribed format for a vendor's invoice. The invoice form used in commercial transactions normally is acceptable in government billings. The invoice submitted must be either an original or a copy designated as the ORIGINAL and used as such. A carbon copy of an invoice that the vendor marks "Original" is acceptable provided it contains the required details. However, when an original invoice has been lost or destroyed, a copy must be obtained from the vendor and the voucher processed through regular disbursement channels. A full explanation of circumstances surrounding the loss or destruction of the original invoice and a statement that steps have been take to prevent duplicate payment must be placed on or attached to the invoice copy.

(4) Invoice Certification.

(a) The requirement that vendors' invoices certify that "the bill is correct and just and that payment has not been received" applies only to bills for transportation and accessorial services procured by SFs 1103, U.S. Government Bills of Lading (GBL) or commercial bills of lading for conversion to GBLs.

(b) The absence of the certificate on other bills or invoices does not eliminate the requirement for specific certification of facts required by certain contracts. It does not lessen the vendor's responsibility to comply with all statutory requirements applicable to transactions with the government. It is not to be construed as mitigating a vendor's liability for asserting false, fictitious, or fraudulent claims against the United States.

e. Vendor name. Vouchers and checks are usually made out to the official name of a business firm, association, or partnership. Some large corporations ask that checks be made out and mailed to a local office that may or may not have the same name. This is permissible as long as the payment-voucher and invoice clearly shows the contract number.

f. Duplicate Payments. Vouchers and supporting documents must be marked so they will not be processed for payment a second time. Personnel must be particularly alert for the possibility of duplicate payments in the following situations:

(1) Payments have been delayed for extended periods after the due date and duplicate invoices have been received-from the vendor.

(2) Invoices or bills appear to have been submitted for payment to more than one location.

(3) Adjusted invoices after payments have been made.

L-3 <u>Billing Periods under Blanket Purchase Agreements (BPAs)</u>.

a. It may be desirable to arrange for vendors to submit periodic invoices or delivery tickets for purchases made under BPAs. These invoices or tickets must identify, either on the documents or by reference to other documents, the articles covered, unit costs and total costs.

b. If the BPA does not have specific payment terms, the payment due date is 30 days after the later of:

(1) The final date of the billing period.

(2) The date the paying office receives a proper invoice or delivery ticket for all deliveries accepted during the billing period.

(3) The date the receiving/acceptance report states the goods or services were accepted.

L-4 <u>Special Types of Payments</u>.

a. Advances (FAR 32.4)

(1) General Prohibitions against Advances. Under contingency conditions in particular, advance payment is the least preferred method of contract financing. Without specific statutory authority, payment for goods and services cannot exceed the value of the supplies or services accepted as of the payment date.

(2) When Advances are Permitted. Advance payments can be made from DOD appropriations for services listed below in relation to contingency contracting. Payments made in accordance with the laws of foreign countries or their ministerial regulation and payments under local custom can also be paid in advance.

(a) Advance payments for payments for publications and subscriptions.
(b) Advance payments for post office box rental.
(c) Streetcar tickets or tokens, toll road permits and toll bridge tickets.
(d) Payments for public refuse disposal facility tickets.
(e) Cash on Delivery (C.O.D.) charges. Paying C.O.D. charges in cash before the contents are examined is authorized. This applies only when the purchases are made from imprest funds.

(f) Utility connection charge. Paying a public utility for an installation or connection charge is not considered to be an advance payment because the government receives full consideration; services not otherwise available become available. Connection charges are later reimbursable by a specified monthly refund on the invoice for utility services.

b. Progress and Advance Payments under Contract Financing.

(1) The term ”contract financing" means the government assists contractors by providing working capital to finance contracts for large amounts or those that extend over a long period of time. Policies and procedures governing progress and advance payments are in the FAR 32.5 and DFARS 232.5. In order to keep funds held outside the U.S. Treasury to a minimum, the amount of advance must be held to the absolute minimum necessary for contract performance. Contract financing includes:

(a) Payment methods.
(b) Loan Guarantee.
(c) Administration of debts to the government from contracts.
(d) Contract funding.

(2) Advance payments are money advances from the government to a prime contractor before, in anticipation of, and for the purpose of complete performance under one or more contracts.

Since they are not measured by performance, they differ from partial, progress, or milestone payments based on the performance or partial performance of a contract. Advance payments may be made to prime contractors to make advances to subcontractors. Advance payments are made as soon as possible after a proper certification by the contracting officer reaches the correct finance office.

(3) Progress payments are payments based either on the cost incurred by the contractor as work progresses or based on a percentage or state of contract completion. The contract must contain direction for either of these two methods of making progress payments as directed by the contract.

(4) Requests for approval. Requests for advance payments and unusual progress payments are submitted, as outlined in FAR, Part 32.

APPENDIX M

CONTRACT CLOSE-OUT

M-l General.

a. Physically completed contracts are those on which services are complete and accepted, but still required contract administration action for closure. Reporting requirements and standard times are set forth in FAR and DFARS 4.804. Guidance on close-out of contract files is in FAR and DFARS 4.805.

b. The contracting officer is responsible for closing out physically complete contracts. DD Form 1594, The Contract Completion Statement, will be used for this purpose.

c. The contracting officer under FAR 4.804-2 will ensure that all required contractual actions have been completed and will prepare a statement to that effect. This is accomplished by completing and signing the lower portion of the DD Form 1594 submitted by the contract administrator. Once completed and signed the DD Form 1594 is the authority to close the contract file and shall be made part of the official contract file.

d. Closing out a small purchase should require no special procedures. The speed with which it can be done however, depends on how soon the customer can send a receiving report and how soon finance can send payment information. Files on completed transactions should be transferred to the sponsoring contracting office, from which the contingency contracting officer received the PIINs, approximately every 90 days.

e. Closing out a large purchase; however, requires a more detailed procedure than just obtaining a receiving report and payment information. A DD Form 1594, Contract Completion Statement, must be used. While the form has more applicability to centrally managed contracts, the form is also applicable to closing out physically completed contracts resulting from contingencies.

f. The contracting officer should keep in mind that the objective of contract close-out is more than documenting the file. The objective is to assure that all contractual claims and obligations have been satisfied. If they have not, the contract file must remain open. All contract files, closed or not, will be turned over to the sponsoring contracting office at the end of deployment, if not sooner.

M-2 Procedures for Closing Out Contracts.

a. The DD Form 1597, Contract Close-out Checklist, is the primary document for initiating a systematic contract close-out. When all necessary and applicable actions have been completed, the contracting officer will sign and attach this form to the DD Form 1594.

b. When the physically completed contract involves government property in the possession of the contractor, the contracting officer will forward a DD Form 1593, Contract Administration Completion Record, to the property administrator requesting the actual or estimated dates for completion of property administration. The DD Form 1593 should also be used to verify that other functional activities have completed their required close-out actions.

c. The contracting officer will review the status of funds on physically completed contracts to ascertain whether funds are available for removal prior to final payment.

d. For all contracts not in excess of the small purchase threshold, the contracting officer shall include in the contract file a statement that all contract actions have been completed. The completed form or statement is authority for closing out of the contract file.

e. When the purchasing office administers a contract, that office is responsible for ensuring that all required purchase actions and contract administration have been completed, utilizing as necessary DD Form 1597, Contract Close-out Checklist, and DD Form 1593, Contract Administration Completion Record.

f. When all required actions have been completed, the purchasing office shall prepare a Contract completion Statement, DD Form 1594, for all contracts in excess of the small purchase threshold. The Contract Completion Statement shall be made a part of the official contract file. Sections (1) through (10) below correspond to the numbered blocks on the form, and are provided as instructions on how to complete a DD Form 1594.

(1) Enter the address of the organization performing contract administration functions.

(2) Enter the applicable PIIN, the last modification number, if any, and the last call/order number, if applicable.

(3) Enter the address of the contracting officer.

(4) Enter the address of the contractor.

(5) Indicate if there are, there are excess funds. If there are excess funds enter the amount.

(6) If final payment has been made, enter the voucher number and the date on the voucher. (Contract files cannot be closed out until final payment is made).

(7) Not applicable, unless invoices are being forwarded to the disbursing office or another activity. If applicable, enter invoice number and date forwarded.

(8) Enter as appropriate statements regarding other contractual aspects (i.e., property clearance if the government

property was provided, settlement of claims resulting from a termination for convenience, etc.).

(9) Enter name of official responsible for contract administration, signature, and date.

(10) Section 10.

(a) Check applicable box to indicate the close-out date of the contract file in the contracting office.

(b) Enter any applicable remarks.

(c) Enter name of the contracting officer, sign and date.

M-3 Terminated Contracts.

a. On termination of a contract for the convenience of the government, complete or partial, the contracting officer will provide a copy of the DD Form 1597 to the termination contracting officer (TCO). The TCO will complete the DD Form 1597, sign it, and forward the form to the contracting officer together with the completed termination case file. The contracting officer would then resume normal contract close-out procedures. In the absence of a TCO, the contracting officer should assume the TCO duties described in FAR 49.105.

b. The termination of a contact for default, complete or partial, is the responsibility of the contracting officer who will resolve the terminated portion. Any non-terminated portion, not yet completed, will be processed for close-out upon completion of the non-terminated portion.

APPENDIX N

FORMS

N-1 Reproduction of Procurement Forms. Contracting offices may reproduce the Standard Forms, Optional forms, and department of Defense Forms that are illustrated in FAR Part 53 and DFARS Part 253.

N-2 Prescription of Forms.

a. Contracting Authority and Responsibilities. SF 1402, Certificate of Appointment, is prescribed for use in appointing Contracting officers as specified in FAR l-603-3.

b. Improper Business Practices and Personal Conflicts of Interest. OF 333, Procurement Integrity Certification for Procurement Officials, is prescribed for use as specified in FAR 3.104-12(a)(3).

c. Contract Reporting. DD Form 350, Individual Contracting Action Report (Over $25,000) and DD Form 1057, Monthly Contracting Summary of Actions $25,000 or Less, are prescribed for use in reporting contract actions, as specified in DFARS 204.602(c).

d. Responsible Prospective Contractors. The following forms are prescribed for use in conducting preaward surveys of prospective contractors as specified in FAR 9.106-4, 9.106-2 and 9.106-4.

(1) SF 1403, Preaward Survey of Prospective Contractor (General).

(2) SF 1404, Preaward Survey of Prospective Contractor (Technical).

(3) SF 1405, Preaward Survey of Prospective Contractor (Production).

(4) SF 1406, Preaward Survey of Prospective Contractor (Quality Assurance).

(5) SF 1407 Preaward Survey of Prospective Contractor (Financial Capability).

(6) SF 1408, Preaward Survey of Prospective Contractor (Accounting System).

e. Simplified Purchase Procedures. The following forms are prescribed as stated below for use in small purchases, orders under existing contracts or agreements, and orders from required sources of supplies and services.

(1) SF 18, Request for Quotation, shall be used in obtaining price, cost, delivery, and related information from suppliers for small purchases as specified in FAR 13.107(a).

(2) SF 30, Amendment of solicitation/Modification of Contract, may be used for modifying purchase orders as specified in FAR 13.503(b).

(3) SF 44, Purchase Order-Invoice-Voucher, is prescribed for use in small purchases as specified in FAR 13.505-3.

(4) SF 1165, Receipt for Cash-Subvoucher, may be used for imprest fund purchases as specified in FAR 13.405(e).

(5) DD Form 1155, Order for supplies or Services, may be used as follows:

(a) To accomplish small purchases as specified in DFAR 213.505-2.

(b) To establish Blanket Purchase Agreements (BPAs) as specified in FAR 13.230 and make purchases under BPAs as specified in FAR 13.204(e)(3).

(c) To issue orders under Basic Ordering Agreements (BOAS) as specified in DFAR 216.703(c).

(d) To issue delivery orders under prepriced indefinite quantity and indefinite delivery requirement contracts as specified in FAR 16.703(d)(2)(i).

f. Contracting by Negotiation. The following forms are prescribed for use in contracting by negotiation except for construction, architect-services, or small purchases.

(1) SF 18, Request for Quotation, is prescribed for use in obtaining price, cost, delivery, and related information from suppliers for negotiated acquisitions as specified in FAR 15.406-2(a) (2).

(2) SF 26, Award/Contract, is prescribed for use in entering into negotiated contracts in which the signature of both parties on a single document is appropriate as specified in FAR 15.414(b).

(3) SF 30, Amendment of Solicitation/Modification of Contract, shall be used for amending requests for proposals (RFP) and may be used for amending requests for quotations (RFQ) as specified in FAR 15.410.

(4) SF 33, Solicitation, Offer and Award shall be used in connection with the solicitation and award of negotiated contracts. Award of such contracts may be made by either SF 33 or SF 26 as specified in FAR 15.406-1(b) and 15.414.

(5) SF 36, Continuation Sheet, may be used as a continuation sheet in solicitations.

(6) SF 129, solicitation Mailing List Application, shall be used in establishing and maintaining lists of potential sources as specified in FAR 14.205-1(d).

(7) SF 1409, Abstract of offers and SF 1410, Abstract of offers - continuation, may be used in recording offers and proposals.

(8) SF 1411, Contract Pricing Proposal Cover Sheet, and SF 1412, Claim for Exemption from Submission of Certified Cost or Pricing Data, may be used in recording offers and proposals.

(9) DD Form 1547, Record of Weighted Guidelines Application, is used to establish the profit objective on negotiated cost contracts and provide a record.

g. Contract Modifications. SF 30, Amendment of Solicitation/Modification of Contract, is prescribed for use in:

(1) Amending solicitations, whether advertised or negotiated, as specified in FAR 14.208(a).

(2) Modifying purchase and delivery orders as specified in FAR 13.503(b).

(3) Modifying contracts as specified in FAR 43.301 and 49.602-5.

(4) Novation and change of name agreements as specified in FAR 42.1203(f).

h. Acceptance/Inspection. DD Form 250, Material Inspection and Receiving report; DD Form 1155, Order for Supplies and Services; and SF 44, Purchase Order-Voucher-Invoice, are the forms most generally used as receiving and acceptance documents.

i. Military Interdepartmental Purchase Request (MIPR). DD Form 448, Military Interdepartmental Purchase Request, and DD Form 448-2, Acceptance of MIPR, are used to document the funds transfer and acceptance of the purchase request between military departments.

j. Contract Close-out. The following forms are prescribed for use contract close-out actions as set in FAR 4.805 and DFARS 204.204.805

(1) DD Form 1592, Contract Cross Reference Data.

(2) DD Form 1593, Contract Administration Completion Record.

(3) DD Form 1594, Contract Completion Statement.

(4) DD Form 1597, Contract Close-out Checklist.

(5) DD Form 1598, Contract Termination Status Report.

AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) ▶ RATING

PAGE OF PAGES

2. CONTRACT *(Proc. Inst. Ident.)* NO.

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY CODE

6. ADMINISTERED BY *(If other than Item 5)* CODE

7. NAME AND ADDRESS OF CONTRACTOR *(No., street, city, country, State and ZIP Code)*

CODE FACILITY CODE

8. DELIVERY

☐ FOB ORIGIN ☐ OTHER *(See below)*

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES *(4 copies unless otherwise specified)* TO THE ADDRESS SHOWN IN: ▶ ITEM

11. SHIP TO/MARK FOR CODE

12. PAYMENT WILL BE MADE BY CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

☐ 10 U.S.C. 2304 (c) ( ) ☐ 41 U.S.C. 253 (C) ( )

14. ACCOUNTING AND APPROPRIATION DATA

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
		15G. TOTAL AMOUNT OF CONTRACT ▶			$

16. TABLE OF CONTENTS

(√)	SEC.	DESCRIPTION	PAGE(S)	(√)	SEC.	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS				PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING				PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE					
	G	CONTRACT ADMINISTRATION DATA			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	H	SPECIAL CONTRACT REQUIREMENTS			M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☐ CONTRACTOR'S NEGOTIATED AGREEMENT *(Contractor is required to sign this document and return* _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. *(Attachments are listed herein.)*

18. ☐ AWARD *(Contractor is not required to sign this document.)* Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER *(Type or print)*

20A. NAME OF CONTRACTING OFFICER

19B. NAME OF CONTRACTOR

BY _____

(Signature of person authorized to sign)

19C. DATE SIGNED

20B. UNITED STATES OF AMERICA

BY _____

(Signature of Contracting Officer)

20C. DATE SIGNED

SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES	
2. CONTRACT NO.	3. SOLICITATION NO.	4. TYPE OF SOLICITATION ☐ SEALED BID (IFB) ☐ NEGOTIATED (RFP)	5. DATE ISSUED	6. REQUISITION/PURCHASE NO.
7. ISSUED BY CODE	8. ADDRESS OFFER TO *(If other than Item 7)*			

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in _____ until _____ (Hour) local time _____ (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: Section L, Provision No. 52.214-7 or 52.215-10.
All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS)

11. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COST				PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING				PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE					
	G	CONTRACT ADMINISTRATION DATA			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	H	SPECIAL CONTRACT REQUIREMENTS			M	EVALUATION FACTORS FOR AWARD	

OFFER *(Must be fully completed by offeror)*

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)	10 CALENDAR DAYS %	20 CALENDAR DAYS %	30 CALENDAR DAYS %	CALENDAR DAYS %

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated:	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER *(Type or print)*	
15B. TELEPHONE NO. *(Include area code)*	☐ 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.		17. SIGNATURE	18. OFFER DATE

AWARD *(To be completed by Government)*

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: ☐ 10 U.S.C. 2304(c) ( ) ☐ 10 U.S.C. 253(c) ( )		23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM
24. ADMINISTERED BY *(If other than Item 7)* CODE		25. PAYMENT WILL BE MADE BY CODE	
26. NAME OF CONTRACTING OFFICER *(Type or print)*		27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

MATERIAL INSPECTION AND RECEIVING REPORT

Form Approved
OMB No. 0704-0248

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0248), Washington DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES.
SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.

1. PROC. INSTRUMENT IDEN. (CONTRACT)	(ORDER) NO.	6. INVOICE NO./DATE	7. PAGE	OF	8. ACCEPTANCE POINT

2. SHIPMENT NO.	3. DATE SHIPPED	4. B/L TCN	5. DISCOUNT TERMS

9. PRIME CONTRACTOR	CODE	10. ADMINISTERED BY	CODE

11.SHIPPED FROM (If other than 9)	CODE	FOB:	12. PAYMENT WILL BE MADE BY	CODE

13. SHIPPED TO	CODE	14. MARKED FOR	CODE

15. ITEM NO.	16. STOCK/PART NO. DESCRIPTION (Indicate number of shipping containers - type of container - container number.)	17. QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE	20. AMOUNT

21. CONTRACT QUALITY ASSURANCE

A. ORIGIN

☐ CQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE | SIGNATURE OF AUTH GOVT REP

TYPED NAME AND OFFICE

B. DESTINATION

☐ CQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE | SIGNATURE OF AUTH GOVT REP

TYPED NAME AND TITLE

22. RECEIVER'S USE

Quantities shown in column 17 were received in apparent good condition except as noted.

DATE RECEIVED | SIGNATURE OF AUTH GOVT REP

TYPED NAME AND OFFICE

**** If quantity received by the Government is the same as quantity shipped, indicate by (√) mark; if different, enter actual quantity received below quantity shipped and encircle.***

23. CONTRACTOR USE ONLY

APPENDIX O

ABBREVIATIONS AND ACRONYMS

ACRS - Accounting Classification Reference Number
ADR - Alternate Dispute Resolution
AT - Active Duty for Training
AL - Acquisition Letter
APR - Agency Procurement Request
BCM - Business Clearance Memorandum
BOA - Basic Ordering Agreement
BPA - Blanket Purchase Agreement
CINC - Commander-in-Chief
CONUS - Continental United States
COR - Contracting Officer's Representative
DCAA - Defense Contract Audit Agency
DFARS - Defense Federal Acquisition Regulation Supplement
DLA - Defense Logistics Agency
DODAAC - Department of Defense Activity Accounting Code
DODAAD - Department of Defense Activity Address Directory
DOD - Department of Defense
DPA - Delegation of Procurement Authority
DRA - Defense Resource Act
FA - Functional Area
FAO - Finance and Accounting Officer
FAR - Federal Acquisition Regulation
FAST - Forward Area Support Team
FEMA - Federal Emergency Management Agency
FOB - Free on Board
FSS - Federal Supply Schedule
GAO - General Accounting Office
GSA - General Services Agency
HCA - Head Contracting Activity
HN - Host Nation
HNS - Host Nation Support
IGE - Independent Government Estimate
IPR - In-process Reviews
LNO - Liaison Officer
LP - Local Purchase

MFR	- Memorandum for Record
MIPR	- Military Interdepartmental Purchase Request
MOA	- Memorandum of Agreement
NAF	- Non-appropriated Fund
NAPS	- Navy Acquisition Procedure Supplement
NSN	- National Stock Number
OCONUS	- Outside Continental United States
OMN	- Operations and Maintenance, Navy
OPLAN	- Operations Plan
PCRB	- Property Control Record Book
PII	- Procurement Instrument Identification
PIIN	- Procurement Instrument Identification Number
POL	- Petroleum, Oils, and Lubricants
PR	- Purchase Request
RFP	- Request for Proposal
SOFA	- Status of Forces Agreement
SOW	- Statement of Work
SOP	- Standard Operating Procedures
SSA	- Source Selection Advisor
T&M	- Time and Material Contract
TCO	- Termination Contracting Officer
TDA	- Table of Distribution and Allowances
TOE	- Table of Organization and Equipment
UCA	- Undefinitized Contract Action
UMMIPS	- Uniform Material Movement and Issue Priority System
USC	- United States Code

APPENDIX P

GOVERNMENT-WIDE COMMERCIAL PURCHASE CARDS

P-l General. The General Services Administration (GSA) has a contract with a bank that authorizes the bank to issue commercial purchase cards (e.g., VISA) to authorized Government personnel to use in support of official Government purchases. The contract is commonly referred to as the "Government-wide Commercial Purchase Card Program. The commercial purchase card is intended to streamline payment procedures and reduce the administrative burden associated with traditional and emergency purchasing of supplies and services under the current simplified acquisition procedures. The contract authorizes the use of the program by any activity within the Executive Branch of the Government that is delegated contracting authority for such use.

P-2 Policy. The purchase card may be used to purchase supplies and services-in accordance with FAR Part 13, DFARS Part 213, NAPS Part 5213, GSA Contract Guide, this instruction, HCA instructions, and local operating procedures. It may also be used as a payment vehicle in conjunction with other procurement methods when authorized in the order, contract or agreement as discussed in Chapters 1 and 9 of NAVSUPINST 4200.85 series. The card may also be used to order directly from Government required sources (i.e., GSA wholesale supply, FPI, etc.) using the procedures in Chapter 1 of NAVSUPINST 4200.85 series. Without exception, the I.M.P.A.C. may only be used for authorized U.S. Government purchases.

P-3 Definitions. See Appendix D.

P-4 Delegation of Contracting Authority

a. By the Head of the Contracting Activity (HCA). All DON activities must obtain a delegation of contracting authority, in accordance with the cognizant HCA's procedures, prior to local implementation of the purchase card program.

b. **By the Head of the Activity (HA)**

(1) The HA shall delegate contracting authority to each cardholder, or shall delegate to one individual within the activity the right to redelegate contracting authority to cardholders within the activity.

c. Delegation Document. A delegation of authority letter or a SF 1402, Certificate of Appointment, may be used to delegate micro-purchase authority to cardholders. Each delegation letter or SF 1402 shall specify the following information: Single Purchase Limits for government supply sources and for open market purchases, Billing Cycle Purchase Limit, and transaction type.

d. Use of the Card for Payment. An individual delegation of contracting authority is not required when the purchase card will

be used exclusively as a payment method for contracts and orders placed by other authorized contracting personnel.

P-5 Establishing a Local Program

a. Contract Guide. Field contracting activities interested in establishing a local GCPC Program should obtain a copy of the GSA Government-wide Commercial Credit Card Service Contract Guide. For copies of the Contract Guide, call or write to the Contracting Officer at:

General Services Administration
Federal Supply Service
Services Acquisition Center (FCXST)
Washington, DC 20406
(703) 305-6658, 305-3044, 305-5506

b. Internal Operating Procedures. Prior to establishing a local program, the activity must develop written internal operating procedures for use by activity personnel. Development and implementation of the procedures should be coordinated with the supporting disbursing or paying office. All procedures must be within the scope of the terms and conditions of the GSA contract and must comply with all the established procedures for and restrictions on the use of the card. The internal procedures must address the issues listed in the GSA Contract Guide under "Agency Responsibilities"; minimum contain:

(1) Designation of offices involved in the Program with associated duties defined as discussed below:

(a) Agency/Organization Program Coordinator (APC). The APC shall be the primary liaison between the activity and the bank. The APC may be authorized to appoint Approving Officials, approve the selection of the individuals who will be Cardholders, and delegate contracting authority to Cardholders. The internal operating procedures shall include the name, mailing address and phone number of the APC; as well as his/her duties and responsibilities.

(b) The person authorized to delegate contracting authority to cardholders, if other than the APC.

(c) Approving Official (AO). The approving official is responsible for at a minimum, reviewing his/her cardholders' monthly statements and verifying that all purchases or transactions were made in accordance with applicable directives. Other duties may be delegated as the command or activity sees fit. As the approving official is a key figure in the internal review process, special attention should be given to Approving Official responsibilities. The approving official is usually the Cardholder's immediate supervisor.

(d) Cardholder. The internal operating procedures must provide clear guidance and direction for cardholders to ensure

that all purchases are made in accordance with applicable regulations, instructions and internal guidance.

(e) Designated Billing Office. This office shall be responsible for receiving and processing the Financial Summary Report (official invoice). The functions and responsibilities of this office should be delineated in the procedures. The designated billing office will generally be at the paying activity (i.e., DFAS) unless the using activity has received DFAS concurrence to maintain the function and corresponding responsibilities at the local activity level.

(f) Dispute Office. This office/person shall assist the activity and the bank in tracking and resolving disputed purchases or transactions. A "dispute" is a disagreement between the cardholder and the bank regarding items appearing on the cardholder's monthly statement of account. It is the cardholder's responsibility to attempt to resolve all disagreements with the vendor prior to submission to the disputes office. The functions and responsibilities of this office should be delineated in the procedures.

(2) The internal operating procedures should include procedures for:

(a) The purchase request process. Activities are encouraged to develop streamlined processes, which minimize the numerous steps normally involved in the procurement process. If the activity can ensure funds certification and procedures for approval for specific purchases, a formal purchase request is not required. Bulk funding and other methods of ensuring prompt and accurate funds certification are strongly encouraged. Procedures for streamlining the approval process for individual procurements should also be considered. For instance, attempts could be made within the activity to determine categories of items that could be approved in advance (i.e., Information Technology resources covered under a blanket LCM approval, office supplies, authorization to a certain dollar limit for repairs to government-owned equipment, etc.), or approval levels might be further delegated;

(b) Screening/documentation requirements for any required government sources of supply. When required, evidence of screening can be noted on the cardholder log;

(c) Solicitation and award. Provide cardholders clear guidance on all steps of the solicitation and award process including necessary information to request from contractors, documentation requirements, paperwork flow, etc;

(d) Receipt, inspection, and acceptance of supplies; including instructions on reporting the receipt of minor/plant property to the appropriate organizational unit for inclusion in the inventory system;

(e) Any special processing requirements necessary to ensure appropriate obligation and expenditure of fiscal year end funds;

(f) Reconciliation, verification, and certification of each cardholder's Statement of Account, Approving Official statements, and the activity's Financial Summary Report; and

(g) Maintenance and retention of purchase card records (manual or electronic).

(3) A complete listing of prohibited purchases which shall include the restrictions set by the GSA Contract Guide and this chapter.

P-6 Cardholder's Contracting and Account Limitations

a. Single Purchase Limit. Each cardholder's account and delegation of authority document shall include a single purchase limit. Within the limitations described below, the Head of the Activity (or his/her designee) may delegate the single purchase limit in increments of $50, not to exceed $2,500. The single purchase limit when using the card with government sources of supply or as a payment method, i.e., in conjunction with a contracting document, may not exceed $999,999.

b. Billing Cycle Purchase Limit. Each cardholder's account and delegation of authority document shall include his/her billing cycle purchase limit. The billing cycle limit may be assigned in increments of $100 up to $999,999.

c. Merchant Type Code is the code assigned by the bank which categorizes each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. Each cardholder's account shall be coded to identify the types of merchants from whom the cardholder is authorized to purchase.

d. Transaction Type. The cardholder's account and delegation of authority letter shall identify the transaction types authorized (i.e., over-the-counter or telephone orders).

P-7 Training Requirements

a. Prior to issuance of a purchase card, all prospective Cardholders and cognizant Approving Officials must receive orientation on local operating procedures. Refresher training is required at least every three years for Cardholders and others involved in the process to ensure compliance and understanding of contracting authority and local operating procedures.

b. In addition, the APC, prospective Cardholders, and Approving Officials must successfully complete at least one of the following:

(1) CD-ROM Interactive Training Video for the DON Purchase Card Program.

(2) NAVSUP Commercial Purchase Card Course for Micro-Purchasers;

(3) A cognizant HCA approved purchase card course that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card Course for Micro-Purchasers;

c. Individuals who have taken one of the following courses have satisfied the training requirement and are not required to complete any of the training discussed in paragraph c. above.

(1) NAVSUP Simplified Acquisition Procedures Course; or

(2) PUR 101, Purchasing Fundamentals; PUR 102, Operational Level Small Purchase; CON 101, Contracting Fundamentals or equivalent predecessor courses; or CON 237, Simplified Acquisition Procedures.

P-8 Prohibited Uses of the Purchase Card

a. In accordance with the GSA Contract Guide, the Government-wide Commercial Purchase Card shall not be used for the following items:

(1) Cash advances.

(2) Rental or lease of land.

(3) Telecommunications (telephone) services (i.e., major systems such as VETS 2000, DSN, or Base telephone systems). This restriction does not include short term services (i.e., rental of beepers, telephone moves, etc.)

b. In addition, DON activities shall not use the Government-wide Commercial Purchase Card for the following, except as discussed below:

(1) Expenses associated with individual official travel orders including transportation, lodging, or meals.

(2) Unpriced services unless the cardholder can establish a ceiling price that will not be exceeded by the contractor. This authority is limited to services in which commercial practice sets market prices for services and those market prices are identified in the cardholder documentation along with the ceiling price established.

(3) Except as discussed above, the purchase card may be used for ALL micro-purchases that do not require a written purchase order. Requirements that would require a written purchase order would include safety/safety of flight, configuration control, weapon system-related parts, foreign military sales, and classified requirements.

P-9 Cardholder's Use of the Card

a. Prior to soliciting a quotation, the Cardholder must:

(1) Have sufficient funds committed by the financial manager/comptroller to pay for the purchase. Bulk funding committed to the cardholder's account is encouraged. When bulk funding is not utilized, the Cardholder must obtain funds from the financial manager/comptroller prior to each purchase;

(2) When required, ensure that required sources of supply have been screened and appropriate waivers are in place when those sources are not utilized.

b. Pertinent information discussed between the contractor and cardholder when requesting quotes and making award may be documented on a cardholder log or other simplified record.

c. If the merchant's price is fair and reasonable, the Cardholder may proceed to purchase the supplies. This may be accomplished:

(1) Over-the-Counter when the cardholder goes to the merchant's place of business to make the purchase and the supplies are immediately available; or

(2) Over-the-Phone where orders are placed by phone and the contractor delivers the supplies to the activity or government pick-up is authorized.

d. Whether the purchase is made over-the-counter or over-the-phone, the following applies:

(1) In order to protect the integrity of the process, a minimum two way separation of function is required. If the cardholder is picking up material at a contractor's place of business, the end user or designated receiving personnel should sign for final receipt. In the event the cardholder is the end user, another designated individual must sign for receipt. If a second individual will not be available, the activity should have some process to ensure the integrity of the purchase, obtain approving official approval in advance, etc.).

(2) The cardholder should advise the merchant that the purchase card account might not be charged until after material is shipped.

(3) Back ordering or delivering partial quantities should be avoided. If an item must be back ordered or a partial quantity accepted, the merchant must agree to only bill for the actual quantity shipped.

(4) For ease in reconciliation, cardholders should attempt to have all material delivered or picked-up within the same billing cycle.

(5) Cardholders must retain any documentation received from the vendor, as this will later be used to verify the transactions shown on the cardholder statement. This document may be a charge slip; cash register receipt, packing list, etc. If for some reason the cardholder does not have documentation of the transaction, an explanation will need to be attached to the statement during the reconciliation process.

e. Required Shipping Information within CONUS

(1) When the contractor within CONUS is shipping material, the contractor should be advised to include the following information on the shipping label:

(a) Complete “MARK FOR" address including the cardholders UIC, address and departmental name or code for which the material is being procured;

(b) Requisition/Order number or other reference number provided by the cardholder; and

(c) Merchants name and address;

(2) Additionally, a shipping document or packing slip should be included in each package with the following information:

(a) Merchants name and address;

(b) Date of order;

(c) Requisition number/job order number, or other reference number provided by the cardholder;

(d) Date of delivery or shipment;

(e) Itemized list of supplies furnished, including quantity;

(f) Cardholders name and code; and

(g) Complete "MARK FOR" address including UIC and address of the end user.

f. Required Shipment Information when Material is for a Mobile or Overseas Unit. When material is for a mobile or overseas activity or unit, the recommended method for vendor shipment of the items is the U.S. Postal Service (USPS).

(1) When material is being shipped via the USPS, the following information should be included on the shipping label:

(a) Complete "MARK FOR" address including the cardholders UIC, FPO address and departmental name or code for which the material is being procured;

(b) Requisition/Order number, Transportation Control other reference number provided by the cardholder; and

(c) Merchants name and address.

(2) If the USPS is not used, because of the Required Delivery Date (RDD) or size/weight restrictions, the item will be shipped via the Defense Transportation System (DTS). For items shipped via the DTS, the shipping label:

(a) Complete "MARK FOR" address including the cardholder's UIC, FPO address and departmental name or code of the activity for which the material is being procured;

(b) Requisition/Order Number, TCN, or other reference number assigned by the cardholder;

(c) Transportation Account Code (TAC). The TAC utilized for material procured with the purchase card shall be N820, a NAVSUP Service-Wide Transportation (SWT) First Destination TAC. This TAC is required for further movement in the DTS and its use is strictly limited to the movement of a purchase card procured item from a MILSTAMP-designated aerial-or Water Port of Embarkation (APOB/WPOE) to a cardholder activity when the activity is overseas, including deployed ships and mobile units. It shall not be used for payment of transportation charges for domestic (including Alaska, Hawaii, and Puerto Rico) shipments;

(d) Transportation Priority (TP) and RDD. This information is critical for items entering the DTS for further forwarding by the Air Mobility Command (AMC). If the TP/RDD is not cited, the material will be forwarded via surface carrier to the procuring activity;

(e) Merchant's name and address;

(f) Consignee/"SHIP TO" address. Items will be consigned to one of the following transshipment points for entry into the DTS.

1. For material entering a DTS Port of Embarkation (POE) on the East Coast, consign as follows:

SHIP TO: N45750
VREPCONTRACTOR
8349 AIR CARGO ROAD
BUILDING LP-117

NAVAL AIR STATION
NORFOLK, VA 23511-4496

2. For material entering a DTS POE on the West Coast, consign as follows:

SHIP TO: W62N2A
DDRW SAN JOAQUIN SITE
RFC OCONUS
CENTRAL RECEIVING BLDG 330
LATEROP, CA 95331-5340

(3) For any items that may require special handling, e.g., temperature controlled or signature service, contact the Naval Transportation Support Center (NAVTRANS) Fleet Locator at (757) 444-7381/DSN 564-7381 for shipping and routing information.

(4) Advance notification of the information contained in paragraph l0.f.(2) above should be forwarded via letter or naval message by the cardholder to the appropriate transshipment point to ensure proper routing upon material receipt and to preclude frustration of material:

(a) For material entering a DTS Port of Embarkation (POE) on the East Coast, forward advance information to:

VREP CONTRACTOR
8349 AIR CARGO ROAD
BUILDING LP-117
NAVAL AIR STATION
NORFOLK, VA 23511-4496

(b) For material entering a DTS POE on the West forward advance information to:

DEFENSE DISTRIBUTION REGION WEST
ATTN: DDJC-EDS (SBARPE SITE)
PO BOX 960001
STOCKTON, CA 95296-0134

(5) Regardless of which method is used to ship material to mobile or overseas units, the vendor must include a packing slip inside each shipment with the following information:

(a) Merchant's name;

(b) Date of order;

(c) Date of delivery or shipment;

(d) Itemized list of supplies furnished, including quantities;

(e) Complete "MARK FOR" address including UIC and FPO address of the activity for which the material is being procured;

(f) Requisition number/TCN or other reference number issued by the cardholder.

P-10. Receipt and Acceptance. It is the cardholder's responsibility to verify receipt of all purchases before payment can be made to the contractor. The cardholder must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. If receipt documentation is not available, the cardholder must contact the end user, central receiving organization or other person responsible for receipt to obtain verification that the supplies have been received. The log or other file documents must be annotated to indicate that proper receipt and acceptance has been accomplished.

P-11. Reconciliation. Reconciliation procedures at each activity may vary due to program requirements. However, procedures should comply with the GSA contract guide, this instruction and RMBCS established procedures and should address the following:

a. Cardholder. At the end of each monthly billing cycle, the cardholder shall reconcile the information on his/her statement by filling in the appropriate accounting classification, if different from the master accounting line, and a description for each transaction. The cardholder shall review all information on the statement, verifying the accuracy of all transactions and documenting credits and returns. If transactions and credits are not on the next monthly statement, the transaction documentation shall be retained by the cardholder until the transaction or credit appears on the statement. The cardholder must sign the statement, attach all supporting documentation and forward to the approving official or designated alternate. If the cardholder cannot review the statement at the time that it is received, the approving official is responsible for reviewing and certifying the cardholder's statement. The cardholder must, upon his/her return, review the statement and resolve any discrepancies with the approving official.

b. Approving Official. The approving official is responsible for ensuring that all purchases made by the cardholder were appropriate and accurate, and must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the approving official will notify the appropriate personnel within the organization. After review, the approving official will sign the cardholder's monthly statement of account and forward it and the approving official statement to the designated billing office.

P-12. Cardholder Liability. Intentional use of this purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of an individual's card and disciplinary action. The Cardholder will be personally liable to the Government for the amount of any non-government transactions. Under 18 U.S.C. 287, misuse of the purchase card

could result in a fine of not more than $10,000 or imprisonment for not more than five (5) years or both.

P-13. Review of the Local Program

a. Internal Review. To ensure that internal controls and local operating procedures are followed by Requisitioners, Cardholders, and Approving Officials, a semi-annual review of purchase card transactions shall be conducted by the appropriate officials of the using activity. A report of the review should be submitted to the organizational APC (if performed by other personnel) who should initiate appropriate action as necessary to improve the local program or correct specific problem areas. Areas that should be considered during the internal review include:

(1) Review of Internal Operating Procedures to ensure compliance with applicable directives;
(2) Compliance with applicable training requirements;
(3) Delegations of Authority;
(4) Purchase Request Process;
(5) Micro-purchase procedures;
(6) Receipt, Inspection and Acceptance Procedures;
(7) Invoice certification Process; and
(8) Prompt payment Issues.

b. HCA Review. The HCA, or his/her designee, who granted contracting authority shall review the Program as part of their Procurement Management Review Program.

DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
WASHINGTON. D.C. 20376

NAVSUPINST 4230.37A
NAVSUP 02X
09 APR 1996

NAVSUP INSTRUCTION 4230.37A

Subj: NAVAL CONTINGENCY CONTRACTING PROGRAM

Ref: (a) Joint Pub 4-0
(b) SECNAVINST 5300.36 Series
(c) Naval Contingency Contracting Handbook
(d) NAPS Part 1
(e) NAVSUPINST 4200.81 Series
(f) OPNAVINST 3061.1 Series
(g) BUPERSINST 1001.39 Series

Encl: (1) Naval Contingency Contracting Program Assignments
(2) Sample Letter for Appointment to Contingency Contracting Team

1. Purpose. To revise and reissue guidance and procedures for establishing and maintaining a viable Contingency Contracting Program capability within the Department of the Navy (DoN). This instruction is a complete revision and should be read in its entirety.

2. Cancellation. NAVSUPINST 4230.37

3. Background

a. In recent years, crisis situations worldwide have required the rapid deployment of personnel to support United States national interests. These contingencies in Operations Other Than War (OOTW) have involved military and other public, joint, or allied elements. Contingencies require planning, rapid response, flexible procedures, and integration of efforts.

b. The need for a viable contingency contracting capability arises from the complex nature of the acquisition process and the necessity to support joint or multinational forces. A trained contracting cadre to support contingency operations ensures that proper methods are employed in the procurement of supplies and services and that responding forces receive the required logistics resources to perform their mission. Localized contracting reduces the dependence on CONUS-based logistics systems, reduces response time, and frees up critical storage space within military airlift and sea lift channels. Properly executed, a contingency contracting capability becomes an "arrow in the quiver" of the force commander and can be used as a force multiplier.

c. The DoN's Contingency Contracting Program is based upon a triad concept of support elements: the existing infrastructure of the CONUS and OCONUS regional contracting activities of the Navy Field Contracting System; the existing worldwide network of husbanding services contracts; and the military and Navy civilian contracting personnel designated for rapid deployment under this program. Prospective use of husbanding services contracts for littoral support during OOTW together with trained, deployable contingency contracting personnel provide the Commander in Chief (CINC) with flexibility as well as a sustainable surge capability.

d. It is expected that Navy organic military and civilian personnel assigned under the auspices of the Naval Contingency Contracting Program will normally supplement existing contracting operations established in-theater. Joint or multinational contracting operations will usually be established by the applicable CINC Acquisition and Contracting Board under the authority of reference (a). Program personnel may also be deployed to back-fill forward deployed personnel at designated Navy field contracting activities. Consequently, deployed personnel will normally exercise warrant authority under the Head of Contracting Activity (HCA) of the lead Service Component in-theater.

e. To effectively support the contingency mission, it is incumbent upon the DoN to ensure that military and civilian augment personnel meet the statutory warrant qualifications as delineated in reference (b).

f. Express information regarding planning for contingency contracting operations; in-theater contracting procedures; and applicable procurement policies germane to contingency contracting operations can be found in reference (c). Reference (c) also details supplies and supports equipment associated with the deployment of assigned augment personnel.

4. Policy. The Assistant Secretary of the Navy (Research, Development, and Acquisition) (Acquisition Business Management) (ASN (RD&A)(ABM) has delegated authority to the Naval Supply Systems Command (NAVSUP) to coordinate the Naval Contingency Contracting Program. This authority is derived from NAVSUP's responsibility as HCA for the Navy Field Contracting System (NFCS). In accordance with reference (d), NAVSUP, through the NFCS, is responsible for contracting for supplies and services throughout the DoN for which no other contracting authority, office, or command is otherwise delegated specific contracting authority.

5. Program Objective. The Naval Contingency Contracting Program is chartered to provide logistics support to the Fleet and designated joint or multinational forces in support of their mission and in both operations OOTW and Major Regional Conflicts (MRC). This includes support for contingency contracting functions through the dedication of personnel, resources and centralized policy coordination within DoN. This is accomplished through the following program elements:

a. Designation of Commander, NAVSUP, as the central point of contact within DoN as the coordinator for the Naval Contingency Contracting Program.

b. Designation of the existing infrastructure of the regional buying activities of the NFCS as the anchor of DoN's contingency contracting capability.

c. Designation of Commanding Officer, Naval Regional Contracting Center (NRCC), Naples, as having Program Management responsibility for the Navy's worldwide husbanding services contract network.

d. Identification of Defense Acquisition Work force improvement Act (DAWIA) statutory requirements and other necessary qualifications for military and Navy civilian contingency contracting personnel.

e. Establishment of procedures to select, assign, and rotate military and Navy civilian personnel assigned within the Naval Contingency Contracting Program.

f. Identification of designated active military and civilian contracting personnel available to deploy in support of contingency operations within 72 hours.

g. Identification of necessary support equipment and supplies (contracting support kit) for organic contingency contracting operations.

h. Establishment and maintenance of general contingency contracting procedures codified in a Naval Contingency Contracting Handbook.

6. Scope. This instruction applies to all DoN commands, activities and organizational elements exercising delegated contracting authority under the HCA of the Naval Air Systems Command, Naval Sea Systems Command, and the NAVSUP.

7. Definitions

a. "Acquisition" means acquiring by contract with appropriated funds, supplies or services by and for use of the federal government. Acquisition begins at the point when organizational needs are established and includes, as a subset, the contracting process.

b. "Contingency" is defined for purposes of this instruction as any operation involving the activities of U.S. forces in OOTW and MRC.

c. "Contingency contracting" is the process of contracting for available supplies and services in immediate local support of

deployed units, posts, camps, or stations during a contingency operation.

d. "Contracting" is purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources. Contracting includes description of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. It does not include making grants or cooperative agreements.

e. "Defense Acquisition Work force Improvement Act" (DAWIA) (PL 101-510) establishes statutory standards for education, training, and experience levels that must be met prior to certain personnel assignments within the DoD acquisition community. DAWIA also establishes statutory qualifications for all warranted contracting officers authorized to award or administer contracts above the authorized Simplified Acquisition Threshold (SAT).

f. "Head of Contracting Activity" (HCA) is the individual cited by FAR, DFARS, or NAPS having overall responsibility for managing the contracting activity.

g. "Husbanding Services" is a nonpersonal services contract awarded for support of fleet units in foreign ports. The contract duplicates a variety of littoral logistics support services commonly available from CONUS regional supply operations.

h. "Operations Other Than War" (OOTW) are defined as including disaster relief and civil disturbance operations; support to counter drug operations; civil affairs; humanitarian assistance; foreign nation assistance in support of human rights; security assistance; peacekeeping and peace enforcement operations; noncombatant evacuation operations; anti-terrorism operations; and other operations outside of a MRC as defined by competent authority.

i. "Simplified Acquisition Threshold" (SAT) is the monetary threshold for exercising contracts under the authority of FAR Part 13. The SAT is $100,000. The SAT for contracts locally awarded outside of the United States in direct support of a declared contingency operation is $200,000.

j. "Supplies" includes all property except land or the interest in land.

8. <u>Responsibilities and Authorities</u>

a. The Naval Supply Systems Command, Deputy Commander for Contracting Management (NAVSUP 02), is responsible for policies and procedures associated with the Naval Contingency Contracting Program as defined within the scope of this instruction. NAVSUP 02 shall:

(1) Maintain and develop any needed changes to this

instruction and the Naval Contingency Contracting Handbook.

(2) Maintain an available listing of worldwide naval regional buying activities promulgated under reference (e).

(3) Maintain a database of contracting personnel designated under the Naval Contingency Contracting Program. Enclosure (1) details personnel quotas for commands covered under the scope of this instruction.

(4) Assess the need for, and, if necessary, recommend required deviations, waivers, or legislative changes necessary to support declared contingency operations.

(5) Coordinate with the designated lead service component, organic contracting activity, or requiring CINC to provide travel and per them funding and furnish the required equipment and resources necessary to provide contracting support within the contingency theater of operations.

(6) Provide assistance to naval activities, joint commands, CINCS, and DoD agencies in compiling a comprehensive database of reliable and available commercial sources of goods and services, within the theater of operations, needed to sustain contingency operations.

(7) Maintain a central repository of "lessons learned" reports from contingency contracting operations.

b. The Commanding Officer, Naval Regional Contracting Center (NRCC), Naples, is responsible for worldwide program management of the Navy's husbanding services network. CO, NRCC Naples, shall:

(1) Coordinate with respective Navy Regional Contracting Centers and Fleet and Industrial Supply Centers to define and promulgate DoN policy and procedures relative to the award and administration of Navy husbanding services contracts within the scope of existing statute, regulation, and international agreement. Ensure contract vehicles provide for instant support and contain provisions for surge capacity to support contingency operations in the applicable Area of Responsibility (AOR). Navy Regional Contracting Centers and Fleet and Industrial Supply Centers will award and administer husbanding service contracts in their respective AOR.

(2) Coordinate specific requirements for all husbanding services contracts with Unified and Specified CINCS, Fleet Commanders, Type Commanders, and the responsible regional contracting activities.

(3) Maintain and promulgate a worldwide husbanding services contract bulletin summary, on a quarterly basis, to include: contract number; contractor; geographic area of coverage;. scope of services available; contractor's representative and contact's

phone, facsimile number and internet address; designated Procuring and Administrative Contracting Officers, designated Contracting Officer's Representative; and period of coverage and general ordering information. NRCC Naples will coordinate with NRCC Singapore to ensure distribution in their respective AOR.

c. The Naval Supply Systems Command, Director of Supply Corps Personnel, Reserve Division (NAVSUP OP2), is responsible for policies and procedures associated with designated Naval Reserve components of the Naval Contingency Contracting Program. NAVSUP OP2 shall:

(1) Coordinate with Commander, Naval Reserve Forces in the establishment and support of the Advanced Base Functional Component Naval Reserve Units and the NAVSUP OCONUS NRCC units for contingency contracting.

(2) Act as the single point of contact in the coordination of a voluntary or involuntary recall of Naval Reserve Supply Corps and supply enlisted personnel in support of contingency contracting operations.

(3) Submit requests for Active Duty for Special Work or One-Year Recall as required for recall of selected reservists for contingency contracting billets.

(4) Coordinate processing recalled selected reserve members through the designated servicing Navy Mobilization Processing Site.

d. Commands and naval activities covered under the scope of this instruction shall:

(1) Identify, appoint, and make known a Naval Contingency Contracting Program coordinator.

(2) Identify qualified personnel to support contingency operations. Command quotas are listed in enclosure (1).

(3) Maintain and provide to NAVSUP 02 a current listing of personnel assigned under the auspices of the Naval Contingency Contracting Program. Commands shall provide the following information for each assigned individual (ensure compliance with 5 U.S.C 6311, Privacy Act):

(a) Full name as listed on U.S. passport
(b) Rank/Grade; Subspeciality code, MOS or occupational series (e.g., 1306P or GS-1102)
(c) Social Security Number
(d) Current DAWIA certification level
(e) Current warrant level
(f) Current billet
(g) Sex
(h) Religion
(i) Current and highest held security clearance

(j) Home mailing address
(k) Home phone number
(1) Work phone number
(m) DoD E-mail and internet address
(n) Foreign language proficiency (if applicable)
(o) Relevant experience (if applicable)

(4) Ensure individuals are designated in writing and are made aware of the potentiality of deployment within 72 hours of notice. Enclosure (2) contains a sample letter of designation.

(5) Ensure that the designated personnel receive adequate formal and on-the-job training and meet the DAWIA statutory requirements for warrant authority. Claimant/command quota requirements are listed in enclosure (1) by category of warrant authority. Those designated personnel formally qualified to hold a warrant above the SAT, as delineated in reference (b), need not currently hold a warrant at their respective claimant/command.

(6) Ensure designated personnel receive and maintain current official and Tourist U.S. passports; have a bar-coded Armed Forces ID card (military personnel), and have identification ("dog") tags with chain.

(7) Ensure designated personnel are aware of their personal responsibility for maintaining their immunization and health records, arranging their family and personal lives for a short-notice departure, and making any other personal arrangements as necessary.

(8) Claimants/commands covered under the scope of this instruction will normally fund all costs, with the exception of travel and per diem, associated with preparation and outfitting of personnel designated in the program. NAVSUP will coordinate travel and per diem funding for deploying personnel. Ensure all costs associated with the Naval Contingency Contracting Program are captured and available to Navy for reimbursement.

9. Procedures

a. Upon the start of a contingency operation, the unified CINC will forward total force lists generated by the executed OPORDER/OPLAN. The CINC will notify the Chairman of the Joint Chiefs of Staff (CJCS) of any shortfall in forces and request transfer of units and designated billets to the CINC's authority. CJCS reviews available forces and in cases where adequate active forces are not available, CJCS recommends military reserve mobilization from the National Command Authority. The President directs involuntary recall of a specified number of reservists and delegates recall authority to the individual service secretaries. Within DoN, Chief of Naval Operations (CNO) will issue direction for mobilization in accordance with the procedures outlined in references (f) and (g)

b. Mobilization of members of the selected reserve to support contingency contracting operations will be coordinated directly by NAVSUP OP2.

c. To satisfy active duty requirements, the unified CINC will normally forward DoN personnel augmentation requirements through the applicable fleet commander to CNO (N3/N4/N5). CNO will validate, prioritize, and approve/disapprove the request. If approved, CNO (Nl) will task via naval message the appropriate Marine Corps component, Navy claimant, or command best able to satisfy the skill requirement within a concept of fair share allocation.

d. Formal CNO tasking to the NAVSUP for active duty military or civilian contracting personnel to support contingency operations shall be considered as a tasking under the Naval Contingency Contracting Program. As such, the augment responsibility is applicable to those claimants and commands included in the scope of this instruction.

e. If tasked, NAVSUP 02 will make all possible attempts to satisfy the augmentation requirement with in-theater assets of the applicable regional contracting activity. Absent available or sufficient resources, NAVSUP 02 will notify the respective claimant or command coordinator of the specific requirement. The specified command coordinator will then effect the detail of one or more personnel designated under the program.

f. Personnel details will be made on a voluntary basis when time permits and if skill, experience, or other unique requirements are not a factor. Absent those factors, details will be made on a fair share basis. The rotation will be based on the current number of authorized military contracting billets within those claimants within the scope of the Naval Contingency Contracting Program. Under normal circumstances, NAVSUP will provide two personnel for every one nonvoluntary assignment made by other claimants/commands listed in enclosure (1). Sequence and timing of the individual details will be determined by the assigned claimant coordinators.

g. Nonvoluntary details of multiple personnel will be dispersed between commands to preclude any adverse impact on the contracting mission of the affected organization. Commands identified in enclosure (1) would not normally provide more than one concurrent, nonvoluntary augmentee unless the total program requirement exceeds the number of commands covered under the scope of this instruction.

h. Personnel details will normally coincide with the time period specified by the requesting CINC and as verified and approved by CNO. Active duty military and civilian personnel details under the scope of this program will not exceed 179 days.

i. NAVSUP, as program sponsor, will retain ultimate authority and responsibility for the process of detailing personnel assigned

to the Naval Contingency Contracting Program.

10. Action. This instruction is effective upon receipt and shall remain in effect unless it is specifically modified or canceled.

R. M. MOORE
Commander

Distribution:
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NAVAL CONTINGENCY CONTRACTING PROGRAM ASSIGNMENTS

The below listed claimants/commands shall maintain a current assignment of active duty military and Navy civilian contracting personnel available for support of a contingency contracting operation. Individual command assignment quotas are indicated by warrant levels. Commands may assign an individual to fulfill both quotas as indicated below. Except as noted, at least half (50 percent) of assigned quota must be active duty military personnel.

CLAIMANT/COMMAND	QUALIFIED TO HOLD A WARRANT ABOVE THE SAT[1]	QUALIFIED TO HOLD A WARRANT UP TO THE SAT[1]	MINIMUM TOTAL PERSONNEL[3]
NAVAIR	4	4	5
NAVSEA	4	4	5
NAVICP	2	4	4
NRCC Naples	1	1	2
NRCC Singapore	1	1	2
FISC Jacksonville	1	1	2
FISC Norfolk[2]	4	6	5
FISC Puget Sound	1	1	2
FISC San Diego[2]	2	4	4
FISC Pearl Harbor	1	1	2
FISC Yokosuka	1	1	2
TOTALS:	22	28	35

Note 1. Simplified Acquisition Threshold of $100,000.
Note 2. At least 25 percent of total quota (SAT & >SAT) shall be active duty military.
Note: 3. Demonstrates one or more individuals is qualified to fulfill one quota in both categories.

SAMPLE LETTER

4230
Ser
Date

From: Commanding Officer, Fleet and Industrial Supply Center,
To: Conmander John K. Doe, SC, USN, 123-45-6789/3100

Subj: APPOINTMENT TO NAVAL CONTINGENCY CONTRACTING PROGRAM

Ref: (a) NAVSUPINST 4230.37 Series
(b) Naval Contingency Contracting Handbook

1. Pursuant to reference (a), you are hereby designated as a primary member of the Naval Contingency Contracting Program for FISC_____. Under this program, you are on notice to be fully prepared for rapid deployment within 72 hours of notification.

2. You are responsible for ensuring your passport, immunization and health records are current, as well as for arranging your personal life for a short-notice departure. The FISC _____ program coordinator will assist as necessary in this endeavor. Reference (b) provides specific information regarding deployment preparations and in-theater operations.

3. You are to contact the program coordinator immediately if at any time you are unable to meet your potential obligations under this program.

4. The Naval Contingency Contracting Program coordinator at FISC is CDR _____ at (201) 555-4000. Overall program coordinator is NAVSUP 02X. Phone number is DSN 430-6435, or commercial (717) 790-6435. Fax number is (717) 790-4040.

H. E. PALM

Copy to:
SUP 02
Service Record

John K. Doe
Acknowledged 1 Oct 1995
John K. Doe
CDR, SC, USN

Tab D

APPENDIX B

SECTION 1: PURPOSE

INTRODUCTION

1. The purpose of this appendix is to provide a consolidated source of information for a contingency contracting officer (CCO) for use while providing support to deployed units during peacetime exercises and wartime contingencies.

2. Commanders still have the responsibility to provide adequate combat support and combat service support. Some of the required support can be provided from locally available resources in the area of responsibility. This source lightens the logistical tail and does not waste scarce airlift. In order for commanders to properly obtain this support through legal means, they must use properly warranted contracting personnel to accomplish this task. These personnel provide an operational concept for the coordination, management, and procurement of supplies and services (combat support and combat service support) provided through contracting/purchasing actions for deploying or deployed forces. Commanders have the greatest flexibility when they have the capabilities of a contracting team to provide them support.

GENERAL

1. With the probability of the U.S. Marine Corps participation in contingency operations, training exercises, and low intensity confilcts, the requirement to take full advantage of local resources becomes significant in supporting these operations. Bulk supplies and material that can be locally procured does not waste scarce lift resources that are needed for combatants.

2. The contingency or low intensity operation will most likely occur in areas of the world where little or no Host Nation Support (HNS) agreements exist. Thus, the requirement for contracting/purchasing support becomes a question of accumulating as much data regarding source availability and the location as quickly as possible. The contracting team must accomplish this amassing of available local resources to offset not only the immediate needs of the U.S. Forces (e.g., bulk class III, class IV, shelters, construction materials, miscellaneous supplies, and services), but also establish support relationships with the local authorities that would serve as a basis for firmer commitments if required.

MISSION

1. To locate and obtain local resources through contracting and purchasing actions which will legally support U.S. Marine Corps mission requirements in a theater of operations.

2. To initiate and execute contracting/purchasing actions with local resource activities to provide required and authorized combat support and combat service support.

3. To serve as an initial focal point to manage and coordinate available HNS resources obtained to support the deployed forces and to interface HNS plans, resources, and activities within the overall support structure.

OPERATIONAL CONCEPT

1. The contracting team would be one of the first support elements to arrive in the contingency area of operations. Its' task would be to execute or establish any existing or required agreements or contracts for supplies and services needed by the deploying or deployed forces. The supplies and services would be obtained from the local economy in congruence with host nation economic parameters. This team would be attached to the combat service support element or higher Headquarters, to provide overall support to the combat forces.

2. The contracting team, using logistics requirements determined by the commander, will obtain, through purchasing and contracting, any available local resources.

3. The contracting team would use all available data concerning local resources that would most likely be available in the contingency area.

The contracting team would also be the initial focal point responsible for the management and coordination of the HNS assets into the Marine Corps support plan as required. It would use all legal,contracting, and purchasing techniques to obtain available support within the area of responsibility. It would also facilitate Logistics Civil Augmentation Programs, HNS arrangement, and other unique support agreements.

SECTION 2: AUTHORITIES AND LIMITATIONS

INTRODUCTION

1. This section list various authorities and limitations by which contingency contracting officers can determine what they can or cannot do during contingencies. To do this, some basic assumptions and limitations must be made.

ASSUMPTION

1. Current and future regulatory and statutory requirements and programs will be relaxed as necessary, or waived, to expedite the contracting process.

2. Request for supplies and services will be high priority, thereby drastically reducing contracting administrative leadtime and delivery requirements.

3. Deployed contracting forces will have authority to conduct business with foreign governments, commercial firms, and other forces in the theater where assigned or deployed.

4. Some contracting authorities and responsibilities can be delegated.

LIMITATIONS

1. Applicable agreements such as host nation and inter-service agreements, status of forces, and other authoritative agreements in the theater of operations may limit the CCO’s ability to satisfy some requirements.

2. Prohibiting the use of cost-plus-a-percentage-of-cost contract and statutory requirements regulating profits will continue.

WAR AND EMERGENCY LEGISLATION

1. Congress enacted several laws recognizing the Government must respond quickly in a time of crisis. There are currently over 350 laws which expand and/or restrict legal authorities affecting all functions of the Government. HQ USAF/JACO has complied these laws in a “Digest of War and Emergency Legislation affection the Department of Defense." It is continually updated and available through the Judge Advocate Information Services (AF/JAS, Denver, CO 80279) through the Defense Emergency Authorities Retrieval and

Analysis System (DEARAS). While there are several laws which affect contracting, the following three have the greatest impact on contingency contracting in foreign theaters:

a. Fifty USC 1431-1435, The “National Defense Contracts Exempt from Certain Statutory Limitation” authorizes the DoD to enter into, modify, or make advance payments on contracts in the interest of the national defense without regard to certain statutory limitations.

b. “Exemption of Certain Purchases and Contracts from Formal Advertising Requirements" as contemplated by the Competition in Contracting Act advertising when its needs for the property or service “is of such an unusual and compelling urgency that the United States would be seriously injured .....” This is the authority a CCO would most likely use (for purchases over $25,000) since justification and approval can be processed after the fact. Another authority from the Competition in Contracting Act of 1984 which may be used, particularly during exercises, is 10 U.S. C. 2304 (c) (4) entitled, "International Agreement." This authorizes using other than full and open competition “when a contemplated acquisition is for services to be performed, or supplies to be used in, the sovereign territory of another country and the terms of a treaty or agreement specify or limit the sources to be solicited." Copies of international agreements are filed with the United States European Command or with the United States Pacific Command. In addition, Military Assistance Advisory Groups, Naval Missions, and Joint United States Military Aid Groups normally have copies of the agreements applicable to the countries concerned (DoD FAR 25.801).

c. Defense Resources Act is designed to provide contracting personnel (among others) the authority necessary to meet various contingencies. As such, CCO’s should be notified before deployments of exactly what has been authorized before using this authority. Additional sections of the legislation could be reviewed, modified, and introduced to Congress as amendments to the current Defense Production Act.

A question often raised is, what statutory authorities can we count on being waived during actual contingencies? A complete reading of this act sheds little light as to the specific laws which may be waived. However, several excerpts from the act reveal how far-reaching and all encompassing some potential waivers could be:

2. "Sec. 401. The President may authorize any agency of the Government exercising functions in connection with the national defense to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the performance of the national defense functions of such agency; except that this title does not authorize the use of

the cost-plus-a-percentage-of-cost system of contracting or any contract provision in violation of law relating to limitation of profits." (EMPHASIS ADDED)

3. " Sec. 1214. Except as provided in the Act, all laws and parts of laws in conflict with the provisions of this Act are hereby suspended to the extent of such conflict for the period during which this Act shall be in force.”

4. These sections would make it appear CCO’s have unlimited authority to write contracts andy way they see fit. However, a word of caution on tewo points. First, implementing legislation of this act could change or modify this language. Second, CCO's are still required to adhere to sound contracting principles to the extent granted during emergencies. The bottom line is CCO’s will be given the authority to get the job accomplished, but they must thoroughly document reasons for not following normal procedures. The remainder of this handbook is based on this premise.

5. In addition to these broad based laws, the FAR and DoD Supplements spell out additional exceptions under emergency conditions. these are summarized in table 3-2. CCO’s should perform a thorough review of these regulatory and legislative exceptions, in their full context to fully understand their application and use. Training and preparation before deployment can save both time and frustration during actual conditions.

FAR Reference	Subject	Exceptions Allowed
5.201(b)	Synopsis	Does not apply overseas
5.202(a)(2)	Synopsis	Not applicable if unusual and compelling urgency exits
5.202(a)(3)	Synopsis	International agreement specifies the source of supply
6.001(a)	Competition	Does not apply to small purchases under $25,000
25.102(a)(l)	Buy American Act	Not applicable for items used outside U.S.
25.392(b)	International Balance of Payments Program	May buy foreign if under $25,000

FAR Reference	Subject	Exceptions Allowed
25.501	Payment in Local Currency	Foreign contracts should be priced and paid in local currency, unless C.O. determines it to be inappropriate.
25.703(a)	Restrictions on Certain Foreign Purchases	Authorized to buy items from North Korea, Vietnam, Cambodia, and Cuba in emergencies
28.102-l(a)	Bonds	Can be waived by C.O.
37.107(b) and DOD FAR SUP 37.104(70)(e)(3)	Personal Services	Permissible pursuant to 5 U.S.C. 3109, if advantageous to the national defense requires J & A.

SECTION 3: FUNDING ISSUES

INTRODUCTION

The purpose of this section is to highlight significant differences between peacetime funding and contingency or emergency funding practices. During peacetime, funding issues are taken for granted. Purchase requests are received through the supply chain on DD Form 1149 or other forms as prescribed, and certified by comptroller personnel.

FINANCE AND CONTRACTING RELATIONSHIPS

It is essential a close working relationship be established between the deployed disbursing officer or other personnel performing those functions and the CCO in order to make timely and accurate payments for supplies and services. These personnel would be empowered with authority to cite funds, certify fund availability, and process disbursements and collections.

FUNDING PROCEDURES

An important point for CCO’s to keep in mind in a “cash and carry" environment; an accounting classification code is required on all contracting documents.

OTHER FORMS

CCO’s may also receive purchase requests using DD Forms 1348-6, DD Form 1149, Military Interdepartmental Purchase Request (MIPR). These are all "one-time" funding documents and can only be used for a specific purpose, and within the funding limitation stated on the form. These forms require funding certification by the designated responsible officer or fund administrator.

IMPREST FUND

The last funding procedure is the imprest fund. Imprest fund accounts can be established outside the contracting office up to $5,000 with prior approval of LBO. Individual transactions cannot exceed $500. The imprest fund is reimbursed by submitting a
SF 1129 to the disbursing. The FAR subpart 13.4, DoD Supplement, and this Manual provide detailed procedures on imprest fund.

PROTECTING FUNDS UNDER FIELD CONDITIONS

1. "When deployed in the field for actual or exercise purposes, all Government funds must be under continuous control. " Under no circumstances will they be left unattended and unsecured. The deploying commander must establish and enforce procedures for protecting deployed government funds. Procedures will be established based on the following guidelines:

a. Only the minimum amount of funds will be deployed.

b. Funds shall be kept in secure storage accessible only to the person responsible for their custody.

c. A suitable safe for security will be provided. Field safe: are not authorized unless by this Manual, paragraph 6110.

d. The safe shall be positioned in such a manner as to prevent observation of the combination dial by others.

NOTE: Use of foreign banks or embassy financial institutions may be authorized. Review operation order of specific area prior to deployments.

APPENDIX B

SECTION 4: DUTIES AND RESPONSIBILITIES

INTRODUCTION

This section provides the CCO guidance on those tasks which are essential to conducting an effective contingency contracting Program. In addition, CCO's may be given other duties which have nothing to do with contracting such as paying agent, transportation officer, billeting officer, or civilian labor officer. Although this violates principles of auditing, the CCO shall not be responsible for all the steps within the audit trail, (that is, the same person should not be responsible for requisitioning requirements, purchasing, receiving, and paying for goods and services).

CONTINGENCY CONTRACTING OFFICERS DUTIES AND RESPONSIBILITIES

Duties and responsibilities will be markedly different in a contingency situation and many nonessential tasks will be eliminated in emergency situations. This section deals with what is required so CCO's can focus on organizing a contingency contracting operation. For ease of reference, duties will be listed under the peacetime functional headings although it is recognized contracting will not be organized like this in most situtions. In fact, a cradle-to-grave organization will probably be most effective.

MANAGEMENT

1. The first objective CCO's must accomplish is to establish communication with the on-scene commander, any potential customers, comptroller, and disbursing officer. There are two reasons for this. First, contracting is there to support the unit, and its hard to support if customers do not know the CCO's. Second, the CCO can avoid processing a lot of ratifications, or "retroactive contracting," the sooner contact is established.

2. The second objective is to develop a simple straight forward way for customers to submit requirements to contracting. Keep in mind an important requirement is to keep complete records for an audit trail. Forms and formats are only limited by the CCO's imagination. If there are many DD forms 1348-6 and DD Form 1149 available, so much the better. The point is contracting requires on the minimum information as listed by this Manual to fulfill the audit trail needs. CCO's should work with supply, comptroller and disbursing counterparts to come up with procedures and formats to satisfy everyone.

3. If the workload is too heavy or if the unit is widespread, and in cases where team strength is insufficient; CCO's have authority to delegate imprest fund and SF 44 purchases to non-contracting personnel. Before doing either, the CCO must train the individuals, provide them with written authorization spelling out their authorities and limitations, and periodically make spot checks to ensure they have not overstepped their authority. All administrative appointments should be done prior to deployments when the individuals are known.

PURCHASING SUPPLIES

1. PURCHASE/PICK-UP/REEIVE/DELIVER. The CCO's responsibilities for purchased supplies are more encompassing during deployments than during peacetime. There are several reasons for this. First, lack of reliable communications in many contingency areas makes it necessary to travel to the vendor's location. Secondly, most business will be "cash and carry" which requires the CCO to officially receive and deliver items on behalf ,of the customer. There are times, of course, when the CCO will not have to make delivery. For example, a large order of construction materials will have to be delivered by the contractor or picked up by the customer. But for the most part, the CCO can count on being a courier for every "link in the supply chain" for most purchases.

2. PAYING FOR SUPPLIES. If designated as paying agent by an accounting and finance officer, the CCO will also be responsible for making payments on supply purchases.

3. REFERRALS. Contracting may receive a number of purchase requests for items which are not available in the immediate area but are possibly available at a location serviced by another contracting office. If the deployment base has routine MAC flights to and from another military installation, the CCO may satisfy requirements by "referring" the purchase requests to the contracting office there. Detailed procedures on referrals are contained in section 5. The main point to remember is other contracting offices will need an accurate item description, funding certification, and precise delivery information including a point of contact (either the CCO or the customer). Be sure to keep track of open referrals so follow-up action can be initiated if necessary, and the status of any unused funds can be maintained.

4. AUDIT TRAIL. It cannot be overemphasized how important it is to accurately reconstruct all purchases. Since normal checks and balances may not exist during contingency situation, CCO's can be assured auditors will be interested in paperwork when the unit returns home. Proper forms and formats are not nearly as important as having complete and accurate information, even if it is on a plain piece of paper.

5. TYPICAL SUPPLY REQUIREMENTS. While an accurate list of actual requirements at every contingency location is not possible, it is useful to have an idea of what was required during past deployment exercises to help build a reference library.

6. SERVICES, CONTRACT REPAIR, AND MINOR CONSTRUCTION BUYING. Unlike the simple straight forward nature of “cash and carry” supply buying, services, contract repair, and minor construction buying is more complicated. In addition, it is much easier to describe a "thing" than to describe an end product or level of effort. In the final analysis, there is good news and bad news concerning this type of buying.

7. GOOD NEWS. As spelled out in section 2, a number of peacetime requirements can be waived in an overseas contingency. These waivers include:

a. Labor laws

b. Synopsis requirements

c. Formal advertising

d. Bonding requirements

Indeed, most impediments to writing contracts in a timely manner have been reduced or waived in emergency situations. However, there is more to services and construction buying than just consummating a quick contract.

8. BAD NEWS. As mentioned above, the ongoing nature of services or minor construction complicates the contingency contracting operation.

Statement of work must be prepared. In many cases, this will have to be done bilingually in order for the contractor to understand.

A quality assurance evaluator (QAE) or contract monitor must be available from the requesting activity or contracting team.

Many of these requirements will be over $25,000 except construction which limits the CCO’s options for “creative contracting." These options will be discussed in more detail in section 5.

9. REFERRALS. This applies mostly to contract repair items. In some cases, referrals will be the only way a CCO can find a vendor to repair broken equipment. The CCO should remember to get a hand receipt whenever Government property is given to a contractor for repair. See procedures in section 5 under, “Referrals. “

10. CONTRACTING RESPONSIBILITIES. In most cases, service and construction contracts must be in writing, not only for the contractor to know what is expected, but for the Marine Corps to know what it is paying for. As for price determinations, CCO's should provide a memorandum of negotiation to show how a “fair and reasonable” price was determined. Lastly, the CCO will need a system for checking contractor performance and progress.

11. TYPICAL SERVICE, CONTRACT REPAIR, AND MINOR CONSTRUCTION REQUIREMENTS. Like the supplies list, the listing below is the result of actual exercise experience. In addition, it should be recognized minor construction and many services are curtailed, or done without, during exercises of know duration. The following list reflects possible minor construction requirements in addition to other probable services and contract repair requirements.

SERVICES

- Billeting
- Vehicle rentals
- Commercial communications services (if available)
- Interpreters service
- Civilian labor
- Portalets

CONTRACT REPAIR

- Vehicles
- Typewriters, calculators, office equipment
- Furniture
- Radios

CONSTRUCTION (MINOR)

- Paving
- Revetments
- Fences/barriers
- Temporary structures
- Maintenance repair of existing structures.

12. CONTRCT ADMINISTRATION. This will probably be characterized as "administration by exception." This means the CCO will have to rely heavily on customers to ensure service and construction contractors are performing per the contract.Labor checks are not required in the overseas environment and site visits may be limited by the CCO’s other duties and responsibilities. By doing this, contracting runs the risk of "verbal change orders" being issued to contractors by contract monitors. These will have to be finalized by supplemental agreement to keep the contract auditable. In almost all cases under contingency contracting, based on predeployment planning, the contract monitor will be a member of the contract team. Remember, the contract monitor (or QAE) may not have time to follow normal procedures of stopping the contractor,

sending contracts a written request for change, and waiting for the CCO to negotiate a supplemental agreement. Even if the contracting officer knows about changes in advance, time constraints would probably demand giving a verbal okay to the contractor followed by a supplemental agreement.

13. APPROVING AND/OR MAKING PAYMENTS. Any ongoing construction or service contract may require progress payments. Again, procedures should be kept simple. What is needed is some type of progress report from the contract monitor stating the contractor has performed satisfactorily and the percentage of work completed. The CCO will also authorize final payments. Make sure this is well documented so the contract file can be closed out. One could strictly be unable to perform unless they get some "up-front" money to buy necessary supplies, equipment, and labor. ADVANCE PAYMENTS ARE A LAST RESORT ONLY. If there is no other way to get the job done, the CCO should consider accompanying contractors when they order supplies, keeping track of how much is spent on their behalf. If this is not feasible, then keep advances down to an absolute minimum. The bottom line is for CCO’s to use their best judgement and document circumstances as they arise. Advance payments should not be used routinely.

14. TERMINATIONS. CCO’s may be faced with a number of terminations for default of services and minor construction contracts. However, unless the contractor is a U.S. firm, circumstances will not allow CCO’s to follow usual procedures of "cure notices" and "show cause" letters and “final decisions of the contracting officer." Terminations for convenience will probably be very common, particularly for ongoing service contracts--especially when the contingency suddenly ends and everybodt packs up. Give contractors as much advance warning as possible, and then write a supplemental agreement spelling out the revised contract period and final settlement. DO NOT LEAVE THE AREA WITHOUT CLOSING OUT ALL CONTRACTS.

APPENDIX B

SECTION 5: CONTINGENCY CONTRACTING INSTRUMENT

GENERAL

This handbook will discuss six ways to fulfill contracting requirements. This is not to say they are the only ones which can be used; however, these provide the flexibility needed to satisfy most requirements. Each way will be followed by a brief description of the instrument to be used, and the conditions for its use.

IMPREST FUND

1. An imprest fund is a cash fund of a fixed amount established through an advance of funds by the disbursing officer without appropriation charge, to an authorized individual known as the imprest fund cashier, for the purpose of making immediate cash payments, within set limitations, for authorized purchases of supplies and nonpersonal services.

2. CONDITIONS FOR USE. Use of this instrument is limited to purchases not exceeding $500 per transaction. Imprest funds can be used for just about any type of purchase except payments of salaries and wages, or cashing of checks. Since the CCO does not have to be present when purchases are made, use of an imprest fund can be very effective in terms of letting customers do time-consuming legwork.

SF 44, PURCHASE ORDER-INVOICE-VOUCHER

1. The SF 44 is designed primarily for over-the-counter purchases by authorized individuals when away from the purchasing office or at isolated activities. It is a multipurpose form which can be used as a purchase order, receiving report, supplier’s invoice, and public voucher.

2. CONDITIONS FOR USE. Since there are no written terms and conditions included thereon, the order-invoice-voucher method is the least desirable purchase method unless used for over-the-counter small purchases. SF 44 is authorized for use only when no other small purchase method is considered more suitable and all of the following conditions are satisfied:

a. The transaction is not in excess of $2,500.

b. Transactions for POL not in excess of $10,000. DFARS 213.505-3

c. Supplies or services are immediately available.

d. One delivery and one payment will be made.

DD FORM 1155, PURCHASE ORDER

1. A purchase order is a DD Form 1155 signed by a purchasing officer (CCO) which requests a vendor to send the items listed in block 18 to the Marine Corps per the information furnished on the DD Form 1155.

2. Negotiated purchases of material and nonpersonal services within the dollar limitation of $25,000 or less may be affected by using DD Form 1155. The DD Form 1155 may be used as:

a. B.P.A.

b. Receiving and inspection report.

c. Public voucher.

d. An imprest fund receipt.

REQUIREMENTS OVER S25,000

There is nothing in current emergency legislation specifically allowing a CCO to waive provisions for bilateral, formal contracts for requirements over $25,000. Therefore, the CCO should use uniform contract formats (UCF) prescribed in FAR (and supplements) for overseas supplies, and services requirements over $25,000 whenever possible. Now a question sure to come up is, “What to do if the contractor refuses to sign a contract (a likely occurrence), and the contractor is the only one available who can do the job?" The following is a recommended solution:

a. Write the contract as if the contractor is going to sign.

b. Have it witnessed that the contractor refuses to sign (but is willing to do the work).

c. Give the contractor the verbal authorization to proceed.

2. What is the rationale for this solution? First go back to section 2 where it discusses the Defense Resources Act. This act, when impemented, waives virtually everything except cost-plus-a-percentage-of-cost contracts and limits on profits. Secondly, remember the mission of the CCO--support the legitimate needs of a deployed unit to help it successfully achieve its mission. THIS IS NOT TO SAY A CCO SHOULD THROW CAUTION TO THE WIND--ON THE CONTRARY--THE CCO MUST STILL ENSURE CONTRACTUAL REQUIREMENTS ARE ADHERED TO IN PROVIDING THE SERVICE IN A TIMELY MANNER AT A REASONABLE COST. Just because the contractor did not sign a contract, the CCO should provide a copy with documentation to the requestor, comptroller, disbursing, and retain one copy for the file.

RATIFICATIONS

If the CCO is not one of the first people to arrive at the deployment site, unauthorized actions may occur. These need to be processed quickly for resolution per this Manual and other directives.

REFERRALS

1. It is likely a CCO will receive purchase requests which cannot be fulfilled on the local market. Instead of canceling the requirement, the CCO should look into the possibility of referring it to another location for action. This most likely is for U.S. made spare parts and contract repair items.

2. WHERE TO SEND. There are usually several sources geographically separated from the CCO which could be used.

a. The American Embassy.

b. The nearest permanent military base contracting office.

C. Finally, if there are scheduled MAC flight to and from the contingency base, the CCO could send the requirements to the contracting office wherever MAC goes.

Commercial air, however, should be avoided due to customs problems. The CCO should not overlook or underestimate the usefulness of the referral system to fulfill requirements. For example, in the Pacific theater, there is a program called, "PACOM-CONTINGENCY ACQUISITION PROGRAM (P-CAP),” which has pre-identified redundant sources of supply in over 10 countries which are willing and able to satisfy many of PACOM’s known requirements. The CCO should not arbitrarily limit the markets available to satisfy a customer’s needs.

3. ADMINISTRATIVE REQUIREMENTS FOR REFERRALS. Referral packages should be kept in a separate “open” file until completed. This will help the CCO know status of the referrals and help the comptroller keep track of outstanding commitments.

CONTRACT MONITORING

The method for contract surveillance could be the customer complaint system. If the customer is satisfied the contractor is performing satisfactorily, this should satisfy the CCO as well. Paperwork could be simple handwritten statement from the QAE in order for the CCO to support a progress payment or a final payment. All directions given to contractors, whether verbal or written or whether given by the CCO or the QAE should be made a part of the record in the contract file. Note this states the QAE may give direction to the contractor, but we must remember that in most all cases the QAE will be a contracting representative.

PAYMENTS

There are three different types of payments a CCO can authorize: advance, progress, and final. Advance payments were covered in section 4. Progress payments are supported by a “customer satisfaction" report from the QAE or contract monitor. Final payments are made whenever the contractor has successfully completed the contract, or the CCO has canceled any remaining requirements.

TERMINATIONS

Almost all terminations will be for convenience as opposed to terminations for default. The reason here is the contractor will not be bonded, the statement of work will likely contain ambiguities, and the contractor is likely to be the “sole source” for the needed services. It would serve no purpose to default a contractor if there is no hope of recovering "reprocurement costs" or of finding another contractor to do the job. These contracts can normally be terminated by simply issuing a letter of cancellation and release of claims in order for the CCO to close out the contract and for the comptroller to release the money remaining on the contract to other requirements. Terminations for convenience could also be handled the same way except when the contractor has invested substantially to fulfill the contract. In these cases, the normal rules in the FAR and supplements thereto, should be followed to ensure an equitable adjustment is made to compensate the contractor.

APPENDIX B

Section 6: RULES OF ENGAGEMENT

GENERAL

This section will focus on preplanning and preparation actions, initial deployment including the establishment of a local purchase capability. While not intended to be all inclusive, it should provide the CCO a good foundation and better perspective on the role of contingency contracting.

PREPLANNING AND PREPARATION

There are many things a CCO can and should do to prepare for a contingency contracting operation. Preparing in advance is important for one very basic reason; there will not be enough time to do these things once a contingency action gets underway.

PERSONAL AND "ADMINSTRATIVE" PREPARATIONS

1. The following is a list of requirements a CCO must possess in order to start a contingency operation:

2. These items are to be included in personal TAD orders;

a. Variations and foreign flag carrier authorized on TAD order. This is to avoid delays when traveling through unexpected areas.

b. Authorization to hire/rent special conveyance.

c. Civilian clothes. In order to keep a low profile, a CCO may be required to be in civilian clothes while performing duties in the local community.

d. Appointment orders.

e. Official passport plus 6 to 10 extra photos for visas. This is required to move about from country-to-country.

f. Operators permits - military and civilian (foreign driver’s license).

g. All SRB, medical, and dental requirements (deployment checklist) .

INITIAL DEPLOYMENT

Ideally, the CCO should arrive ahead of the main deployment force--on a predeployment team if one exists. If not, the unit may have to do without many supplies and services which may be essential such as vehicle rentals or billeting, unless your command has procedures in effect for such shortfalls.

TYPICAL ORGANIZATION STRUCTURE

1. The deployed contracting team will usually be part of the combat service support element, responsible to the commander or higher authority. It is important for the CCO to know where contracting fits in the organization. Also important is that the contracting team be clearly identified as a separate staff entity. Contracting is one responsibility which is of a logistic nature not within the category of supply (FMFM-01).

2. Performance of purchasing and contractual duties is the responsibility of the CCO. The CCO is under the technical control of the CMC (LB) and the operational control of the commander to which assigned.

SUPPORT ITEMS REQUIRED UPON ARRIVAL

CCO’s should be prepared to take care of their needs-immediately upon arrival. It is hard to help others until the CCO has obtained those things which are essential to running an effective contingency contracting organiztion. The CCO needs a vehicle (assigned or rented) to be able to make purchases on the local market. In addition, the CCO must make immediate arrangements to hire an interpreter/guide. This person should not only be bilingual, but familiar with the local market area as well. The CCO should also try to establish a fixed location from which to operate. This will help customers to find the “office” to deliver their requirements when the CCO is not there. Office needs should be minimal with a desk,chair, computer equipment, typewriter, and safe, if applicable. The office must be able to be secured if cash is kept there. If possible, the CCO should try to make arrangements for some type of communications network, such as mobile radios, telephone, etc., so customers can contact the CCO while the CCO is out of the office.

Tab E

CHAPTER 26
DEPLOYMENT CONTRACTING

INTRODUCTION
- Applicable Law During a Deployment
- Wartime Funding
- Wartime Contract Law

PREPARATION FOR DEPLOYMENT CONTRACTING
- General Considerations
- Contracting Officer (KO) / Ordering Officer Support
- Administrative Needs
  - References
  - Contract Forms
  - Other Logistical Needs
- Finance and Funding Support

CONTRACTING DURING A DEPLOYMENT
- Competition Requirements
- Methods of Acquisition
  - Sealed Bidding as a Method of Acquisition
  - Negotiations (Competitive Proposals) as a Method of Acquisition
  - Simplified Acquisition Procedures
    - Purchase Orders
    - Blanket Purchase Agreements (BPAs)
    - Imprest Funds
    - Government Credit Card Program
    - Simplified Acquisition Competition Requirements
- Use of Existing Contracts to Fulfill Requirements
- Alternative Methods for Fulfilling Requirements
- Leases of Real Property

INTERNATIONAL LAW CONSIDERATIONS IN THE ACQUISITION OF SUPPLIES AND SERVICES

POLICING THE BATTLEFIELD
- Ratification of Contracts Executed by Unauthorized Personnel
- Extraordinary Contractual Actions
- General Accounting Office (GAO) Claims

CONCLUSION

APPENDIX A: STANDARD FORM 44

APPENDIX B: ORDERING OFFICER'S HANDBOOK

APPENDIX C: CONTRACT AND FISCAL LAW PECULIAR WEBSITES

Operations Desert Shield/Desert Storm highlighted the role that contracting plays in military operations. Contracting became an effective force multiplier for deployed forces. Operations Desert

Shield/Desert Storm also revealed that a challenging problem for deployed forces is compliance with contract and fiscal law while conducting military operations in the field. Recent operations in Somalia, Haiti, and Bosnia proved again the value of contracted support to a deployed force. Attorneys participating in future deployments must be prepared to handle contract and fiscal law issues.

The primary reason our forces conduct deployment contracting is because it serves as a force multiplier. It is a means of leveraging our assets and reducing our dependence on CONUS based logistics. In addition to serving as a force multiplier, deployment contracting also provides some collateral benefits. Some collateral benefits of deployment contracting are: (1) contracting with local sources frees-up our limited air and sea lift assets for other higher priority needs; (2) contracting with local contractors reduces the time between identification of needs and the delivery of supplies or performance of services; and (3) contracting with local contractors provides alternative sources for supplies and services.

Applicable Law During a Deployment. Contracting during a deployment involves two main bodies of law: international law, and U.S. contract and fiscal law. Attorneys must understand the authorities and limitations imposed by these two bodies of law.

International Law.

The Law of War -- Combat.
The Law of War -- Occupation (may be directly applicable, or followed as a guide when no other laws clearly apply, such as in Somalia during Operation Restore Hope).
International Agreements.

U.S. Contract and Fiscal Law.

Armed Services Procurement Act of 1947, as amended. 10 U.S.C. § 2301-31.
Federal Acquisition Regulation (FAR) and Agency Supplements.
Fiscal Law. Title 31, U.S. Code; DFAS-IN 37-1; DFAS Manual 37-100-95.
Executive Orders and Declarations.

Wartime Funding. Congressional declarations of war and similar resolutions may result in subsequent legislation authorizing the President and heads of military departments to expend appropriated funds to prosecute the war as they see fit. However, recent military operations (Bosnia, Haiti, Somalia, Desert Shield/Desert Storm, Panama, Grenada) were not declared "wars."

Wartime Contract Law. Congress has authorized the President and his delegees to initiate contracts that facilitate national defense notwithstanding any other provision of law. Pub. L. No. 85-804, *codified at* 50 U.S.C. § 1431-1435; Executive Order 10789 (14 Nov. 1958); FAR Part 50. These powers are extremely broad, but authority to obligate funds in excess of $50,000 may not be delegated lower than the Army Secretariat. Earlier versions of this statute were the basis for the wholesale overhaul of defense acquisition at the beginning of World War II. This may occur again in a future general conflict. Although these are broad powers, Congress still must provide the money to pay for obligations incurred under this authority.

PREPARATION FOR DEPLOYMENT CONTRACTING

The Unified Command or MACOM controlling the deployment will set policy and procedure affecting contracting plans. Coordinate with the controlling headquarters and other MACOMs that will have roles in expected deployments. OPLANs will determine when the contracting personnel will deploy. The contracting element generally consists of contracting officers, ordering officers, legal and other support personnel.

General Considerations. Recent operations have demonstrated the need to begin planning early for contracting during a deployment. The personnel necessary for effective contracting must be identified and trained. Units must develop plans for contracting personnel/teams to deploy with the organization. Units must realize that assets for contracting normally will come from their organic resources. Reserve assets may provide some contracting support. Coordinate in advance to determine the extent of this support.

Contracting Officer (KO) / Ordering Officer Support. Commanders should identify KO/ordering officer support requirements. Only contracting officers and their authorized representatives (e.g., ordering officers) may obligate government funds. KOs award, administer, or terminate contracts and make determinations and findings permitted by statute and regulation. FAR 1.602-1.

Commanders should ensure that KOs and ordering officers are properly appointed and trained. The Head of Contracting Activity (HCA), an attaché, a chief of a foreign mission (Army), or certain officials in the Army Secretariat may appoint KOs. FAR 1.603; AFARS 1.603-2. An HCA may delegate appointment power to a Principal Assistant Responsible for Contracting (PARC). This is the official who usually exercises authority to hire and fire KOs.

The chief of the contracting office may appoint ordering officers. AFARS 1.603-1(2). There is no specific guidance on appointing ordering officers -- common practice is to appoint a commissioned officer, warrant officer, or noncommissioned officer. Ordering officers usually are not part of the contracting element, but are a part of the forward units. Ordering officers make purchases with imprest funds, make over the counter purchases with SF 44s, and issue delivery orders against existing indefinite delivery contracts awarded by KOs. AFARS 1.603-1-90. Ordering officers may also be government credit card holders. AFARS 13.9. KOs and ordering officers are subject to limitations in their appointment letters and procurement statutes and regulations. Contracting authority may be limited by dollar amount, subject matter, purpose, time, etc., or may be unlimited. Typical limitations are restrictions on the types of items that may be purchased and on per purchase dollar amounts.

Administrative Needs. Deployable units should assemble contracting support kits. Package and label kits in footlockers or similar containers for easy deployment. Administrative needs forgotten may be difficult to obtain in the area of operations. The kits should contain a 90-day supply of administrative needs and all essential references.

References.

Statutes: Titles 10, 22, 31, and 41 of U.S. Code.
Regulations: FAR, DFARS, AFARS/AFFARS/NAPS, DFAS-IN 37-1, DFAS-IN Manual 37-100-95, DOD Reg. 7000.14-R, vol. 5, and command supplements to these regulations. If these are too much to deploy with, take a pocket FAR or the CFR version maintained with your own updating. If possible, take CD-ROM contract references and LEXIS/WESTLAW software, as well as necessary computer and communications equipment.

Contract Forms.

These are essential. The contracting element should ensure it brings a 90-day supply of: Standard Form (SF) 44s (Purchase Order-Invoice-Voucher), DD Form 1155s (Purchase Order), SFs 26, 30, 33, and 1442 (solicitation, award, and modification, and construction solicitation forms), DA Form 3953 (Purchase Request and Commitment), and form specifications for common items, such as: Subsistence items; Labor and Services; Fuel; Billeting; Construction Materials; Fans, Heaters, etc.

Typing contract documents manually is tedious and time-consuming. Contracting elements should deploy with Standard Army Automated Contracts System (SAACONS) software loaded on personal computers for automated production of contract documents. Otherwise, ensure the contracting office obtains the FAR in CD form, together with software necessary to lift FAR provisions from the CD to word-processing documents. Translation of contract forms, specifications, and other provisions also should be obtained before deployment if possible.

Other Logistical Needs.

Bring maps, area phone books, catalogs with pictures, etc., to assist in finding and dealing with potential vendors in the deployment theater. Also bring desks, typewriters, computers, paper, etc., as well as personnel trained to use them. Arrange for translator support for the contracting element (coordinate with Civil Affairs unit in COSCOM or TAACOM; contact embassy if necessary to obtain this support). Deploy with a notebook computer, and include a CD-ROM drive to access FAR, DFARS, and service supplements to the FAR, if these references are available in this format.

Finance and Funding Support. Finance specialists are not part of the contracting element and not under its control. A deploying unit should train its personnel to properly account for funds when they must do so without the aid of a finance office. Generally, deploying units will receive a bulk-funded DA Form 3953, Purchase Request and Commitment (PR&C) if requested to support needs while deployed.

Consider establishing an imprest fund in advance of deployment notification. FAR 13.4; DFARS 213.4; DOD Reg. 7000.14-R, vol. 5, paras. 020906 to 020907. Practice making purchases with the fund to support unit requirements in garrison. Installation commanders may establish funds up to $10,000. An imprest fund operates like a petty cash fund; it is replenished as payments are made from it. The fund should include local currency if available before deployment. FAR 25.501 requires that off-shore procurements be made with local currency, unless the contracting officer determines the use of local currency inappropriate (e.g., if a SOFA exists and it allows use of U.S. dollars).[1]

Finance personnel or designees (e.g., Class A agents) hold money and will accompany an ordering officer to actually make payment if a vendor will not take SF 44 or other contract document and invoice the U.S. later. Identify the deploying Class A paying agents, and ensure they are appointed and trained as necessary.

CONTRACTING DURING A DEPLOYMENT

This section discusses various methods used to acquire supplies and services. It begins with a general discussion of seeking competition, and discusses specific alternatives to acquiring supplies and services pursuant to a new contract to meet the needs of a deploying force. The key to successful contracting operations is the proper training and appointment of contracting personnel. Units should verify that contracting support personnel have received necessary training. If time permits, provide centralized refresher training. Also review warrants and letters of appointment for contracting officers and ordering officers for currency. Ensure that personnel know the limitations on their authority. Review and update contents of contracting support kits. Ensure that references include latest changes.

Competition Requirements. The Competition in Contracting Act, 10 U.S.C. § 2304, requires the government to seek competition for its requirements. In general, the government must seek for full and open competition, by providing all responsible sources an opportunity to compete. No automatic exception is available for contracting operations during deployments.

The statutory requirement for full and open competition for purchases over the simplified acquisition threshold creates a 45-day minimum procurement administrative lead time (PALT) for solicitations issued, and contracts awarded and performed, within the Continental U.S. (CONUS). The 45-day PALT results from a requirement to publish notice of the proposed acquisition 15 days before issuance of the solicitation (thru synopsis of the contract action in the Commerce Business Daily (CBD)), then to provide a minimum of 30 days for offerors to submit bids or proposals. Three additional time periods extend the minimum 45-day PALT: 1) time needed for requirement definition and solicitation preparation; 2) time needed for evaluation of offers and award of the contract; and 3) time needed after contract award for delivery of supplies or performance of services. Exceptions to the usual requirement for full and open competition include:

(1) Unusual and compelling urgency; this exception authorizes a contract action without full and open competition. It permits the contracting officer to limit the number of sources solicited to those who are able to meet the requirements in the limited time available. FAR 6.302-2. This exception also authorizes an agency to dispense with publication periods (minimum 45-day PALT) if the government would be seriously injured by this delay. It also allows preparation of written justifications for limiting competition after contract award. FAR 6.302-2(c)(1).

(2) National security is another basis for limiting competition; it may apply if the existence of the operation or the acquisition is classified. Mere classification of specifications generally is not sufficient to restrict the competition, but it may require potential contractors to possess or qualify for appropriate security clearances. FAR 6.302-6.

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[1] Effective 1 October 1996, use of imprest funds by DOD activities in CONUS is no longer authorized. Effective 1 October 1997, use of imprest funds is not authorized OCONUS. However, the use of imprest funds is authorized for use in declared contingency operations. *See* message, Under Secretary of Defense (Comptroller), Subject: Elimination of Imprest Funds (28 March 1996).

(3) Public interest is another exemption to full and open competition, but only the head of the agency can invoke it. FAR 6.302-7.

Use of the urgent and compelling, national security, and public interest exceptions requires a "Justification and Approval", (J&A). FAR 6.303. Approval levels for justifications are listed in FAR 6.304:

Actions under $500,000: the contracting officer.
Actions from $500,000 to $10 million: the competition advocate.
Actions from $10 million to $50 million: the HCA or designee.
Actions above $50 million: the agency acquisition executive; for the Army this is the Assistant Secretary of the Army for Research, Development, and Acquisition (ASA(RDA)).

Contract actions awarded and performed outside the United States, its possessions, and Puerto Rico, for which only local sources will be solicited, generally are exempt from compliance with the requirement to synopsis the acquisition in the CBD. These actions therefore may be accomplished with less than the normal minimum 45-day PALT, but they are not exempt from the requirement for competition. *See* FAR 5.202 (a)(12); *see also* FAR 14.202-1(a) (thirty-day bid preparation period only required if requirement is synopsized). Thus, during a deployment, contracts may be awarded with full and open competition within an overseas theater faster than within CONUS, thus avoiding the need for a J&A for other than full and open competition for many procurements executed in rapid fashion. Obtain full and open competition under these circumstances by posting notices on procurement bulletin boards, soliciting potential offerors on an appropriate bidders list, advertising in local newspapers, and telephoning potential sources identified in local telephone directories.

Methods of Acquisition.

Sealed bidding: award is based only on price and price-related factors, and is made to the lowest, responsive, responsible bidder.

Negotiations (also called "competitive proposals"): award is based on stated evaluation criteria, one of which must be cost, and is made to the responsible offeror whose proposal offers either the lowest cost, technically acceptable solution to the government's requirement, or the technical/cost trade-off, even if it is not lowest in cost. The basis for award (low-cost, technically-acceptable or trade-off), and a description of the all factors and major subfactors that the contracting officer will consider in making this determination, must be stated in the solicitation.

Simplified acquisition procedures: simplified acquisition procedures are for the acquisition of supplies, nonpersonal services, and construction in amounts less than the simplified acquisition threshold.

Sealed Bidding as a Method of Acquisition.

Sealed bidding procedures must be used if the four conditions enumerated in the Competition in Contracting Act exist. 10 U.S.C. § 2304(a)(2)(A); Racal Filter Technologies, Inc., B-240579, Dec. 4, 1990, 70 Comp. Gen. 127, 90-2 CPD ¶ 453.

1. Time permits the solicitation, submission, and evaluation of sealed bids;
2. Award will be made only on the basis of price and price-related factors;
3. It is not necessary to conduct discussions with responding sources about their bids; and
4. There is a reasonable expectation of receiving more than one sealed bid.

Use of sealed bidding results in little discretion in the selection of a source. Bids are solicited using Invitations for Bids (IFBs) under procedures that do not allow for pre-bid discussions with potential sources. A clear description/understanding of the requirement is needed to avoid having to conduct discussions. Sealed bidding requires more sophisticated contractors because minor errors in preparing a bid prevent the government from accepting the offer, because such errors are likely to make the bidder nonresponsive. Only fixed-price type contracts are awarded using these procedures. Sealed bidding procedures seldom are used during active military operations. The fluidity of a military operation generally requires discussions with responding offerors to explain our requirements and/or to assess their understanding of, and capability

to meet, U.S. requirements. Accordingly, sealed bidding procedures rarely are used until the situation has stabilized. *See* FAR Part 14.

Negotiations (Competitive Proposals) as a Method of Acquisition.

Negotiations are used when the use of sealed bids is not appropriate. 10 U.S.C. § 2304(a)(2)(B). Negotiations permit greater discretion in the selection of a source, and allow consideration of non-price factors in the evaluation of offers, such as technical capabilities of the offerors, past performance history, etc. Offers are solicited by use of a Request for Proposals (RFP). Discussions with offerors permit better understanding of needs and capabilities. Negotiations permit the use of any contract type. Negotiations procedures also permit the use of letter contracts and oral solicitations to expedite awards of contracts and more rapidly fulfill requirements. *See* FAR Part 15.

Simplified Acquisition Procedures.

"Simplified acquisition" refers to contractual actions up to $100K in peacetime and during normal military exercises, or up to $200K during a contingency operation declared by the Secretary of Defense, or a humanitarian or peacekeeping operation, for contracts awarded and performed outside the United States. 10 U.S.C. § 2302(7); DFARS 213.000; Army Acquisition Letter (AL) 94-9. The Department of Defense has invoked this increased threshold during recent contingency operations, including during Operations Desert Storm/Desert Shield in the gulf region, Operation Restore Hope in Somalia, Operation Restore Democracy in Haiti, and during Operation Joint Endeavor in and around Bosnia.

About 95% of the contracting activity conducted in a deployment setting will be simplified acquisitions. The following are various methods of making or paying for these simplified purchases. Most of these purchases can be solicited orally, except for construction projects exceeding $2000 and complex requirements. The types of simplified acquisition procedures likely to be used during a deployment are:

(1) Purchase Orders. FAR Subpart 13.5; DFARS Subpart 213.5; AFARS Subpart 13.5.
(2) Blanket Purchase Agreements (BPAs). FAR Subpart 13.2; DFARS Subpart 213.2; AFARS Subpart 13.2.
(3) Imprest Fund Purchases. FAR Subpart 13.4; DFARS Subpart 213.4; AFARS Subpart 13.4.
(4) Government Credit Card Purchases. AFARS Subpart 13.9.
(5) Commercial Items Acquisitions.

Purchase Orders.

A purchase order is an **offer** to buy supplies or services, including construction. Purchase orders usually are issued only after requesting quotations from potential sources. Issuance of an order does not create a binding contract. A contract is formed when the contractor accepts the offer either in writing or by performance. In operational settings, purchase orders may be written using two different forms.

(1) Dep't of Defense (DD) Form 1155. This is a multi-purpose form which can be used as a purchase order, blanket purchase agreement, receiving/inspection report, property voucher, or public voucher. It contains some contract clauses, but users must incorporate all other applicable clauses. FAR 13.507; DFARS 213.507. *See* clause matrix in FAR Part 52. When used as a purchase order, the KO may make purchases up to the simplified acquisition threshold. Only KOs are authorized to use this form.

(2) Standard Form (SF) 44. *See* Appendices A & B. This is a pocket-sized form intended for over-the-counter or on-the-spot purchases. Clauses are not incorporated. Use this form for "cash and carry" type purchases. Ordering officers, as well as KOs, may use this form. Reserve unit commanders may use the SF 44 for purchases not exceeding $2,500 when a Federal Mobilization Order requires unit movement to a Mobilization Station or site, or where procurement support is not readily available from a supporting installation. AFARS 1.603-1-90(c). Conditions for use:

- As limited by appointment letter.
- Away from the contracting activity.

- Goods or services are immediately available.
- One delivery, one payment.

Ordering officers may use SF 44s for purchases up to $2,500 for supplies or services, except purchases up to the simplified acquisition threshold may be made for aviation fuel or oil. A KO may make purchases up to the simplified acquisition threshold ($100K normally, or $200K if overseas in the theater where the SECDEF has declared a contingency).

Blanket Purchase Agreements (BPAs).

A BPA is a simplified method of filling anticipated repetitive needs for supplies or services essentially by establishing "charge account" relationships with qualified sources of supply. They are not contracts but merely advance agreements for future contractual undertakings. BPAs set prices, establish delivery terms, and provide other clauses so that a new contract is not required for each purchase. The government is not bound to use a particular supplier as it would be under a requirements contract. KO negotiates firm-fixed-prices for items covered by the BPA, or attaches to the BPA a catalog with pertinent descriptions/prices. BPAs are prepared and issued on DD Form 1155 and must contain certain terms/conditions. FAR 13.203-1(j):

(1) Description of agreement.
(2) Extent of obligation.
(3) Pricing.
(4) Purchase limitations.
(5) Notice of individuals authorized to purchase under the BPA and dollar limitation by title of position
(6) Delivery ticket requirements.
(7) Invoicing requirements.

KOs may authorize ordering officers and other individuals to place calls (orders) under BPA's. AFARS 13.204-90. Existence of a BPA does not per se justify sole-source acquisitions/procurements. Consider BPAs with multiple sources. If insufficient BPAs exist, solicit additional quotations for some purchases and make awards through separate purchase orders.

Imprest Funds.[2]

An imprest fund is a cash fund of a fixed amount established by an advance of funds from a finance or disbursing officer to a duly appointed cashier. The cashier disburses funds as needed to pay for certain simplified acquisitions. Funds are advanced without charge to an appropriation, but purchases are made with notation on the receipts returned to the imprest fund cashier of the appropriation which will be used to reimburse the imprest fund for the amount of the purchase. Maximum amount in a fund at any time is $10,000. During overseas contingencies declared by SECDEF, the maximum amount of a single transaction is $2500. DFARS 213.404.

Ordering officers, as well as KOs, may use the imprest fund procedures. Imprest fund cashiers, however, cannot be ordering officers and cannot make purchases using imprest funds.

Each purchase using imprest funds must be based upon an authorized purchase requisition. If materials or services are deemed acceptable by the receiving activity, the receiver annotates the supplier's sales document and passes it to the imprest fund cashier for payment.

Government Credit Card Program.

Authorized government credit card holders, including a KO, may use the cards to purchase goods and services up to $2,500 per purchase. A KO may use the card as a method of payment for purchases up to the simplified acquisition threshold when used in conjunction with a simplified acquisition method. Funds must be available to cover the purchases. Special training for cardholders is required. AFARS Subpart 13.9. Issuance of these cards to deploying units must be coordinated prior to deployment, because there is insufficient time to request and receive the cards once the unit receives notice of deployment.

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2 *See* note 1, *supra*, regarding the phased elimination of imprest funds.

Commercial Items Acquisitions.

Much of our deployment contracting involves purchases of commercial items. The KO is authorized to make commercial item acquisitions up to $5,000,000. This procedure is commonly known as “special simple” commercial procedures. 10 U.S.C. § 2304(g)(1)(B); FAR 13.601. Under this procedure the KO may use any simplified acquisition methods.

Simplified Acquisition Competition Requirements.

Competition requirements apply to simplified acquisitions as well as to larger procurements. For new purchases up to $2,500, only one oral quotation is required, if the KO finds the price to be fair and reasonable. Northern Virginia Football Officials Assoc., B-231413, Aug. 8, 1988, 88-2 CPD ¶ 120. The KO should distribute such purchases equitably among qualified sources. Grimm's Orthopedic Supply & Repair, B-231578, Sept. 19, 1988, 88-2 CPD ¶ 258. If practical, solicit a quotation from other than the previous supplier before placing a repeat order.

For purchases between $2500 and the simplified acquisition threshold ($100K normally, $200K during declared contingencies), obtain oral quotations from a reasonable number of sources. Omni Elevator, B-233450.2, Mar. 7, 1989, 89-1 CPD ¶ 248. Generally, the rule of three applies and soliciting three sources is considered reasonable. If practicable, solicit two sources not included in the previous solicitation. FAR 13.106(b)(1) & (5). You normally should also solicit the incumbent contractor. J. Sledge Janitorial Serv., B-241843, Feb. 27, 1991, 91-1 CPD ¶ 225.

Use written solicitations for construction over $2000 or when oral quotations are not feasible. If only one source is solicited, justify the absence of competition in writing.

Requirements aggregating more than the simplified acquisition dollar limitations may not be broken down into several purchases to permit the use of simplified acquisition procedures. FAR 13.103(b).

Subject to the following exceptions, the KO is not required to publicize contract actions that will not exceed the simplified acquisition threshold:

(1) Public posting of the request for quotations for 10 days is required if the order is estimated to exceed $10,000, except when ordering perishable subsistence items. 15 U.S.C. § 637(e); 41 U.S.C. § 416; FAR 5.101.
(2) For a CONUS contract action, if the order is estimated to exceed $10,000, and only one source is expected to compete, publish notice of the Request for Quotations (RFQ) in the Commerce Business Daily (CBD). 41 U.S.C. § 416. California Properties, Inc., B-232323, Dec. 12, 1988, 68 Comp. Gen. 146, 88-2 CPD ¶ 581. KOs must also publish a synopsis of CONUS sole-source awards in the CBD. 15 U.S.C. § 637(e).
(3) There is no requirement to publish a synopsis of pending contract actions by defense agencies which will be made and performed outside the U.S., its possessions or Puerto Rico, and for which only local sources will be solicited. Many KOs forget the "local sources only" limitation.

In evaluating quotations, if the KO receives a single quotation, the KO must verify price reasonableness (e.g., through obtaining another quote, or by comparison with established catalog prices) only when the requiring activity or the KO suspects or has information to indicate that the price may not be reasonable, or when the government is purchasing an item for which no comparable pricing information is available (e.g., an item that is not the same as, or similar to, other items recently purchased on a competitive basis). If a price variance between multiple quotations reflects a lack of adequate competition, the KO must document how he determined the price to be fair and reasonable. FAR 13.106(c).

Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity that either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantities required. In these instances, the KO should inform the requiring activity of all facts regarding the quotation, and request it to confirm or alter its requirement. The file shall be documented to support the final action taken.

Use of Existing Contracts to Satisfy Requirements. Existing ordering agreements, indefinite delivery contracts, and requirements contracts may be available to meet recurring requirements, such as fuel and subsistence items. Investigate existence of such contracts with contracting offices of units and activities with continuing missions in the deployment region. For example, the Navy had an existing contract for the provision of shore services to its ships in the port of Mombasa, Kenya, which was used in lieu of new contracts to provide services to air crews operating out of Mombasa during Operation Provide Relief.

The U.S. Army Communications and Electronics Command (CECOM) has a cost-type contract known as LOGCAP (Logistics Civil Augmentation Program) which provides for comprehensive logistics and construction support to a deployed force anywhere in the world. By using this contract to provide logistics support to a deployed force, a commander can perform a military mission with a much smaller force than might otherwise be necessary, and without developing and awarding an entirely new contract to obtain required support. *See* AR 700-137.

LOGCAP is primarily designed for use where no treaties exist but can be used CONUS as well as OCONUS. LOGCAP is designed to develop support for an arriving force in an austere environment to provide for basic needs such as water, sewage, electricity, etc. LOGCAP may also provide services such as force sustainment, construction, and other general logistics support.

LOGCAP is an expensive contracting tool and should be used as a last resort. Examples of recent LOGCAP funding include: $100 million in Somalia, $122 million in Haiti, and $500 million in Bosnia. These high costs associated with LOGCAP contract has resulted in closer scrutiny by Congress. In a recent report, the GAO noted that commanders were unaware of the cost ramifications for what they were doing. In Bosnia, the unit commanders wanted to accelerate the base camp construction and required the contractor to fly in the plywood from the U.S. because there were insufficient supply on the local markets. The commanders did not realize that the cost of plywood would cost them about 86 per sheet because it only costs $14.06 in the U.S. They thought they were paying only $14.

Alternative Methods for Fulfilling Requirements. New and existing contracts are not the only method of meeting the needs of deployed military forces. The military supply system is the most common source of supplies and services. Cross-servicing agreements and host-nation support agreements exist with NATO, Korea, and other major U.S. allies. Similarly, under the Economy Act, other government agencies may fill requirements for deployed forces, either from in-house resources or by contract. Finally, service secretaries retain substantial residual powers under Public Law 85-804 which may be used to meet critical requirements that cannot be fulfilled using normal contracting procedures.

Host nation support and cross-servicing agreements as means of fulfilling the needs of deployed U.S. forces are addressed in 10 U.S.C. § 2341-50; DOD Dir. 2010.9; AR 12-16. These authorities permit acquisitions and transfers of specific categories of logistical support to take advantage of existing stocks in the supply systems of the U.S. and allied nations. Transactions may be accomplished notwithstanding certain other statutory rules related to acquisition and arms export controls. However, except during periods of active hostilities, reimbursable transactions (i.e., those where repayment in kind is not possible) are limited to a total of $150M (credit) / $200M (liability) per year for NATO and $75M (credit) / $60M (liability) per year for non-NATO allies. The usefulness of these arrangements may be limited when the host nation has not invited U.S. intervention, or when the U.S. deploys forces unilaterally.

The Economy Act (31 U.S.C. § 1535) provides another alternative means of fulfilling requirements. An executive agency may transfer funds to another agency, and order goods and services to be provided from existing stocks or by contract. For example, the Air Force could have construction performed by the Army Corps of Engineers, and the Army might have Dep't of Energy facilities fabricate special devices for the Army. Procedural requirements for Economy Act orders, including obtaining contracting officer approval on such actions, are set forth in FAR Subpart 17.5, DFARS 217.5, and DFAS-IN 37-1. A general officer or SES must approve Economy Act Orders placed outside DOD. *See* DFAS-IN 37-1, para. 12-7f.

Extraordinary contractual actions under Pubic Law 85-804 (50 U.S.C. § 1431-1435; FAR Part 50) may be taken under the broad residual authority of the SECARMY to initiate extraordinary contractual actions to facilitate national defense. Requiring activities may request that the Secretary use this authority. There are few limitations on use of these powers. FAR 50.203(a). Procedures for requesting use of these powers are found in FAR Subpart 50.4, DFARS Subpart 250.4, and AFARS Subpart 50.4. Congress still must appropriate funds needed to pay obligations incurred under this authority.

Leases of Real Property. The Army is authorized to lease foreign real estate at an annual rent of under $250,000. 10 U.S.C. § 2675. Authority to lease is delegated on an individual lease basis. AR 405-10, para. 3-3b. Billeting services are acquired by contract, not lease. True leases normally are accomplished by the Army Corps of Engineers using area teams.

INTERNATIONAL LAW CONSIDERATIONS IN THE ACQUISITION OF SUPPLIES AND SERVICES

During Military Operations. We generally cannot rely on the principles of international law for the acquisition of supplies and services to support military operations. Limitations under international law make it imperative that we normally acquire supplies and services using U.S. acquisition laws. Nevertheless, battlefield acquisition techniques may prove a valuable means of supporting some of the needs of a deployed force when active combat or actual occupation of hostile territory occurs. Chapter 9 provides a summary of the international law principles which govern the acquisition of property while opposing an enemy force or in occupied territory.

Policing The Battlefield. The Grenada and Panama operations spawned a large number of irregular or unauthorized procurements and other actions with procedural defects. At the end of active hostilities, U.S. forces faced the problem of correcting errors made in acquisitions supporting combat units. Generally, resolution involved ratification, extraordinary contractual actions, and GAO claims procedures.

Ratification of Contracts Executed by Unauthorized Government Personnel. Only certain officials (chief of a contracting office, Principal Assistant Responsible for Contracting (PARC), Head of Contracting Agency (HCA)) may ratify agreements made by unauthorized persons, which bind the U.S. in contract. FAR 1.602-3. There are dollar limits on the authority to ratify unauthorized commitments:

Up to $10,000 - Chief of Contracting Office
$10,000 - $100,000 - PARC
Over $100,000 – HCA

These officials may ratify only when:

The government has received the goods or services.
The ratifying official has authority to obligate the U.S. now, and could have obligated the U.S. at the time of the unauthorized commitment.
The resulting contract would otherwise be proper (a proper contract type, a contract not prohibited by law, etc.), and adequate funds are available, were available at the time of the unauthorized commitment, and have been available continuously since that time.
The price is fair and reasonable.

Extraordinary Contractual Actions. If ratification is not appropriate, e.g., where no agreement was reached with the supplier, the taking may be compensated as an informal commitment. FAR 50.302-3. Alternatively, the supplier may be compensated using service secretary residual powers. FAR Part 50.

Requests to formalize informal commitments must be based on a request for payment made within 6 months of furnishing the goods or services, and it must have been impracticable to have used normal contracting procedures at the time of the commitment. FAR 50.203(d).

These procedures have been used to reimburse owners of property taken during the Korean War (AFCAB 188, 2 ECR § 16 (1966)); in the Dominican Republic (Elias Then, Dept. of Army Memorandum, 4 Aug. 1966); in Jaragua S.A., ACAB No. 1087, 10 Apr. 1968; and in Panama (Anthony Gamboa, Dep't of Army Memorandum, Jan. 1990).

General Accounting Office (GAO) Claims. GAO claims procedures provide another method of settling claims[3] for which the legal authority or procedures are uncertain. The GAO has broad authority to settle claims against the U.S. *See* 31 U.S.C. § 3702(a); Claim of Hai Tha Trung, B-215118, 64 Comp. Gen. 155

[3] Quantum meruit (unjust enrichment) claims no longer go to the GAO. These claims are adjudicated before DOHA (Defense Office of Hearings and Appeals). Quantum meruit claims should be submitted to the KO and then forwarded through channels with an administrative record/file to DOHA.

(1984). The procedures are set forth in 4 C.F.R. Part 30, and in Title 4, GAO Policies and Procedures Manual for the Guidance of Federal Agencies. *See also* DFAS-IN 37-1, paras. 20-19 & 20-96.

Voluntary Creditors. Generally, government employees who make payments from private funds on behalf of the U.S. may not be reimbursed. See 31 U.S.C. § 1342; Voluntary Payments--Gov't Reimbursement Liability, B-115761, 33 Comp. Gen. 20 (1953). A limited exception to this rule may apply in cases of urgent, unforeseen emergencies. Reimbursement of Personal Expenditures by Military Member for Authorized Purchases, B-195002, May 27, 1980, 80-2 CPD ¶ 242. Circumstances authorizing reimbursement include protection of government property, Meals--Furnishing--General Rule, B-177900, 53 Comp. Gen. 71 (1973), and unforeseen impediments to completion of an urgent agency mission, Reimbursement of Personal Expenditures by Military Member for Authorized Purchases, B-195002, May 27, 1980, 80-2 CPD ¶ 242.

GAO claims procedures may be used to reimburse employees who have made payments which may fit within the above exceptions to the general rule. The case at 64 Comp. Gen. 155 involved a claim by a Vietnamese man that the GAO determined to be cognizable, but which was barred by a statute of limitations. The case at 33 Comp. Gen. 20 involved a person who submitted a voucher for $13.50, $9.00 of which was denied. A supervisor reimbursed that person the $9.00 out of his own pocket, and claimed that money by letter to GAO (GAO denied recovery because supervisor volunteered payment, and proper way was for person himself to file directly with GAO for $9.00). The case at 53 Comp. Gen. 71 involved a claim for the cost of providing food service to Federal Protective Services Officers; the GAO found it reimbursable on an emergency basis because the officers had to be on call to protect a federal building occupied by protesters. If the GAO believes that a meritorious claim cannot be paid because an appropriation is not available for its payment, GAO reports to Congress. 31 U.S.C. § 3702(d). This report may form the basis for congressional private relief legislation.

CONCLUSION

Planning is critical to the success of contracting operations in an operational setting. Identification and proper training of contracting personnel before deployment is essential. In addition to understanding the basic contracting rules that will apply during U.S. military operations, contracting personnel also must know basic fiscal law principles (*see* Chapter 25). Unauthorized commitments are easier to avoid than to correct through ratifications. Avoid them by putting contracting capability where it is needed on the battlefield. When they do occur, ensure that unauthorized commitments are detected and reported early while they are easier to correct.

APPENDIX A:

U.S. GOVERNMENT

PURCHASE ORDER-INVOICE-VOUCHER

DATE OF ORDER	ORDER NO.

PRINT NAME AND ADDRESS OF SELLER *(Number, Street, and State)**

P
A
Y
E
E

SUPPLIES OR SERVICES	QTY	UNIT PRICE	AMOUNT

AGENCY NAME AND BILLING ADDRESS*

P
A
Y
O
R

TOTAL

DISCOUNT TERMS
..... % …….DAYS

DATE INVOICE RECEIVED

ORDERED BY *(Signature and title)*

PURPOSE AND ACCOUNTING DATA

PURCHASER – *To sign below for over-the-counter delivery of items*

RECEIVED BY

TITLE	DATE

SELLER – *Please read instructions on Copy 2*

☐ PAYMENT RECEIVED $	☐ PAYMENT REQUESTED $

NO FURTHER INVOICE NEED BE SUBMITTED

SELLER

Signature

DATE

Today's date

I certify that this account is correct and proper for payment in the amount of

$……..

.....

Authorized certifying officer

DIFFERENCES

ACCOUNT VERFIED CORRECT FOR

BY

PAID BY ☐ CASH OR …….. *(Check No.)*	DATE PAID	VOUCHER NO.

***PLEASE INCLUDE ZIP CODE**

1. SELLER'S INVOICE

(See instructions on Copy 2)

STANDARD FORM 44 (Rev. 10-83)
PRESCRIBED BY GSA
FAR (48 CFR) 53.213(c)

APPENDIX B:
ORDERING OFFICER'S HANDBOOK

TABLE OF CONTENTS

CHAPTER 1 - INTRODUCTION
CHAPTER 2 - FUNDING
CHAPTER 3 - RESPONSIBILITIES AND DUTIES OF ORDERING OFFICERS
CHAPTER 4 - STANDARD FORM 44 (SF 44)
CHAPTER 5 - PRE-PLANNING

CHAPTER 1: INTRODUCTION

PURPOSE -- This handbook provides a consolidated source of information for an ordering officer to use during contingency operations or exercises. Concepts and guidelines contained in this handbook also may be used by contracting personnel during deployment exercises.
SOURCE -- Materials contained in this handbook are based on regulatory guidelines concerning contingency contracting, and after-action reports from actual deployments.
DEFINITIONS -- Contingency -- An operation in which members of the military are or may become engaged in active hostilities against an enemy or an opposing force. It does not include routine training exercises or activities at or away from the home station.
Contingency contracting -- Provides those essential supplies and services needed to sustain the mission during a contingency operation.
MISSION STATEMENT -- "To support purchases of over-the-counter supplies and services essential to the mission of deployed units." The operative word is "support." A truly effective ordering officer never forgets the mission is to provide timely support to the unit by purchasing those legitimate requirements at a fair and reasonable price.

CHAPTER 2: FUNDING ISSUES

INTRODUCTION -- This chapter highlights appropriate contingency contract funding practices. In every case, proper authorities must certify appropriated funds as available prior to an ordering officer's execution of an SF 44. The procedures for acquiring such certification will depend on the location and duration of the deployment, and proximity of the Finance and Accounting Officer. Failure to secure sufficient funds prior to the execution of an SF 44 will cause delays in payment which create an embarrassment to the unit and may eliminate an important source of supply. Such a failure also may result in adverse consequences for the ordering officer personally.

FINANCE AND UNIT RELATIONSHIPS -- A deployed unit must maintain a close working relationship with its Finance and Accounting Officer for timely fund certifications and payments. Communications must be maintained throughout the deployment to ensure expenditures are within the funds available, and that any supplemental funding is obtained prior to making purchases. Early coordination with the Finance and Accounting Officer will avoid confusion and will assist in a more organized departure.

FUNDING PROCEDURES -- Prior to deployment, the unit must submit a funding document, certified by the proper authority, to the Directorate of Contracting. The document that usually serves as support for this funding action is DA Form 3953, Purchase Request and Commitment. The DA Form 3953 must state the number of SF 44s needed by the deploying unit and the approximate time frame for their use. When approved by the finance officer or designee, the DA Form 3953, Purchase Request and Commitment, makes funds available for obligation and records them as commitments in accounting records. The amount approved is an estimate of the amount that may be obligated by the recipient unit for a specific period of time and designated purpose. DA Form 3953 normally is issued to the Directorate of Contracting to permit requirements to be funded without having to certify "funds availability" for each requisition. If the Directorate of Contracting is issued such a bulk-funded DA Form 3953, the ordering officer is responsible for keeping a record of obligations and the remaining balance of funds on the reverse of the form.

CLASS A PAYING AGENTS -- Class A paying agents are appointed when payment to vendors cannot be made by disbursement from a central paying office. The use of Class A paying agents often is necessary when paying in foreign currency. Their use also expedites payments to help establish and maintain good vendor relationships. Most small businesses in CONUS and overseas cannot afford to wait for payment for

long periods of time, and availability or lack of expedited payment will influence their decision to do business with the Government, or the prices they charge. Most overseas purchases are cash-and-carry only.

CLASS A PAYING AGENTS' DUTIES -- Class A paying agents are appointed in writing by the installation commander or individual commanders of tenant activities. They make payments for purchases made by the ordering officer. Prior to deployment, the paying agent should receive a thorough briefing from the Finance and Accounting Officer on duties and responsibilities, and be given written operational instructions. Designated pick-up points and emergency procedures are essential for the timely release and replenishment of funds.

CHAPTER 3: RESPONSIBILITIES AND DUTIES OF ORDERING OFFICERS

Before buying anything, ordering officers must ensure that:

A. Sufficient funds are available. A DA Form 3953, Purchase Request and Commitment Form, signed by a Budget Officer or other designated certifying officer must be in place prior to the ordering officer entering into any transactions.
B. The purchase amount of any one transaction does not exceed the dollar limitation specified in the appointment letter. The requirement will not be split to avoid this dollar limitation. The current limitation for use of the SF 44 is $2,500 ($25,000 is the limitation for aviation fuel).
C. The supplies or services are available in the local trade area.
D. One delivery of supplies or services and one payment will be made per SF 44.
E. The price is fair and reasonable.
F. The purchases are rotated among sources of supply when possible.
G. Items are justified and mission essential.

The ordering officer must also:

A. Prepare the Standard Form 44 in accordance with the completion instructions of Chapter 4.
B. Comply strictly with all provisions of the appointment letter.
C. Maintain a register of orders issued and copies of each SF 44 with supporting documents, in accordance with the recording instructions of Chapter 4.
D. Promptly report individual transactions made during the month and at the completion of the operation, in accordance with Chapter 4.
E. Become thoroughly familiar with the Joint Ethics Regulation, DOD Reg. 5500.7-R, and review it at least semiannually. The ordering officer will furnish the appointment authority a signed statement that procurement integrity requirements have been read and understood.

CHAPTER 4: STANDARD FORM 44

GENERAL -- This chapter prescribes policies and procedures governing the activities of ordering officers authorized to make simplified acquisitions using Standard Form 44.

DEFINITIONS -- Ordering Officer -- a military or DOD civilian employee authorized to make simplified acquisitions of supplies and non-personal services by virtue of an appointment letter issued by the Director of Contracting. Individuals considered for appointment must be qualified and have the time available to act as an ordering officer. Class A Agent -- a Commissioned, Warrant or Noncommissioned Officer in the grade E-7 or above, appointed to act as an agent of the Finance and Accounting Officer (FAO) for the purpose of making payments as specified in the appointment letter. Receiving Officer -- a military or DOD civilian employee, from the requiring activity, normally in a position to verify receipt of supplies or services. This individual does not require orders. Whenever feasible, the ordering officer and receiving officer should be separate individuals.

POLICIES -- USE OF STANDARD FORM 44

A. The Standard Form 44 is printed as a carbon interleaved form, with four sheets per set, and provides in one document a Purchase or Delivery Order, a Receiving Report, a Property Voucher, and a Payment Voucher.
B. Purchases with this form will only be made by a duly appointed ordering and/or contracting officer. Total dollar amount of each SF 44 will not exceed the dollar limitation specified in the appointment letter or by regulation.

C. Orders will be for off-the-shelf items. Prices may be obtained by telephone or from a vendor's place of business. Only one source of supply must be considered, so long as the ordering officer can justify the price as reasonable. Do not use the same vendor all the time. Switching vendors will increase the interest of several vendors in conducting business with the government, and ensure reasonable prices.
D. Similar type items will be consolidated, whenever possible, into one order. When the aggregate monetary amount exceeds the authorized dollar limitation of the ordering officer, requirements will not be split to avoid the limitations on the ordering officer's authority. These requirements will be referred to the contracting officer for procurement action.
E. Ordering officers cannot redelegate their responsibilities. They must sign all documents used for purchasing with the same name as appears in their appointment letter and use the title "Ordering Officer." No one will sign for an ordering officer under any circumstances.
F. When a purchase is to be made using the SF 44, the ordering officer executes the purchase document. The items will be signed for by the receiving officer and paid by the Class A Agent. If the Class A Agent is not available, and depending on the circumstances, the ordering officer either will give the Seller copies 1 and 2 of the SF 44 with instructions to forward copy 1 to the Finance and Accounting Office (FAO) designated on the form for payment, or will only give copy 2 to the Seller for his records, and send copies 1 and 3 to the FAO directly for payment.
G. Ordering officers will not make any purchases from individuals who are employed by the U.S. Government, or from a company with which the ordering officer has an interest or stock. If this is the only source of supply, the appointing authority must be notified.

DISTRIBUTION OF THE SF 44

A. When the SF 44 is paid immediately by the Class A Agent, copy 1 is signed by the seller and given directly to the Class A Agent; if not, see para. f. above under "Policies."
B. Copy 2 (seller's copy of invoice) will be given to the vendor at the time of purchase.
C. Copy 3 will be annotated by the receiving organization, and forwarded to the proper FAO/Class A Agent as the receiving report.
D. Copy 4 will be retained by the ordering officer and forwarded with the end-of-month report.

USE OF THE SF 44

A. The ordering officer must be aware that just because an item is authorized by a TDA or other publication does not mean it is authorized for local purchase. Close coordination with unit supply personnel is required to make these determinations. Items which are not utilized in direct support of the activity for which the ordering officer was appointed may not be purchased. Purchasing items, or contracting for services, other than those authorized, is not legal and the ordering officer may be held pecuniarily liable. For example, some ordering officers in Grenada bought "PT uniform" T-shirts for their units, and ended up paying for them personally.
B. The ordering officer must be aware that the SF 44 is a direct draft upon the U.S. Treasury, which may be accepted by vendors without further proof of authority to execute. Therefore, the ordering officer must safeguard all SF 44s, or risk being held accountable for those forms presented for payment over the signature of someone other than the ordering officer.
C. he SF 44 may be used to effect purchases when one or more of the following conditions exist:
   (1) When an emergency situation precludes submission of a purchase request through normal supply channels. Lack of foresight or pre-planning does not constitute an emergency.
   (2) When authorized supplies are not available through normal supply channels and local procurement for these supplies is determined to be the most efficient means of re-supply.
   (3) When there are no other sources of U.S. Government supply available within a reasonable area.

COMPLETION OF STANDARD FORM 44

Block 1 -- Self explanatory.
Block 2 -- Order No. The order number consists of thirteen (13) alpha numeric characters as follows:
Characters 1 thru 6 -- Activity Address Number
Characters 7 and 8 -- Current Fiscal Year (i.e. 91)
Character 9 -- M
Character 10 thru 13 -- Serial number assigned in numerical sequence preceded by the alpha character X (i.e. X001). A completed order number looks like the following: DAHC76-91-M-X001.

Block 3 -- Complete name and address (including zip code) of supplier.
Block 4 -- Unit and address for which the ordering officer is making the purchase and is otherwise assigned.
Block 5 -- Description of supplies or services to include quantity, unit price, and extended amount.
Block 6 -- Self explanatory.
Block 7 -- Discount terms, if applicable.
Block 8 -- Agency name and billing address of the FAO.
Block 9 -- Signature of ordering officer.
Block 10 -- Purpose and Accounting Data. Give complete fund citation. The ordering officer needs to obtain this information from the appropriate budget officer.
Block 11 -- Signature of the receiving officer or ordering officer as appropriate.
Block 12 -- Self explanatory.
Block 13 -- Self explanatory.
Block 14 -- Check this block and insert the total amount from Block 6. NOTE: If the Seller is going to be responsible for submitting copy #1 (original) of the SF 44 to the FAO, give the Seller copies 1 and 2 with instructions on processing of the original (copy 1) to the FAO.
Block 15 -- If the Seller is going to use the SF 44 as its invoice, it needs to sign in this block. If the Seller is using its own invoice, attach the invoice to copies 1 & 3, and forward to Finance & Accounting Office, or give these copies to the Class A Agent. When the supplier wants to use its own invoice, it does not sign in
Block 15.
Block 16 -- Self explanatory.

RECORD OF PURCHASES BY THE ORDERING OFFICER

A. The ordering officer will maintain a record of purchases made in register format. The register will show, as a minimum, purchase instrument number, vendor identification, and total cost of the transaction. Copy 4 of the SF 44, with a copy of the Seller's sales slip or invoice, will be filed with or cross-referenced to the related register page and entry number.
B. The ordering officer also will maintain a record of funds remaining available to him on the back of the DA Form 3953. This will be maintained in checkbook register style, with each entry being subtracted and a running balance maintained at all times.

REPORTING OF INDIVIDUAL TRANSACTIONS

A. A report of the transactions made during the month will be made directly to the Appointing Authority no later than the last day of each month. Cut off date for the report will be the 20th day of each month to ensure submittal of the report by the last day of the month.

B. Ordering officers appointed for a period of less than one month, or for an operation lasting less than four weeks, and whose period of appointment overlaps the 20th of the month in which the appointment begins, will submit a single report within 10 days of the date of termination stated in the appointment letter or the end of the operation.
C. Negative reports are required in all cases.

CLEARANCE REQUIREMENTS / LETTERS OF CLEARANCE

A. When an ordering officer's appointment is terminated, the ordering officer will bring to the Director of Contracting or Appointing Authority the following:
   (1) Original copy of appointment letter.
   (2) Copies of all reports filed previously.
   (3) A complete report for any period between the last report and the date of termination, including all copies of the SF 44, all sales slips or other receipts, and any justifications, if any, regarding price or source reasonableness.
   (4) An original copy of the DA Form 3953.
   (5) Any unused SF 44s in his possession.
B. A Letter of Clearance/Termination signed by the contracting officer will be returned to the ordering officer after all the above has been reviewed and certified to be acceptable.

CHAPTER 5: PRE-PLANNING

GENERAL -- At this point, the ordering officer should have a basic understanding of legal authorities, funding practices, and duties. The previous chapter dealt with mechanics on how to fulfill those duties.

This chapter will focus on pre-planning and preparation actions for establishing local purchase capability. While not intended to be all inclusive, it should provide the ordering officer a good foundation and better perspective on his or her role.

PRE-PLANNING AND PREPARATION -- There are many things a unit can and should do to prepare for an operation. Preparing in advance is important for one very basic reason: there will not be enough time to do these things once an operation gets under way. The following areas are those an ordering officer should at least address and plan for prior to deployments.

A. Personal and Administrative Preparations. The following is a list of administrative requirements an ordering officer must possess to start an operation:
   1. SF 44s furnished by the Directorate of Contracting.
   2. Ordering officer handbook.
   3. Copy of the DA Form 3953 that the SF 44s were issued against.
   4. Ordering officer appointment letter.
   5. Civilian clothes. In some instances, it may be necessary to keep a low profile and blend in with the local community.

B. Arrange for the Class A paying agent to accompany the ordering officer with local currency for local purchases.

C. Establishing the Rules of Engagement. The ordering officer needs to have a plan that will best support the unit's needs. This will entail establishing a set of rules for customers to follow when submitting requirements. The rules should include instructions on purchase descriptions, funding, pick-up, and delivery procedures. The rules should also discuss consolidating requirements, when possible, to avoid unnecessary trips downtown. When multiple units are operating in a particular area, the ordering officers and their commanders should coordinate their requirements to avoid competing among themselves for scarce resources.

D. Locating Sources. One of the most difficult problems for the ordering officer at an unfamiliar deployment site is locating capable contractors who can satisfy the unit's requirements. The following are various ways an ordering officer may solve this problem:
   1. Knowledgeable interpreter/guide. This person is a logical first choice for obtaining sources, although the ordering officer must be careful to ensure that he or she is not related to most of the vendors.
   2. U.S. Embassy (if available). This can be an excellent source of information. The defense attaché office in most embassies can help with currency conversions and storage of funds, as well as providing a source list of reputable contractors. In addition, the Embassy General Services officer (GSO) may be able to provide some contracting support -- particularly if a contract is to be written with the host country's government.
   3. Site surveys. This is an excellent tool to speed up the ordering process. Ordering officers should add sources to the site survey list as they become known.
   4. Ask around. There are a multitude of ways of finding sources. Some successful ways have included contacts with the Chamber of Commerce (or equivalent), business associations, local clergy, influential citizens, and local government leaders such as the mayor. The major hotel chains overseas have business offices which can help locate local sources of supplies. In addition, there is nothing wrong with asking other contractors where certain requirements might be obtained. Finally, the local yellow pages is an invaluable source of information on local firms.

APPENDIX C

CONTRACT & FISCAL LAW PECULIAR WEBSITES

CONTENT	ADDRESS

(Unless otherwise noted the internet prefix includes http://

A

ABA Pub. Contract Law Section (Agency Level Bid Protests)	www.abanet.org/contract/federal/bidpro/agen_bid.html
Acquisition Reform	tecnet0.jcte.jcs.mil:9000/htdocs/teinfo/acqreform.html
Acquisition Reform Network	www.arnet.gov
ACQWeb - Office of Undersec. of Def. (Acq. & Tech.)	www.acq.osd.mil
Air Force Acquisition Reform	www.safaq.hq.af
Air Force FAR Supplement	www.hq.af.mil/SAFAQ/contracting/far/affars/html
Air Force Materiel Command Web Page	www.afmc.wpafb.af.mil
A.F.Site, FAR, DFARS, F.R.	farsite.hill.af.mil
AMC Command Counsel News Ltr	www.amc.army.mil/amc/command_counsel/
Army Acquisition Website	acqnet.sarda.army.mil/
Army Fin. Mgt Home Page	www.asafm.army.mil/homepg.htm
ASBCA Home Page	www.law.gwu.edu/burns

C

CAGE Code Assignment Also Search/Contractor Registration (CCR)	www.disc.dla.mil
Commerce Business Daily (CBD)	cbdnet.access.gpo.gov/index.html
Comptroller General Decisions	www.gao.gov/decisions/decison.htm
Congressional Record via GPO Access	www.access.gpo.gov/su_docs/aces/aces150.html
Contingency Contracting	www.afmc.wpafb.af.mil/organizations/HQ-AFMC/PK/pko/contingk.htm
Contract Pricing Guides (address)	www.gsa.gov/staff/v/guides/instructions.htm
Contract Pricing Reference Guides	www.gsa.gov/staff/v/guides/volumes.htm
Cost Accounting Standards	www.fedmarket.com/cas/casindex.html

D

DCAA Web Page	www.dtic.mil/dcaa *Before you can access this site, must register at www.govcon.com
Debarred List	www.arnet.gov/epls/
Defense Acquisition Deskbook	www.deskbook.osd.mil
Defense Acq. University	www.acq.osd.mil/dau/
Defense Contracting Regulations	www.dtic.mil/contracts
Defense Procurement	www.acq.osd.mil/dp/
DFARS Web Page (Searchable)	www.dtic.mil/dfars
DFAS	www.dfas.mil/
DIOR Home Page - Procurement Coding Manual/FIPS/CIN	web1.whs.osd.mil/diorhome.htm
DOD Claimant Program Number (procurement Coding Manual)	web1.whs.osd.mil/diorhome.htm
DOD Contracting Regulations	www.dtic.mil/contracts
DOD SOCO Web Page	www.dtic.mil/defenselink/dodgc/defense_ethics
DOL Wage Determinations	www.ceals.usace.army.mil/netahtml/srvc.html

F

FAC (Fed. Reg. Pages only)	www.gsa.gov:80/far/FAC/FACs.html
FAR (GSA)	www.arnet.gov/far/
Federal Acquisition Jumpstation	procure.msfc.nasa.gov/fedproc/home.html
Federal Acquisition Virtual Library (FAR/DFARS, CBD,etc)	159.142.1.210/References/References.html
Federal Employees	www.fedweek.com
Federal Register	law.house.gov/7.htm
Federal Web Locator	www.law.vill.edu//Fed-Agency/fedwebloc.html
Financial Management Reg.	www.dtic.mil/comptroller/fmr/
Financial Ops. (Jumpsites)	www.asafm.army.mil
FMS Website	www.fms.treas.gov/c570.html

G

GAO Documents Online Order	gao.gov/cgi-bin/ordtab.pl
GAO Home Page	www.gao.gov
GAO Comptroller General Decisions (Allows Westlaw/Lexis like searches)	http:/www.access.gpo.gov/su_docs/aces/aces170.shtml?desc017.html
GovBot Database of Government Web sites	www.business.gov
GovCon - Contract Glossary	www.govcon.com/information/gcterms.html
Gov't. Information Locator Services Index U.S. Army Publications	www-usappc.hoffman.army.mil/gils/ gils.html

L

Laws, Regulations, Executive Orders, & Policy	159.142.1.210/References/References.html#policy, etc
Library (jumpers to various contract law sites - FAR/FAC/DFARS/AFARS)	acqnet.sarda.army.mil/library/default.htm

N

NAF Financial (MWR)	www.asafm.army.mil/fo/naf/naf.htm
National Performance Review Library	www.npr.gov/library/index.html
NAVSUP Home Page	www.navsup.navy.mil/NAVSUP/home.htm
Navy Acquisition Reform	www.acq-ref.navy.mil/

O

OGC Contract Law Division	www.ogc.doc.gov/OGC/CLD.HTML
OGE Ethics Advisory Opinions	fedbbs.access.gpo.gov/libs/oge_opin.html
Office of Acquisition Policy	www.gsa.gov/staff/ap.htm
Office of Deputy ASA (Financial Ops) Information on ADA violations/NAF Links/Army Pubs/and Various other sites	www.asafm.army.mil/financial.htm
Office of General Counsel – U.S. Department of Commerce	www.ogc.doc.gov/OGC/CLD.HTML
Office of Management and Budget (OMB)	www.access.gpo.gov/su_docs/budget/index/html
Office of Management and Budge Circulars	www.whitehouse.gov/WH/EOP/omb/html
OFPP (Guidelines for Oral Presentations)	www.doe.gov/html/procure/oral.html
OFPP (Best Practices Guides)	www.arnet.gov/BestP/BestP.html
Operational Contracting Home Page	www.afmc.wpafb.af.mil/organizations/HQ-AFMC/PK/pko/index.htm

P

Policy Works - Per Diem Tables	www.policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd97.htm

Producer Price Index	www.bis.gov/ppihome.htm
Purchase Card Program	purchasecard.dfas.mil

S

SBA Gov't Contracting Home Page	www.sbaonline.sba.gov/GC/
Service Contract Act Directory of Occupations	www.dol.gov//dol/esa/public/regs/compliance/whd/wage/main.htm
SIC	spider.osha.gov/oshstats/sicser.html

CHAPTER 12

FISCAL LAW

INTRODUCTION

BASIC FISCAL CONTROLS ON APPROPRIATED FUNDS

THE PURPOSE STATUTE -- GENERALLY
Augmentation of an Appropriation Generally Is Prohibited
DOD Appropriations and their Purposes

THE PURPOSE STATUTE -- SPECIFIC MILITARY OPERATIONAL ISSUES
O&M Appropriations -- Use During Deployments and Contingency Operations
Military Construction -- A Special Problem Area
Contacts and Exercises with Foreign Militaries
Overseas Humanitarian, Disaster, and Civic Assistance (OHDCA)
Supporting Multilateral Peace and Humanitarian Operations
Security Assistance
Domestic Disaster Relief Operations
Correcting Purpose Act Violations

AVAILABILITY OF APPROPRIATIONS AS TO TIME

AVAILABILITY OF APPROPRIATIONS AS TO AMOUNT

THE ECONOMY ACT

CONCLUSION

REFERENCES FOR FURTHER RESEARCH

INTRODUCTION

Fiscal law principles apply to all federal operations. For the military services, fiscal law issues frequently arise during contracting, drug interdiction, humanitarian and civil affairs, security assistance, disaster relief, and special forces operations. With a growing number of non-traditional missions to fulfill, the Department of Defense (DOD) increasingly encounters fiscal issues in conducting its operations. Failure to apply fiscal law principles properly may lead to unauthorized expenditure of funds, and to administrative and/or criminal sanctions against those responsible.

The U.S. Constitution gives Congress the authority to raise revenues and appropriate the proceeds to federal agencies. *See* Art. I, § 8. Courts have interpreted this Constitutional requirement as necessitating positive statutory authority for activities/expenditures by the Executive Branch. *See* US v. MacCollom, 426 U.S. 317, at 321 (1976) ("The established rule is that the expenditure of public funds is proper only when authorized by Congress, not that public funds may be expended unless prohibited by Congress.") In implementing its Constitutional mandate, Congress provides expressed legal authority for military operations. In addition, Congress has strictly limited, by statute, the ability of the executive branch to obligate and expend certain appropriated funds. Finally, Congress and DOD have agreed informally to other restrictions, which generally require DOD to notify Congress before taking certain actions.

These restrictions are implemented by regulations and policies within DOD. Military practitioners should look to three primary sources of law to define this legal authority: (1) a statutory authorization found in Title 10 of the U.S. Code, (2) or the annual DoD Authorization Act, or (3) a specific appropriation in the annual DoD Appropriations Act. Without a clear statement of positive legal authority (or some other legislative intent expressed in a conference report, for example), the military attorney should be prepared to articulate a rationale for an expenditure which is "necessary and incident" to an existing authority. As a last resort, OSD may approve the expenditure of funds as a necessary and proper exercise of the President's Article II authority to conduct foreign policy or command the nation's armed forces [this latter approach is highly controversial, but has been used to justify expenditures for several recent operations where specific statutory authority was unavailable - at a minimum, JCS/OSD level approval is required prior to invoking this rationale].

BASIC FISCAL CONTROLS ON APPROPRIATED FUNDS

Congress has imposed fiscal controls through three basic mechanisms. Each is implemented by one or more statutes. The Comptroller General of the U.S., who heads the General Accounting Office (GAO), regularly audits executive agency accounts and scrutinizes compliance with the fiscal controls imposed by Congress. The three basic fiscal controls are:

(1) Obligations and expenditures must be for a proper purpose;
(2) Obligations must occur within the time limits applicable to the appropriation (e.g., operation and maintenance (O&M) funds are available for obligation for one fiscal year); and
(3) Obligations must be within the amounts authorized by Congress.

The enforcement mechanism adopted by Congress for these controls is the Antideficiency Act (ADA). *See* 31 U.S.C. § 1341(a), 1514(a). The ADA prohibits any government officer or employee from making or authorizing an expenditure in excess of the amount available in an appropriation; incurring an obligation in advance of an appropriation, except as authorized by law; or making or incurring obligations in excess of formal subdivisions of funds within the executive branch, or in excess of amounts prescribed by regulations governing the formal subdivisions of funds. Penalties for violations may be criminal or civil. 31 U.S.C. § 1349, 1350. Commanders must investigate suspected violations to establish responsibility, and discipline violators. DOD 7000.14-R, Financial Management Regulation, Vol. 14.

THE PURPOSE STATUTE -- GENERALLY

Although each of the above basic controls on the use of appropriated funds is important, the control which becomes an issue most often during military operations is the purpose control. Expenditures from an appropriation must be reasonably related to the purpose of that appropriation. 31 U.S.C. § 1301(a). The Comptroller General stated the test for a proper purpose in Secretary of the Interior, B-120676, 34 Comp. Gen. 195 (1954):

(1) An expenditure must be for the particular purpose of the appropriation or for a purpose that is necessary and incident to the general purpose of the appropriation.
(2) The expenditure must not be prohibited by law.
(3) The expenditure must not be otherwise provided for; it must not fall within the scope of some other appropriation.

The GAO applies the Purpose Statute to military operations. *See* To The Honorable Bill Alexander, B-213137, 63 Comp. Gen. 422 (1984) [hereinafter Honduras I]; The Honorable Bill Alexander, B-213137, Jan. 30, 1986 (unpub.) [hereinafter Honduras II].

Augmentation of an Appropriation Generally Is Prohibited

A corollary to the purpose statute's control on appropriated funds is the general prohibition against augmentation. *See* Nonreimbursable Transfer of Admin. Law Judges, B-221585, 65 Comp. Gen. 635 (1986); *cf*. 31 U.S.C. § 1532 (prohibiting transfers from one appropriation to another except as authorized by law). Appropriated funds designated for a general purpose may not be used to pay for an effort for which Congress has specifically appropriated other funds. Secretary of the Navy, B-13468, 20 Comp. Gen. 272 (1940). If two funds are equally available for a given purpose, an agency may elect to use

either, but once the election is made, the agency must continue to charge the same fund, absent legislation to authorize the change. Recording Obligations under EPA Cost-Plus-Fixed-Fee Contract, B-195732, 59 Comp. Gen. 518 (1980), *rev'd on other grounds*, 61 Comp. Gen. 609 (1982).

There are a few statutory exceptions to the prohibition on augmentations. For instance, DOD may expend its O&M funds for humanitarian assistance efforts that complement (but do not duplicate) activities funded by the appropriations of other agencies, such as the State Department. *See* 10 U.S.C. § 401. *See also* Foreign Assistance Act (FAA), 22 U.S.C. § 2344, 2360, 2392 (permitting foreign assistance accounts to be transferred and merged); 22 U.S.C. § 2318 (emergency Presidential draw down authority) (discussed below).

Another way Congress authorizes the lawful augmentation of accounts is to enact special interagency transaction authorities. These authorities limit or eliminate standard reimbursement requirements between agencies. The FAA (mentioned above and described below in more detail) and U.S. counterdrug policy provide good examples of this principle. For example, Congress has authorized certain expenditures for military support to civil law enforcement agencies (CLEAs) in counterdrug operations. [*See* Chapter 22 for a detailed description of these authorities.] Training is one of DOD's primary Operations and Maintenance (O&M) funded missions. In the law authorizing DOD's support for CLEAs, Congress provided that support is reimbursable unless it occurs during normal training and results in DOD receiving a benefit substantially equivalent to that which otherwise would be obtained from routine training or operations. *See* 10 USC § 377. In another statutory provision, §1004 of the 1991 DOD Authorization Act (as amended) [*See* Notes, 10 USCA § 374.], Congress authorized operations or training to be conducted for the sole purpose of providing CLEA's with specific categories of support. Finally, in 10 USC § 124, Congress assigned DOD the operational mission of detecting and monitoring international drug traffic (a traditional CLEA function). By authorizing DOD support for CLEA missions, essentially at no cost to CLEAs, Congress has provided authority for the augmentation of CLEA appropriations through the assistance provided by DOD's training operations (through the expenditure of O&M funds).

Other statutes which provide DOD authority to accomplish missions primarily assigned to other executive departments ("non-traditional DoD missions") include: 10 USC § 402 (transportation of humanitarian supplies), 10 USC § 404 (foreign disaster or refugee relief), and 10 USC §2551 (other humanitarian support). All of these purposes are also accomplished through foreign assistance appropriations, which are generally administered by the Department of State. *See* Chapter 23 & 24 for further discussion of these authorities.

There is no specific statute prohibiting augmentations. The prohibition flows from several statutory provisions which implement Congress' control of government funding. In the Honduras II opinion, the GAO described the concept in this manner:

> Because congressional authority is largely asserted through the appropriations process, the Congress places great significance on the rules that govern the use of appropriations by Federal agencies. It has devised specific measures to ensure that those rules are followed, and that, for instance, programs in one area are not supported by appropriations intended to be used elsewhere. *E.g.*, 31 U.S.C. § 1301(a), 1341(a), 1532. Honduras II at 2.

DOD Appropriations and their Purposes

Operation & Maintenance (O&M) Appropriations. These appropriations pay for the day-to-day expenses of DOD components in garrison and during exercises, deployments, and military operations. O&M appropriations may be expended for all "necessary and incident " operations and maintenance expenses. They are subject, however, to specific statutory limitations. For example, end items costing over $100,000, or which are centrally managed within the supply system, may not be purchased with these funds. Additionally, exercise-related construction of permanent facilities, during exercises coordinated or directed by the Joint Chiefs of Staff outside the U.S., or any construction in excess of $500,000, may not be funded with O&M appropriations.[1]

Military Construction (MILCON) Appropriations. Congress has extensive and pervasive oversight programs in place for MILCON appropriations. Virtually all construction projects costing more than $1.5 million require specific prior approval by Congress. Additionally, 41 U.S.C. § 12 provides that no public

[1] 10 U.S.C. § 2805. *But see, infra,* the text under the subheading O&M Appropriations -- Use During Deployments and Contingency Operations for a discussion of the possible expansion of O&M fund uses during contingency operations.

contract relating to erection, repair, or improvements to public buildings shall bind the Government for funds in excess of the amount specifically appropriated for that purpose. Nevertheless, there is also an Unspecified Minor Construction Program for minor construction projects within each military department and within DOD agencies. Money for these unspecified minor construction projects is set aside within each MILCON appropriation. The services use this money (normally a relatively small amount) for projects costing less than $1.5 million without specific congressional approval.

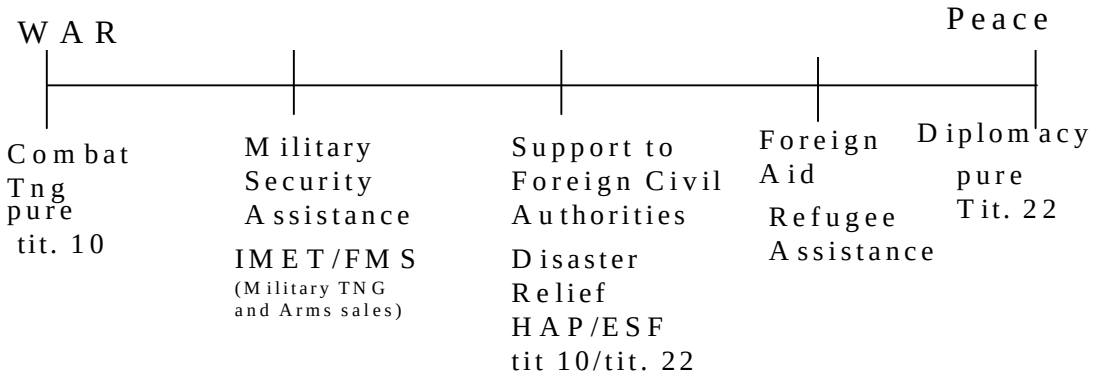
Procurement Appropriations. These appropriations fund purchases of investment end items of equipment (presently those costing more than $100,000), and items that are centrally managed within the supply system.

Other Appropriations. DOD receives dozens of other appropriations, each with its own fund citation and specific purpose. In an operational environment, however, the appropriations most likely to be encountered are those noted above. Additional guidance on the use of the O&M and MILCON appropriations is provided below.

THE PURPOSE STATUTE -- SPECIFIC MILITARY OPERATIONAL ISSUES

The above discussion of the Purpose Statute provides an overview of how this control mechanism applies to DOD operations. More specific applications of the Purpose Statute to military operations are described below.

The Funding Spectrum in Current Operations



Military fiscal authority can be analyzed across the spectrum of operations, based on a simple purpose statute analysis. As you move from right to left on the spectrum, the military funding authority becomes stronger, and the military purpose more clear. From left to right, the benefit to another country or group within a country increases, and the military practitioner must look for positive legal authority to justify military expenditures. It is important to understand where you are on this spectrum to answer the fiscal law questions and establish a valid rationale for the expenditure. [For example, you may conduct joint training in a given country for national security reasons, and still provide a benefit to the host country via *de minimis* Humanitarian and Civic Assistance activities.] Congress has increased the complexity of the analysis by authorizing all sorts of “non-traditional military activities” with specific legislation (i.e., Disaster Relief and Humanitarian Airlift provisions). Foreign Aid, funded and

administered by DOS or USAID under the authority of Title 22, is at the other end of the spectrum in the purpose statute analysis.

Method of Analysis:

The attorney can assist in the accomplishment of the mission, by guiding the staff and the commander to the appropriate fiscal authority. The following method of analysis is intended to assist the OPLAW Attorney, in conjunction with the operator, the comptroller, and the logistician, in recommending a course of action to the commander:

(1) Determine the Commander's Intent
(2) Define the Mission (both the organization's assigned mission and the specific task to be performed)
(3) Break it down into Discrete parts (Specified and Implied Tasks)
(4) Find Legislative Authority and/or Appropriated Funds
(5) Articulate the Rationale for the Specific Expenditures, and
(6) Seek Approval from Higher Headquarters, where necessary.

The lawyer's challenge is to match a specific legislative authority with each expenditure of funds. The lawyer and the comptroller may even have to go farther, and look at the line-item appropriation to determine the Congressional intent. Then the real challenge is to articulate the rationale for the expenditure (in message traffic or memorandum form), to persuade the next higher headquarters to approve the expenditure [or to justify an expenditure that the commander approves to the next auditor or GAO investigator]. Get help from higher headquarters when you can, but be prepared to explain the cold hard facts to your commander so that he can make the risk/benefit analysis that he is paid to make.

SPECIFIC FUNDING AUTHORITIES:

The following fiscal authorities are available to conduct military operations. Each authority reflects a specific legislative intent, which must be articulated by the military practitioner, in order to justify the expenditure.

O&M Appropriations -- Use During Deployments and Contingency Operations

Deploying units normally rely on O&M appropriations available to support their deployment operations. Attorneys, finance officers, contracting personnel, and others charged with responsibility in the funding of unit operations must be familiar with commonly encountered fiscal controls on appropriated funds, particularly the O&M accounts, and verify the amounts and types of funds available.

O&M appropriations pay for the day-to-day expenses of training, exercises, contingency missions, and other deployments. Examples of O&M expenses include force protection measures, sustainment costs, repair of essential Main Supply Routes (MSR's), as well as those expenses "necessary and incident" to an assigned military mission [e.g., costs of maintaining public order and emergency health and safety requirements of the populace in Haiti during the NCA-directed mission of "establishing a secure and stable environment"(prior to the return of a viable Aristide government)]. Where the military mission begins to stray from combat, or combat-related functions, and begins to intersect with other agencies' authority/appropriations, the expenditure bears close scrutiny by the Judge Advocate (e.g., "nation-building" activities, or refugee assistance - both traditional foreign assistance responsibilities, administered by the State Department or USAID).

[Note: The Deputy General Counsel of the Army for Fiscal Law & Policy has opined that O&M funds are the "appropriate funding source to acquire materials and/or cost of erection of structures during combat or contingency operations, as defined in 10 U.S.C. § 101(a)(13), that are clearly intended to meet a temporary operational requirement to facilitate combat operations." The memorandum also provides that "operations funds are the appropriate funding source to acquire weapons from indigenous or opposing forces under the 'Cash for Weapons' program." The basis for these opinions is that O&M funds are <u>the primary</u> funding source supporting combat operations; therefore, if a unit is fulfilling legitimate requirements necessitated only by the combat operation, then O&M appropriations are the proper

funding source. *See* TJAGSA Practice Notes, Contract Law Note: Funding Issues in Operational Settings, *Army Law.*, Oct. 1993, at 38.[2] Example: Road work by engineers during Operation Restore Hope.[3]
Analysis of whether combat construction is "temporary" should focus on the duration and purpose of a facility's use by U.S. forces, not on the materials used in the construction. A brick latrine may meet a temporary need for a latrine facility which affords its occupants some protection from sniper fire.[4]
Normal funding rules apply in all other situations, including the funding of construction for which the U.S. would have a follow-on or contingency use after the termination of the military operations necessitating the construction.]

Feed and Forage Act (41 U.S.C. § 11 & 11a) provides special obligational authority. The act permits DOD and the Coast Guard to contract for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies for the current fiscal year, even in the absence of an appropriation (i.e., this is a special authority to spend in advance of normal O&M appropriations). Notice to Congress is required. On August 24, 1990, the SECDEF invoked the provisions of 41 U.S.C. § 11 to support Desert Shield.

Emergency and Extraordinary (E&E) Expenses (10 U.S.C. § 127) are special funds within the O&M appropriation. The Secretaries of the military departments and the SECDEF may expend these funds without regard to other provisions of law. However, numerous regulatory controls apply to prevent abuse, including Congressional notification requirements for expenditures over $500,000. *See* DOD Dir. 7250.13, Official Representational Funds (Mar. 22, 1985); AR 37-47, Contingency Funds of the Sec'y of the Army (Jan. 15, 1990).

Secretarial Contingency Funds (10 U.S.C. § 127a) provide the SECDEF with authority to fund the incremental costs of contingency operations, including humanitarian assistance, disaster relief, or support for law enforcement (immigration) [$1.1B appropriated for FY 97 was quickly consumed in Bosnia]. Allows for waiver of DBOF reimbursement and transfer authority to service O&M accounts to reimburse operating funds for expenses incurred.

CINC Initiative Funds (CIF) (10 U.S.C. § 166a) are O&M funds available for special training, humanitarian assistance, civic assistance, and other selected operations which are unforeseen contingency requirements critical to CINC joint warfighting readiness and national security interests. *See* CJCSI 7401.01, 11 Jun 1993 (detailing procedures for CJCS approval of these expenditures). The CINCs also receive O&M funding, through the services, for “Traditional CINC Activities” (TCA) like military-to-military contacts, joint training, regional conferences, based on these and other Title 10 authorities discussed below. *See also* discussion in Chapters 23 and 24 on CIF and TCA, respectively.

Congress regularly earmarks funds within annual O&M appropriations to be used only for specific purposes. For instance, DOD receives part of its O&M funds earmarked for use in providing humanitarian and civic assistance under 10 U.S.C. § 401(c). Such earmarked appropriations require separate fiscal accounting. DOD may not use general O&M appropriations for the same purposes as the funds earmarked for specific purposes within an annual authorization or appropriations act. *See, e.g.*, Department of Defense Appropriations Act, 1997, Pub. L. No. 104-208, Title II, 110 Stat. 3009 (1996) ($49,000,000 provided for Humanitarian Assistance Programs during FY 1997).

Military Construction -- A Special Problem Area

As noted above, congressional oversight of military construction is extensive and pervasive. Specific approval is required for any project in excess of $1.5 million. Funds for such larger projects,

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[2] Before relying on this analysis, please note that the use of this policy is restricted to “combat operations”, as opposed to the much broader “contingency operation” setting referred to in the practice note.

[3] The reader should be cautioned that this exception is based on policy, not law or regulation. Any decision to use this exception should be coordinated with higher headquarters.

[4] *Compare* “temporary construction” analysis in Military Construction section, below.

known as the Specified Military Construction Program, are provided in the annual MILCON appropriations.

The Unspecified Minor Construction Program:

MILCON appropriations also fund part of the Unspecified Minor Military Construction Program, through which Congress provides annual funding to DOD and the military services for minor construction projects that are not specifically approved in a MILCON Appropriations Act. Pursuant to the unspecified minor construction authority of 10 U.S.C. § 2805(a), the Secretary concerned may use minor military construction funds (known as Minor Military Construction, Army, or MMCA funds for the Army) for minor projects not specifically approved by Congress.

(1) This authority is limited to $1.5 million for each project. Because 10 U.S.C. § 2805(c) permits the use of O&M funds for construction below $500,000, DOD has elected to use minor military construction funds only for projects in the $500,000 to $1.5 million range, except during JCS-controlled exercises outside the U.S.

(2) Statute and regulations require approval by the Secretary of the department and notice to Congress before commencement of any minor military construction project exceeding $500,000.

(3) Besides projects costing between $500,000 and $1.5 million, minor military construction funds (MMCA for Army) also pay for all permanent construction during JCS-coordinated or directed exercises conducted outside the U.S. *See* 10 U.S.C. § 2805(c)(2). The authority for such exercise-related construction is limited to no more than $5 million per military department per fiscal year. 10 U.S.C. § 2805(c)(2). This limitation does not affect funding of minor and truly temporary structures such as tent platforms, field latrines, shelters, and range targets that are completely removed once the exercise is completed. Units may continue to fund these through the O&M accounts. See below, however, regarding notification requirements if such work totals more than $100,000.

O&M: Most installations and deploying units are funded only with O&M appropriations, which are not available for construction work, except as specifically authorized by law. They must request MILCON or minor military construction funds from higher headquarters.

(1) 10 U.S.C. § 2805(c) authorizes use of O&M funds for unspecified minor military construction projects, but limits this authorization to $500,000 per project. O&M appropriations are normally the source of funds for the portion of the unspecified minor military construction program below the $500,000 per project level. *See* AR 415-15 (30 Aug. 1994); AR 420-10 (2 July 1987).

(2) Projects must have a funded cost of $500,000 or less to be paid for with O&M funds. Funded cost refers to the "out-of-pocket" cost of a project, such as contract costs, TDY costs, etc. It does not include the salaries of military personnel, depreciation on equipment, and similar "sunk" costs. The cost of fuel used to operate equipment is a funded cost. Although unfunded costs do not count toward the statutory ceilings applicable to the different types of construction funds, records of unfunded costs are kept, and these figures are reported to higher headquarters.

(3) Project splitting is prohibited. An agency cannot treat "clearly interrelated" construction activities as separate projects. Honduras II, p. 22.

DOD must notify Congress if construction (temporary or permanent) exceeding $100,000 will be done during any exercise. *See* Military Construction Appropriations Act, 1995, Pub. L. No. 103-307, § 113, 108 Stat. 1659, 1664 (1994).
Military construction, as defined in 10 U.S.C. § 2801 and AR 415-35, includes any construction, development, conversion, or extension of any kind carried out with respect to a military installation. The definition of a military installation is very broad, and includes foreign real estate under the operational

control of the U.S. military. Military construction includes all work necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility. *See* The Honorable Michael B. Donley, B-234326.15, Dec. 24, 1991 (unpub.) (project splitting is prohibited). Minor military construction, whether accomplished with O&M or MMCA funds, is a single undertaking at a military installation with an approved cost equal to or less than $1.5 million. Examples of construction (*see* AR 415-15, Glossary, sec. II, Terms):

> (1) The erection, installation, or assembly of a new facility.
> (2) A change to a real property facility, such as addition, expansion, or extension of the facility, that adds to its overall external dimensions.
> (3) Acquisition of a "existing facility," or work on an existing facility that improves its functions or enables it to fulfill changed requirements. Such work is often called an alteration of the facility. This includes installation of equipment made a part of the existing facility.
> (4) Conversion of the interior or exterior arrangements of a facility so that the facility can be used for a new purpose. This includes installation of equipment made a part of the existing facility.
> (5) Replacement of a real property facility, which is a complete rebuild of a facility that has been destroyed or damaged beyond economical repair.
> (6) Relocation of a facility from one installation to another and from one site to another.

Construction includes the cost of installed equipment that is made part of a new or existing facility, related site preparation, excavation, filling, landscaping, or other land improvements.

Maintenance and repair are not construction. Maintenance is recurrent work to prevent deterioration; i.e., work required to preserve or maintain a facility in such condition so it is usable for its designated purpose. AR 420-10, Management of Installation Directorates of Eng'g & Housing, sec. II, Terms (July 2, 1987). Repair is restoration of a facility, so it may be used for its designated purpose, by overhauling, reprocessing, or replacing parts or materials that have deteriorated by action of the elements or by wear and tear in use, and which have not been corrected through maintenance. AR 420-10, sec. II, Terms. When construction and maintenance or repair are performed together as an integrated project, each type of work is funded separately, unless the work is so integrated that separation of construction from maintenance or repair is not possible. In the latter case, fund all work as construction.

Methodology for analysis of minor construction issues:
- Define the scope of the project;
- Classify the work as construction, repair, or maintenance;
- Determine the funded cost of the project; and
- Select the proper appropriation.

Examples:

1. A US Army unit deploys to central Europe at the request of a newly-elected democratic government. It occupies a former Soviet installation as a base. A large multi-story barracks facility is proposed for conversion to an administration facility. The Division Engineer advises that the work involved will include: (a) replacement of the roof, the flooring, several interior walls, and the heating system ($1.1 million); (b) repair of numerous other failing components of the building ($450,000); (c) installation of a new central air-conditioning unit ($150,000); and (d) construction of new walls to accommodate the new configuration ($100,000). The Division Engineer proposes to classify the project work as mostly repair work, with a small amount of new construction. The total funded cost of the project is estimated to be $1.8 million. Because the air-conditioner and new walls will cost only $250,000, the Division Engineer contends that the entire project can be approved and funded locally. Is the Division Engineer right? No. A conversion is construction by definition. All work is required for the conversion of this building to an administrative facility, so it must all be funded as construction (use MILCON money because the cost exceeds $1.5 million). If U.S. forces were to continue using the facility as a barracks, then the air-conditioning and new walls could be segregated from the other (repair) efforts, and all work could be funded with O&M money.

2. The road to the division fuel supply point is in urgent need of repair. The division's training tempo increased substantially last year, so the road has been getting greater use by heavier vehicles than it was designed to handle. Heavy delivery trucks used by the fuel supplier with the current contract

for diesel fuel and gasoline have been breaking up the road. The Division Engineer believes that, in addition to filling up the holes in the road, two additional inches of asphalt should be added to support the increased and heavier traffic. The Division Engineer estimates that a paving contractor will charge $530,000 to fill the holes and add two inches of asphalt. The Division Engineer insists that O&M funds can be used. Is the Engineer correct? Maybe. Filling the potholes is clearly a repair, and this cost does not count against the cost of the construction effort. Resurfacing the road may be a repair if the resurfacing is intended to restore the road to its former capacity, not to improve it for heavier use, and if this is the method normally used to maintain and/or repair roads of this type. To the extent it upgrades the road, however, it may be construction, particularly considering the fact that the exterior dimensions of the road will change (two inches thicker). The cost of this portion of the work may be less than $500,000 (if the potholes cost more than $30,000 to repair), however, so O&M funds may be appropriate for this work even if it is considered construction.

3. What if the road in Example 2 is located in Northern Saudi Arabia in February 1991? The work under these circumstances is clearly not part of an effort to improve post infrastructure; apparently it is needed to support ongoing combat operations. Therefore, this work is more likely to qualify as a repair. Even if it is considered construction, and even if the cost of the two inches of additional asphalt exceeds $500,000, the work may fall within the scope of the potential expansion of the use of O&M funds during combat operations discussed above in the **O&M Appropriations -- Use During Deployments and Contingency Operations** section above.

Emergency Construction Authority:

Upon a Presidential Declaration of National Emergency, 10 U.S.C. § 2808 permits the Secretary of Defense to undertake construction projects not otherwise authorized by law that are necessary to support the armed forces. Such projects are funded with any unobligated military construction and family housing appropriations. On November 14, 1990, President Bush invoked emergency construction authority under 10 U.S.C. § 2808 for support of Operation Desert Shield. *See* Executive Order 12734 of November 14, 1990, 55 Fed. Reg. 48099. Other emergency construction authorities available under existing law include:

> Emergency Construction, 10 U.S.C. § 2803. Requirements: 1) notice to congressional appropriations committees; 2) determination that project is vital to national defense; 3) a twenty-one day waiting period after notification before project begins; and, 4) total amount expended must not exceed $30 million in any fiscal year, and the funds must be obtained by reprogramming money already appropriated but not yet obligated for military construction.
>
> Contingency Construction, 10 U.S.C. § 2804. Requirements: 1) notice to congressional appropriations committees; 2) project justification; 3) a twenty-one day waiting period after notification before project begins; and 4) obtain funds from monies already appropriated for military construction, but not yet obligated.

During Operation Desert Shield, these authorities were not timely exercised. Future operational plans should include provisions to exercise these authorities immediately upon execution, so construction and improvement of logistics facilities can commence immediately with the proper appropriations.

Contacts and Exercises with Foreign Militaries

Congress has provided ample authority for bilateral and multilateral contacts with foreign militaries. These authorities are the heart of the current Partnership for Peace (PFP) program, as well as many other joint training, military-to-military contact, and exercise programs. The main thrust of these authorities is to fund U.S. costs of preparing and conducting combined training, as well as paying selected incremental costs for our training partners. [*See also* Chapter 24, Security Assistance]

Bilateral and Multilateral Contacts:

5 U.S.C. § 4109-4110; 31 U.S.C. § 1345(1); 37 U.S.C. § 412 (Travel). Travel to conferences and site visits are supported with a variety of statutory authorities.[5] U.S. civilian employees and Military personnel are authorized to expend US funds under the Joint Travel Regulations (JTR), para. C.6000.3, individuals performing services for the government may also be funded.
10 U.S.C. § 1050 (Latin American Cooperation - LATAM COOP) authorizes service secretaries to pay the travel, subsistence, and special compensation of officers and students of Latin American countries and other expenses the secretaries consider necessary for Latin American cooperation.
10 U.S.C. § 1051 (Bilateral or Regional Cooperation Programs) provides similar authority to pay travel expenses and other costs associated with attendance at bilateral or regional conferences, seminars, or similar meetings if the SECDEF deems attendance in the U.S. national security interest. *See also* DOD Authorization Act for FY 97, Pub. L. No. 104-201 (110 Stat. 3009), § 1065 and §8121 (1996), authorizing support for participation in Marshall Center activities for European and Eurasian nations, and attendance by foreign military officers and civilians at seminars and similar studies at the Asia-Pacific Center for Security Studies, respectively.
10 U.S.C. § 168 (Military-to-military Contacts) authorizes the SECDEF to conduct military-to-military contacts and comparable activities that are designed to encourage democratic orientation of defense establishments and military forces of other countries.
Funding - All of these activities are funded with O&M funds [often with Service funding, TCA, or CIF, as described above].

Bilateral and Multilateral Exercise Programs:
10 U.S.C. § 2010 (Developing Country Exercise Program - DCCEP) authorizes payment of incremental expenses of a developing country incurred during bilateral or multilateral exercises if it enhances U.S. security interests and is essential to achieving the fundamental objectives of the exercise.
10 U.S.C. § 2011 (Special Operations Force - SOF Training) permits the SOCOM Commander or Combatant CINC to fund the expenses of training all Special Operations Forces [Civil Affairs, PSYOP, Special Forces, Seals, Rangers, Special Boat Units, AFSOC, etc.] training with the armed forces or security forces of a friendly foreign country, including incremental expenses.
Incremental expenses incurred as the result of these training authorities include rations, fuel, training aids, ammunition, and transportation; they do not include pay, allowances, and other normal costs for the country's personnel.

Regional Cooperation Programs:
Partnership for Peace activities are authorized by existing authorities, outlined above;[6] $109M ($49M DoD and $60M DOS) was provided for FY 97.
Cooperative Threat Reduction with States of the Former Soviet Union (FSU) ("Nunn-Lugar") provides funds for various programs to dismantle the FSU's arsenal of weapons of mass destruction;[7] $327.9M appropriated for 97.

International Military Education and Training **(IMET)** - [Foreign Assistance Act (FAA) §§ 541-545 (22 U.S.C. §§ 2347-2347d)] is a security assistance program to provide training to foreign militaries, including the proper role of the military in civilian-led democratic governments and human rights [often called **Expanded-IMET**].

Overseas Humanitarian, Disaster, and Civic Assistance (OHDCA) Operations

Congress has provided limited authority to DOD to conduct Overseas Humanitarian, Disaster and Civic Aid (OHDCA) operations [also known as Humanitarian Assistance Programs (HAP)]. *See* DOD Appropriations Act, 1997, Pub. L. No. 104-208, Title II, 110 Stat. 3009 (1996) ($49M provided for all programs conducted under the authority of 10 U.S.C. §§ 401, 402, 404, 2547, and 2551 during FY 1997). [*See also* Chapter 23, Humanitarian and Foreign Disaster Assistance]

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[5] 31 U.S.C. § 1345 requires a specific appropriation for travel, transportation, and subsistence expenses for meetings. *See also* 62 Comp. Gen. 531 (1983).
[6] See H.R. Conf. Rep. No. 747, 103d Cong., 2d Sess. 63 (1994)

[7] DoD Authorization Act for FY 97, Pub. L. 104-201 § 1453 (1996). *But see* §§1501-1504, prohibiting use of funds for peacekeeping exercises, housing, environmental restoration or job training.

Primary responsibility for Humanitarian, Refugee. and Disaster Relief operations lies with the Department of State, through the U.S. Agency for International Development (USAID) and other subordinate agencies, like the Office of Foreign Disaster Assistance (OFDA).

FAA §492(10 U.S.C. § 2292) (International Disaster Assistance): The President may furnish foreign disaster assistance under such terms and conditions as he determines appropriate pursuant to the Foreign Assistance Act (FAA) §§ 491-496 (22 U.S.C. §§ 2292-2292q). *See* Foreign Assistance Appropriations Act for FY 97, Pub. L. 104-208, Title II, 110 Stat. 3009 (1996) ($190M appropriated to DOS for international disaster assistance under this authority).

FAA § 506(a)(1) (22 U.S.C. § 2318(a)(1))(Emergency Drawdown) permits the President to draw down defense stocks and services in response to unforeseen emergencies requiring military assistance to a foreign country or international organization. Use of this authority requires notice to Congress, and is limited to $100 million per fiscal year. [Note: no contracting is permissible under Drawdown authority.]

FAA § 506(a)(2) (22 U.S.C. § 2318(a)(2))(Emergency Drawdown) The President may also require any US Government agency to provide support to counterdrug activities, disaster relief, or migrant and refugee assistance efforts of other federal agencies through an FAA § 506 drawdown, up to $150M per year. [Note: 506(a)(2) Drawdown for counterdrug activities and POW accounting are limited to $75M and $15M, respectively; DoD provides no more than $75M of goods and services per year under this authority.]

Refugee Assistance (22 U.S.C. 2601c) The Department of State is assigned responsibilities for refugee support in the Migration and Refugee Assistance Act of 1962. *See* Foreign Assistance Appropriations Act for FY 97, Pub. L. 104-208, Title II, 110 Stat. 3009 (1996) ($650M appropriated to DOS to support refugee operations, the International Organization for Migration (IOM), the International Committee of the red Cross (ICRC) and the United Nations High Commissioner for Refugees (UNHCR); as well as $50M of no-year money to support the Emergency Refugee and Migration Assistance Fund). (*See also* provisions of the Refugee Assistance Act of 1980, § 501 (8 U.S.C. 1522 note), authorizing the President to direct other agencies to support Cuban and Haitian Refugees on a reimbursable or non-reimbursable basis).

FAA § 632 (22 U.S.C. § 2392)(DOS Reimbursement) Under this authority, similar to the Economy Act, discussed below, DOS may provide funds to other executive departments to assist DOS in accomplishing their assigned missions (usually implemented through “632 Agreements” between DOD and DOS).

Fiscal Law Issues in Honduras: Historically, DOD conducted limited Humanitarian and Civic Assistance (HCA) operations in foreign nations without separate statutory authority. In 1984, the Comptroller General decided in the Honduras I opinion that DOD's extensive use of O&M funds to provide HCA violated the Purpose Statute (31 U.S.C. § 1301(a)) and other well-established fiscal principles. The GAO concluded that DOD had used its O&M accounts improperly to fund what was essentially foreign aid and security assistance. The Honduras I opinion applied a three-pronged test to determine whether certain expenses for construction and to provide medical and veterinary care were proper expenditures:

> First and foremost, the expenditure must be reasonably related to the purposes for which the appropriation was made . . . . Second, the expenditure must not be prohibited by law . . . . Finally, the expenditure must not fall specifically within the scope of some other category of appropriations.
> Honduras I at 427-28.

This test is widely used to analyze fiscal law problems. Applying it to the military construction, training and HCA operations conducted in Honduras in 1983, the GAO disapproved certain expenditures using O&M funds which were reasonably related to DOD purposes (that is, expenditures which achieved "readiness and operational benefit" for DOD), but which failed the other tests. The GAO determined that the otherwise valid O&M expenditures were improper either because they were prohibited by law (violating the second prong of the above test), or because they achieved objectives which were within the scope of more specific appropriations, such as appropriations to the State Department for foreign aid under the FAA or the Arms Export Control Act (violating the third prong). Honduras II at 27-30. The opinion did recognize, however, that limited HCA was permissible, using O&M funds. *See* Honduras II at 38. *See also* 10 U.S.C. 401c(4) and DOD Dir. 2205.2, Humanitarian and Civic Assistance (defining *de minimis* HCA). It is this controversy which spurred the development of separate legislative authority to conduct humanitarian activities.

DOD Statutory Authorities:
10 U.S.C. § 401 (HCA) provides for Humanitarian and Civic Assistance (HCA) projects, approved in coordination with the Combatant CINCs and DOS, which improve operational readiness skills of participating U.S. forces and are conducted in conjunction with military operations [HCA projects are often conducted during JCS-directed exercises, or deployments for training]. Section 401 was recently expanded to include authority for training host nations in the removal of land mines; this section limits . *See,* 10 U.S.C. § 401(e)(5).
10 U.S.C. § 402 (Transportation) DOD may transport supplies provided by nongovernmental sources without charge on a space-available basis. DOD cannot use this authority to supply a military or paramilitary group.
10 U.S.C. §404 (Foreign Disaster Assistance) The President may direct SECDEF to provide disaster assistance outside the U.S. to respond to manmade or natural disasters when necessary to prevent the loss of life. Includes transportation, supplies, services, and equipment; but requires notice to Congress within 48 hours. OHDCA funds are available for organizing general policies and programs for disaster relief programs. The President delegated authority to provide disaster relief to SECDEF, with concurrence from DOS (except in emergency situations). *See* EO 12966, 60 Fed. Reg. 36949 (15 July 1995).
10 U.S.C. § 2547 (Excess Nonlethal supplies: Humanitarian Relief) authorizes excess supplies be made available for humanitarian relief to DOS, who will be responsible for distribution. May be used in conjunction with other authorities to provide transportation or 2551 authority for funding incidental costs.
10 U.S.C. § 2551(Transportation and Other Humanitarian Support) DOD may also provide fully funded transportation (on an other-than space-available basis), if it pays such transportation costs with its O&M funds earmarked for OHDCA purposes. In addition, this statute permits the use of funds for "other humanitarian purposes, worldwide." This permits payment of all costs, including contracts if necessary,

JA's Role: The JA's primary role during military operations that involve disaster relief, humanitarian, or refugee support operations is to ensure mission accomplishment within the constraints of current law. This is the most difficult area of fiscal law practice. It requires an in-depth understanding of the statutory authorities. The general rule is that only O&M funds earmarked for OHDCA purposes are used for this support. 10 U.S.C. § 127a Contingency Funds, 166a CINC Initiative Funds (CIF), and Traditional CINC Activity funding (TCA) provide secondary sources. The JA must ensure that problems are identified during exercise planning and avoided. After-the-fact justifications which stretch the DOD authorities risk GAO scrutiny and adverse ramifications for those who seek to circumvent congressionally-imposed limitations.

Supporting Multilateral Peace and Humanitarian Operations

U.S. support to other nations or international organizations during multilateral operations is authorized by a number of provisions of the Foreign Assistance Act, Title 10 U.S.C., the Arms Export control Act, and other statutes. With respect to UN support, PDD-25 emphasizes the necessity of reducing costs for UN peace operations, reforming UN management of peace operations, improving U.S. management and funding of peace operations (including increased cooperation between the Legislative and Executive branches). The U.S. will generally seek either direct reimbursement for the provision of goods and services to other nations or international organizations, or credit against a UN assessment. In rare circumstances, the U.S. may contribute goods, services, and funds on a voluntary basis, waiving reimbursement. DOS has responsibility for oversight and management of Chapter VI operations where U.S. combat units are not participating; DoD has responsibility for Chapter VI operations in which U.S. forces are participating and all Chapter VII operations. [*See generally* Chapter 25, Peace Operations.]
Authorities: Much like Disaster Relief and Refugee support, DOS has the lead in providing support to other nations engaged in Peacekeeping Operations (PKO). *See* FAA § 551 (22 U.S.C. 2348). *See also* Foreign Operations Appropriations Act for FY 97 (additional appropriations), Title V, Chapter 7, *reprinted in* H.R. Rep. 863, 104th Cong., 2d Sess. 536 (1996) (DOS provided $65M to support PKO). Other than the authorities mentioned below, DoD is prohibited from providing direct or indirect contributions to the UN for peacekeeping operations or to pay UN arrearages. 10 U.S.C. § 405. In addition, under § 8092 of the DOD Appropriations Act for FY 97, Pub. L.104-208 (1996), DoD is also required to notify Congress 15 days before transferring to another nation or international organization any defense articles or services in connection with peace operations under Chapter VI or VII of the UN Charter or any other

international peacekeeping, peace enforcement, or humanitarian assistance operation. This requirement affects all of the authorities described in this section, or the preceding section, unless they already contain Congressional notification requirements. In practice, DOD is providing blanket notifications for all PKO or Humanitarian operations where goods or services are being transferred to other nations or international organizations. The President has expressed concern to Congress over the apparent infringement on his Constitutional powers as Chief Diplomat and Commander-in-chief. Statement of 30 November, 1995

UN Participation Act (UNPA) § 7 (22 U.S.C. 287d-1) authorizes support to the UN, upon their request, to assist in the peaceful settlement of disputes (not involving the employment of armed forces under Chapter VII). Includes detail of up to 1000 military personnel as observers, guards, or any other non-combatant capacity, and furnishing of facilities, services, or other assistance and loan of U.S. supplies and equipment. The statute generally requires reimbursement, except when it has been waived in the national interest (authority delegated to DOS by EO 10206, 16 Fed. Reg. 529 (1951)).

FAA § 506(a)(1&2) (22 U.S.C. § 2318(a)(1&2))(Emergency Drawdown) With the limitations discussed above, these drawdowns may also be used to support multilateral peace and humanitarian operations.

FAA § 552(c)(2) (22 U.S.C. § 2348(c)(2))(PKO Drawdown) A FAA § 552 drawdown, of up to $25M per year from any federal agency, may be used to support peace operations in "unforeseen emergencies, when deemed important to the national interest."

Bosnia Drawdown Authority - up to $100M of DOD articles and services to assist the government of Bosnia-Herzegovina in self-defense. Foreign Operations, Export Financing, and Related Programs Act of 1996, Pub. L. 104-107, § 540 (1996). *See also* DOD Authorization Act for FY 97, Pub. L. 104-201 § 1083 authorizing "most favorable pricing" for the drawdown support.

Detailing of Personnel FAA § 627 (22 U.S.C. § 2387) authorizes detailing of officers or employees to foreign governments, when the President determines it furthers the purposes of the FAA. FAA § 628 (22 U.S.C. § 2388) allows a similar detailing to international organizations, to serve on their staff, or provide technical, scientific, or professional advice or services. Detailed individuals are not allowed to take an oath of allegiance or accept compensation - per § 630 of the FAA (22 U.S.C. § 2390). 22 U.S.C. § 1451 authorizes the Director of the U.S. Information Agency (USIA) to assign U.S. employees to provide scientific, technical, or professional advice to other countries. This does not authorize details related to the organization, training, operations, development, or combat equipment of a country's armed forces. 10 U.S.C. § 712 authorizes the President to detail members of the armed forces to assist in military matters in any republic in North, Central, or South America. All of these details may be on a reimbursable or a non-reimbursable basis.

FAA § 516 (22 U.S.C. § 2321j) (Excess Defense Articles) - Defense articles no longer needed may be made available to support any country for which receipt of grant aid was authorized in the Congressional Presentations Document (CPD). Priority is still accorded to NATO and southern-flank allies. There is an aggregate ceiling of $350M per year, beginning in FY 97; cost is determined using the depreciated value of the article. No space available transportation is authorized, normally; but DoD may pay packing, crating, handling and transportation costs to PFP eligible nations under the Support to Eastern European Democracy (SEED) Act of 1989. *See* Defense Security Assistance and Improvements Act, § 105, Pub. L. 104-164 (1996).

Reimbursable Support - The primary authority for reimbursable support is FAA § 607 (22 U.S.C. § 2357), which authorizes any federal agency to provide commodities and services to friendly countries and international organizations on an advance of funds or reimbursable basis. Support to the UN and other foreign nations are usually provided under provisions of a "607 Agreement" with the nation or organization, detailing the procedures for obtaining such support; DOS must delegate authority to DOD to negotiate these agreements. FAA § 632, authorizing transfer of funds from DOS, and the Economy Act, discussed below, are also means of providing reimbursable DOD support. Finally, Foreign Military Sales (FMS) or Leases, provided under authority of the Arms Export Control Act (AECA) §§ 21-22 & 61-62 (22 U.S.C. §§ 2761-62 & 2796), respectively, permit the negotiation of FMS contracts or lease agreements to support countries or international organizations - reimbursement usually includes administrative overhead, under Defense Security Assistance Agency (DSAA) procedures. [*See* Chapter 24, Security Assistance.]

10 U.S.C. §§ 2341-2350 (Acquisition and Cross Servicing Agreements (ACSAs)) This provides DOD authority to acquire logistic support without resort to commercial contracting or FMS procedures and to transfer support outside of the AECA. Under the statutes, after consultation with DOS, DOD may enter into agreements with NATO countries, NATO subsidiary bodies, other eligible countries, the UN, and

international or regional organizations for the reciprocal provision of logistic support, supplies, and services. Acquisition and transfers are on a cash reimbursement, replacement-in-kind, or exchange-of-equal-value basis. Many ACSAs already exist - check with Combatant CINC to determine if they are administering an ACSA for the subject country within the AOR; JCS must approve new negotiations.

Security Assistance

Funding for aid to foreign armies is specifically provided for in foreign assistance appropriations. Transfers of defense items and services to foreign countries is regulated by the Arms Export Control Act. 22 U.S.C. §§ 2751-96. *See also* DOD Reg. 7000.14-R, Financial Mgmt. Reg., vol. 15, Security Assistance Policy and Procedures (Mar. 18, 1993). Providing weapons, training, supplies, and other services to foreign countries must be done in compliance with the Arms Export Control Act, the Foreign Assistance Act (FAA) (22 U.S.C. §§ 2151-2430i), and other laws.

The Arms Export Control Act

The Arms Export Control Act permits DOD and commercial sources to provide defense articles and defense services to foreign countries to: enhance the internal security or legitimate self-defense needs of the recipient; permit the recipient to participate in regional or collective security arrangements; or permit the recipient to engage in nation-building efforts. 22 U.S.C. § 2754. Section 21(a)(1) of the Arms Export Control Act (22 U.S.C. § 2761(a)(1)) permits the sale of defense articles and services to eligible foreign countries. State Department appropriations and foreign countries' own revenues fund Arms Export Control Act activities. To sell defense articles and services (procured with DOD appropriations) to foreign countries, the State Department first obtains them from the DOD. The Defense Security Assistance Agency (DSAA) manages the process of procuring and transferring defense articles and services to foreign countries for the State Department. This process provides for reimbursement of the applicable DOD accounts from appropriated State Department funds, or from funds received from sales agreements directly with the foreign countries.

The reimbursement standards for defense articles and services are established in Section 21(a)(1) of the Arms Export Control Act (22 U.S.C. § 2761(a)(1)). For defense articles the reimbursement standards are:

> <u>not less than [the] actual value</u> [of the article], or <u>the estimated cost of replacement</u> of the article, <u>including the contract or production costs</u> less any depreciation in the value of such article.

For defense services the reimbursement standards are:

> <u>[f]ull cost</u> to the U.S. Government of furnishing such service [unless the recipient is purchasing military training under the International Military Education and Training or IMET section the FAA, 22 U.S.C. § 2347] . . . [the value of services provided in addition to purchased IMET is recovered at] <u>additional costs incurred</u> by the U.S. Government in furnishing such assistance.

Section 21(e) of the Arms Export Control Act (22 U.S.C. § 2761(e)) requires the recovery of DOD costs associated with its administrative services in conducting sales, plus certain nonrecurring costs and inventory expenses.

The Foreign Assistance Act (FAA)

The FAA has two principal parts. Part I provides for foreign assistance to developing nations; Part II provides for military or security assistance. The FAA treats these two aspects of U.S. government support to other countries very differently. The treatment is different because Congress is wary of allowing the U.S. to be an arms merchant to the world, but supports collective security and efforts to defeat communism. *See* 22 U.S.C. § 2301. The purposes served through the provision of defenses articles and services under Part II of the FAA are essentially the same as those described for the Arms Export Control Act (*see* 22 U.S.C. § 2302), but under the FAA, the recipient is more likely to receive the defense articles or services free of charge.

Congress imposes fewer restraints on non-military support (foreign assistance) to developing countries. The primary purposes for providing foreign assistance under Part I of the FAA are to: alleviate poverty; promote self-sustaining economic growth; encourage civil and economic rights; and integrate developing countries into an open and equitable international economic system. *See* 22 U.S.C. §§ 2151, 2151-1. In addition to these broadly defined purposes, the FAA contains numerous other specific authorizations for providing aid and assistance to foreign countries. *See* 22 U.S.C. §§ 2292-2292q (disaster relief); 22 U.S.C. § 2293 (development assistance for Sub-Saharan Africa).

The overall tension in the FAA between achieving national security through mutual military security, and achieving it by encouraging democratic traditions and open markets, is also reflected in the interagency transaction authorities of the act (*compare* 22 U.S.C. § 2392(c) *with* 22 U.S.C. § 2392(d) (discussed below)). DOD support of the military assistance goals of the FAA is generally accomplished on a full cost recovery basis; DOD support of the foreign assistance and humanitarian assistance goals of the FAA is accomplished on a flexible cost recovery basis.

By authorizing flexibility in the amount of funds recovered for some DOD assistance under the FAA, Congress permits some contribution from one agency's appropriations to another agency's appropriations. That is, an authorized augmentation of accounts occurs whenever Congress authorizes recovery of less than the full cost of goods or services provided. The authorized augmentation occurs because, under generally applicable fiscal principles (the Purpose Statute and the Economy Act), full cost recovery is required.

State Department reimbursements for DOD or other agencies' efforts under the FAA are governed by 22 U.S.C. § 2392(d). Except under emergency Presidential draw down authority (22 U.S.C. § 2318), reimbursement to any government agency supporting State Department objectives under "subchapter II of this chapter" (Part II of the FAA (military or security assistance)) is computed as follows:

> [a]n amount equal to the value [as defined in the act] of the defense articles or of the defense services [salaries of military personnel excepted], or other assistance furnished, plus expenses arising from or incident to operations under [Part II] [salaries of military personnel and certain other costs excepted].

This reimbursement standard is essentially the "full reimbursement" standard of the Economy Act (see below). Procedures for determining the value of articles and services provided as security assistance under the Arms Export Control Act and the FAA are described in the Security Assistance Management Manual (DOD Manual 5105.38-M) and the sources referenced therein.

The emergency Presidential draw down authority of 22 U.S.C. § 2318 authorizes the President to direct DOD support for various State Department efforts that further national security, including counterdrug programs (22 U.S.C. § 2318(a)(2)(A)(i)). In addition, Part VIII of subchapter I (in Part I of the FAA) is the International Narcotics Control provision of the act (22 U.S.C. §§ 2291-2291k. A draw down of DOD resources may be reimbursed by a subsequent appropriation (22 U.S.C. § 2318(c)); however, this seldom occurs. When no appropriation is forthcoming, a Presidential draw down is another example of an authorized augmentation of accounts (DOD appropriations are used to achieve an objective ordinarily funded from State Department appropriations).

In addition to the above, Congress has authorized another form of DOD contribution to the State Department's counterdrug activities by providing that when DOD provides services in support of this program, it is reimbursed only for its "additional costs" in providing the services (i.e., its costs over and above its normal operating costs), not its full costs.

The flexible standard of reimbursement under the FAA mentioned above for efforts under Part I of the FAA is described in 22 U.S.C. § 2392(c). This flexible standard of reimbursement for interagency transactions is applicable when any other federal agency supports State Department foreign assistance (not military or security assistance) objectives for developing countries under the FAA.

> [A]ny commodity, service, or facility procured . . . to carry out subchapter I of this chapter [Part I] [foreign assistance] . . . shall be (reimbursed) at replacement cost, or, if required by law, at actual cost, or, in the case of services procured from the DOD to carry out part

VIII of subchapter I of this chapter [International Narcotics Control, 22 U.S.C. § 2291(a)-2291(h)], the amount of the additional costs incurred by the DOD in providing such services, or at any other price authorized by law and agreed to by the owning or disposing agency.

Note the specific reference to DOD services in support of State Department counterdrug activities. "Additional costs incurred" is the lowest acceptable interagency reimbursement standard. If Congress wishes to authorize more DOD contribution (that is, less reimbursement to DOD appropriations), Congress authorizes the actual expenditure of DOD funds for or on the behalf of other agencies. *See* National Defense Authorization Act for Fiscal Year 1991, Pub. L. No. 101-510, §§ 1001-11, 104 Stat. 1485, 1628-34 (1990) (providing general authority for DOD to engage in counterdrug operations); *see also* National Defense Authorization Act for Fiscal Year 1995, Pub. L. No. 103-337, § 1011, 108 Stat. 2663, 2836 (1994) (extending DOD's counterdrug authority through FY 1999).

The reimbursement standards for DOD in 22 U.S.C. § 2392(c) are interpreted in the DOD Accounting Manual (DOD Manual 7220.9-M). When DOD provides services in support of State Department counterdrug activities, the manual permits "no cost" recovery when the services are incidental to DOD missions requirements. The manual also authorizes pro rata and other cost sharing arrangements. *See* DOD Manual 7220.9-M, ch. 26, para. G.2.c.

Emergency authorities also exist to permit the U.S. to provide essential assistance to foreign countries when in the interest of U.S. security. *See, e.g.,* 22 U.S.C. § 2364 (President may authorize assistance without regard to other limitations if he determines it will assist U.S. security interests, and notifies Congress; certain limitations still apply).

Domestic Disaster Relief Operations

DOD Directive 3025.1 (Use of Military Resources during Peacetime Emergencies within the United States, its Territories, and Possessions) and AR 500-60 (Disaster Relief) regulate emergency disaster relief operations within the U.S. In 1989, Congress created the Defense Emergency Response Fund (DERF), funded with $100,000,000, to remain available until expended, to reimburse current appropriations used for supplies and services in anticipation of requests from other agencies for disaster assistance. Department of Defense Appropriations Act, 1990, Pub. L. No. 101-165, Title V, 103 Stat. 1112, 1126-27 (1989). The DERF legislation permits DOD to use DERF funds if the Secretary of Defense determines that immediate action is necessary before receipt of a formal request for assistance on a reimbursable basis from another federal agency or a state government. In 1993, Congress expanded DOD's ability to use DERF funds, to make this appropriation available after a request for assistance from another federal agency or a state government, if the Secretary of Defense determines that use of the fund is necessary. Department of Defense Appropriations Act, 1994, Pub. L. No. 103-139, § 8131, 107 Stat. 1418, 1470 (1993). This change makes DERF funds available for DOD domestic disaster assistance efforts after a request for assistance, and avoids DOD jeopardizing its O&M accounts by providing disaster assistance in the absence of a reimbursement agreement. However, DOD activities should continue to obtain reimbursement agreements as emergency conditions permit, rather than relying on DERF funding exclusively.

The Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. §§ 5121-5203) authorizes the President to direct federal agencies to provide assistance essential to meeting immediate threats to life or property resulting from a major disaster, with or without reimbursement. 42 U.S.C. §§ 5170a & 5170b. Agencies may immediately incur obligations by contract or otherwise in such amounts as are made available to them by the President. 42 U.S.C. § 5149(b). Federal agencies may receive reimbursement for their relief efforts if the Federal Emergency Management Agency (FEMA) requested assistance. Reimbursement is limited to expenses above normal operating levels. Agencies may credit reimbursements received to their operating accounts. 10 U.S.C. § 5147; AR 500-60, paragraph 5-3. A Memorandum of Understanding between DOD and FEMA should address reimbursements. DOD activities also should seek a FEMA tasking letter defining the exact scope of disaster relief responsibilities. The letter should state a not-to-exceed reimbursable amount, which DOD units should not exceed without approval from higher headquarters. [*See also* Chapter 21, Military Support to Civil Authorities.]

Correcting Purpose Act Violations

Finally, and importantly, improper expenditures of appropriated funds must be rectified. Improper expenditures can be rectified by identifying a proper source of appropriated funds, and transferring funds from it to the appropriation improperly used. Even when this is accomplished, it is possible an Antideficiency Act violation[8] has occurred. Improper uses of appropriated funds can be corrected without a violation of the Antideficiency Act only if the proper funds were available at the time of the use of the improper use of funds and the proper funds were available in an adequate amount at the time of the actual funding adjustment to correct the improper use of funds; and if the improper use of funds did not violate any statutory limitation on the use of funds, or a regulatory limitation on the use of funds that amounts to a formal subdivision of funds.[9] Even when an Antideficiency Act violation is unavoidable, however, an accounting adjustment to charge the proper appropriation still is required.

AVAILABILITY OF APPROPRIATIONS AS TO TIME

Although Congress appropriates to executive agencies some funds that are available until expended, most appropriations are available for limited periods. If funds are not obligated during these periods of availability, they expire. Expired funds are unavailable for new obligations (e.g., new contracts), but they may be available for adjustments to existing obligations (e.g., paying for an unexpected price increase under an existing contract). Appropriations have different periods of availability:

Operation and maintenance -- 1 year.
Procurement -- 3 years.
Construction -- 5 years.[10]

The bona fide need rule states that appropriations are only available to support needs arising during their periods of availability. *See* 31 U.S.C. § 1502(a) (the bona fide need statute). Existing contracts generally may be completed using appropriations current when they were awarded, even if performance extends beyond the end of the fiscal year (the fiscal year ends at midnight each September 30th). However, new requirements added to a contract (as distinguished from adjustments for price changes for work originally encompassed within a contract's scope) must be funded with current appropriations regardless of the money used for the original obligation. For service contracts, the need for the services generally is considered to arise at the time the services are performed, not when the contract is awarded. Therefore, the bona fide need rule generally requires new funding for services performed on or after October 1st of each new fiscal year. Certain statutory exceptions to this general rule are provided in 10 U.S.C. § 2410a.

Overstocking supplies at the end of a fiscal year violates the bona fide need rule. Purchases should cover only current year needs, and any inventory needed to cover the lead time before deliveries begin under contracts placed in the next fiscal year.

AVAILABILITY OF APPROPRIATIONS AS TO AMOUNT

Deploying forces must determine the amount of funds necessary and available to support their operations before deploying, and seek additional funds of the proper type for the purposes needed before or during the deployment as requirements develop. The amount available for deployment requirements will depend on the amount of funds allocated by higher headquarters. *See* 31 U.S.C. § 1514(a) (requires agencies to subdivide and control congressional appropriations). Agency regulations govern the uses of

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[8] *See infra* text under the heading Availability of Appropriations as to Amount.

[9] An example of such a regulatory restriction is the current $100,000 per item limitation on the use of O&M funds for the purchase of supplies. *See* DOD Manual 7110-1-M, Budget Guidance Manual, para. 241.4.C.1.f. (May 1990).

[10] Although the appropriation life of MILCON appropriations is five years, Congress has limited DOD's authorization to spend MILCON appropriations to three years in recent Authorization Acts. *See* Military Construction Authorization Act for Fiscal Year 1995, Pub. L. No. 103-337, ∋ 2701, 108 Stat. 2663, 3046 (1994).

and controls over appropriated funds to avoid obligations and expenditures in excess of the amount of funds available for a particular purpose. *See* DFAS-IN 37-1; DFAS-IN Manual 37-100-XX (the "XX" is the current fiscal year).

The Antideficiency Act (31 U.S.C. §§ 1341(a) & 1517(a)) prohibits any government officer or employee from:

(1) Making or authorizing an expenditure or obligation in excess of the amount available in an appropriation.
(2) Making or authorizing expenditures or incurring obligations in excess of formal subdivisions of funds; or in excess of amounts permitted by regulations prescribed under 31 U.S.C. § 1514(a).
(3) Incurring an obligation in advance of an appropriation, unless authorized by law.
Accepting voluntary services unless otherwise authorized by law. 31 U.S.C. § 1342.

Regulations require investigation of suspected ADA violations. DOD 7000.14-R, Financial Management Regulation, Vol. 14, DFAS-IN 37-1, ch. 7. These regulations also prescribe guidance for the conduct of investigations. If a statutory violation occurs, the agency must investigate to determine the senior responsible individual, report the circumstances and the individual's name to Congress through the ASA(FM) and DOD Comptroller, and impose administrative and/or criminal sanctions on that individual. No one is exempt. Lawyers, commanders, and resource managers have been found to be senior responsible individuals. Common problems that have resulted in ADA violations have included:

(1) Incurring obligations in advance of an appropriation (e.g., before passage of a new appropriations act or other spending authority (like continuing resolution authority) at the beginning of a new fiscal year).
(2) Exceeding the amount of a statutory funding limitation (e.g., a construction project exceeding $300,000 funded with O&M money).
(3) Obligating funds for purposes expressly prohibited by an annual or permanent limitations on uses of appropriated funds.

THE ECONOMY ACT

The Economy Act, 31 U.S.C. § 1535, provides general authority for federal interagency transactions. It authorizes interagency transactions when no other statute permits the providing agency to render the requested service, and when the requested service is not one for which the providing agency has already received funds. Merit Sys. Protection Board--Travel Expenses of Hearing Officers, B-195347, 59 Comp. Gen. 415 (1980). Funds normally are transferred between the military services and between DOD and other agencies using a Military Interdepartmental Purchase Request (MIPR), DD Form 448.

The Economy Act is not applicable to interagency transactions conducted under the authority of the FAA because the latter contains internal interagency transactions authorities. 22 U.S.C. § 2392(c) & (d).

The Economy Act mandates full reimbursement to the providing agency, including indirect costs incurred by that agency to provide the requested service. Augmentation occurs if less or more than the full applicable costs are reimbursed to the providing agency (57 Comp. Gen. at 682-83).

Other authorities may permit reimbursement of less than the full cost of providing services to a requesting agency, but the Economy Act requires full reimbursement from the requesting agency to the providing agency. Because the Economy Act requires exact reimbursement, neither less nor more, it prohibits reimbursement for costs which are properly charged to the mission of the providing agency. Consequently, the Economy Act does not prohibit separately funded agencies from undertaking authorized activities which support a common goal; in fact, it prohibits reimbursement between agencies when both have a mission and appropriations to accomplish complementary activities.

CONCLUSION

Congress limits the authority of DOD and other executive agencies to use the funds appropriated to them. The principle controls imposed on the use of appropriated funds, the purpose, time, and amount limitations discussed above, apply during military operations and to all other federal activities. The GAO, service audit agencies, and the Inspectors General, monitor DOD compliance with fiscal controls on appropriated funds. Improper uses of funds (e.g., funds used for a purpose other than that for which they were appropriated), even if otherwise lawful, may be corrected under some circumstances, but

preventive practice by JAs accompanying deploying forces can avoid most improper uses. Funding violations may result in adverse administrative or criminal consequences against those responsible.

REFERENCES FOR FURTHER RESEARCH

Statutes

1. Title 31, U.S. Code.
2. Annual DOD Authorization and Appropriations Acts.

Regulations

1. DOD: DOD Reg. 7000.14-R, Financial Management Regulation, vols. 1-15 (this will replace DOD Manual 7220.9-M below, when all volumes are published, but as of March 1996, only volumes 1, 2, 4, 5, 7, 8, 11, 13, 14, and 15 are published).
   DOD Manual 7220.9-M, DOD Finance & Accounting Manual.
   DOD Manual 7110.1-M, DOD Budget Guidance Manual.

2. Army: DFAS-IN 37-1.
   DFAS-IN Manual 37-100-XX (the "XX" is the current fiscal year).

3. Navy: Navy Comptroller Manual.

4. Air Force: AFR 170-6.
   AFR 170-8.
   AFR 170-13.
   AFI 65-601.
   AFR 177-16.

Decisional Law Decisions of the Comptroller General of the United States (a bound reporter published by the Government Printing Office, cited as "Comp. Gen."; agencies can request advance opinions concerning their operations by forwarding a request through channels--see AR 37-1, para. 20-19).

Treatises

1. GENERAL ACCOUNTING OFFICE, PRINCIPLES OF FEDERAL APPROPRIATIONS LAW, 2d ed., GAO/OGC 91-5 (July 1991) (to be issued in four volumes; volumes 1 and 2 are in print as of January 1994).
2. GENERAL ACCOUNTING OFFICE, ACCOUNTING GUIDE, GAO/AFMD-PPM-2.1 (Sept. 1990).
3. GENERAL ACCOUNTING OFFICE, POLICIES AND PROCEDURES MANUAL FOR GUIDANCE OF FEDERAL AGENCIES, Title 7 (Feb. 1990).

CHAPTER 27
HUMANITARIAN AND FOREIGN DISASTER ASSISTANCE[1]

Humanitarian Assistance Programs (HAP) are programs conducted to relieve or reduce the results of natural or manmade disasters or other endemic conditions such as human pain, disease, hunger, or privation that might present a serious threat to life or that can result in great damage to or loss of property. DoD support is limited in scope and duration. The assistance provided is designed to supplement or complement the efforts of the host nation authorities or agencies that may have the primary responsibility for providing humanitarian assistance.[2] The key in HAP is to properly analyze the mission by breaking it down into discrete parts and then matching an authority to do a given task with the appropriate funds.

A central theme in HAP is funding. There are three general sources of funds for HAP as described above. The State Department controls the primary source of U.S. government funds for humanitarian assistance. These funds are the Development Assistance (DA) Fund[3] and the Economic Support Fund (ESF).[4] Both DA and ESF are funded by the annual Foreign Operations Appropriations Act.[5] The United States Agency for International Development (USAID) administers both programs.[6] The second source of HAP funding is the Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) Program funds. These are DoD Operations and Maintenance (O&M) funds fenced specifically for DoD HAP activities. Funds expended under the authority of 10 U.S.C. §§ 401, 402, 404, 2547, and 2551 are allocable against this account. In FY98 Congress appropriated $47 million for OHDACA programs.[7] This is the primary DoD funding source for HAP costs directly associated with a given project. The third, and often overlooked, source of funds is straight O&M funds. This fund can be used for a whole myriad of purposes relating to the training, transporting, equipping, and supplying of U.S. personnel. In some instances, Congress has even authorized the military to use straight O&M to pay the incremental costs of a foreign military.[8] There will always be more HAP missions than OHDACA money available to accomplish those missions.[9] Therefore,

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[1] Humanitarian assistance and disaster relief are operations other than war recognized in FM 100-5, Chapter 13, and identified as "other civil support operations" in JOINT PUB. 3-07, JOINT DOCTRINE FOR MILITARY OPERATIONS OTHER THAN WAR ch. 3 (16 June 1995). Multi-Service TTP for HA will be covered in Joint Pub 3-XX, MULTI-SERVICE PROCEDURES FOR FOREIGN HUMANITARIAN ASSISTANCE OPERATIONS.

"U.S. military forces participate in three basic types of Humanitarian Assistance operations; those coordinated by the U.N., those where the U.S. acts in concert with other multinational forces, or those where the United States responds unilaterally." JOINT PUB 3-07, *supra*, at III-5. For a discussion of U.N. operations, *see generally,* Chapter 8, *supra.*

[2] JOINT PUBLICATION 1-02, DEP'T OF DEF. DICTIONARY OF MILITARY AND ASSOCIATED TERMS W/ JMTGM CHANGES (23 Mar. 94).

[3] Foreign Assistance Act, pt. I, chs. 1-5, *as amended* [hereinafter FAA]; 22 U.S.C. 2151 *et seq., reprinted in* 1A LEGISLATION ON FOREIGN RELATIONS THROUGH 1996 16 - 123 (1997). Congress provided USAID with $650 million to remain available until expended for child survival and disease control programs such as immunizations; water and sanitation programs; and preventative health programs. 111 Stat. 2388. Up to $10 million may be used to reimburse USG agencies in support of these activities. FOAA 98, § 522, 111 Stat. 2412.

[4] FAA ch. 4, 22 U.S.C. § 2346 *et seq.* *See also* International Disaster Assistance, FAA §§ 491 - 496, 22 U.S.C. 2292 - 2292q.

[5] *See* Foreign Operations Appropriations Act, FY 98, tit. II, 111 Stat. 2388 (Congress provided $1.21 billion for DA) and *id.* tit. III ($2.49 billion for ESF).

[6] *See* FAA § 531(b), 22 U.S.C. § 2346(b) and Reorganization Plan No. 2, § 6 (1979), *reprinted in* 22 U.S.C. A. § 2318 (West 1996). *See also* FAA §§ 531 - 4, 22 U.S.C. §§ 2346 - 2346c; DEP'T OF STATE CONGRESSIONAL PRESENTATION FOR FOREIGN OPERATIONS: FISCAL YEAR 1998 7-16 (2nd ed. Mar. 17, 1997). For further information on the ESF, *see* chapter 28, *infra.*

[7] Nat'l Def. Auth. Act, FY 98, tit. II. This is $2 million less than in FY 97. *See* Dept. of Def. Approp. Act, FY 97, P.L. 104-208, tit. II, 110 Stat. 3323, 3339 (1996).

[8] *See, e.g.,* 10 U.S.C. § 2010.

it becomes important to only allocate those expenses properly attributable to OHDACA funds. If an activity can be properly designed using other funds (i.e., O&M), that enables the commander to stretch his or her OHDACA funds further and thereby accomplishing more HAP projects.

There are four different authorities for DoD to conduct Humanitarian Assistance activities: 10 U.S.C. §§ 401(a), 401 (c)(4), 166a(b)(6) and 2551. Humanitarian and Civic Assistance (HCA) projects are conducted "in conjunction with" military operations and are discussed herein below. The vast majority of HCA activities are preplanned and conducted under 10 U.S.C. § 401(a). Planning for these events is ongoing, but the actual scheduling of them normally occurs at an annual conference within each CINC's AOR. The CINC coordinates their proposal with the local ambassador and the host country's national and local civilian authorities. This ensures that the HCA activities in the ambassador's country complement the social or economic assistance provided by other U.S. agencies, especially the USAID.[10] USAID has primacy in orchestrating U.S. economic support to a given country. USAID accomplishes this through the use of ESF. However, the CINC organizes his proposed HCA projects according to his regional strategic concept. This prioritized list is forwarded to DoD.[11] Ultimately, each preplanned HCA operation must be approved by SECSTATE and reported to Congress. The incremental costs directly attributable to the performance of HAP by DoD units is funded out of OHDACA. Training, equipment, transportation, and all costs associated with the military exercise itself are usually allocated against the O&M account. This approach has the additional benefit of ensuring that there is a substantial training benefit for the military unit.

<u>De Minimis HCA</u>.

When enacting 10 U.S.C. § 401, Congress wanted to give the commander limited flexibility to perform minor unscheduled HCA. These types of the HCA activities must be incidental to some other military exercise or operation and otherwise comply with the restrictions contained in 10 U.S.C. § 401.[12] In addition, the expenditure must be minimal. However, Congress never formally defined a "minimal expenditure."[13] As a consequence, what constitutes *De minimis* is frequently at

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[9] For example, in FY 96, SOUTHCOM nominated 259 HCA projects but only 121 were resourced. USSouthCOM SCJ3 slide provided by SOUTHCOM SJA office on 21 March 1997.

[10] *See* 10 U.S.C. § 401(a)(2). The point that HCA projects complement the social or economic assistance of any other agency cannot be over-emphasized. In 1984 GAO specifically criticized the military for failing to coordinate their efforts with USAID. *See The Honorable Bill Alexander, U.S. House of Representative,* B-213137, 63 Comp. Gen. 422 (June 22, 1984) and *The Honorable Bill Alexander, House of Representatives* B-213137 (Jan. 30, 1986).

[11] DoD's interface with DoS for humanitarian assistance and foreign disaster relief operations occurs through the Office of Humanitarian and Refugee Affairs within the Office of the Deputy Assistant Secretary of Defense for Peacekeeping and Humanitarian Assistance (DASD (PK/HA)). The Assistance Secretary of Defense for Special Operations and Low Intensity Conflict (ASD(SO/LIC)) used to run the entire HAP. However, on 6 June 1996, Secretary of Defense Perry announced a restructuring of functions within DoD impacting the HAP. Most of the HAP is now run by the DASD(PK/HA) who works for the ASD(Strategy and Requirements). ASD(SO/LIC) retains responsibility for the humanitarian demining function and the anti-personnel mine policy. *See generally, Department of Defense Briefing,* FED. NEWS SVC. (June 6, 1996), *available in* LEXIS, NEXIS News Library, CURNWS File.

[12] Those additional restrictions are: The project must promote the specific operational readiness skills of the soldiers who participate in the project. Operations readiness skills are skills possessed by service members that enable them to contribute effectively to the capability of their unit and/or formation, ship, weapon system, or equipment to perform the missions or functions for which it was organized or designed. *See* DEP'T OF DEF. DIR. 2205.2, *supra,* at D.8. The unit cannot provide, directly or indirectly, HCA to any individual group, or organization engaged in military or paramilitary activities. The project fits within one of the five authorized activities as defined in 10 U.S.C. § 401(e). *See* MEMORANDUM FOR DOD GENERAL COUNSEL, subj.: Amendment to 10 U.S.C. Section 401(c)(2) (28 Feb. 94). Section 401(c)(2) referenced in the memorandum is the current section 401(c)(4) discussed, *infra*.

[13] The legislative history does provide some guidance.

> The conferees did not put a specific dollar ceiling on the definition of De minimis but wish to make it clear they had in mind activities that have been commonplace on foreign exercises for decades. These would include a unit doctor's examination of villagers for a few hours with the administration of several shots and the issuance of some medicines—but would not include the dispatch of a medical team for mass inoculations. De minimus would also include the opening of an access road

issue. For example, during the Operation Uphold Democracy, the ACOM SJA established an arbitrary threshold of $1000 or one squad for one day per project.[14] Ultimately, the decision on what constitutes *De minimis* is the CINC's call. They must evaluate the overall cost of the military operation, the time spent on such project, and consider Congressional intent.[15] If an HCA activity is *De minimis* the funding is O&M, not OHDACA. The commander need not coordinate or seek the approval of DOS for *De minimis* HCA.

Types of authorized HCA Activities.

HCA pursuant to § 401 only authorizes military forces to conduct five types of projects. This list is restrictive in nature, not illustrative:

a. Medical, dental, and veterinary care provided in rural areas of a country.

b. Construction of rudimentary surface transportation systems.

c. Well-drilling and construction of basic sanitation facilities.

d. Rudimentary construction and repair of public facilities.[16]

e. Detection and clearance of landmines, including activities relating to the furnishing of education, training, and technical assistance with respect to the detection and clearance of landmines.[17]

> through trees and underbrush for several (sic) hundred yards—but would not include the asphalting of any roadway.

H.R. CONF. RPT., 100th Cong., 2nd Sess. 333 (1987).

[14] Memorandum, Captain Steven A. Rose, Staff Judge Advocate, U.S. Atlantic Command, to Staff Judge Advocate, Joint Task Force 190, para. 6 (6 Oct. 94). If one must provide a fixed figure for a deployed unit, this author advocates $2,500 as the threshold. This figure matches the micro-purchase threshold for contracts.

[15] DEP'T OF DEF., DIR. 2205.2, HUMANITARIAN AND CIVIC ASSISTANCE (HCA) PROVIDED IN CONJUNCTION WITH MILITARY OPERATIONS Encl 1 ¶ 1 (6 Oct. 94).

[16] It is important to distinguish HAP construction from the exercise related construction provision of 10 U.S.C. § 2805(c). For a discussion on exercise related construction, *see* chapter 25, *supra.*

[17] 10 U.S.C. § 401(e). The landmines provision, 10 U.S.C. §401(e)(5), was added by the National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, tit. XIII, sec. 1313. In making this change, Congress amended 10 U.S.C. § 401(a) to ensure that no member of the Armed Forces, while providing such assistance under this section, engages in the physical detection, lifting, or destroying of landmines (unless the servicemember does so for the concurrent purpose of supporting a U.S. military operation); or provides such assistance as part of a military operation that does not involve the Armed Forces.

This new provision generates several issues as drafted. First, one would suspect that the people being trained will be foreign military forces. Such training seems inconsistent with the prohibition under 10 U.S.C. § 401(a)(3) that prohibits direct or indirect HCA to "any individual, group, or organization engaged in military or paramilitary activities." A reasonable interpretation is where the clearing activities are designed solely to benefit the local civilian population, and not designed for military demining operations, these activities should be permitted. However, this issue is not free from doubt.

Second, demining activities must still promote the specific operational readiness skills of soldiers. Soldiers who possess these skills are combat engineers, EOD personnel and certain special operations forces.

Third, the amendment does not provide an independent authority to donate equipment or supplies. Arguably, two exceptions address this problem. During some HCA operations equipment becomes incorporated into improvements made to systems or facilities in the country or otherwise consumed during the activity. Also, the Foreign Operations Export Financing, and Related Programs Appropriations Act for 1997, Pub. L. 104-208, 110 Stat. 3448, 3547, § 556 provides: "Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe." (Authorization is until Oct. 23, 2000).

The impact of landmines cannot be overstated. In FY98, DoD internally fenced $25 of the $47 million in OHDACA funds for demining operations. The reason is landmines are tremendously detrimental to a developing nation's economy. They impede repatriation of refugees and internally displaced persons, discourage agricultural activity, slow efforts to rebuilt the infrastructure, overburden a nation's health care system, and restrict relief efforts by NGOs and PVOs. In

CINC Initiative Funds.

Many times the facts relied upon by DoD in preplanning HA missions change. Some have described the preplanning for HA operations as fluid. Many times after the preplanning process has gone full cycle, high priority, short notice requirements occur that force a reshuffling of the previously established approved HA projects. DoD recognizes the fluidity of the HAP and provides guidance on how to substitute one HA project for another.[18] If reshuffling of pre-programmed funds is not palatable, the Unified Commander can request that the Chairman, Joint Chiefs of Staff (CJCS) use his authority under 10 U.S.C. § 166a(b)(6)(Humanitarian and civil assistance). This authority is commonly called CINC Initiative Funds (CIF). However, this is an authority only. Congress must separately appropriate CIF. For the past several years Congress has provided the CJCS $25 million to support this authority.[19] As an aside, the Joint Staff applies the guidance imposed by 10 U.S.C. § 401 to CIF HA projects.[20]

Other Humanitarian Purposes.

The fourth type of HAP authority is 10 U.S.C. § 2551. Most OPLAWYERs have only viewed this statute as the authority to transport government relief supplies to the needing country. However, this authority is not so limited. It is provided for "transportation of humanitarian relief and for other humanitarian purposes worldwide."[21] Conducting humanitarian assistance under this authority is not subject to the limits of 10 U.S.C. § 401(e), but the funding is still OHDACA. Therefore, for example, under § 2551 one can procure spare parts in support of DoD non-lethal excess property provided under § 2547.

DoD Purpose.

There is a fifth area that needs to be addressed. There is often confusion over what is properly allocable against the O&M account when one of the activities being performed in-country is one described in 10 U.S.C. § 401(e) (i.e. well drilling). If the primary purpose of the activity is for base operations, or for the benefit of the training soldiers, that cost is attributable to O&M, not OHDACA.[22] For example, suppose a well needs to be drilled to provide potable water for the base camp and it is cheaper to drill the well than to ferry in water.[23] The benefit is for the training soldiers and not the local populace. This is an operational expense properly allocable against the O&M account even though the well will be available to the local populace once our forces depart.

Transportation of Excess Supplies.

FY96, the U.S. conducted demining operations in 11 countries. ASD(SO/LIC) Briefing slides from the Civil Affairs Conference (June 20, 1996). For a discussion of the problem and U.S. strategy to address the landmine problem, *see* OFFICE OF INTERNATIONAL SECURITY AND PEACEKEEPING OPERATIONS, HIDDEN KILLERS, THE GLOBAL LANDMINE CRISIS: 1994 REPORT TO THE U.S. CONGRESS ON THE PROBLEM WITH UNCLEARED LANDMINES AND THE UNITED STATES STRATEGY FOR DEMINING AND LANDMINE CONTROL (1996).

[18] DEP'T OF DEF. INST. 2205.3, *supra,* at E.2.

[19] Dep't of Def. Approp. Act, FY98, Pub. L. No. 105-56, 111 Stat. 1203, 1206 (1997).

[20] CJCS INST. 7401.1, CINC INITIATIVE FUNDS ¶¶s 4.h.(3) and 5.d. (11 June 1993).

[21] 10 U.S.C. § 2551(a)(emphasis added).

[22] Before passage of 10 U.S.C. § 401, the GAO interpreted DOD's ability to provide HCA in conjunction with its other operations in this way:

> [T]he mere fact that O&M-funded activities create an incidental civic or humanitarian benefit does not require that they be financed from other appropriations. Where, however, the type and amount of activities are such that they fall within the scope of other appropriation categories . . . they must be funded from those other sources. Thus, with that caveat, we agree . . . that no funding violation results from bona fide training activities that result in a concurrent civic or humanitarian benefit.
> *See* Honduras II at 38.

[23] *See* DEP'T OF DEF. DIR. 2205.2, *supra,* at D.7.

Besides providing soldiers for HAP, resource support is also commonly necessary. The OPLAWYER needs to understand the authorities on what the U.S. can give and how it can transport the needed items from wherever they are located to the area where they are needed. The authority that allows the U.S. Government to provide humanitarian supplies is 10 U.S.C. § 2547. This statute permits DoD to provide excess non-lethal supplies for humanitarian relief purposes. Excess property can include construction and firefighting equipment.[24] By excess, Congress means property in the Defense Reutilization and Management Office channels.[25] The nonlethal supplies limitation thus prohibits transferring weapons, ammunition, or other equipment and materials designed to inflict serious bodily injury or death.[26] If the required items can be found in the DoD inventory they shall be transferred to DoS who is responsible for their distribution.[27] However, § 2547 only addresses supplying the needed goods, it does not provide the authority to transport relief supplies to the needed region.

There are two title 10 authorities that allow DoD to transport humanitarian relief supplies: §§ 402 and 2551. Section 402 authority applies when relief supplies are supplied by non-governmental and private voluntary organizations. It authorizes the transportation of donated goods on a space-A basis under certain conditions.[28] Once in country, the distribution itself is not limited to DoD personnel. Any U.S. government agency, a foreign government, an international organization, or a private nonprofit relief organization can distribute the relief supplies. Since transportation is space-A only, there is no allocation of its cost against the OHDACA account (although Congress requires an annual accounting of the origin, contents, destination and disposition of all supplies transported under this authority). Section 2551 is the authority to transport U.S. Government donated goods to a country in need. Unlike sections 402 or 2547, the costs incurred in transporting U.S. government donated goods must be captured <u>and</u> allocated against the OHDACA account.

FOREIGN DISASTER ASSISTANCE

The United States has a long and distinguished history of aiding other nation's suffering from natural or manmade disasters. In fact, the very first appropriation to assist a foreign government was for disaster relief.[29] The current statutory authority continuing this tradition is located in the Foreign Assistance Act (FAA).[30] For foreign disaster assistance, Congress granted the President fiscal authority to furnish relief aid to any country "on such terms and conditions as he may determine.[31] The President's primary implementing tool in carrying out this mandate is USAID.

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[24] 10 U.S.C. § 2552. There are severe restrictions on the disposition of excess firefighting and construction equipment. Normally, state and local governments would first get access to this equipment. However, 10 U.S.C. § 2552(b) specifically exempts distributions of this type of equipment under the authority of 10 U.S.C. § 2547.

[25] An essential reference for excess personal property issues is the DEFENSE REUTILIZATION AND MARKETING MANUAL, 4160.21-M.

[26] 10 U.S.C. § 2547(d). However, these items could be provided under other authorities. *See, e.g.,* FAA § 506, 22 U.S.C. § 2318, and FAA § 516, 22 U.S.C. § 2321j.

[27] 10 U.S.C. § 2547(b).

[28] Those condition are: the transported supplies must be in a useable condition and suitable for humanitarian relief; there is a legitimate humanitarian need such supplies; the supplies will in fact be used for humanitarian purposes; and, adequate arrangements have been made for their distribution in-country.
10 U.S.C. § 402(b)(1).

[29] This appropriation was for $50,000 to aid Venezuelan earthquake victims that occurred in 1812. All tolled over 25,000 people died in that tragedy. Act of 8 May 1812, 12th Cong., 1st Sess., ch. 79, 2 Stat. 730.

[30] Congressional policy is espoused in 22 U.S.C. § 2292(a) as follows:
The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief, and rehabilitation of people and countries affected by such disasters.

[31] 22 U.S.C. § 2292(b).

The USAID is the primary response agency for the U.S. Government to any international disaster.[32] Given this fact, DoD traditionally has possessed limited authority to engage in disaster assistance support. In the realm of Foreign Disaster Assistance, the primary source of funds should be the International Disaster Assistance Funds.[33] In FY98, Congress authorized $190 million of no-year money for this account.[34] The Administrator of the USAID controls these funds because the President has designated that person as the Special Coordinator for International Disaster Assistance.[35] In addition, the President has designated USAID as the lead agency in coordinating the U.S. response for foreign disaster.[36] Normally these funds goes to support NGO and PVO efforts in the disaster area. However, certain disasters can overwhelm NGO and PVO capabilities, or the military possess unique skills and equipment to accomplish the needed assistance. In these situations, the State Department may ask for DoD assistance. Funding in these cases comes from the International Disaster Assistance fund controlled by USAID. DoD is supposed to receive full reimbursement from State Department when they make such a request. DoD access to these funds to perform Disaster Assistance missions occurs by an Economy Act transfer.[37]

Natural or manmade disasters have increasing become the basis for military operations. The object of Foreign disaster relief operations is to provide sufficient food, water, clothing, shelter, medical care, and other life support to victims of natural and man-made disasters. To accomplish this objective, the military may be tasked to establish a secure operational environment and begin to support PVO/NGO supply, medical, and transportation systems. Such operations may be in the form of immediate and automatic response by US military commanders or in response to foreign governments or international agencies. Examples include Operation SUPPORT HOPE in Rwanda during the summer of 1994, Operation RESTORE HOPE in Somalia, and Operation PROVIDE COMFORT in Northern Iraq.[38] In addition, foreign disaster relief operations can coexist with other

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[32] E.O. 12966, 60 F.R. 36949 (July 14, 1995).

[33] FAA §§ 491 - 495K, 22 U.S.C. §§ 2292 - 2292q.

[34] *See* Foreign Operations, Export Financing, and Related Programs Appropriations Act FY 98, tit. II, 111 Stat. 2846.

[35] *See* FAA § 493, 22 U.S.C. § 2292b and E.O. 12966, Sec. 3, 60 F.R. 36949 (July 14, 1995). *See also* E.O. 12163, section 1-102(a)(1), 44 F.R. 56673 (Sept. 29, 1979), *reprinted as amended in* 22 U.S.C.A. § 2381 (West Supp. 1996).

[36] *See generally,* E.O. 12966, 60 F.R. 36949 (July 14, 1995).

[37] 31 U.S.C. § 1535. What these funds can be used for is explained in FAA § 636, 22 U.S.C. 2396. *See also* FAA § 632, 22 U.S.C. § 2392. Permissible use of these funds is quite broad and includes for example:

> rent or lease of buildings; contracting with individuals for personal services abroad; purchase, maintenance, operations, and hire of aircraft; purchase and hire of passenger motor vehicles purchase of uniforms; and, ice and drinking water for use outside of the United States

For the limits of this authority, one should consult 22 U.S.C. § 2396.

[38] What makes these particular disasters difficult is they are non-permissive in nature. Traditionally, U.S. support for disasters was at the specific invitation of the host nation. However, in these cases the United Nations essentially conducted a humanitarian intervention. The authority to conduct humanitarian interventions, until about 1992, was not readily recognized. *Accord* W. Michael Reisman, *Humanitarian Intervention and Fledgling Democracies,* 18 FORDHAM INT'L L.J. 794 (1995). International law normally affords great deference to a state's right to self-determination. *See, e.g.,* U.N. CHARTER, arts. 2(7)("nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state. . . .) and Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of Their Independence and Sovereignty, U.N.G.A. Res. 2131, U.N. GAOR, 20th Sess., 1408th plen. Mtg., Supp. No. 14 (1965)("No State has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State."). However, there has emerged a growing recognition that a nation may intervene to conduct humanitarian assistance. *See* Military and paramilitary Activities in and Against Nicaragua (Nicar. V. U.S.), 1986 I.C.J. 4 (27 June)("There can be no doubt that the provision of strictly humanitarian aid to person or forces in another country, whatever their political affiliations or objectives, cannot be regarded as unlawful intervention, or as in any other way contrary to international law."). It seems clear from the *practice* of nations that humanitarian intervention pursuant to a Resolution of the U.N. Security Council or of a regional organization, is an accepted practice. It also is directly supported <u>by the rest of the language</u> in the U.N. CHARTER, art. 2(7)(emphasis added)("Nothing contained in the present Charter shall authorize the United

operations, and arise in unexpected contexts. For example, in September 1994, the US Ambassador to Haiti declared that the "corruption and repression in the *de facto* regime" had caused a man-made state of disaster in that country. The declaration opened the door for additional relief, rehabilitation, and reconstruction assistance (and funds) for Haiti.

In these situations, the NCA may decide that military assets are needed but they do not wish to use the International Disaster Assistance fund. Prior to 1994 no specific statutory authority existed that allowed the expenditure of O&M funds to support massive disaster assistance operations.[39] In late 1994, Congress enacted 10 U.S.C. § 404. [40] This gives SECDEF statutory authority to direct military forces to conduct foreign disaster relief. The O&M funds programmed to support disaster assistance are the SECDEF's contingency funds. In FY98 Congress gave the SECDEF a $1.88 billion for the Overseas Contingency Operations Transfer Fund account.[41] Should the SECDEF, in consultation with SECSTATE, determine that U.S. military involvement is necessary to save lives, he can use these Contingency funds to provide military transportation, supplies, services and equipment needed to provide disaster relief. Another source of potential Foreign Disaster Assistance funding is the OHDACA account. Use of OHDACA funds should normally be limited to those activities related to organizing general policies and programs necessary to conduct disaster relief operations and not for disaster relief activities themselves.[42] For example, the purchase and prepositioning of supplies for disaster assistance purposes are attributable to the OHDACA account.

While funding authority is important, it should never obstruct the ambassador's, or on scene commander's, decision to intervene for humanitarian reasons when time is of the essence. The ambassador can, without prior consultation with SECSTATE, declare a disaster to immediately release $25,000 of disaster assistance money. An on-scene commander has at least two authorities to immediately act. First, a commander has always had the inherent authority to act to save lives.[43] Alternatively, the commander has the "and other humanitarian assistance worldwide" language available to them under 10 U.S.C. § 2551. The difference between the two being, acting under a commander inherent authority one spends straight O&M, while acting under § 2551 is allocable against the OHDACA account. Furthermore, don't forget there are a whole litany of other legal issues confronting the deployed OPLAWYER in HAP. For example: What is the status of our forces during the exercise? What environmental issues arise during road construction?[44] What claims provisions apply in this country?

Congress has given the President certain special funding authorities provided he makes special findings. The authority authorizes the President to use other agencies money to accomplish a mission normally within the purview of DoS. Two such authorities exist in the FAA: §506(a)(1) and § 506(a)(2).[45] Section 506(a)(1) requires the President to determine an unforeseen emergence exists which requires immediate military assistance to a foreign country and the emergency cannot be met by the Arms Export Control Act. If he makes such a determination then

---

Nations to intervene in matters which are essentially within the domestic jurisdiction of any state . . .; but this principle shall not prejudice the application of enforcement measures under Chapter VII.").

[39] The President possessed the authority to direct this pursuant to his Constitutional powers as commander-in-chief as well as his power to conduct foreign affairs. U.S. CONST., art. II, § 2.

[40] Congress enacted section 404 by Pub. L. 103-37, § 1412(a), Oct. 5, 1994, 108 Stat. 2912. *See also* S. RPT 282, 103RD CONG., 2D SESS, pt. 2 (June 14, 1994).

[41] Department of Defense Appropriations Act, 1998, tit. II, Pub. L. 105-56, 111 Stat. 1203, 1208 (1997).

[42] 10 U.S.C. § 404(d).

[43] *See* DEP'T OF DEF. DIRECTIVE 5100.46, FOREIGN DISASTER RELIEF ¶ IV.C (Dec. 4, 1975).

[44] This very issue arose in SOUTHCOM during an HCA operation where environmental groups objected to the U.S. building a rudimentary road being built through a pristine portion of the jungle.

[45] *See* 22 U.S.C. § 2318.

Congress has authorized the President to drawdown from existing DoD stocks, and DoD services and training up to $100 million per FY. Note, the authority does not allow for the procurement of these article, services, or training. Section 506(a)(2) requires a Presidential Determination that it is in our national interests to do so, Congress authorizes the President to draw down articles and services of <u>any</u> agency of the U.S. for international disaster assistance.[46]

Other statutes frequently associated with Humanitarian Assistance and Foreign Disaster Assistance Operations include:

10 USC § 166a authorizes "CINC Initiative Fund" funding through CJCS to combatant command CINCs.[47]
10 USC § 2010 authorizes SECDEF, in consultation with SECSTATE, to pay the incremental expenses of developing countries participating in combined exercises.[48]
10 USC § 2011 codifies the "Special Forces exception" and authorizes USSOCOM or any unified or specified CINC to pay the expenses of SOF assigned to that command in conjunction with training, and training with, armed forces and other security forces of friendly foreign countries if the primary purpose of such training is to train the special operations forces of the combatant command.[49] The SOF training exception includes the deployment of Military Information Support Teams (MIST), a PSYOP asset, and Civil Affairs personnel who can be very helpful in HCA and other nation building activities.
10 USC § 1051 authorizes payment of personnel expenses of foreign participants in bilateral or regional cooperation programs.

HUMANITARIAN AND CIVIC ASSISTANCE (HCA) REFERENCE MATERIALS

DoD Directive 2205.2, "Humanitarian and Civic Assistance (HCA) Provided in Conjunction with Military Operations," October 6, 1994, establishes DoD policy for HCA

DoD Instruction 2205.3, "Implementing Procedures for the Humanitarian and Civic Assistance (HCA) Program," January 27, 1995, implements the HCA program of DoD Directive 2205.2 by assigning responsibilities; establishing procedures for the nomination, justification, and approval process for the Annual HCA Activity Plan; and mandates Status and After-Action Reports by Unified Combatant Commanders.

<u>EXAMPLES OF HA OPERATIONS MATERIALS</u>

OPERATION PROVIDE COMFORT
Legal Issues

---

[46] FAA § 506(a)(2) can also be used to support international narcotics control, migration and refugee assistance, and POW/MIA remains recovery operations.

[47] Congress appropriated only $28.5 million in FY 97 for the CINC initiative fund account. Department of Defense Appropriations Act, 1997, Pub. L. No. 104-208, tit. II, 110 Stat. 3009, 3331 (1996).

[48] The term "incremental expenses" means:

> those reasonable and property costs of the goods and services that are consumed by a developing country as a direct result of that country's participation in a . . . military exercise with the United States, including rations, fuel, training ammunition, and transportation. Such term does not include pay, allowance, and other normal costs of such country's personnel.
> 10 U.S.C. § 2010(d).

[49] 10 U.S.C. § 2011 also authorizes paying the expenses of deploying SOF for that training and the incremental costs of the friendly country forces as a direct result of such training. Incremental cost under this section has the same meaning as increment expenses in 10 U.S.C. § 2010. Understand 10 U.S.C. § 2011 is NOT used to conduct HCA operations, but may be used in conjunction with other HCA related activities. Frequently, SOF deploy and may conduct numerous operations funded by several authorities.

- Security: What force protection was appropriate? The British called the deployment Operation Haven; the Australians, Operation Habitat. The British could act in self-defense and respond to hostile intent, but could not act in defense of others (i.e., the US).
- What right did the U.S. have to secure Iraqi weapons and equipment? (Hostilities had ended.)
- What parts, if any, of the Fourth Geneva Convention applied since the CTF was not an occupying force?
- What rights did CTF have over international flights north of 36th parallel?
- What right to apprehend criminals or terrorists?
- "No claims/no compensation" policy was unrealistic (as shown when a small child was run over...). A claims authority is needed. The Air Force was given single service claims responsibility.
- Without a viable government in northern Iraq, what laws applied?
- Should there be standard ROE among CTF? At first there were different ROE for each component force. After 1 May 91, a standard set was issued. However, tensions rose when the US was not allowed to disclose its classified PROE (to Syrians, Egyptians, etc.).
- Military justice issues required inter-service coordination. (See JCS Pub 0-2.) Command influence issue arose with guidance that "x" act should be handled in "y" fashion.
- Fiscal law issues: 1) financing the relief effort; 2) construction limitations for building camps; 3) financing access road to base; 4) HCA; 5) refueling coalition aircraft; and 6) supplying equipment.

OPERATION PROVIDE COMFORT
LEGAL CONCERNS CARD

TURKISH LAW AND JURISDICTION

- Military members are not exempt from Turkish Law or free from Turkish prosecution.
- Violations of Turkish law generally subjects you to jurisdiction of Turkish courts.
- Turkey almost never waives its right to prosecute.
- Pretrial confinement always possible for all major offenses. Becomes a real probability in case of fatality or sex offenses.
- Promptly notify the Law Enforcement Desk of any involvement with Turkish authorities
- Use IABVA 110-1 - card with base #s and request for assistance written in English and Turkish <u>(Carry this card at all times).</u>
- Turkish authorities will allow such contact when respectfully requested.
- In appropriate cases, an attorney and an interpreter will respond to the scene or Turkish police station.
- While waiting for the attorney, be courteous, polite and be advised it is considered disrespectful to cross your legs or fold your arms in police stations.
- The NATO SOFA provides you essentially the same safeguards as our Bill of Rights; however neither suspect nor witness have the right to refuse to provide a statement.

SPECIFIC CRIMES YOU NEED TO KNOW ABOUT:

- Drugs - Pretrial confinement likely. Little US can do to secure your release. Simple use or possession: 3-5 years imprisonment
- Traffic Violations - Criminal offense of dangerous driving is possible. Fault is assessed in 1/8 increments. Even 1/8 at fault could result in trial and conviction.
- Black-marketing - Persons making any gift, sale, or exchange of BX, Class VI, Commissary, APO, or any other item brought into Turkey tax free can be tried by Turkey for smuggling and by US for violation of Art 92 of the UCMJ.
- Includes all items not just high value items. (Even those you plan to throw away).
- Antiquities - Must have museum certificate to remove antiques and other historical assets from Turkey.
- Insult - Speaking in a demeaning or contemptuous manner.
- Serious offense to insult something which is part of Turkish heritage -Turkish flag, Ataturk the founder of Turkey, the Turkish people as a whole or the government.

- Also includes defacing or treating with disrespect Turkish currency.
- Okay to bring an action against a person for theft but you may not say to the person "you are a thief". (TRUTH IS NOT A DEFENSE).
- Law applies to both Turkish Nationals and Americans.
- Religious Proselytizing: Freedom of worship is acceptable, however, it is illegal to try to convert others. Avoid religious conversations with Turkish Nationals or Non US Nationals.
- Sex Offenses - Statutory Rape - Under 18. Seduction of virgin with promise to marry - age not relevant.
- Photography - Photographing military installations or official buildings prohibited. (Ask permission prior to photographing Turkish Nationals).

ACCESS TO INCIRLIK AIR BASE

- Controlled by Turkish Military. Entry requires a Turkish gate pass.
- Personnel arriving by air should check with commanding officer for instructions. Personnel arriving by surface must be sponsored by on base personnel who will have gate pass approved prior to their arrival. TDY PERSONNEL MAY NOT DRIVE POVs FOR PERSONAL USE EITHER ON OR OFF BASE! This restriction applies whether you have an IL drivers license or a USAFE Form 181.
- Reason: A vehicle accident could delay your departure from Turkey from 2 months to 2 years.

CUSTOMS AND BEYANNAME

Beyanname Items - tax/duty free items which the Government of Turkey and the US have mutually agreed to track from entry into or purchase in country to their proper transfer or departure from Turkey.

- Due to the extensive paperwork this entails, as well as the impact a loss or theft would have on an individual's ability to depart the country, TDY PERSONNEL ARE NOT ALLOWED TO MAKE BEYANNAME PURCHASES. (Unlike Operation Desert Storm, an exception to this policy has not been granted for Operation Provide Comfort).
- If a beyanname item was brought with you in country and placed on your orders, you must present that item each time you leave the country (even temporary departures).
- Loss or theft of these should be reported immediately to the L.E. Desk and TMO's Customs Liaison Office.

IMMIGRATION AND STAMPED ORDERS

- Check your orders or passport to make sure you were stamped in country.
- If not, contact the MAC Terminal, ext 66424.
- SAFEGUARD THESE ORDERS - required to present this order upon your departure. A failure could result in a substantial delay in your departure.

TOURS

- Tourism is highly regulated. Only licensed agencies may organize and conduct tours. MWR Tour Division is the only agency on base authorized to arrange tours.

CONTRACTS/INTERNATIONAL AGREEMENTS
- Ads seek the assistance from the CTF Provide Comfort Judge Advocate, 39TACG legal office, or your servicing legal officer prior to entering into any type of contract or agreement.
- Only certain levels of command have authority to even negotiate mutual understandings with US as a Party.

TERRORIST THREAT
- Generally speaking Turkey is quite safe; yet, you should maintain a low profile.

CULTURAL SENSITIVITIES

- Both men and women should avoid wearing revealing or excessively tight clothing and starting conversations with strangers.
- May generate harassment or lead to a more serious incident.
- avoid using the words sick or peach and the one hand gesture for okay.
- Disrespectful to cross legs with sole of foot facing another

WEARING YOUR UNIFORM OFF BASE FOR ANY REASON (OFFICIAL OR UNOFFICIAL) IS PROHIBITED. BOTTOM LINE -- RESPECT TURKISH LAW, ASK QUESTIONS IF UNSURE OF PROPER CONDUCT AND REMEMBER, YOU ARE A GUEST!

HAITI EMERGENCY -- DECLARATION OF DISASTER

Text of message from US Ambassador to Haiti to SECSTATE, 29 September 1994:

1. In 1991, the democratically elected government of Haiti was overthrown in a military coup. In 1993, the de facto leaders of Haiti violated the Governor's Island Accords, which had established a timetable for the return of the legitimate government. The high level of corruption and repression in the de facto regime have caused significant loss of life, human suffering, and the continued steady decline of Haiti's political, social, and economic institutions. This constant decline and the refusal of the de facto leaders to restore the legitimate government of Haiti combined to prompt the recent international military intervention that will restore the constitutional government.

2. Haiti does not have the resources to cope with the current conditions, to restore order and democratic institutions, and to relieve the human suffering prevalent in the country. I therefore declare that a state of disaster exists in Haiti and determine that it is in the best interests of the United states to provide relief, rehabilitation, and reconstruction assistance for the people and the country of Haiti.

SAMPLE HUMANITARIAN ASSISTANCE SOFA

On 14 May 91 the US Ambassador to Bangladesh authorized JTF Sea Angel to negotiate and conclude a temporary SOFA. The JTF SJA began negotiations the next day, and on 19 May the President of Bangladesh signed the 3 page agreement. Following are the key provisions of the agreement.

MOU BETWEEN BANGLADESH AND THE US TO SPECIFY THE LEGAL STATUS OF THE US PACIFIC COMMAND DISASTER RELIEF TASK FORCE

1. The purpose of this agreement is to specify the legal status of USPACOM Disaster Relief TF personnel while temporarily present in Bangladesh in connection with its disaster relief mission.

2. It is the intent of the parties to this agreement to be bound by its terms and conditions and to do whatever is necessary to implement the agreement.

3. With respect to members and equipment of the TF, Bangladesh agrees that:

a. TF personnel will be accorded status equivalent to that provided to members of the admin & tech staff of the US Embassy under the Vienna Convention on Diplomatic Relations 1961. They may enter and leave Bangladesh upon presentation of a US Armed Forces ID card and individual or collective movement or travel orders. In Bangladesh they shall enjoy freedom of movement and the right to undertake those activities deemed necessary for the performance of their mission.

b. The US and the military personnel to whom this MOU applies shall be exempted from taxation or charges under [the pertinent laws, statutes and ordinances].

c. US military personnel shall be accorded immunity from the jurisdiction of the courts of Bangladesh and inviolability in respect of official acts in like manner to that of immunity and inviolability accorded admin & tech staff of the US Embassy.

d. US military aircraft will be permitted to land at [the appropriate airports] for the purposes of supplying equipment and personnel to the TF; and extracting TF personnel and equipment. Such aircraft will be exempted from customs inspections under [the pertinent acts and rules]. US military landing crafts may land at such location necessary to accomplish the disaster relief mission.

4. The Embassy of the US shall provide the SEC of Foreign Affairs (Bangladesh) with the name, rank and ID # of each member of the TF within 10 days of arrival. Upon their departure, the US shall notify the SEC of Foreign Affairs (within 10 days).

5. This MOU shall enter into force upon signature with retrospective effect from the date of the arrival of the TF and shall remain in force until revoked by either party with 10 days of prior notice.

6. Done at the Ministry of Foreign Affairs, Dhaka this 20th day of May, 1991.

SIGNED: William B. Milam
US Ambassador

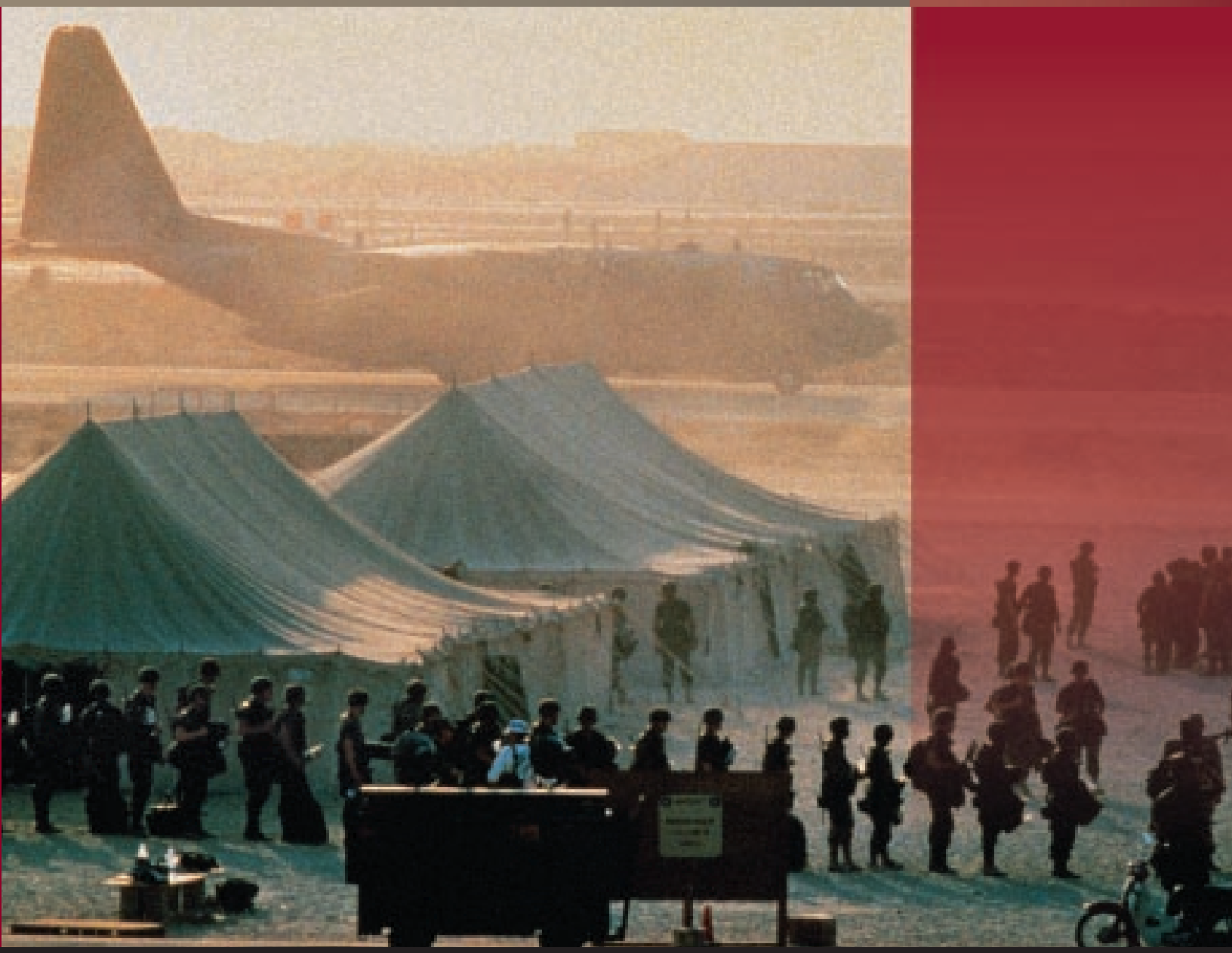
Abul Ahsan
Foreign Secretary, Bangladesh

Tab F

AMC PAM 700-30

Logistics Civil Augmentation Program

LOGCAP



. . . a flexible alternative for supporting the force.

The proponent of this pamphlet is the United States Army Materiel Command. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, HQ AMC, ATTN: AMCLG-RL, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001.

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DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001

AMC PAMPHLET NO. 700-30

6 DECEMBER 1997

LOGISTICS

LOGISTICS CIVIL AUGMENTATION PROGRAM (LOGCAP)

Table of Contents

Introduction 2

Background 4

Program Concept 5

Capabilities 9

Decision Process, Funding, and Execution 12

Key Roles and Responsibilities 17

Event Execution 21

Appendix A: Preparing SOWs, Independent Government Cost Estimates, and Funding Documents 22

Appendix B: Checklist 25

Appendix C: Lessons Learned 26

Appendix D: Terms and Acronyms 27

Appendix E: Points of Contact 28

Introduction

Purpose

This pamphlet assists users in obtaining contingency contractor support through the worldwide LOGCAP Umbrella Support Contract, as managed by Headquarters, US Army Materiel Command (HQ, USAMC). The Program Manager (PM) LOGCAP solicits your continual comments for the improvement of this pamphlet and the overall program. Forward your comments to:

Project Management Office Address

Commander
US Army Materiel Command
ATTN: AMCLG-RL
5001 Eisenhower Avenue
Alexandria, VA 22333-0001

Authority

LOGCAP is promulgated by AR 700-137. The HQ, Department of the Army (HQDA), Office of the Deputy Chief of Staff for Logistics (DA ODCSLOG) is the DA Proponent for LOGCAP. The HQ, USAMC Office of the Deputy Chief of Staff for Logistics and Operations (ODCSLOG/OPNS) is the Program Manager.

The Principles of Contingency Contracting

- Forward Impetus
- Quality
- Timeliness
- Economy
- Security
- Flexibility
- Unity of Command
- Continuity
- Mobility
- Simplicity
- Responsibility
- Feasibility
- Information

A Contingency Support Capability Which Augments, Rather than Replaces Force Structure

The US Army continually seeks to increase its combat potential within programmed resource allocations. This occasionally requires pursuit of external sources to provide adequate logistics support for the force.

LOGCAP is a US Army initiative for peacetime planning for the use of civilian contractors in wartime and other contingencies. These contractors will perform selected services to support US forces in support of Department of Defense (DoD) missions. Use of contractors in a theater of operations allows the release of military units for other missions or to fill support shortfalls. This program provides the Army with additional means to adequately support the current and programmed forces.

Scope of LOGCAP

LOGCAP is primarily designed for use in areas where no bilateral or multilateral agreements exist. However, LOGCAP may provide additional support in areas with formal Host Nation Support (HNS) agreements, where other contractors are involved, or where peacetime support contracts exist. LOGCAP is also available during Continental United States (CONUS) mobilizations to assist the CONUS support base and help units get ready for war.

This pamphlet addresses the USAMC LOGCAP Umbrella Support Contract, however, the customer must consider all alternatives available when planning contractor logistics support. Other alternatives include Pre-Planned Weapon System Sustainment Contracts, Army Service Component Command (ASCC) Contingency Contracts, and Host Nation and other allied, coalition, and friendly nations support.

LOGCAP is a Department of the Army Program which includes all pre-planned logistics and engineering/construction oriented contingency contracts actually awarded and peacetime contracts which include contingency clauses that:

- Leverage civilian corporate resources as logistics services support and engineering/construction support multipliers.
- Provide a rapid and responsive contract capability which augments US Forces capability by meeting logistics and engineering/construction requirements.
- Focus on prioritized peacetime contingency planning for augmentation logistics and engineering/construction services as determined by the customer.

Background

Contractors have supported military forces throughout history. DA formalized these worldwide contracting capabilities into the contingency force support program LOGCAP in December 1985 (AR 700-137).

The Army has used contractors to provide supplies and services during both peacetime and contingencies dating back to the Revolutionary War. On December 6, 1985 LOGCAP was established with the publication of AR 700-137. The newly established program was used in 1988 when the Third United States Army (TUSA) requested that the US Army Corps of Engineers (USACE) contract out a management plan to construct and maintain two petroleum pipeline systems in Southwest Asia in support of contingency operations.

The first comprehensive multifunctional LOGCAP Umbrella Support contract was awarded by the USACE in August 1992 and was used in December 1992 to support all US Services and United Nations (UN) forces in Somalia. Other areas where LOGCAP has been implemented include:

- Rwanda
- Haiti
- Saudi Arabia/Kuwait
- Italy
- Southeastern Europe

A Force Multiplier for Contingency Deployments

The LOGCAP concept is to pre-plan for the use of global corporate resources to support contingency operations worldwide by augmenting Combat Support/Combat Service Support (CS/CSS) force structure capabilities.

The USAMC Umbrella Support Contract Statement of Work (SOW) consists of several planning requirements:

- The Worldwide Management Plan describes how the contractor intends to carry out its LOGCAP tasks.

PM LOGCAP and the contractor have developed generic plans that can be tailored to specific requirements:

- Generic Undeveloped Country Management Plan
- Generic Developed Country Management Plan
- Regional (area oriented) Management Plans
- MACOM and ASCC Specific Plans

The generic plans provide the baseline for contractor support and can be tailored to meet specific requirements for the US Army and other US services and agencies. LOGCAP may also support coalition action or other international forces which serve US interests.

The annual LOGCAP Worldwide Requirements Conference (LWRC) and Regional Reviews are used to enhance the customer's planning support through the identification, revision, and prioritizing of potential LOGCAP CS/CSS requirements.

Summary Features of the Program Concept Plans

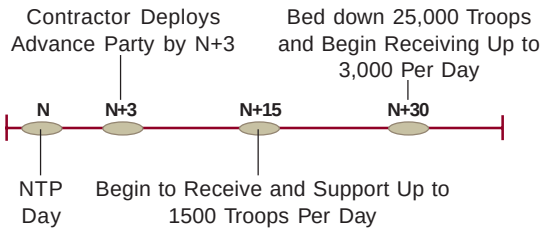
GENERIC CAPABILITIES PLANS

Worldwide Management Plans

A general description of equipment, materials, personnel, and supporting services required to receive, house, and sustain up to 25,000 troops in eight base camps (one rear and seven forward) for up to 180 days.

PLAN PRICED THROUGH BASE AND FOUR OPTION YEARS

Planning Timeline



N-Day: Day Contractor Issued Notice to Proceed (NTP) from Customer through PCO

Generic Undeveloped and Developed Country Plans

Use the Worldwide Management Plan as a baseline tailored to two specific hypothetical scenarios and address contractor's strategy to overcome unique obstacles in each scenario.

UNDEVELOPED COUNTRY SCENARIO

- Poor Transportation Infrastructure
- No Available In-Country Suppliers
- No Fixed Facilities, Utilities, or Communications Nodes

DEVELOPED COUNTRY SCENARIO

- Status of Forces Agreements (SOFAs)
- Embassy Restrictions/ Coordination
- Host Government Bureaucracy/Laws
- Host Culture/Host Work Ethic

SPECIFIC CAPABILITIES PLANS

Regional Management Plans

Use the existing Worldwide Management Plan as the baseline to provide detailed Logistics and Construction/Engineering Management Plans on a regional basis to the customer.

OBJECTIVE

- Consolidate Logistics and Engineering/ Construction Planning Support
- Define and Capitalize on Resources/ Potential Suppliers/Infrastructure Common to Specific Countries/Scenarios

MACOM Specific Requirements Support Plans

A detailed description of equipment, materials, personnel, and supporting services, skills, facilities, and potential suppliers required to support the customer identified augmentation requirements in support of specific OPLANs and military operations other than war (MOOTW).

OBJECTIVE

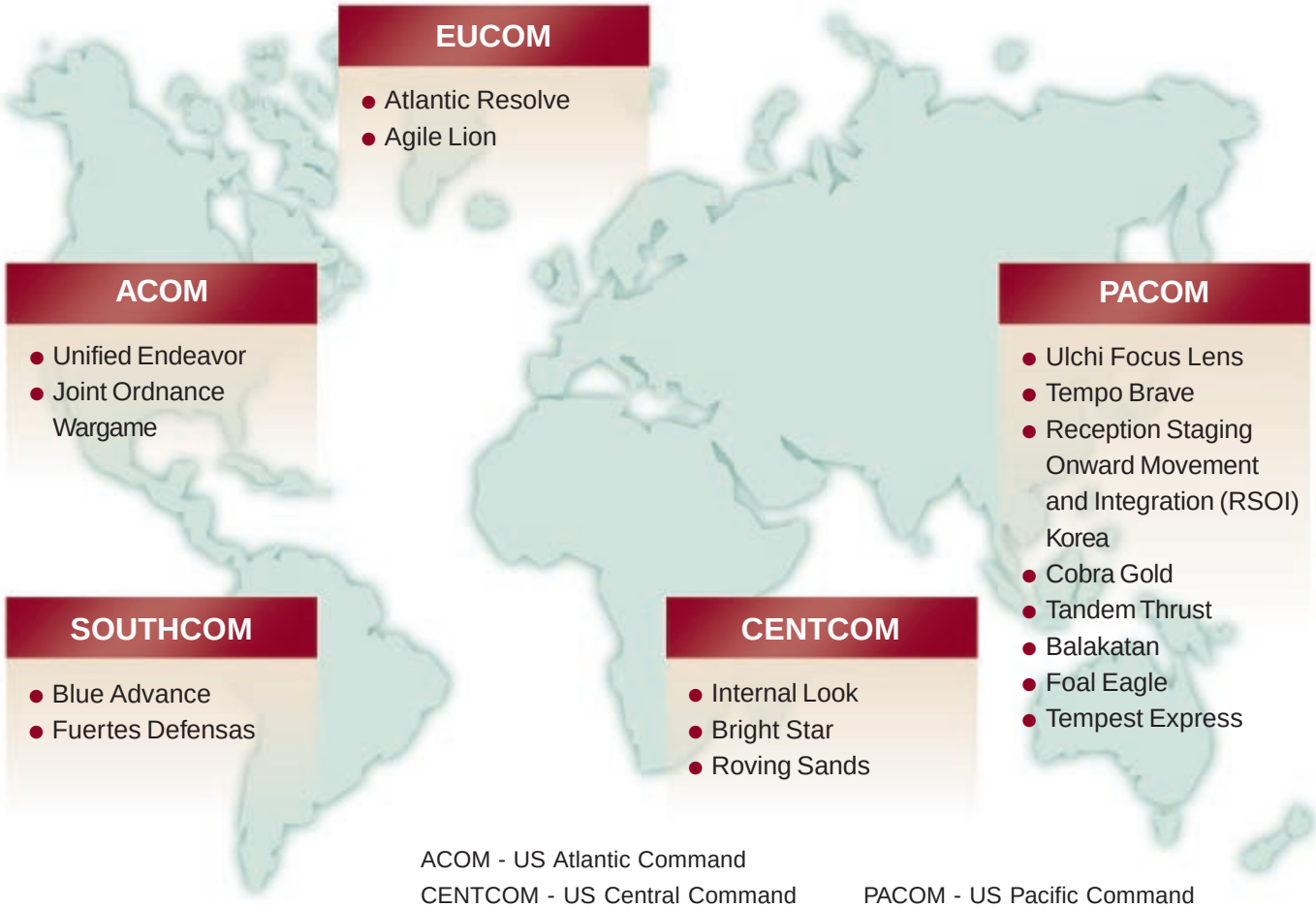
- Improve LOGCAP Requirements Definition During the Planning Process In Order to Enhance Execution and Control Costs During an Event

LOGCAP's Active Participation in Exercises

LOGCAP provides a rapid and responsive contract capability that allows the customer to increase their flexibility and to fill potential shortfalls in available forces. LOGCAP provides this contract capability by focusing on planning and Event execution, supported by active participation in exercises.

Active participation in exercises supporting approved plans further emphasizes USAMC and PM LOGCAP's focus on planning. Exercises provide the opportunity for the contractor to verify the completeness and accuracy of their plans. Team LOGCAP (see page 17) provides a central management structure for planning exercises and a conduit of information to ensure smooth execution of LOGCAP requirements.

Candidates for LOGCAP Participation



ACOM - US Atlantic Command
CENTCOM - US Central Command
EUCOM - US European Command
PACOM - US Pacific Command
SOUTHCOM - US Southern Command

Fast and Flexible Worldwide Corporate Capabilities in Support of US Combat Power Projections for Quick and Economical Crises Resolution

LOGCAP provides a generic capability plan for receiving, housing, and sustaining 25,000 troops in eight base camps, for 180 days. Fifteen days after notification, the contractor is required to receive and support 1,500 troops per day. Thirty days after notification, the contractor is required to support 25,000 troops in one rear and seven forward base camps for up to 180 days with options to increase the size of the supported force to 50,000 troops beyond 180 days. Support for each camp may include, but is not limited to:

- Billeting
- Mess Halls
- Food Preparation
- Potable Water
- Sanitation
- Showers
- Laundry
- Transportation
- Utilities
- Other Services (Mortuary Affairs, Postal, Banking, Etc.)

Operational Strengths

In addition to the facilities services and logistical support services, LOGCAP may also provide contingency equipment and labor pools to perform labor intensive, noncombat missions for the customer such as:

Support to arriving forces at aerial ports of debarkation (APODs) and sea ports of debarkation (SPODs).

- Force Sustainment
- Retrograding Equipment and Supplies
- Construction Support
- General Logistics Services
- Augmentation to Engineer Units
- Facility Engineer Support

Support Plans

LOGCAP's generic support plans provide a baseline for the customer to determine specific LOGCAP support requirements. The supported MACOM/ASCC commander will provide a concept of operations and a scope of work to enable the LOGCAP contractor to tailor capabilities to meet their needs.

Other operations and services available through the LOGCAP Umbrella Support Contract include, but are not limited to:

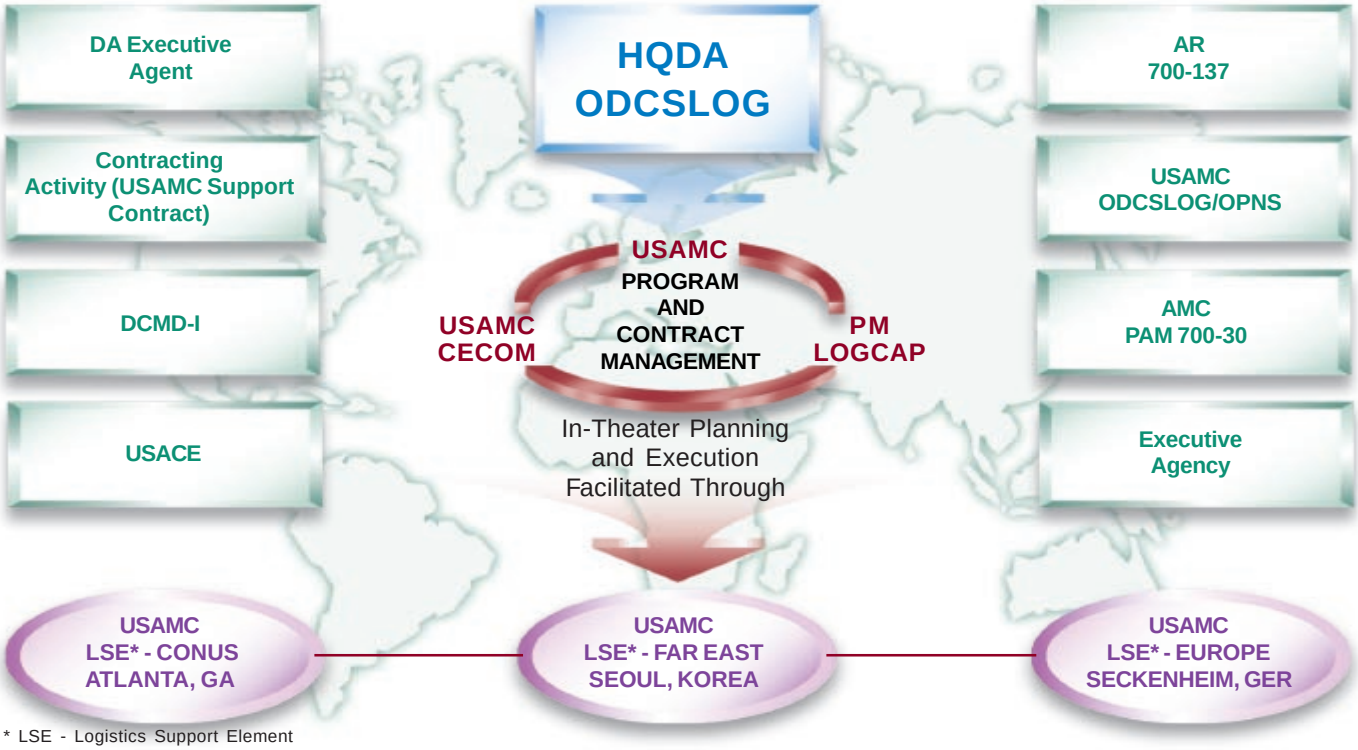
- Maintenance of Table of Distribution and Allowances (TDA) equipment to include automatic data processing (ADP)/office equipment and tactical equipment or components thereof—Unit through General Support (GS) level.
- Transportation, to include cargo transfer, motor pool, port/ocean terminal operations, line haul and local haul, and arrival/departure air control groups.
- Medical Services
- Signal support, to include telephone cable repair; cable, wire, and antenna installation.
- Retrograde of equipment and materiel.

Focus of LOGCAP

LOGCAP links supported commands to worldwide industrial and other civil sector resources, thereby augmenting US forces with a flexible commercial capability to support operations.

While primarily focused on support to US Army forces, LOGCAP can provide support to other US military services, coalition and/or multinational, and other Government/non-Government agency components in support of joint, combined, coalition, and/or multinational operations, including those other than war such as peace operations or humanitarian assistance missions.

LOGCAP is primarily for use outside the continental United States (OCONUS), however, nothing prohibits using LOGCAP in CONUS, if alternatives are not available. LOGCAP does not replace force structure, it is an alternative augmentation capability. LOGCAP focuses on base/logistics camp construction, base/logistics camp operations, and field services. The program also includes logistics functions such as equipment maintenance, supply operations, field services, and other logistics services such as transportation.



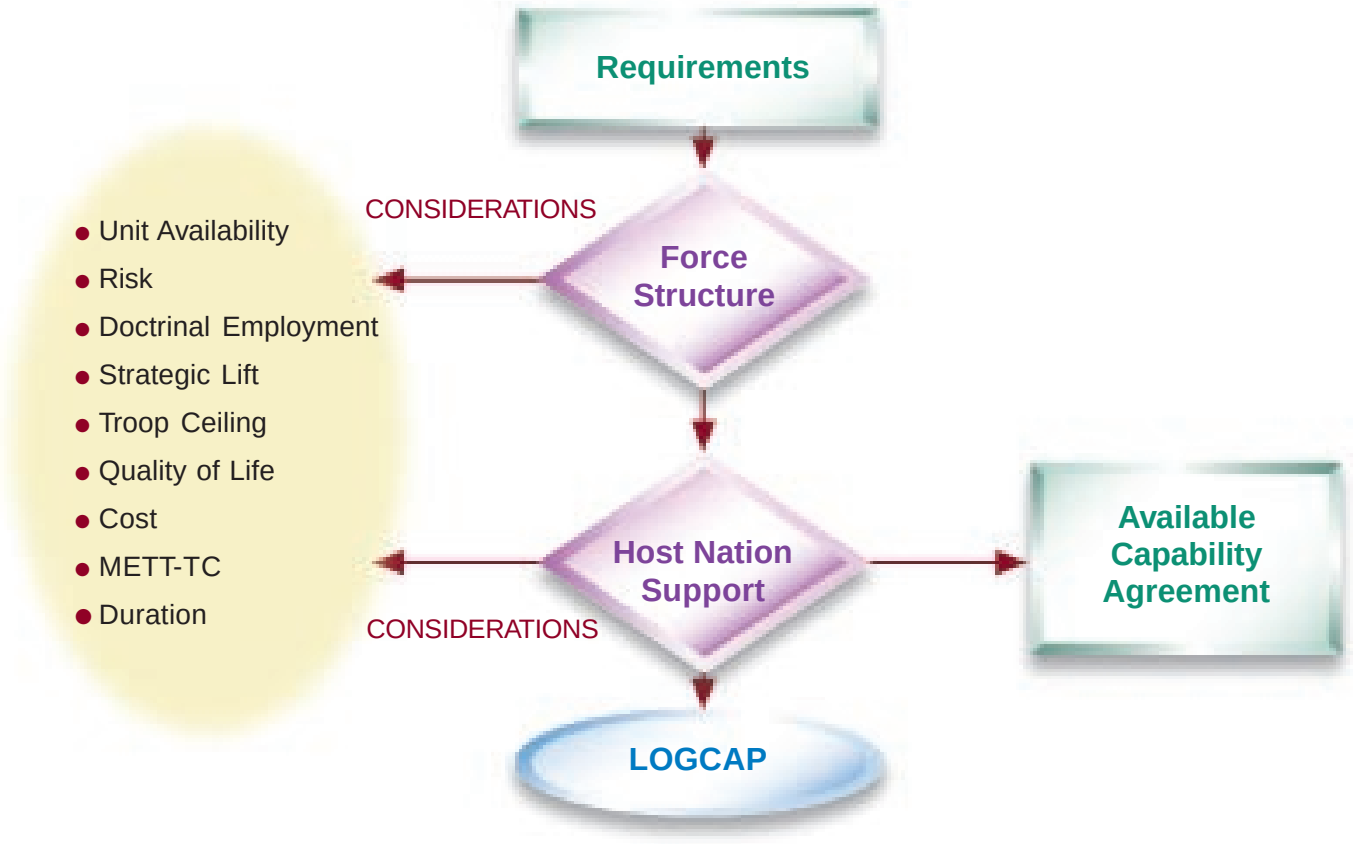
* LSE - Logistics Support Element

Pre-planning and Use of LOGCAP During Exercises Simplifies the Decision Process for Contingencies

LOGCAP customers should, using the below criteria, review OPLANs and program requirements and determine which requirements and CS/CSS functions (services) can and should be accomplished by the LOGCAP contract. They must then rank contract requirements and develop a LOGCAP Support Plan to incorporate contractor augmentation support into OPLANs. Although CINCs may request LOGCAP support, the use of the LOGCAP contract to fill requirements is a HQDA decision. All aspects of contractor involvement provided under LOGCAP should be reflected in OPLANs to permit rapid integration of contractor support into the force, when required. These OPLANs should address topics such as locations, support requirements, contractor mobilization periods, etc.

Once the Army recognizes that it has a logistics or engineering/construction requirement, it proceeds to determine the method (or combination of methods) to meet it. A logical decision process is used.

Decision Process



First, the customer determines whether the support requirement should be met by using its own forces. In making this determination, several factors are considered. The more significant factors and associated questions are:

Unit Availability

- Can this function only be accomplished with Army Personnel?
- Are the requisite number and types of support units ready and available to meet the requirement? If so, can the unit arrive in the theater when needed?
- Do any of our sister services (USN, USAF) have the capability to provide this support?
- Can Lines of Communication Agreements be initiated with our allies to provide this support?

Risk

- Will it be difficult to redeploy engaged support forces to meet requirements in a major regional contingency? If so, will this difficulty result in an unacceptable risk to meeting the National Military Strategic Objectives?
- How much risk is the CINC willing to accept within a single function? If the CINC is willing to accept zero risk then the MACOM's option would be limited to US military structure.

Doctrinal Employment

- Will the operating forces requiring the support be employed doctrinally (i.e., as they would in combat)? If not, will the support forces be capable of meeting the requirement?

Strategic Lift

- Is there sufficient strategic lift available to meet the need in the required time frame?

LOGCAP Decision Process and Execution

Troop Ceiling

- Under the ceiling, will the required support reduce the number of combat soldiers to an unacceptable level?
- What is the current military presence in the Area of Responsibility (AOR)?
- Is the host nation sensitive to increased military presence? If so, can the mission be accomplished without increasing green suit visibility?

Quality of Life

- What will be the living standards of the soldiers when they are not engaged?
- Does the mission allow the living standards in the field to be higher than normal? If so, can the support forces meet/maintain that standard?

Cost

- Are there more economical alternatives to provide the required level of support?

Contracting for LOGCAP

Once a requirement has been identified, PM LOGCAP and the Procuring Contracting Officer (PCO), in consultation with the customer, determines if the requirement is within the scope of the LOGCAP Umbrella Support Contract. If it is, the customer, using the LOGCAP generic support SOWs for guidance, develops a detailed SOW. PM LOGCAP develops the Independent Government Cost Estimate (IGCE), Work Breakdown Structure, and Award Fee Evaluation Board (AFEB) membership. Independent of the Government actions, the contractor develops a Rough Order of Magnitude (ROM).

The Delivery Order Package is forwarded to the PCO, who awards the Undefinitized Contract Action (UCA)/Delivery Order to the contractor, appoints the AFEB Members/Evaluators/Advisors, and delegates contract administration to DCMD-I and USACE, as appropriate.

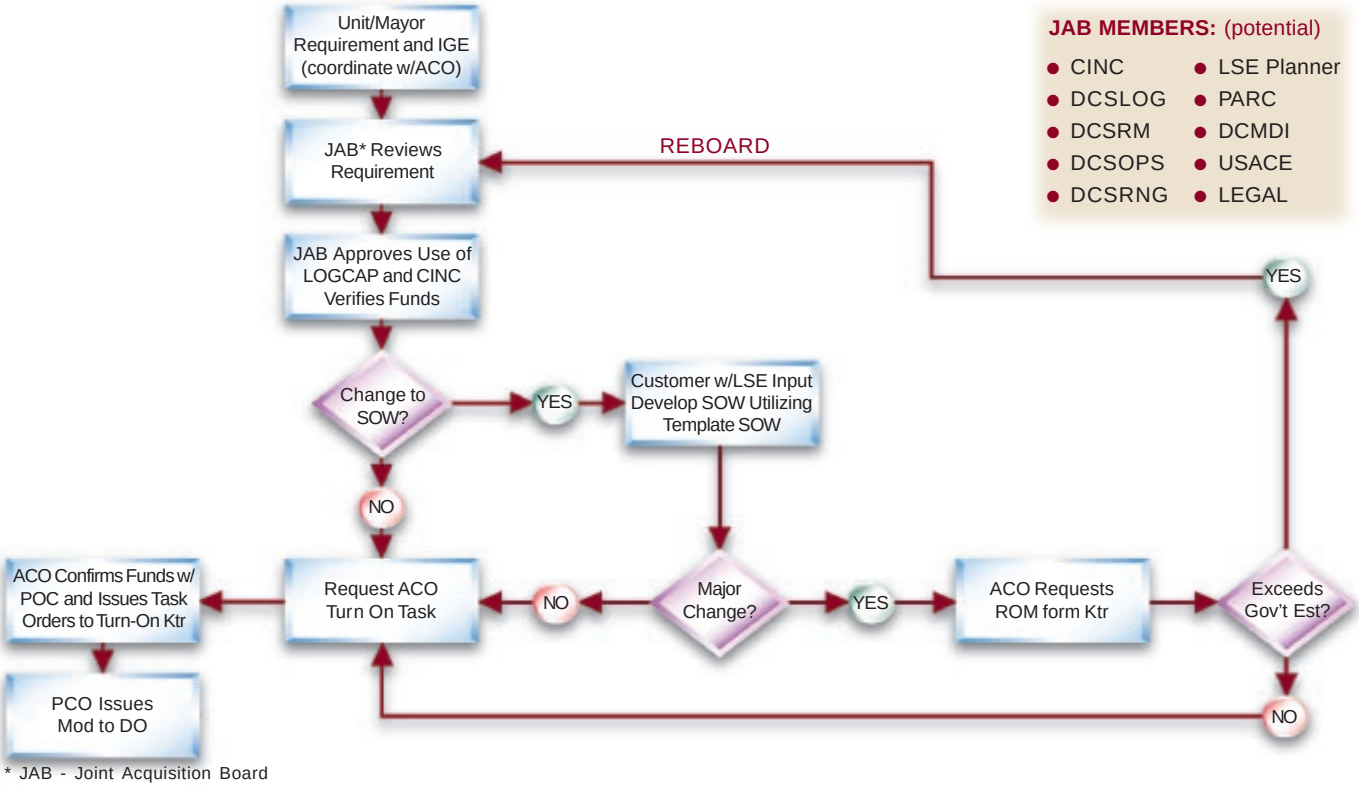
Funding

The USAMC LOGCAP Umbrella Support Contract is centrally funded and administered by HQDA, Office of the Deputy Chief of Staff for Logistics. The primary funding focus is on prioritized peacetime planning to augment logistics and engineering/construction services, force structure capabilities, and shortfalls for wartime and other contingency operations, as determined by the CINCs/ASCCs.

HQDA funds primarily for contractor planning efforts, worldwide. The respective CINC/ASCC usually funds LOGCAP support for non-DA supported efforts (e.g., specific plans, studies, and analyses), exercises, and Events. Funding will normally be provided using DD Form 448, Military Interdepartmental Purchase Request (MIPR).

Executing LOGCAP

To execute LOGCAP support during an Event, the PM notifies and mobilizes Team LOGCAP, who deploys the advance party within 72 hours of notification. During an Event, Team LOGCAP falls under the LSE Commander for operational and administrative management of LOGCAP as the Team administers and facilitates management of the contract.



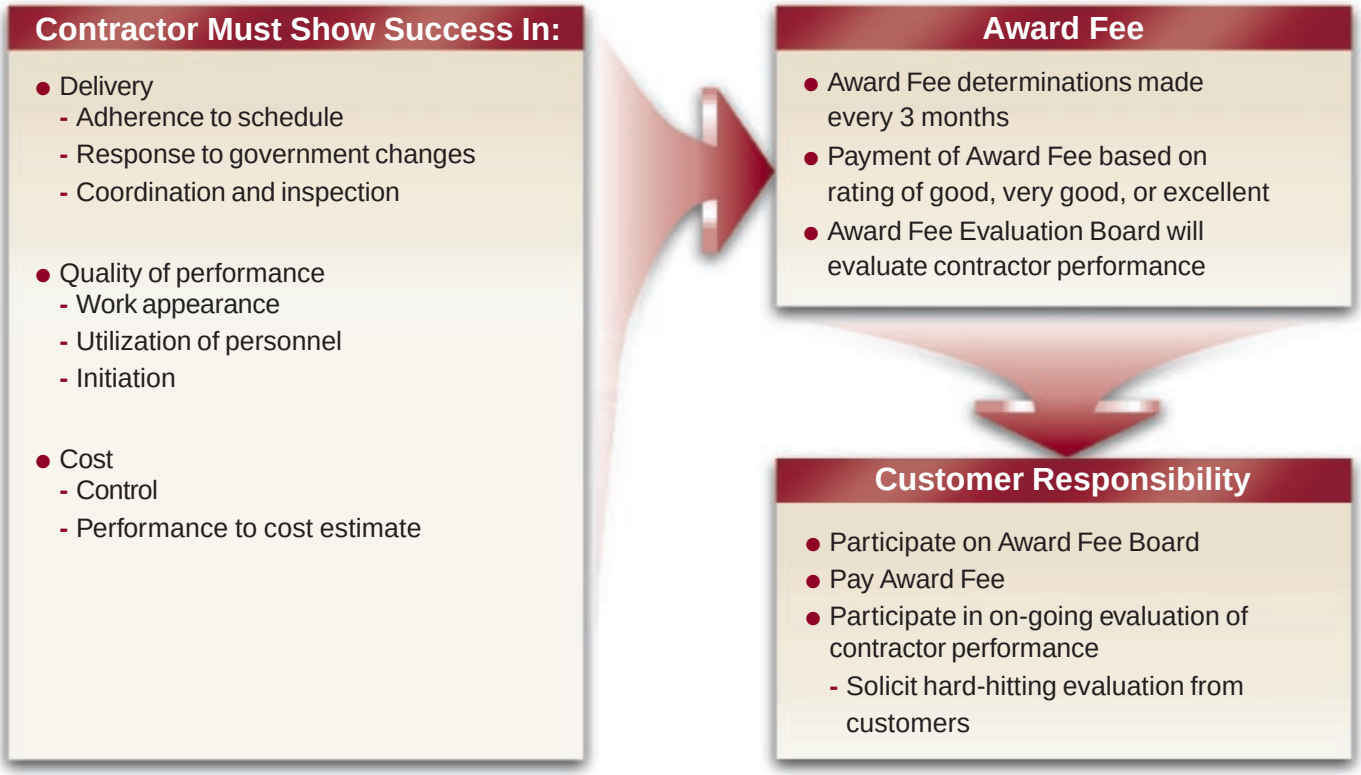
* JAB - Joint Acquisition Board

Award Fee Board

A Cost Plus Award Fee (CPAF) type contract is applicable to delivery orders for Event execution. The contractor, on the basis of good, very good, or excellent performance during evaluation periods of the orders may earn an award fee. No award fee is earned by performance that is average or below average. The contractor's performance is monitored by an appointed LOGCAP Award Fee Evaluation Board (AFEB) representing the PMO and cognizant LOGCAP customers. The AFEB is comprised of representatives from the contracting activity, LOGCAP PMO, the requiring activity, and Defense Contracting Management District-International (DCMD-I) and USACE as required.

The AFEB convenes quarterly during an event and recommends an award fee percentage to the Award Fee Determining Official (AFDO). The AFDO may accept the AFEB's recommendation or make a unilateral determination on the payable award fee. The contractor's performance will be evaluated on equally weighted performance factors and subfactors. Performance factors are indicated below:

Award Fee Evaluation Process



Overall Structure

LOGCAP plans for the support of three simultaneous events worldwide. The USAMC, as the DA LOGCAP management and execution agency, will coordinate and facilitate LOGCAP peacetime planning and Event execution during contingencies. PM LOGCAP uses USAMC LOGCAP Forward Support Teams and the USAMC Theater Logistics Support Elements (LSEs) to assist the customer with planning exercises and LOGCAP execution during Events. USAMC also advises and facilitates the incorporation of LOGCAP capabilities into CINC/ASCC operation plans and prioritizes USAMC Umbrella Support Contract planning requirements based on funding capability.

Team LOGCAP consists of PM LOGCAP, the PCO, the Theater LSEs, USACE, Defense Logistics Agency (DLA)/DCMD-I, and the contractor. Team LOGCAP facilitates the teaming of the customer and contractor for peacetime planning, exercises, and program execution during an Event.

Note: *For detailed information on Theater LSE Key Roles and Responsibilities, refer to FM 63-11, Logistics Support Element - Tactics, Techniques, and Procedures.*

Team LOGCAP's Mission

- Deploy worldwide in support of any contingency using LOGCAP capabilities.
- Provide a single, centralized structure responsible for LOGCAP execution.
- Advise requiring activities on LOGCAP capabilities.
- Assist the customer in articulating requirements to the contractor and ensuring contractual compliance.
- Integrate LOGCAP augmentation capabilities into deployed force structure to meet Mission, Enemy, Troops, Terrain, Time, and Civilians (METT-TC) requirements.
- Facilitate the teaming of the customer and contractor into force capabilities to accomplish the mission.

Maximizing LOGCAP's Potential

All members of the Team are responsible for prior planning and coordination before an Exercise or an Event to maximize the capabilities of LOGCAP.

The customer (MACOM/CINC/ASCC) should execute the following responsibilities to maximize LOGCAP's potential as a facilities and logistics multiplier:

- Develop and Provide Requirements for a Statement of Work (SOW) with the Assistance and Coordination of PM LOGCAP and the LSE. See Appendix A for instructions on preparing SOWs and related documentation.
- Include LOGCAP Early in the Customer's Planning Process and Participate in the LOGCAP Plan Development. Developing a comprehensive LOGCAP support plan in the early stages of contingency planning provides accurate cost estimates, avoids costs associated with contractor mobilization for unnecessary work, and allows the contractor more time to bring reliable subcontractors on board.
- Include LOGCAP Participation in Exercises. The contractor's support and performance improves with participation in exercises. Skills and knowledge are exchanged, and valuable lessons are learned for future exercises and Events.
- Participate in the LOGCAP Award Fee Evaluation Board Process. Customer participation in the process and assessment of contractor performance is key in determining an award fee recommendation.
- Fund LOGCAP Execution During an Actual Contingency. It is highly recommended that customers include their comptroller in the planning cycle when considering the use of LOGCAP support.
- Provide Security for LOGCAP Contractor Personnel During an Actual Contingency. The LOGCAP contract requires that the contractor be provided theater security throughout the contingency operation.

Key Roles and Responsibilities in the Planning Process

CUSTOMER (MACOM/CINC/ASCC)

- Informs HQDA DCSLOG of the MACOM's intent to use LOGCAP. Although CINCs may request LOGCAP support, the use of the LOGCAP contract to fill requirements is a HQDA decision. Designate a single proponent for LOGCAP planning.
- Participates with all members of LOGCAP process as part of Joint Planning Team and considers inserting LOGCAP into Time Phased Force Deployment Data (TPFDD), Status of Forces Agreements (SOFAs), etc.
- Participates in development of LOGCAP's Generic, Regional, and MACOM specific plans.
- Identifies potential requirements based on OPLANs/ MOOTW Plans. Include in SOW detail.
- Clearly defines standards for contractor to plan for and execute.
- Includes LOGCAP capabilities in exercises to evaluate and plan for future LOGCAP use.
- Coordinates in advance contractor deployment flow with US Transportation Command (TRANSCOM), Host Government, and US Embassy.

PM LOGCAP

- Manages LOGCAP Program to ensure customer requirements are met.
- Directs LOGCAP Team interface.
- Coordinates Reviews.
- Advises customer planners on LOGCAP capabilities and planning and execution requirements.
- Facilitates plans for LOGCAP augmentation requirements in conjunction with USACE, DCMD-I, and the LOGCAP contractor.
- Prioritizes planning requirements based on funding, workload, and HQDA guidance.

LOGCAP CONTRACTOR

- Assigns a central planning cell dedicated to each customer.
- Provides planning deliverables based on identified requirements.
- Provides potential sources and projected costs for expeditious execution of identified requirements.
- As a result of participation in exercises, provides feedback and lessons learned for future Events.
- Writes support plans in sufficient detail to be easily transferable to the TPFDD process.

USACE

- During LOGCAP requirements determination process, Theater USACE Element Planners provide advice and assistance on construction and engineering support services.

DCMD-I

- Theater Element Planners provide advice and assistance on planning contract administration, and quality assurance.

Key Roles and Responsibilities in the Execution of an Event

CUSTOMER (MACOM/CINC/ASCC)

- Provides physical security for the contractor.
- Develops SOW requirements duration and standards.
- Establishes specific procedures for implementing actions during an Event.
- Coordinates the establishment of the Acquisition Review Board to prioritize requirements.
- Funds LOGCAP execution.
- Coordinates execution with Team LOGCAP and LSE.
- Assigns central contact at each site to articulate requirements and ensure compliance.
- Coordinates contractor deployment and use with TRANSCOM, the applicable embassy, and the Host Nation.
- Provides TPFDD to Team LOGCAP and LSEs early in flow.
- Participates in Contractor Evaluations.

PM LOGCAP

- Deploys standing Team LOGCAP under LSE Commander to provide a centralized structure responsible for LOGCAP execution.
- In coordination with LSE Commander, provides a single "face to the field" during execution of Event.
- Advises Acquisition Review Board and customer on LOGCAP capabilities and other alternatives to meet requirements.
- Assists customer in development of SOW.
- Coordinates LOGCAP support between customer and contractor and other required activities.
- Participates in AFEB.

LOGCAP CONTRACTOR

- Develops cost estimate/Rough Order of Magnitude (ROM) based on identified requirements.
- Mobilizes and provide required support within contractual timelines.
- Back briefs Execution Plan to Requiring Activity.
- Coordinates lift with the customer.
- Ensures proper level of leadership on the ground.

USACE

- When tasked by the PCO, provides ACO for construction/engineering services.
- Provides technical advice and assists with construction/engineering support services at each site.
- Provides Quality Assurance on contractor performed construction/ engineering services.

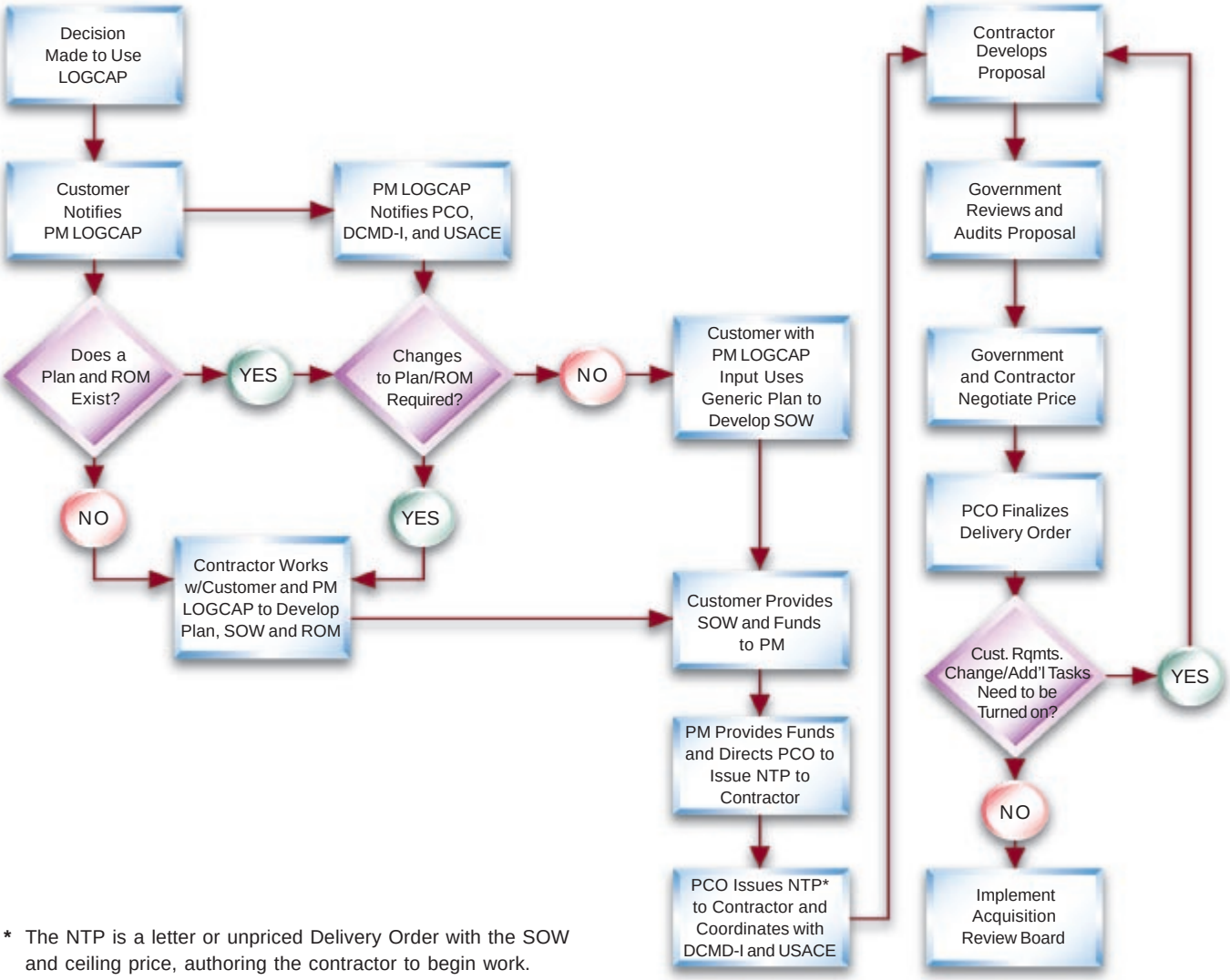
DCMD-I

- Provides Administrative Contracting Officer (ACO) for logistics support services when delegated contract administration responsibility.
- Provides Quality Assurance Team for contract administration.

Once an Undefinitized Contractual Action (UCA) or Delivery Order is awarded, the customer will work closely with the ACO, the PM, and the contractor.

From the moment the customer decides to seek LOGCAP support, the ACO begins generating and acquiring information that will be of use throughout the performance of the work. Some items that may be included are contracting data, schedule of events, and incoming/outgoing correspondence.

Contracting Process for Execution and Management



* The NTP is a letter or unpriced Delivery Order with the SOW and ceiling price, authoring the contractor to begin work.

Appendix A

Preparing SOWs, Independent Government Cost Estimates, and Funding Documents

After a decision has been made by the customer to use LOGCAP, a Delivery Order Package is required. The customer will develop the Delivery Order Package, in coordination with PM LOGCAP, to access the necessary services through the LOGCAP Umbrella Support Contract. The Delivery Order Package consists of these elements:

- Statement of Work
- Independent Government Cost Estimate
- Funding Document

Statement of Work (SOW)

The SOW specifies the products and services required. It is the most important element of the Delivery Order Package, and great care and attention to detail should be exercised in its creation.

- A SOW is necessary to define requirements to the contractor (contractors do not develop requirements).
- SOWs should reflect the mission focus of LOGCAP.
- SOWs enable the contractor to develop a cost estimate for approval and to plan and accomplish work in the most efficient and economical manner. A general requirement is that the contractor meet Army theater of operations standards for all services and support.

The scope of work should be concise and include the duration of performance, quantification of the requirement, and identification of any special considerations. For example, to have LOGCAP provide and operate showers in a field location during an exercise, the statement of work might read as:

GENERAL. The LOGCAP contractor is to provide and operate lighted and screened temporary showers/shaving facilities in support of a 500 man battalion task force at Camp Shelby for Field Training Exercise Night Raider to be conducted over a three month period beginning 14 January 1994. Showers will be capable of being moved by the contractor and set up at two different sites during the exercise. Exact locations provided by CPT Charles Smith at 555-1234. Contractor is to provide water storage and a heated/non-heated pressurized system to the showers and shaving facilities. Showers and basins at ten soldiers per shower head and basin. Coordinate placement with CW3 Richard Jones, PMO for site selection. Showers will have adequate drainage sanitation (meet standards). The ratio of male to female soldiers will be 70/30.

SOW Advantages

The advantages of developing a comprehensive SOW in the early stages of contingency planning are numerous. Early involvement by the LOGCAP contractor in the planning process is recommended. This planning allows the contractor to develop more accurate cost estimates, and gives the contractor more time to bring the most reliable subcontractors on board.

Without a comprehensive, up-front SOW, additional costs are likely to be incurred because of the unknowns involved.

There are no shortcuts to preparing an effective SOW. Below is a recommended format for a SOW:

Description of Work
- Mission Statement
- Specific Requirements

Commander-in-Chief (CINC) Specific Host Nation Support (HNS)

Period of Performance

Deliverables
- Monthly Status Reports
- Trip Reports
- Cost Schedule Status Report
- Daily Event Situation Report (SITREP)
- Event Lessons Learned
- Event After Action Report

Special Provisions (Examples)
- Security Requirements
- Uniform or Special Equipment Requirements

It is important to address all areas with the best and most detailed information available. An important planning factor is to provide for all necessary requirements, even when a planning factor must be used versus actual conditions.

In support of the planning process, PM LOGCAP has developed regional plans, generic plans for developed and undeveloped countries, and plans to support specified requirements for specific OPLANs/MOOTWs. These plans can be tailored by the customer to meet the specific and unique requirements of a specific Event.

Independent Government Cost Estimates (IGCEs)

The IGCE details costs the contractor is expected to incur in performing the work such as labor, travel, and other direct costs. In addition, the IGCE will be used by the Contracting Office to negotiate a fair and equitable price for the products and services that the customer requires. This is a sensitive document, for use by Government personnel only and contains the following information:

- **Materials.** The Theater Principle Assistant Responsible for Contracting (PARC) and DCMD-I can provide assistance in the estimation of all materials that will be required of the contractor for performance.
- **Estimate of Labor Costs.** To estimate labor costs, the type of labor required in performance of the SOW must be identified and rough labor cost estimates for the labor associated with the required labor must be generated.
- **Estimate of Travel and Other Direct Costs.** The IGCE should consider Travel and Other Direct Costs that the contractor will incur in the performance of the project. Use the SOW to estimate such costs for each task. Travel costs can be estimated by using the Military Joint Travel Regulations. A travel agent can assist the customer in estimating airfares and car rental rates. In addition, travel cost estimates can be developed based on the commitment to provide contractors with Invitational Travel Orders for airfare, car rental, and/or lodging on base. Estimates for costs of items such a equipment, reproductions, mailing, etc., must also be considered.

Funding Document

Funding will be provided using DD Form 448, Military Interdepartmental Purchase Request (MIPR). The customer will coordinate the development and processing of this form with their Resource Management assets and PM LOGCAP to provide funding for LOGCAP execution during an Event.

Checklist of Pre-Event and Post Event Delivery Order Responsibilities

	PM	PCO	DCMD-I/ USACE ACO	Customer/ MACOM
PRE-EVENT				
Identifies Tasks				P
Prepares Delivery Order Package				
SOW, Work Plans, CDRLs, etc.	S	S		P
List GFM/GFE to be provided	S			P
Independent Government Cost Estimate		S		P
Ensures funds availability	S			P
Receives and translates requirements into Delivery Orders	S	P		
Coordinates with PCO to determine if requirements are within scope	S	P		
Forwards Delivery Order Package to PCO	P			
Reviews/Approves Delivery Order Package		P		
Requests proposal from contractor		P		
Perform Technical Evaluation	P		S	S
Conducts necessary fact finding activities	S	P		S
Negotiates Delivery Order	S	P		S
Awards Delivery Orders		P		
EVENT EXECUTION RESPONSIBILITIES				
Monitors Contract Performance	S	S	P	S
Works with Funds Manager for receipt of resource	P	S	S	S
Responsibility for Technical Aspects				
Technical Oversight and Evaluation	S	S	P	S
Review/Accept Deliverables	S	S	P	S
Evaluates technical performance	S	S	P	S
Reports deviations to PCO	S		P	S
Milestones				
Verifies progress against milestones	S	S	P	S
Monitors Completion	S	S	P	S

P = Primary
S = Supporting

Note: *ACO functions are performed if a PCO delegation is made.*

Appendix C

Lessons Learned and Improvement through Analysis

LESSONS LEARNED:

- Need a single responsible agency for LOGCAP
- Need Joint Planning Cells to identify augmentation requirements
- Need to develop/promulgate doctrine, training, and education
- Need to establish a standing LOGCAP Deployment Team
- Need a single Commander to provide immediate central control of LOGCAP Execution

CORRECTIVE ACTIONS:

- AMC has established a Program Management Office
- LSE Personnel capabilities increased to focus Joint Planning
- Working closely with TRADOC (have briefed all ASCC staffs)
- Team LOGCAP has been established with representatives from AMC, USACE, DCMD-I
- The LSE Commander will be AMC's central focal point in the area of operations
- Acquisition Review Boards will be established (new contract mandates improved property controls)

Participation in exercises and deployments by Team LOGCAP and the contractor provide valuable experience in use of the LOGCAP support concept. Each exercise and Event provides an opportunity to evaluate the effectiveness of LOGCAP support and provides valuable Lessons Learned to be integrated into future LOGCAP support efforts. PM LOGCAP has incorporated numerous management, administrative, and execution improvements into the LOGCAP execution process. The focus of this proactive Lessons Learned approach is to minimize difficulties in the execution of LOGCAP support during the actual execution of an Event.

The LOGCAP Lessons Learned process is a three step endeavor - (1) Data Collection, (2) Data Analysis, (3) Report Production. This process is employed each time LOGCAP is used in support of an exercise or an Event to provide feedback to all parties and to maximize the efficiency of future LOGCAP support.

In addition to internal review, LOGCAP has been subject to numerous audits and assessments by outside agencies. These independently produced reports provide a baseline to measure the quality of LOGCAP support and provide numerous recommendations that PM LOGCAP has implemented to improve the LOGCAP effort.

As a result of this process PM LOGCAP efforts to improve future LOGCAP support include:

- **Develop and Disseminate LOGCAP Doctrine.** The customer must be aware of LOGCAP capabilities and procedures for obtaining LOGCAP support in order to use it.
- **Provide Assistance to the Customer When LOGCAP is Implemented.** Use of Deployment Management Teams facilitates the execution of the LOGCAP support effort.
- **Improve Financial Accounting Methods.** Customers should be assured that LOGCAP support is maximizing resources in support of planning, exercises, and Events.

Terms and Acronyms

ACO ..... Administrative Contracting Officer
ACOM ..... US Atlantic Command
ADP ..... Automatic Data Processing
AFDO ..... Award Fee Determining Official
AFEB ..... Award Fee Evaluation Board
AOR ..... Area of Responsibility
APOD ..... Aerial Port of Debarkation
AR ..... Army Regulation
ASCC ..... Army Service Component Command
CECOM ..... Communications - Electronics Command
CENTCOM ..... US Central Command
CINC ..... Commander in Chief
CONUS ..... Continental United States
CPAF ..... Cost Plus Award Fee
CS ..... Combat Support
CSS ..... Combat Service Support
DA ..... Department of the Army
DCMD-I ..... Defense Contracting Management District - International
DCSLOG ..... Deputy Chief of Staff for Logistics
DCSLOG/OPNS. Deputy Chief of Staff for Logistics and Operations
DLA ..... Defense Logistics Agency
DoD ..... Department of Defense
EUCOM ..... US European Command
GS ..... General Support
HNS ..... Host Nation Support
HQ ..... Headquarters
IGCE ..... Independent Government Cost Estimate
LOGCAP ..... Logistics Civil Augmentation Program
LSE ..... Logistics Support Element
LWRC ..... LOGCAP Worldwide Requirements Conference
MACOM ..... Major Army Command
METT-TC ..... Mission, Enemy, Troops, Terrain, Time, and Civilians
MIPR ..... Military Inter-Departmental Purchase Request
MOOTW ..... Military Operations Other Than War
NTP ..... Notice to Proceed
OCONUS ..... Outside Continental United States
OPLAN ..... Operations Plan
PACOM ..... US Pacific Command
PAM ..... Pamphlet
PARC ..... Principle Assistant Responsible for Contracting
PCO ..... Procuring Contracting Officer
PM ..... Project Manager, Program Manager
PMO ..... Project Management Office
POC ..... Point of Contact
ROM ..... Rough Order of Magnitude
RSOI ..... Reception Staging Onward Movement and Integration
SOFA ..... Status of Forces Agreement
SITREP ..... Situation Report
SOUTHCOM ..... US Southern Command
SOW ..... Statement of Work
SPOD ..... Sea Port of Debarkation
TDA ..... Table of Distribution and Allowances
TPFFD ..... Time-Phased Force Deployment Data
US TRANSCOM. US Transportation Command
TUSA ..... Third US Army
UCA ..... Undefinitized Contractual Action
UN ..... United Nations
USACE ..... US Army Corps of Engineers
USAMC ..... US Army Materiel Command

Appendix E

Points of Contact

PM LOGCAP

Department of the Army
HQ, US Army Materiel Command
5001 Eisenhower Avenue
Alexandria, VA 22333-0001
Commercial: (703) 617-0428
DSN: 767-0428
E-Mail: pmlogcap@hqamc.army.mil

Deputy Program Manager

Commercial: (703) 617-0526
DSN: 767-0526

Chief, Plans Division

Commercial: (703) 617-0251
DSN: 767-0251

CENTCOM Planner

Commercial: (703) 617-0556
DSN: 767-0556

LSE - CONUS

Commercial: (404) 464-7056
DSN: 367-7056

EUCOM/ACOM Planner

Commercial: (703) 617-8189
DSN: 767-8189

LSE - EUROPE

Commercial: 011-49-62148-7768
DSN: 375-7768

LSE - CONUS

Commercial: (404) 464-6476
DSN: 367-6476

PACOM Planner

Commercial: (703) 617-0418
DSN: 767-0418

LSE - FAR EAST

Commercial: 011-82-32-520-6074/6717
DSN: 722-3752/3717

SOUTHCOM Planner

Commercial (703) 617-0426
DSN: 767-0426

LSE - CONUS

Commercial (404) 464-6444
DSN: 367-6444