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OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

ACQUISITION AND TECHNOLOGY

(L/MDM)

MAY 11 1999

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS, AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT, AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)

SUBJECT: Authority to Purchase Items Assigned for Integrated Materiel Management From Other Sources

Recent findings by the Department of Defense (DoD) Office of Inspector General indicate that DoD activities should be reminded that they have substantial authority to purchase items assigned for integrated materiel management items from other sources. The DoD Federal Acquisition Regulation Supplement (DFARS) grants authority for local purchase of items assigned for Integrated Materiel Management under cirucumstances of unusual and compelling urgency, or when a supply system code for local purchase is assigned or the Integrated Materiel Manager otherwise grants authority to purchase locally.

In addition, DFARS 208.7003-1 grants local purchase authority to obtain items from sources other than the Integrated Materiel Manager when such action "...is in the best interest of the Government in terms of the combination of quality, timeliness, and cost that best meets the requirement." Please note that this provision does not apply to items: (a) critical to the safe operation of a weapon system; (b) with special security characteristics; or (c) that are dangerous. In addition, if purchases made under this provision exceed the micro-purchase threshold in FAR Part 13, the contract file must be documented with a statement of the specific advantage of local purchase. Finally, a waiver must be obtained from the Integrated Materiel Manager prior to the initiation of an acquisition exceeding the simplified acquisition threshold in FAR Part 13.

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The local purchase authority discussed above provides an important tool to DoD activities that can be used to help meet Secretary of Defense Cohen's commitment in the Defense Reform Initiative Report to expand the degree to which buying decisions are made by the people who need the products. I request that you forward this reminder to your field activities.

for Roger W. Kallock
Deputy Under Secretary
of Defense (Logistics)

cc:
Deputy Chief of Staff (Logistics), USA
Deputy Chief of Naval Operations (Logistics)
Deputy Chief of Staff (Installations & Logistics), USAF
Deputy Chief of Staff for Installations & Logistics, HQ USMC