



UNITED STATES MARINE CORPS
MARINE CORPS RECRUIT DEPOT/WESTERN RECRUITING REGION
SAN DIEGO, CALIFORNIA 92140-5001

DepO P4200.6A
4D5

24 MAR 1994

DEPOT ORDER P4200.6A w/ch 1

From: Commanding General
To: Distribution List

Subj: STANDING OPERATING PROCEDURE FOR CONTRACTING AND
PURCHASING (SHORT TITLE: SOP FOR CONTRACTING AND
PURCHASING)

Ref: (a) Federal Acquisition Regulation (FAR) (NOTAL)
(b) Defense Federal Acquisition Regulation Supplement
(DFARS) (NOTAL)
(c) Navy Acquisition Procedures Supplement (NAPS) (NOTAL)
(d) MCO P4200.15G

Encl: (1) LOCATOR SHEET

Report Required: I. BPA Monthly Report (Exempt) par. 3005.2

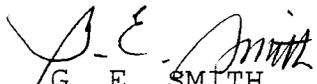
1. Purpose. To establish and define the authority, responsibility, and basic procedures to be followed by all activities supported by the Field Contracting Office, San Diego, California in purchasing supplies and services with appropriated funds per the references.

2. Cancellation. DepO P4200.6.

3. Summary of Revisions. This revision contains a substantial number of changes and should be completely reviewed.

4. Recommendations. Recommendations concerning the contents of the SOP for Contracting and Purchasing are invited. Submit via the appropriate chain of command for evaluation.

5. Certification. Reviewed and approved this date.


G. E. SMITH
Chief of Staff

DISTRIBUTION: I

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MARINE CORPS RECRUIT DEPOT WESTERN RECRUITING REGION
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DepO P4200.6A Ch 1
4D
25 APR 1997

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1. Purpose. To direct pen changes to the basic Manual.
2. Action. Make pen changes as follows:
 - a. Chapter 1, page 1-5, paragraph 1010, delete entire paragraph and renumber remaining paragraphs accordingly.
 - b. Chapter 4, page 4-3, paragraph 4004, delete "Federal Information Resources Management Regulation (FIRMR),"
 - c. Chapter 4, page 4-3, paragraph 4004.2, delete entire paragraph.
 - d. Chapter 4, page 4-5, paragraph 4008.1, change "\$25,000" to read "\$100,000."
 - e. Chapter 4, pages 4-7 through 4-9, delete entire pages and renumber remaining pages (i.e., 4-10) accordingly.
3. Summary of Changes. This change revises paragraphs and pages to reflect the repeal of the Procurement Integrity Act, FIRMR, and Brooks Act. It also reflects a change in the investment item dollar threshold.
4. Filing Instructions. File this change transmittal immediately behind the signature page of the basic Manual.


H. W. PETERSON III
Chief of Staff

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11

DepO 4200.6A

24 MAR 1994

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PURCHASING (SHORT TITLE: SOP FOR CONTRACTING AND
PURCHASING)

Location:

(Indicate the location(s) of the cop(ies) of this
Manual.)

ENCLOSURE (1)

SOP FOR CONTRACTING AND PURCHASING

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporated Change

SOP FOR CONTRACTING AND PURCHASING

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SOP FOR CONTRACTING AND PURCHASING

CHAPTER 1

GENERAL INFORMATION

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SOP FOR CONTRACTING AND PURCHASING

CHAPTER 1

GENERAL INFORMATION

1000. PURPOSE

1. The purpose of this Manual is to provide the customers of the Field Contracting Office, Marine Corps Recruit Depot (MCRD), San Diego a ready reference to assist them in the procurement of supplies and services not available through the Marine Corps supply system.

2. Requesting and obtaining services and supplies not in the Marine Corps supply system can be both confusing and intimidating. This Manual is structured to help minimize the confusion and intimidation of the procurement process. The contents of this Manual are arranged to provide customers, of the Field Contracting Office, MCRD, San Diego simplified procedures for the procurement process of services and supplies not available through the supply system.

1001. CONTRACTING OFFICERS. Contracting Officers derive their authority and responsibilities from the Commandant of the Marine Corps, Deputy Chief of Staff for Installation and Logistics and are subject to the limitations of their Contracting Officer's Warrant.

1002. RESPONSIBILITIES OF CONTRACTING AND PURCHASING PERSONNEL. Contracting and purchasing personnel are responsible to ensure the following.

1. That through proper execution and administration of all contracts, contracting personnel will safeguard the interests of the United States Government.

2. Contracting personnel must ensure that the contract is authorized by law, that funds are available, and that the Government or its property is not subject to any unusual or undue risk.

3. That all contractual documents are legally, technically, and administratively sufficient.

4. Following contract award, contracting personnel must initiate necessary legal or administrative action to assure contractor compliance with established contracts, protecting the Government's interest.

5. Contracting personnel must ensure that the contractor complies with all aspects of the contract. To assist the Con-

tracting Officer in this endeavor, the officers may appoint and train a Contracting Officer's Technical Representative (COTR) for all applicable contracts.

6. Contracting personnel must thoroughly document all files supporting contract actions per current acquisition regulations.

1003. MISSION NEED. Material or services purchased with appropriated funds must support the mission of the unit. Furthermore, material and services **shall fill a bona fide need in the fiscal year in which the material or services are requisitioned**. Personnel initiating a requirement for material or services must ensure that the requirement meets the aforementioned standards.

1004. CITATION OF FUNDS. Fund Administrators are personnel who are responsible to authorize or approve purchase requests and insure proper use of appropriated funds. The applicable appropriation and accounting data shall be cited on each purchase request document. Each request shall show a realistic estimated cost of the material or services and a commitment of this amount to cover the cost of the purchase.

1005. ESTIMATED COST ON PURCHASE REQUEST DOCUMENTS. The estimated cost shown on the purchase request documents is the amount which has been set aside by the unit's fund administrator to cover the purchase of the material or services.

1. Responsibility for committing funds and the limitations of such funds are vested exclusively with the fund administrator or authorized representative who signs and authorizes the purchase request document.

2. In order that the procurement does not exceed the amount of funds that have been set aside, the following restrictive statement shall be included on the purchase request:

"DO NOT EXCEED AMOUNT COMMITTED HEREIN."

(or)

"DO NOT EXCEED AMOUNT COMMITTED HEREIN BY MORE THAN \$ _____"

3. In the absence of a restrictive statement the contracting officer is authorized to continue action on the purchase request, up to 10% above the amount of the cited funds, prior to obtaining a price increase from the requesting activity. The procurement action will commence notwithstanding the fact that such action may exceed the amount cited on the request.

1006. QUANTITIES. Fund Administrators are responsible for ascertaining that all purchase request documents reflect the minimum needs of the Government, the actual needs of the unit, and that requests for services or supplies are necessary to accomplish the unit's mission.

1007. PURCHASE REQUEST DOCUMENTS. Fund Administrators are responsible to ensure that all purchase request documents set forth the request of the specific services or supplies and the amount of funds set aside. The request serves as the authority for the Contracting Officer to purchase services and supplies, by citing the correct appropriation data on the purchase request document.

1008. DIVIDED OR "SPLIT" REQUIREMENTS. Fund administrators must not divide or split a requirement to circumvent monetary limitations established by law or regulation. This regulation applies to the monetary limitations included in Blanket Purchase Agreements (BPA), indefinite delivery-type contracts, the Imprest Fund, and other procurement methods.

1009. STANDARDS OF CONDUCT. Military personnel and civilian employees performing purchasing and contracting duties shall be indoctrinated **every six months** regarding their responsibility to abide by ethical standards of conduct. The Contracting Officer is responsible for administering the Standards of Conduct Program and ensuring that all Purchasing and Contracting personnel receive indoctrination training on schedule. Each individual will read and become thoroughly familiar with the current editions of SECNAVINST 5370.2, MCO 5370.5 and MCO P4200.15G, Chapter 4. Each individual will sign a statement certifying that they have read and understand the standards of conduct. The Contracting Officer shall maintain a file of completed verification statements.

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administrators, and anyone else involved in the procurement of supplies or services. The Contracting Officer will maintain a file of current certifications.

1011. UNAUTHORIZED EXPENDITURES FROM APPROPRIATED FUNDS. Fund Administrators are responsible to develop requirements that meet the minimum needs of the Government, using funds appropriated for their fund cite. Therefore, to help fund administrators in this capacity, they must understand that there are certain services and supplies that cannot be legally bought using appropriated funds. In general, services and supplies bought solely to enhance the decor of work spaces, or facilitate the personal convenience or comfort of Government employees, military or civilian, are not authorized. The following list contains some of the most common items that are not authorized for purchase with appropriated funds. If in doubt as to the legality of a procurement using appropriated funds, contact the Field Contracting Office prior to submission of the purchase request.

1. Personal Services.
2. Coffee pots and related accessories.
3. Marine Corps Ball paraphernalia.
4. Farewell plaques.

1012. PURCHASING FROM ARMED FORCES EXCHANGES. Armed forces exchanges or exchange operated enterprises to include Government-operated commissary stores, and nonappropriated fund activities are normally precluded from submitting quotations or bids for Government supplies and/or services in competition with commercial bidders. However, when public exigency exists or when the same class or supplies or services cannot be conveniently or reasonably secured elsewhere, i.e in a foreign country, authority is granted to purchase such supplies or services from these activities.

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CHAPTER 2

PURCHASE REQUEST DOCUMENTS

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CHAPTER 2

PURCHASE REQUEST DOCUMENTS

2000. GENERAL. The customer creates the purchase request document by providing information that clearly and completely describes the services or supplies required. The Field Contracting Office then uses the information on the purchase request document to obtain accurate quotes from commercial vendors. The quality of the information listed on the purchase request determines the quality of service or supply acquired by the Field Contracting Office.

2001. PREPARATION OF THE PURCHASE REQUEST DOCUMENTS. Prepare all purchase request documents using a DD Form 1149, Requisition and Invoice/Shipping Document, unless other forms have been previously approved for use by the contracting officer. Sample format of the DD Form 1149 is shown in figure 2-1. The following list identifies the information that is required on all purchase requests. The following describes the information required on all DD 1149s and is arranged to correspond to each block of that form, this information must also be included in all approved local forms.

1. Customers Name. For those requisitions processed either through the Customer Service Section, Direct Support Stock Control Branch or the Property Control Branch indicate in the "To:" block the respective branch as the customer. Requests for services and all other requests will identify the originating customer.

2. Procuring Office Name.

Contracting and Purchasing Office
4411 Belleau Ave.
San Diego, CA 92140-5398

3. Ship to Address.

For Supplies: MS999
Bldg 149
M/F: (Customers RUC)
(Section Title)

For Services: MS999
Customers Address

4. Appropriation Data. Cite the entire line of appropriation, in order for the document to be considered for action.
5. Requisition Date. Insert the date that the requisition was initiated.
6. Requisition Number. For individual items assign a separate document number for each individual line item on the request. When the request lists more than one line item, cite the first four characters of the document number in block 6 of the DD 1149, and place individual serial numbers in block (a) as appropriate.
7. Date Material Required. Insert a realistic requirement julian date to coincide with the priority of the service or supply. Simply inserting "ASAP" will result in the item being returned for a tangible date.
8. Priority. Assign the appropriate priority designator per the current version of MCO 4400.16.
9. Authority or Purpose. Cite the authority for the procurement, in most cases the item is "mission essential." If directed by higher authority, cite that authority, ie. "DoD advocacy program."
10. Signature. The signature of the fund administrator or the representative who is appointed in writing.
11. Point of Contact. Identify the technical representative and phone number of the individual that can answer questions concerning the procurement.
12. Item Description. Include the following information in sufficient detail to ensure that the correct service or supply is procured in a timely manner. Do not limit your description solely to the space provided on the front of the DD 1149. Supplemental descriptions, pictures, and drawings attached to the request as appropriate. (Refer to chapter 5 for assistance in constructing a complete and accurate description.)
 - a. Federal Stock Number or Local Stock Number.
 - b. Complete description or specification.
 - (1) Include installation, shipping, and any other pertinent charges or information necessary to insure timely delivery of a quality product.

(2) Justification. Provide a short statement of the intended requirement the service or supply will fulfill (refer to paragraph 2003). "Mission essential" will not suffice.

- c. Unit of issue.
- d. Quantity requested.
- e. Unit Price.
- f. Extended total price.
- g. Total cost.

2002. TECHNICAL RESEARCH OF PURCHASE REQUEST DOCUMENTS. The use of the purchase request document for commercial open-market procurement does not eliminate the necessity to screen requirements for their availability in the supply system. Prior to forwarding a purchase request document to the Field Contracting Office, procurement regulations require that the document receives appropriate technical research.

1. For units supported by the Direct Support Stock Control Branch, forward all purchase request documents for supplies (less those for subscriptions or services) to the Customer Service Section, via the Property Control Office as required, for appropriate technical research.
2. Separate Commands, with organic supply accounts and technical research capabilities, will be responsible to conduct the appropriate technical research on their documents.
3. A local stock number listing is available upon request, from the Field Contracting Office. This listing is helpful in assisting all customers in identifying local stock numbers for supplies previously procured through the Field Contracting Office. The use of current local stock numbers can help decrease the procurement lead time.

2003. JUSTIFICATION OF REQUIREMENTS. When submitting purchase requests, to the Field Contracting Office, include a justification explaining the intended use of the requested supply or service.

1. Provide a substantial justification as to the intended use and that it is an appropriate use of appropriated funds.
2. When requesting supplies that are normally available through the supply system, however, at the time of your request the

system cannot support the requirement (i.e. urgency, out of stock, quantity, etc.) use one of following justifications.

a. "Item(s) required is(are) mission-essential and is(are) not available in the Marine Corps Supply System"; or

b. "Item(s) required is(are) available in the Marine Corps Supply System but mission and urgency of need necessitate commercial procurement"; or

c. "Item(s) required is(are) available in the Marine Corps Supply System with an acquisition advice code directing local procurement of the item, the item is(are) coded ____."

2004. PRIORITY UTILIZATION

1. The current edition of MCO 4400.16 provides instructions on assignment of urgency of need designators. The assignment of "ASAP" (as soon as possible) is not considered a valid priority designator and will not be used.

2. Commanders are responsible for the accurate assignment of priority designators based on urgency of need.

3. Purchase request documents which contain priority designators of "07" or higher, for units supported by the Field Contracting Office, shall include an impact statement as to how or why the lack of the requested material is precluding accomplishment of the mission. All priority 07 documents shall arrive at contracting office with a high priority justification statement. Figure 2-2 is provided to assist in the preparation of such justification.

2005. PRIORITY WALK-THROUGH REQUIREMENTS

1. Walk-through requirements are those services or supplies which have caused or will cause essential work or training to stop because of the lack of the required item(s).

2. A walk-through purchase request document is authorized only in those cases when it is clearly demonstrated that the lack of the required item(s) is adversely affecting the unit's ability to accomplish the specific mission; has a negative impact on health, safety, or welfare; or may cause further degradation of major systems and components if corrective action is not applied immediately.

3. Activities processing emergency requests should review internal command policies in addition to current Marine Corps supply directives regarding assignment of high priority

designators prior to delivering the walk-through requirements to the Field Contracting Office for action. All walk-through purchase requests will contain an impact statement that fully justifies the use of the high-priority designator, and shall be signed by the appropriate commander or representative assigned in writing (Fig 2-2).

4. All walk-through purchase requests will be hand-carried to the Field Contracting Office, via the Customer Service Section, DSSC for supported units. Customers processing walk-throughs will remain with the purchase request document until it has been delivered to Field Contracting Office. Failure to remain with the document without prior Contracting Office approval may delay the request for walk-through procedures.

2006. REJECTION OF REQUISITION. The Field Contracting Office will reject and return purchase requests that are incomplete or inaccurate. This includes purchase requests that do not contain authorized signatures, current fiscal year appropriation data, a citation of funds, an accurate description, or sufficient justification. If the purchase request is assigned priority 07 or higher, the Field Contracting office will attempt to obtain the necessary data by phone, and the document will be returned only if that effort is unsuccessful. The Field Contracting Office will only return a document after exhausting all other means to obtain the needed information.

1. Pre-award Errors. When there is an error in the purchase request prior to contract award or delivery of the service or supply, the Field Contracting Office can issue a modification to correct the contract.

2. Post-award Errors. When detection of an error follows contract award or delivery, and the Government is responsible for the mistake that requires returning the service or supply; the originator of the request will bear all additional return, restocking, and re-procurement costs. Assuming that the contract was in compliance with the original purchase request.

SOP FOR CONTRACTING AND PURCHASING

*CRITICALITY/JUSTIFICATION STATEMENT FORMAT (WHY PRI 07)

From:
To: Contracting and Purchasing Officer
Via:

Subj: 07 CRITICALITY/JUSTIFICATION STATEMENT

1. What will not be accomplished (specifically) or will not happen if this item is not procured? If the requested item must have certain properties, functions or accessories, list and justify each.

2. Will this part or item if provided, complete the project?
Yes _____ No _____

3. What will this part or item affect in the overall application to the command?

Life _____ Command Interest _____

Safety _____ Health _____ Functional _____
(ie, water, food service, heating, cooling sewage, transportation) _____

Other _____

4. When does this job need to be completed? (e.g., NLT Jan 9_, do not indicate "ASAP") _____

5. Who set this deadline? Who is pushing project completion?

6. Remarks: Be specific as to why an item is needed. Your justification is what determines which 07 is handled first.

SIGNATURE OF APPROVING OFFICIAL

***EXAMPLE JUSTIFICATION:** Without flour, dining facilities cannot follow Armed Forces Recipe Cards for preparation of subsistence items for proper nutritional value. We are waiting for a shipment from Memphis, TN, DOC. #M00243-033-2365, Qty 850, with BA status. If not received, it will create command inter- est. **DO NOT ASSUME ANYTHING IN YOUR DESCRIPTION, REMEMBER YOU ARE THE EXPERT IN WHAT YOU WANT AND WHY YOU WANT IT.**

SOP FOR CONTRACTING AND PURCHASING

CHAPTER 3

GENERAL PROCUREMENT PROCEDURES

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SOP FOR CONTRACTING AND PURCHASING

CHAPTER 3

GENERAL PROCUREMENT PROCEDURES

3000. CONTRACT ACQUISITION PLANNING ASSISTANCE. The Field Contracting Office can provide acquisition planning assistance to all units it supports. The following list contains areas in which the Field Contracting Office can assist during acquisition planning.

1. Providing access to Federal and Military Specifications.
2. Providing access to commercial catalogs and specifications.
3. Arrange meetings with contractor representatives, when necessary.
4. Arrange demonstrations of commercial products or services, when appropriate.
5. Obtaining catalog price lists and technical information, when requested.
6. Assisting personnel who prepare purchase requests, requirements definition, and/or create statements of work.

3001. COMMUNICATIONS WITH COMMERCIAL CONTRACTORS

1. During the development of requirements and ensuing specifications it may become necessary to make contact with a representative of a commercial vendor. This interface frequently requires oral or written communications between contractors and customers supported by the Field Contracting Office. **Only personnel from the Field Contracting Office are authorized to seek assistance from commercial vendors.**

2. Moreover, it is recognized that immediate action may be necessary in some cases to obtain needed services or supplies, to correct equipment deficiencies, or avoid work stoppages on a project. However, the need to provide prompt notice to a contractor **does not** justify the making of contractual commitments by Government employees other than Field Contracting Office personnel. Government employees participating in meetings, conferences, plant visits, or having any other communications with contractor representatives should advise the contractor(s) that:

a. They, as Government representatives, have neither the authority nor the intention to enter into contracts or to change existing contract items.

b. No Government representative other than a formally designated Contracting Officer is authorized to enter into a contract or solicit information for planning purposes.

3002. LOANS AND/OR DEMONSTRATIONS OF COMMERCIAL PRODUCTS

1. Commercial contractors desiring to introduce new services or supplies or to advise customers supported by the Field Contracting Office, regarding future requirements, **must contact the Field Contracting Office**. The contractor must explain the purpose of their business on the Depot, and obtain approval from the Contracting Officer. The failure of prospective contractors to obtain such approval may put a Government employee in violation of the Standards of Conduct involved.

2. The Contracting Officer will ensure timely arrangements are made for loans/demonstrations of the desired commercial product(s) in all appropriate cases.

3. Loans of Contractor Equipment. Loans from commercial vendors provide an opportunity for the Government to test prospective services or supplies prior to an expenditure of appropriated funds. To arrange for a temporary loan of equipment the customer **must contact the Field Contracting Office** to set-up a simple memorandum of understanding (MOU). The MOU is a contract that fixes responsibility when an accident occurs or there are disputes over the supplies use.

3003. UNAUTHORIZED COMMITMENTS

1. General Information. Title 31, U.S.C. 1501 requires that there is a binding agreement in writing before contracts may be recorded as an obligation against the Government. Federal Acquisition Regulations 1.602-1(b) and (c) provide that no contract shall be entered into unless all applicable requirements of law and regulations have been met. The single most important and most abused requirement is that only contracting officers operating within the scope of their authority can obligate the Government. Thus, when a Government employee acts as an agent for the Government committing the Government for services or supplies, for which they are not authorized, there is an unauthorized commitment. An unauthorized commitment in advance of a legal contract amounts to an illegal act and does

not obligate the Government for the item ordered; however, the Government employee responsible for the commitment may incur a personal liability.

2. Policy. Only Contracting Officers acting within the scope of their authority may enter into contracts on behalf of the Government. Subject to the limitations and procedures prescribed in paragraphs 3003.3 through 3003.5 of this Manual, certain Contracting Officers may ratify actions initiated or approved by officers or employees of the Government, who did not have authority to enter into contracts on behalf of the Government, and which resulted in supplies delivered or services rendered to the Government.

3. Ratification Authority. The ratifying official for the Field Contracting Office, Marine Corps Recruit Depot is the Director of Contracts. The ratifying official has the authority to ratify unauthorized commitments up to \$2,500. Actions which require ratification in excess of \$2,500 will be forwarded to the Commandant of the Marine Corps (LB).

a. All ratifications are contingent upon review as to form and function by legal counsel on unauthorized commitment packages.

b. The ratification process is a slow process requiring accurate documentation. In order to speed this process along it is imperative that the procedures and considerations outlined in paragraph 3003.4, 3003.5, and figure 3-1, are closely followed.

4. Procedures.

a. The Government employee making an unauthorized commitment shall **forward to their Commanding Officer**, as appropriate, all documentation concerning the transaction. The following lists the minimum documentation that the employee must submit to their Commanding Officer.

(1) The employee will prepare and sign a statement that:

(a) clearly identifies themselves as making the unauthorized commitment;

(b) describes why normal procurement procedures were not followed;

(c) identifies the bona fide Government requirement that necessitated the commitment;

(d) states whether any benefit was received;

(e) states the value of the supply or service; and

(f) any other pertinent facts concerning the commitment.

(2) Include in the unauthorized commitment package all orders, invoices, or other documentary evidence of the transaction.

b. Commanding Officer Review Procedures. Using the checklist in figure 3-1, the Commanding Officer must review the circumstances and documentation concerning the unauthorized commitment. The Commanding Officer reviews the commitment to determine fault or negligence. Following review of the package, the Commanding Officer must endorse and forward all documentation to the contracting officer. The commanding officer's endorsement must address the following points.

(1) Verifies the package for accuracy and completeness of the documentation.

(2) Describes the measures taken to prevent a recurrence of unauthorized commitments.

(3) Provides a complete purchase description and funding for ratifying the contract.

c. The Contracting Officer's Review. Prior to submitting the unauthorized commitment to the ratifying official for ratification, the contracting officer ensures that all requirements for a legal binding contract are met. The contracting officer seeks legal counsel to ensure legality and proper form.

d. Ratifying Official's Actions. Prior to ratifying the unauthorized commitment, the ratifying official reviews the package to ensure that the checklist is complete, appropriate determinations and findings were made, and accomplish proper legal review. At this point the ratifying official can ratify the commitment or hold the Government employee personally liable for the charges incurred.

5. Ratification Considerations. The ratifying official has limitations that restrict what unauthorized commitments can be ratified. To determine liability of an unauthorized commitment under these limitations, the following questions must be considered when preparing the unauthorized commitment package.

a. Was the commitment from an urgency of need, emergency requirement, or from a mistake of fact or law on the part of Government personnel (see NavCompt Manual, paragraph 046369)?

b. Did the contractor rely on **apparent or implied authority** of the officer or employee making the unauthorized commitment?

c. Was the unauthorized commitment made to circumvent or evade the procurement statutes and regulations?

d. Did the contractor have an adequate remedy of law (i.e. existing contract) for which the Contracts Disputes Act provides procedures for obtaining relief?

e. Would the resulting contract be proper (i.e. when funds were not available for obligation at the time the commitment was made, or when the Government was otherwise precluded by law from procuring the supplies delivered or services rendered)?

f. Was the price to be paid fair and reasonable?

g. Was the payment an unallowable cost under procedures in reference (a)?

3004. INTERNATIONAL MERCHANT PURCHASING AGREEMENT CARD (IMPAC)

1. General. The IMPAC is a simplified small purchase instrument using a commercial credit card. The IMPAC program is a Government program established on a GSA contract. The Field Contracting Office uses IMPAC in place of the Imprest Fund. IMPAC is the most cost effective method for small dollar value procurements. The credit cards use greatly decreases the cost of the payment process.

2. Eligible Users. An IMPAC Bankcard will only be issued to Government employees that hold a Contracting Officer's letter of authority to purchase materials. In order to be eligible to receive IMPAC, the individual is required to attend a certified small purchase course. Attendance at such course will be at the customers expense and upon approval from the Director of Contracts.

a. The Bankcard dollar limitation, both per purchase and per month, will depend on the limitation of the authority. With the card, the buyer can make phone orders or in-store purchases.

b. The unique Government VISA Card, from the GSA contractor, is embossed with the individual buyer's name. No other person may use it. The card is distinguishable from personal credit cards through the use of a unique design. **THIS CARD WILL NOT BE USED FOR PERSONAL PURCHASES!**

3005. BLANKET PURCHASE AGREEMENT

1. The Blanket Purchase Agreement (BPA) is a simplified small purchase instrument. BPAs provide a simplified method for purchasing services and supplies that are from a general commodity, readily available, and of a repetitive nature. Appendix B of this manual provides procedures for establishing, ordering from, and maintaining BPAs.

2. Report Required. The current edition of MCO P4200.15 and reference (a) requires the reporting of all purchase actions and dollar amounts to higher headquarters. BPA purchases are a critical part of this reporting requirement. To assist the Field Contracting Office in fulfilling this requirement, the BPA administrator must submit a BPA usage report. The report, (figure B-3) lists the **number of calls** placed against each BPA and the corresponding **total** dollar value of the calls. The BPA usage report must reach the Field Contracting Office by 1200 on the last working day of each month; should the last day fall on a weekend or holiday, the report must be submitted the preceding workday. Negative reports are required.

3006. SERVICE CONTRACTS. Maintenance Service contracts are useful to help maintain Government owned equipment for which there is no organic maintenance capability. A service contract is one which calls for a contractor's time and effort rather than a concrete end product. Service contracts, if structured correctly, are advantageous to the Government by helping to reduce replacement costs and fixing the labor costs. A service contract, in most cases, is more economical than a BPA. The contract is written so that the costs are defined, maintenance is scheduled, and standards of acceptability are set. Figure 3-2 is provided to assist the customer in identifying a need for service contracts.

3007. EQUIPMENT LEASE OR PURCHASE

1. The decision to acquire equipment by lease or purchase must be made on a case-by-case basis. Generally, once a customer identifies a need for high dollar value equipment, that equipment will be purchased outright by the Government and retained on the property account records. However, outright procurement may not be the most beneficial course of action by the Government, i.e. equipment required for a short period of time or equipment of a highly evolving technology. Therefore, comparing a leasing agreement versus procuring the equipment as an option, may prove to be more advantageous course of action for the Government.

2. When a customer desires to consider a lease alternative, an economic analysis must be conducted to support the Government's lease decision. The detail of the analysis will correspond with the dollar value of the requirement. This analysis, at a minimum, must address those comparative factors set forth in MCO 7000.12. When a lease agreement is determined to be a cost effective approach for acquiring the equipment, a detailed justification must be provided to support the lease decision.
3. Figure 3-3 can assist the customer in the preparation an equipment lease request.

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CHECKLIST FOR RATIFICATION OF UNAUTHORIZED COMMITMENTS

1. STATEMENT SIGNED BY THE OFFICER OR EMPLOYEE DESCRIBING THE CIRCUMSTANCES.
 - A. Identifying clearly who committed the unauthorized commitment.
 - B. Why normal procurement procedures were not followed.
 - C. What bona fide Government requirement necessitated the commitment.
 - D. Whether any benefit was received.
 - E. The commitment's value.
 - F. Any other pertinent facts.REFERENCES: MCO P4200.15 ¶ 2305.5a(1)
NAPS 5201.602-3(c)(7)(i)(B)

2. ALL ORDERS, INVOICES, OR OTHER DOCUMENTARY EVIDENCE OF THE TRANSACTION.
REFERENCES: MCO P4200.15 ¶2305.5B
NAPS 5201.602-3(c)(7)(ii)

3. COMMANDING OFFICER'S ENDORSEMENT CONCURRING THAT THE COMMITMENT SHOULD BE RATIFIED.
 - A. Verifies the accuracy and completeness of the documentation.
 - B. Describes the measures taken to prevent a reoccurrence of unauthorized commitments.
 - C. Provides a complete purchase description and funding (purchase request) for ratifying the contract.REFERENCES: MCO P4200.15 ¶2305.5b
NAPS 5201.602-3(c)(7)(ii)

4. CONTRACTING OFFICER'S DETERMINATIONS AND FINDINGS.
 - A. The unauthorized commitment was not made to circumvent or evade the procurement statutes and regulations.
 - B. The commitment resulted from an urgent or emergency requirement or from mistake of fact on the part of the Government.
 - C. The contractor relied on the apparent authority of the officer employee of the Government.
 - D. The contractor does not have an adequate remedy at law for which the Contract Disputes Act provides procedures for obtaining relief.
 - E. Resulting contract would otherwise be proper.
 - (1) Funds were available at the time the commitment was made.

Figure 3-1.--Checklist for Ratification of Unauthorized Commitments

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- (2) [] The Government was not otherwise precluded by law from procuring the supplies or services.
- F. [] The price paid is considered fair and reasonable.
- G. [] The payment is not for unallowable costs.
- H. [] No doubt concerning a question of law or fact.
- REFERENCES: MCO P4200.15_ ¶¶ 2305.3 & 2305.c
NAPS 5201.602-3(c) (7) (iii)
FAR 1.602-3(C)
5. [] CONTRACTING OFFICER'S RECOMMENDATION TO THE RATIFYING OFFICIAL.
- REFERENCES: MCO P4200.15_ ¶ 2305.5c(4)
NAPS 5201.602-3(c) (7) (iii) (D)
6. [] APPROPRIATE CONTRACTUAL DOCUMENTS CITING FUNDS AVAILABLE AT THE TIME THE UNAUTHORIZED ACTIONS OF THE GOVERNMENT TOOK PLACE
- REFERENCES: MCO P4200.15_ ¶ 2305.5c(5)
NAPS 5201.602-3(c) (7) (iii) (E)
7. [] COUNSEL REVIEW AND OPINION AS TO FORM AND LEGALITY AND ANY ADDITIONAL PERTINENT COMMENTS OR ADVISE.
- REFERENCES: MCO P4200_ ¶ 2305.5c(6)
NAPS 5201.602-3(c) (7) (iii)
8. [] REVIEW BY THE RATIFYING OFFICIAL TO WHOM AUTHORITY HAS BEEN DELEGATED.
- REFERENCES: MCO P4200.15_ ¶ 2305.5d(1)
NAPS 5201.602-3(c) (7) (iv)
9. [] APPROPRIATE DETERMINATION AND FINDINGS BY THE RATIFYING OFFICIAL.
- REFERENCES: MCO P4200_ ¶ 2305.5d(2)
NAPS 5201.602-3(c) (7) (iv)
- 10 [] CONTRACTUAL DOCUMENT RATIFIED BY THE RATIFYING OFFICIAL.
- REFERENCES: MCO P4200.15_ ¶ 2305.5d(3)
NAPS 5201.602-3(c) (7) (iv)

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REQUIRED SERVICE CONTRACT INFORMATION

1. REQUESTING UNIT ADDRESS:

2. POINT OF CONTACT: _____

3. NOMENCLATURE: _____

4. SERIAL NUMBER(S): _____

5. MODEL NUMBER(S): _____

6. LOCATION(S): (include all locations (bldg. #) and serial numbers that coincide with each piece of equipment under contract)

7. CURRENT CONTRACT NUMBER: _____

8. DETAILED STATEMENT OF WORK FOR SERVICES REQUIRED:

Figure 3-2-- Service Contract Worksheet

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9. TYPE OF SERVICES REQUIRED: (Check one)

- 24 hour maintenance service to include emergency maintenance calls.
- Time periods for maintenance service (0800 through 1630, Monday through Friday, except holiday.)
- Other, explain _____

10. REQUIRED RESPONSE TIME FOR MAINTENANCE CALLS: (Check one)

- Eight (8) working hours
- Twelve (12) working hours
- Twenty-four (24) hours
- Other: _____

11. PREVENTATIVE MAINTENANCE: (Check one)

- Not required
- Required, if checked please specify:
 - Annual
 - Semi-annual
 - Quarterly
 - Other: _____

12. Payment process, how often (i.e. quarterly, etc.), where and to whom invoices should be sent (who will certify the invoices).

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CHAPTER 4

PROCUREMENTS REQUIRING SPECIAL HANDLING

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CHAPTER 4

PROCUREMENTS REQUIRING SPECIAL HANDLING

4000. GENERAL The customer is responsible to attain the proper approval and documentation for services or supplies they require prior to submission of the DD 1149 to the Field Contracting Office. Approvals range from local commander approval, to approval from the Commandant of the Marine Corps. Documentation can range from a data sheet to a feasibility study. This chapter identifies those items that require extra justification by the customer prior to submission for procurement.

4001. ADVERTISEMENTS Requests for paid advertisements must be approved by the Commandant of the Marine Corps per the FAR. Written authority must be attached to the purchase request prior to submission to the Contracting and Purchasing Branch.

4002. ATHLETIC AND RECREATIONAL CLOTHING AND EQUIPMENT Athletic and recreational clothing and equipment shall be purchased per instructions contained in the current edition of MCO P1710.17.

4003. AWARDS AND TROPHIES Requirements for awards, trophies, and other similar devices awarded in recognition of special accomplishments shall be procured per current editions of MCO 4235.21 and SECNAVINST 3590.4.

4004. FEDERAL INFORMATION PROCESSING (FIP) RESOURCES Acquisition of commercial equipment, having an inherent information processing capability or that which is designed to be applied to the solution or processing of problems or applications, cannot begin until all requirements established by the current edition of

ch 1
MCO P5231.1, and DepO 5230.3 have been met.

1. Customers aboard the Depot, submit requisitions for FIP resources to the Director, Communication Information Systems Department (CISD). The Director, CISD is responsible for conducting feasibility studies for all FIP resources. The Director, CISD will forward all purchase request for FIP resources to the Field Contracting Office. Purchase requests must include an endorsement that states a feasibility study for the procurement is on file at the CISD office.

4005. PROCUREMENT AND CONTROL OF GARRISON PROPERTY Requests for the procurement of garrison property, for Depot customers, must comply with DepO P4400.7, and have proper certifications from the Property Control Officer. Garrison property includes:

1. Space heaters, fans, air conditioners.
2. Vacuum cleaners and waxers.
3. Lawn equipment and machinery.
4. Washers and dryers.
5. BEQ and Office furniture.
6. Office machines (typewriters, calculators, etc.).
7. Bottled water dispensers.
8. Furniture, carpets, and drapes.
9. Food service equipment.
10. Microcomputers and copiers with a unit cost less than \$15,000.
11. All other property with an estimated unit cost less than \$15,000.

4006. MAGAZINE SUBSCRIPTIONS Magazine subscriptions will be procured per instructions contained in MCO P5600.31F, par. 2414. All requests for commercial publications and periodicals must be approved by the appropriate authority (for the Depot this is the Assistant Chief of Staff, G-1). All requisitions shall be submitted to the Contracting Officer, following appropriate approval. Complete written justification is required to prove the mission-essentiality of the request. General statements such as "this publication is mission essential" will not suffice.

4007. MUSICAL INSTRUMENTS AND ACCESSORIES Musical instruments and accessories will be procured per the instructions contained in the current edition of MCO 4225.2.

4008. PROCUREMENT MARINE CORPS (PMC) FUNDED EQUIPMENT

1. PMC funding is a three year appropriation that finances the cost of Marine Corps investment type items. An investment item is equipment that the unit cost exceeds \$100,000. Generally, PMC funded equipment is of a nature and dollar value where mistakes during the "requirements determination" and "contract process" can result in a substantial amount of funds being spent inefficiently. Moreover, the more time spent developing specifications and statements of work ultimately ensures that the service or supply procured meets the needs of the customer. Further, involving the contracting officer early in the requirements stage will ultimately save time and money during the procurement.

2. Route all PMC funded equipment purchase requests, for Depot customers, through the Facilities Maintenance Branch prior to submission to the Field Contracting Office. This routing ensures that the equipment the customer requests is compatible with existing facilities and/or to accomplish the appropriate planning for compatibility and maintainability.

4009. PRINTING SERVICES Purchase requests for local blank forms must be approved by Depot Forms Management (located at Management Assistance Division) prior to submission per the instructions contained in the current edition of MCO P5600.31.

4010. RELIGIOUS PROGRAM SUPPORT The current edition of MCO 4400.154 and UM 4400-15 contain procedures for the procurement support of Depot religious programs.

4011. RUBBER STAMPS Submit all purchase requests for rubber stamps to the Field Contracting Office, utilizing the following procedures:

1. Facsimile Signature Stamps. Submit purchase requests for facsimile signature using the DD Form 1149, attaching the sample of a signature, in black ink, on an 8-1/2" by 11" piece of bond paper. The authority for the use of facsimile signature stamps is per instructions in the current edition of SECNAVINST 5216.5.

2. Special-Order Rubber Stamps. Submit purchase requests for special order stamps on a DD Form 1149. Provide a sample of the

stamp on an 8-1/2" by 11" bond paper (refer to fig 4-2). All purchase request must include the following information or the request will be returned for insufficient information.

- a. Stamp dimension, include the overall dimensions of the stamp, i.e. height 1 1/2" X length 3".
- b. Borders, i.e. "With" or "Without" borders.
- c. Size of lettering, i.e. 5/16", 1/2"
- d. Letter style, i.e. Gothic, script, old english, etc.
- e. Non-self inking/Self inking, if self inking - what color (i.e. black, red, etc.)?

4012. SAFETY EQUIPMENT Submit purchase request (DD 1149) for safety equipment, e.g. work boots, eye glasses, and clothing, etc., through the Depot Safety Office for approval.

SOP FOR CONTRACTING AND PURCHASING

The stamp shall have the following:

CONDUCTED HOSPITAL VISIT THIS DATE _____
REMARKS: _____

1. Stamp not to exceed 3" in length and 2" inches in height
2. No borders.
3. Letters not to exceed 5/16" high.
4. Stamp is to be self-inking; use black ink.
5. Lettering Script.

Figure 4-2--Sample Special Order Rubber Stamp

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CHAPTER 5

CUSTOMER USERS GUIDE

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SOP FOR CONTRACTING AND PURCHASING

CHAPTER 5

CUSTOMER USERS GUIDE

5000. GENERAL. The ultimate goal of any procurement is to provide the customer a quality service or supply, that meets the minimum needs of the Government, at a fair and reasonable price. To achieve the degree of quality in the supply or service, the customer must first invest the preponderance of their time and effort in the acquisition planning phase.

5001. PURPOSE. This guide is written to help the customer from acquisition planning through post-award of the procurement process. By using this guide the customer can help expedite their requirements through the procurement chain, ultimately receiving the correct supply or service that satisfies their mission needs. Further, if honest use is made of the instructions in this guide, there will be a reduction in the procurement administrative lead time; the buyer can spend their time making a quality award vice clarifying technical requirements, seeking supplemental approvals, and requesting justifications from the customers. If all customers use this guide with the intention of producing clear and complete requisitions with all justifications and approvals, the Field Contracting Office will be able to provide quality service to it's customers.

5002. ACQUISITION PLANNING. There are a wide variety of considerations that must be made once the customer identifies their requirement. As the customer begins the acquisition process, they must consider the following.

1. The Office of Management and Budget has determined that expenditure of end-of-year funds (last two months of the fiscal year), at a rate greater than 20% of the annual appropriation is inherently wasteful. To better manage financial and personal resources the DoD Appropriations Act and Navy Comptroller Manual, Vol. 7, Appendix A, requires acquisition planning in advance of the end-of-year closeout, for procurement of services and supplies.

2. The procurement process begins with acquisition planning, prior to the preparation of a purchase request. Identifying contractual and/or technical milestones early in the process can establish the proper course of a procurement. The customer can avoid unnecessary delays, by effectively involving the technical and contracting personnel in all requirements.

3. Like-item requirements from various customers will be combined at the Field Contracting Office for procurement of economic ordering quantities; consequently, dollar level thresholds may be exceeded without notice, changing the procurement lead time necessary to execute a purchase.

4. When contemplating a large end-of-year buy, the customer must coordinate their open purchase schedule with the Field Contracting Office as soon as possible. The contracting officer has to adhere to statutory regulations during all procurement actions, obligating expiring funds during end-of-year closeout is no exception. To insure that there is sufficient time to complete a procurement, the contracting officer considers the procurement lead time necessary to insure that a procurement can be made. When sufficient procurement time is not available, the request will be denied. The significance in coordinating procurement actions early, is that when a request is denied there is still sufficient time to obligate expiring funds through other means.

5. The Director, Service and Supply will publish annual guidance outlining contract closeout procedures that include critical contracting cutoff dates.

5003. REQUIREMENTS DETERMINATION. A direct correlation exists between the quality of the work statement or specification and the quality of the service or supply the customer receives. The work statement or specification must be clear and precise, not only to the requester, but also to the buyer and contractor who provides the service or supply.

5004. PURCHASE REQUEST DESCRIPTION. The purchase request description describes the minimum needs that the service or supply must fulfill to satisfy the customer's requirement. Purchase request descriptions should not be written to specify particular products, or a particular feature of a product peculiar to one manufacturer. Purchase descriptions shall not preclude consideration of a product manufactured by another company, unless it is determined that the particular feature is essential to the Government's requirements and that similar products will not meet minimum needs of the Government, for the service or supply.

1. Identify as many of the following characteristics as possible in the purchase request description.

- a. Common nomenclature.
- b. Kind of material.

- c. Electrical data, if any.
- d. Dimensions, size, or capacity.
- e. Principles of operation.
- f. Restrictive environmental conditions.
- g. Intended use, including:
 - (1) Location within an assembly
 - (2) Essential operating conditions.
 - (3) Equipment with which the item is to be used.
 - (4) Other pertinent information that further describes the item, material, or device required.

2. A purchase description may describe requirements in several ways, using performance, design, or "brand name or equal" specifications, as appropriate.

3. When only one product is in the best interest of the Government in both quality and price, an other than full and open competition justification worksheet shall be completed.

5005. BRAND NAME OR EQUAL. When a requirement is identified, many times there are already services and supplies commercially available that satisfy the minimum needs of the Government. In most instances, it is simple to fulfill the requirement by identifying a brand name of equipment to satisfy the requirement. However, there are a variety of manufacturers that produce like items that also satisfy the requirement. Therefore, when developing a "brand name or equal" specification, the customer must always develop the specification with the requirement in mind. The purchasing specialist may not necessarily procure the exact brand name, however, if the specification is identified per the requirement, the item procured will always meet the needs of the customer.

1. Brand Name or Equal specifications are used when the requirement involves:

- a. technical construction;
- b. specifications that are of a type that cannot be furnished;

c. Commercially available items will meet the minimum needs of the Government.

2. Developing a Brand Name or Equal specification (fig.4-4).

a. Identify the item, using names of representative manufacturers' products or brands, followed by the words "or equal" so as not to limit competition to the particular products or brands named.

b. The purchase description must state the minimum essential requirements and specific salient features necessary to meet requirements.

c. If several manufacturers products meet the requirements, identify all such products.

d. Furnish catalog numbers, catalog dates, and catalog page numbers applicable to specific products cited.

3. The use of brand name or equal purchase descriptions is limited to procurements of standard commercial products.

4. Salient Characteristics. Salient characteristics are those components or features of the item that are prominent in the desirability of the item. Salient characteristics should include, but are not limited to, the identification of the following:

- a. The dimensions of the item, size, weight, etc.
- b. Electrical current used by the item, if any.
- c. Minimum tasks the machine must be able to accomplish.
- d. Any unique features the requirement demands.
- e. The ability of the Government to maintain the equipment.

5006. DEVELOPING STATEMENTS OF WORK/SPECIFICATIONS. The preparation of a statement of work or specification is the most important step in the acquisition planning phase. The specification or statement of work must be written so it clearly and thoroughly describes the service or supply that meets the customer's needs. Further, this description must possess enough detail so that the Field Contracting Office can process your purchase request in a timely fashion. Developing an adequate description means providing answers, in a prescribed format, to basic questions such as "Who requires; How Much; of What; by When; and Where?" There are several methods available for

developing a statement of work or specification. The following lists the methods for developing statements of work and specifications.

1. Statement of Work. A Statement of work is generally useful when describing services or supplies requiring detailed handling or installation instructions. During the planning process where a statement of work is necessary, the customer must allow adequate time early in the procurement process to develop the statement. The detail of a statement of work should correspond to the complexity and dollar value of the service or supply that the customer seeks. Statements of Work describing well defined "tasks" should consider the following sections.

a. Scope of Work. This section explains the breadth and depth of all tasks in general terms. This is usually covered in one brief paragraph, but its brevity does not undermine its importance. During contract performance, a contractor cannot be expected to do anything beyond the scope of the contract. Should a dispute arise, this paragraph will be read critically to determine the intent of the parties to the contract.

b. Physical Details. State where performance of the work will take place and the type of facilities or equipment necessary for performance, and what equipment or information is furnished by the Government. Be specific, a contractor responding to the statement of work or specification should be able to determine from the description whether location, lack of resources, and/or workforce would rule him out as a contender for award.

c. Deliverable. Specify all output expected from the contractor's effort.

d. Documentation. Projects that require test data, certifications, user manuals, or further documentation and its format from the offeror, must identify those requirements in the statement of work. Standard Data Item Descriptions can be helpful in this regard and should be used whenever applicable. Determine the number of copies of each document needed and prepare a distribution list for all deliverable documentation. Determine the quality of appearance needed, i.e. paper color, paper quality, or the report is to be bound, and specify this in the statement of work. Generally, the more specific the requirement there is a greater chance that it will increase price.

e. Physical items or conditions. State what is expected, e.g. a repaired engine which will measure up to a specified acceptance test; a mowed lawn which is cleared of cut grass, etc.

2. Military and Federal Specifications (MILSPEC/FEDSPEC). The development and use of MILSPECS/FEDSPECS are for services or supplies that have an inherent Government function. These specifications attempt to standardize procurement, installation, and maintenance of Government specific services or supplies. If a MILSPEC or FEDSPEC exist for a service or supply, sight it in the specification. With the availability of a wide variety of commercial items that can meet Government requirements, a majority of the MILSPECS/FEDSPECS are obsolete. Figure 5-1 provides an example of a MILSPEC/FEDSPEC.

3. Performance Specifications. Performance specifications set forth operational characteristics for services or supplies necessary to meet the customers needs. In such specifications, design, appearance, and other details are not stated or considered important if the performance requirement is met. The contractor accepts responsibility for design, engineering, and the achievement of the stated performance characteristics. (fig. 5-2)

4. Functional Specifications. Functional specifications are similar to the performance specification in the omission of design detail. It differs from performance specification in that it sets forth the intended use or application for the product in lieu of specifying capabilities or performance standards to which the product might be tested. The purpose of a functional specification is to encourage Government purchase of commercial products based on a competitive basis. Products that meet the stated functional uses of the agency can compete under this type of statement.

5. Design Specifications. Design specifications set forth precise measurements, tolerances, materials, tests, quality control, inspection requirements, and other specific information. Under this type of specification, the Government is responsible for the design and is, therefore, also responsible for omissions, errors, and discrepancies in the specifications and drawings. This is the least desirable form of specification. (Fig. 5-3)

5007. OTHER THAN FULL AND OPEN COMPETITION. (SOLE SOURCE JUSTIFICATION) Statutory provisions require Contracting Officers to obtain competition in all purchases in excess of \$2,500. Competition shall be sought for all services and supplies to the maximum extent practicable. In order for the Contracting Officer and the Competition Advocate to limit competition, the customer must provide justification as to why no other item will suffice. This justification must support any contention that only one firm can satisfy the requirement within given time constraints.

1. There are seven statutory exceptions to full and open competition. Consider the following seven exceptions when contemplating a request for other than full and open competition procurement.

a. Only one responsible source is available and no other alternative type of property or services will satisfy its needs.

b. Under unusual and compelling urgency, when the Government would be seriously injured unless the agency limited the number of solicited sources. Expiring funds is not a sufficient justification for a noncompetitive procurement.

c. When restriction of an award is for the maintenance of industrial mobilization or to maintain emerging research capabilities.

d. When the source is part of an international agreement.

e. When a statute requires the restriction of sources.

f. When it is in the best interest of national security.

g. When the head of the agency determines it to be necessary in the public interest.

2. If it is believed that only one source can satisfy the requirement, prepare a narrative justifying a limitation of competition, addressing the following points:

a. Supplies

(1) A brief description of the intended use or application.

(2) The critical or unique features which are mandatory in its intended use or application. The necessity for these features should be clearly stated.

(3) A statement that no other known product possesses one or a combination of all of the required critical features. The justification should elaborate on the steps taken which led to the conclusion that only a particular source or product can meet the requirement.

(4) The existence of a patent, copyright, or other limiting features.

(5) A brief discussion of why the Government does not have a specification, and why it cannot write one for this procurement. Discuss also what steps the Government is taking or will take to make the next contractual action competitive or, if such action is impossible or inappropriate, explain fully.

(6) Provide a cost benefit analysis (fig. 4-6).

b. Services

(1) A brief description of the service.

(2) The critical or unique standards which are mandatory for the performance of the service. The necessity for these standards should be clearly stated.

(3) A statement why no other contractor can provide this type of service. The justification should elaborate on the steps taken which led to the conclusion that only a particular contractor can meet the requirement.

(4) The existence of a propriety, warranty, or other limitations.

(5) A brief discussion of why the Government cannot preform the service. Discuss what steps the Government is taking or will take to make the next contractual action competitive or, if such action is impossible or inappropriate, explain fully.

(6) Provide a cost benefit analysis (fig. 4-6).

5008. DESIRED DELIVERY DATE. If appropriate, a desired delivery date may be specified. A desired delivery date is one by which it would be advantageous to receive delivery, but which is not so consequential as to justify the payment of a premium price or the restriction of competition.

5009. REQUIRED DELIVERY DATE. Each requisition must specify a realistic delivery date based on total expected lead time (requisition, plus administrative, plus production lead time). The delivery date must be an actual date, e.g., 25 June, rather than "ASAP." Lead time is defined as the total time elapsed from the initial formulation of the requirement to actual receipt of the required material or service. This may be further defined as follows:

1. A required delivery date is one of such importance that meeting it justifies paying a premium. If the required delivery

date is such that upon its passing, the urgency of the requirement diminishes (e.g., support for a field exercise), this should be made clear in the requisition. The intended end use should be identified with an estimate of financial loss or extent of failure to carry out the mission, if this date is not met. This background information on urgency may enable the Contracting Officer to negotiate in lieu of formally advertising, regardless of the priority number assigned, and to request approval for the use of overtime premium costs in certain instances.

2. Unreasonable delivery dates, at best cost extra money. At worst, vendors will not bid on or will protest a solicitation with unreasonable delivery dates. In both instances, action is delayed far beyond what would have originally been a reasonable delivery date.

3. Requisition Lead Time. The time from the initial preparation of a requisition to receipt of a requisition (one that contains all necessary justifications and already has data necessary to initiate procurement) by the contracting activity.

4. Procurement Administrative Lead Time (PALT). The number of calendar days that elapse from receipt of a requisition in the Field Contracting Office to the effective award date of the contract or order. PALT should be considered in planning procurements, especially when expiring funds are involved, to allow the contracting office sufficient time to obligate funds in a mode which allows for maximum competition in order to obtain the best price and delivery.

5. Production Lead Time. The time from the effective date of the contract to the delivery date specified in the contract.

5010. FOLLOW-UP PROCEDURES. The goal of the Field Contracting Office is to manage all contracts from "cradle-to-grave." The key to effective management of the entire procurement is to ensure that the orders are placed in a timely manner, but more importantly is to ensure timely receipt of the service or supply per the terms and conditions of the contract. To ensure customer satisfaction, timely followup is important to the procurement process. The customer can help the follow-up process. The customer can provide a written request (LAN is acceptable) for follow-up on a service or supply that they feel is most important to accomplish their mission. This gives the buyer a starting point from which to begin their follow-up duties and helps make the customers priorities the buyers priority.

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MILITARY/FEDERAL SPECIFICATION

A. INCORRECT

1. Asbestos Cloth MIL-I-24244 and SS-C-466 Qty - 6 rolls
2. Asbestos Cloth, Wire Inserted MIL-I-24244 and SS-C-466 Qty - 6 rolls

B. CORRECT

1. Asbestos Cloth, Thermal 6 Rls
2. Asbestos Cloth, Thermal, Wired Inserted 6 Rls

Both Items 1 and 2 above shall conform to Military Specification. Insulation Materials: thermal with special corrosion and chloride requirements, MIL-I-24244 (SHIPS) dated 22 August 1966, and Amendment 2 dated 1 May 1969 thereto.

Item 1 shall conform to Military Specification, Cloth Thread, and Tape; Asbestos, SS-C-466e dated 2 July 1964 and Interim Amendment 1 dated 17 June 1965 thereto. Type 14, Sub-type 14C, Form 1 Grade UG, Style 3, weight per square yard .70, .60 in. width, 50 yds. length; finish: dryweave.

Item 2 shall conform to Military Specification SS-C-466e. Type 14, Sub-type 14J, Form 1, Grade AAA-M, Style 7, Except to weigh 2.13 lb. per square yard, 60 in. width, 50 yds. length, finish: dryweave.

Figure 5-1-- Sample of a Military/Federal Specification.

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PERFORMANCE

A. RESTRICTIVE

Motor, electricity 117VAC, 60 Hz
Single Phase, Open Drip-proof; 5-1/4 HP; Frame Size 215, Rotation CCW, single shaft ball bearing, Continuous duty, 500C ambient temperature operation, 1800 RPM Dimensions: 12-1/8" diameter of housing, length 15"- Mounting: 4 screws centered on 3-13/32" radius circle, equally spaced. Weight 24 pounds. With 32" connection wire Sheathed in CRES 306 Bombay,, Inc., protective flexible covering 1/16" thick.

B. NON-RESTRICTIVE

Motor, electric, 117VAC 60 Hz Single Phase, Open Drip-proof; minimum 5 HP; Frame Size 215, Rotation CCW, single shaft ball bearing. Continuous duty 500C ambient temperature operation: 1700-1900 RPM. Maximum Dimensions 21 x 21. Maximum weight 35 pounds. With at least 30" connection wire, flexible metal sheath covering at least 1/16" thick.

Figure 5-2-- Sample of Performance Specification

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DESIGN

A. INCORRECT

Hydraulic Actuator, Drawing SS845-2180730

B. CORRECT

Hydraulic Actuator, two-position, 180 degrees rotation; 31,000 inch-pounds maximum torque; NAVSHIPS (BUSHIPS) - Drawing SS845-2180730, Revision B (enclosed/attached). If aluminum alloys are used as part of the pressure-containing envelope of the actuator required hereunder, the aluminum alloy shall be alloy 6061-T6 in a mechanically stress-relieved temper. Any use of aluminum alloy 6061-T6 shall have design adequacy verified by stress analysis. Stress analysis shall include fatigue analysis with a minimum of 50,000 cycles from 3000 Psi to 50 psi back to 3000 psi. Three (3) copies of the stress analysis shall be forwarded for approval to:
Contracting Officer (B860)

Marine Corps Recruit Depot
San Diego, California 92140-5000

Calculated compressive or tensile stress (using applicable stress concentration factors) in excess of 17,000 psi shall be cause for rejection of design. If aluminum alloys are need as described above, the alloy shall conform to Aluminum Alloy, Forging, Heat-Treated, Federal Specification QQ-A-367G dated 30 June 1966, and to Aluminum Alloy, Forging, Heat-Treated, Military Specification MIL-A-22771B (ASG) dated 19 September 1964, with Amendment 1 thereto dated 23 February 1966, Alloy 6061-T6 (mechanically stress-relieved temper).

Figure 5-3--Sample of Design Description.

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BRAND NAME OR EQUAL

A. INCORRECT.

Upright frame, pallet rack, Palmer-Shile Stock 88, P N S88-14440 or similar

Suggested source: Palmer-Shile, Inc.

B. CORRECT

Upright frame, pallet rack, metal Palmer-Shile Stock 88, P/N S88-14440; or EMI Air-Row Head P/N H-2-40144; or Brian Lyttle Beamlock Hpl-40-144; or Storage Systems, Inc P/N 4055-108; or Sturdi-Bilt Div. UNARCO P/N 144-40; or EQUAL

Salient characteristics

Height 12 feet (+/-3")
Depth 40 inches (+/-111)

Capacity minimum 22,000 lbs- each
Boltless type, adjustable on 3 or 4 inch centers, with integral or detachable footplates. Delivered in knocked-down form.

Figure 5-4-- Sample of a Brand Name or Equal Specification.

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A. DESIRED PRODUCT: (CUSTOMER'S RESPONSIBILITY)

- 1. EST. PRICE: \$ _____
- 2. EST. INSTALLATION COST: \$ _____

B. COMPARISON PRODUCT: (C&P'S RESPONSIBILITY)

- 1. EST. PRICE: \$ _____
- 2. EST. INSTALLATION COST: \$ _____

C. COSTS INCURRED AS A RESULT OF BUYING AN ITEM OTHER THAN THAT SPECIFIED IN THE REQUEST. THIS COMPARISON IS NECESSARY IF THE NEW EQUIPMENT IS TO REPLACE EXISTING EQUIPMENT. (CUSTOMER'S RESPONSIBILITY)

- 1. EST. RE-CONFIGURATION COSTS \$ _____
- 2. EST. RETRAINING COSTS: \$ _____
- 3. EST. SPARE PARTS INVENTORY: \$ _____
- 4. EST. SAVINGS AS A RESULT OF CONSERVATION FEATURES: \$ _____
- 5. EST. SAVINGS AS A RESULT OF LABOR SAVINGS DEVICES: \$ _____

D. COST BENEFIT ANALYSIS:

- 1. TOTAL PROCUREMENT COST (RECOMMENDED ITEM (A1+A2)) \$ _____
- 2. COMPARISON PROC. COST (B1+B2) \$ _____
- 3. COSTS INCURRED (C1+C2+C3+C4+C5) \$ _____
- 4. TOTAL COMPARISON COST (D1+D3) \$ _____
- 5. DIFFERENCE BETWEEN RECOMMENDED ITEM AND COMPARISON ITEM (D1-D4) \$ _____

E. If the total for line D5 is a negative number the recommended item is more beneficial to the Government.

Figure 5-5--Other Than Full and Open Competition Worksheet

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APPENDIX A

DEFINITIONS

BLANKET PURCHASE AGREEMENTS (BPA). A BPA is a simplified method of small purchase procurement. They are most akin to establishing a "charge account" with a qualified source of supply and are primarily used for fulfilling anticipated repetitive needs, e.g., electrical supplies, plumbing supplies, hardware, miscellaneous repair parts, etc. BPA's are designed to reduce administrative costs by eliminating the need for issuing individual purchase documents.

BRAND NAME OR EQUAL. The term "brand name or equal" describes a commercial product by brand name and make or model number or other appropriate nomenclature by which such product is offered for sale to the general public. When a "Brand Name or Equal" purchase description is used, the customer shall list all salient characteristics known for the product. Where feasible, all known brand name products with similar salient qualities should be referenced in purchase request documents. This allows for full and open competition between vendors with products that will meet the minimum needs of the Government.

CONTRACTING OFFICER. The Contracting Officer is a person appointed by the Deputy Chief of Staff for Installations and Logistics, Headquarters, U.S. Marine Corps. This duly appointed individual has the authority to enter into, administer and/or terminate contracts on behalf of the United States of America and to make related determinations and findings.

CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR). The COTR is appointed in writing by the Contracting Officer to serve as a technical liaison between the contractor and the Contracting Officer. The COTR monitors the performance of a contractor's service or product during the post-award phase of the contract and throughout the life of the contract, when required. The COTR does not have authority to enter, amend, modify, nor request performance from the contractor that is not specifically detailed in the basic contract. The parameters of the COTR's duties and responsibilities will be contained in the COTR appointment letter.

DELIVERY ORDER. A delivery order is an order for services or supplies placed against an existing commercial contract (General Services Administration (GSA)), requirements contract, indefinite delivery-type contract (IDTC), etc.), or with government

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sources of supply, ie. National Industry for the Blind (NIB/NISH), Federal Prison Industries (FPI), Department of Commerce, etc.

FEDERAL AND MILITARY SPECIFICATIONS. Federal and military specifications are those unclassified specifications and standards that are normally listed in the DoD Index of Specifications and Standards or the Index of Federal Specifications and Standards. Federal and military specifications normally involve product technical requirements to include performance, construction, physical characteristics, terms of testing and acceptance, preservation, packaging, and marking requirements.

FRAUD. Fraud is the attempt to defraud the Government or corrupt its agents. Fraud also includes any willful means of taking or attempting to take unfair advantage of the Government to include, but not limited to: making false statements, submission of false claims, use of false weights or measures, evasion or corruption of inspectors and other officials, deceit, adulteration or substitution of materials, falsification of records, arrangements for secret profits, kickbacks, or commissions.

GRATUITY. A gratuity is any gift, favor, entertainment, hospitality, transportation, loan, or any tangible item, and any intangible benefits (discounts, benefits, passes, etc.) given or extended to on behalf of DOD personnel, their immediate families, or households for which market value is not paid by the recipient or the U.S. Government.

IMPREST FUND. The Imprest Fund is a ready cash fund for collect on delivery (C.O.D.) payments. The cash fund is a fixed amount and is established through an advance of funds, without appropriation charge, from a Disbursing Officer to an authorized Imprest Fund Cashier. No single imprest fund order can exceed \$500.00.

IMPROPER CONDUCT. Improper conduct consists of those actions which either specifically undermine the public confidence, or result in a violation of the DoD standards of conduct. Actions by any Government employee to unlawfully assume the authority of a warranted contracting officer, or to prevent a contracting officer from conducting Government business, or to intervene in a contractual dispute on the part of a vendor is considered by its inherent willfulness to be a serious criminal violation, punishable under administrative and/or judicial proceedings. Commercial vendors are subject to DoD debarment proceedings.

INTERNATIONAL MERCHANT PURCHASING AGREEMENT CARD (IMPAC). The IMPAC is a simplified small purchase instrument using a commer-

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cial credit card. The use of the credit card is most advantageous to the Government as it reduces the procurement administrative lead time (PALT) and the liquidation of bills. There is a dollar limitation established for the use of the IMPAC. The IMPAC replaces the Imprest Fund and some BPAs.

OPEN-MARKET PROCUREMENT. Open-market procurement is the method by which a government agency acquires ownership or control of supplies or obtains services from commercial sources, normally in exchange for payment of appropriated funds. Open-market procurement is generally regarded as the least preferred method of acquisition. Customers must therefore ensure that all Military Standard Requisitions and Issue Procedures (MILSTRIP) are exhausted prior to the initiation of obtaining supplies or services through the open market.

ORDERING OFFICER. An Ordering Officer is a person appointed by the Contracting Officer whose authority is limited to placing orders under existing contracts, such as Federal Supply Schedule contracts, indefinite delivery-type contracts, and blanket purchase agreements.

OTHER THAN FULL AND OPEN COMPETITION. Other than full and open competition or sole source justification is a written statement submitted by the requesting activity to the Contracting Officer, outlining why a particular product or service must be procured without substitution in order to satisfy the minimum needs of the Government. Chapter 4 of this manual provides areas to consider when requesting a supply or service using other than full and open competition procedures.

PERSONAL SERVICES. Personal services are those which create an employer/employee relationship, such as a government employee supervising a contractor employee. No individual, other than the Contracting Officer, possesses the authority to direct contractors in any way which could alter an obligation or change a statement of work. No person, including the Contracting Officer, may direct contractor employees in such a manner as to create an employer/employee relationship. The test of the relationship is surveillance, which is proper, as opposed to supervision, which is not.

PROMPT PAYMENT DISCOUNT. Prompt payment discounts are discounts offered by commercial suppliers to the Government as an incentive to expedite processing of invoices for payment.

PURCHASING OFFICER. A Purchasing Officer is a person appointed, in writing, with open-market procurement authority up to \$25,000 in the open market and unlimited authority for delivery orders. The purchasing officer is considered a contracting officer,

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however, it is generally accepted that a purchasing officer has the authority to purchase using only simplified purchasing procedures. The procurement activities of the purchasing officer are under the direction of the Director of Contracts, of the nearest Field Contracting Office.

PURCHASE ORDER. A purchase order represents an offer, by the Government, to buy specific supplies or non-personal services from commercial sources, for which specified terms and conditions have been established (unit and total price, unit of issue, delivery dates, payment terms, etc.), and which, when accepted by the contractor, becomes a binding contract. At no time will the aggregate total of a purchase order exceed the small purchase monetary limitations (currently \$25,000). The DD Form 1155 is the document used as a purchase order aboard the Depot.

PURCHASE REQUEST DOCUMENT. A purchase request document is a requisition document which contains an authorizing signature, fund citation, complete description, salient characteristics, delivery date, priority designator, and recommended source of supply, if known. Purchase action shall not be initiated prior to the receipt of a valid purchase request. The Department of Defense (DD) Form 1149 is the purchase request document used most universally aboard the Depot.

REQUIRED SOURCES OF SUPPLY. Open market procurement is the last method which the contracting officer will use to procure supplies and services. In order of precedence the contracting officer must determine if the supplies or services are available from, agency inventories (supply system), excesses from other agencies, Federal Prison Industries, NIB/NISH, GSA store depots, Federal Supply Schedule contracts, other indefinite delivery type contracts.

SALIENT CHARACTERISTICS. Salient characteristics are those components or features of an item that are prominent in the desirability of the item. Salient characteristics should include, but, are not limited to the identification of such features as the dimensions, electrical current, copies per minute, ambient temperature, capacity, color, etc.

SMALL PURCHASE. Small purchase is the open-market acquisition of supplies and non-personal services when the aggregate amount of any one transaction does not exceed \$25,000. The Congress has legislated that small purchases are a 100% small business set-aside. The term "small purchase" does not include formally advertised contracts, regardless of the dollar amounts, or delivery orders placed against indefinite delivery-type contracts or against Government sources of supply. Small purchase

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instruments include imprest funds, IMPAC, delivery orders, purchase orders, and BPA'S. **All** requests for small purchase procurements must be supported by a DD 1149 purchase request document.

SMALL PURCHASE-SMALL BUSINESS SET-ASIDE. Public Law 95-507 states "each acquisition of supplies and services that has an anticipated dollar value of \$25,000 or less shall be reserved exclusively for Small Business concerns."

1. The contracting officer may purchase supplies and services on an unrestricted (not 100% set-aside for small business) basis only under the following conditions:

(a) The requirement for Small Business-Small Purchase set-asides does not affect the responsibility of agencies to make purchases from required sources of supply, or

(b) if the contracting officer determines there is no reasonable expectation of obtaining quotations from two or more responsible small business concerns for acquisitions over \$2,500 or at least one source if the purchase is under \$2,500 in terms of Fair Market Price, quality, and delivery.

2. In an acquisition where a large business is competing with a small business the contracting officer must determine that the small business price offered is not a fair market price prior to awarding a contract to a large business.

SPLIT REQUIREMENTS. Dividing a requirement is the act of dividing or "splitting" purchase requirements in order to circumvent the monetary limitations imposed for utilizing small purchase procedures or the limitations contained within individual Delivery Order or Blanket Purchase Agreements (BPA). All similar requirements shall be combined (i.e., multiple requirements for hardware, electrical, and plumbing supplies, subsistence items, etc.) in such a manner that the combined total on the purchase request document represents the aggregate requirement.

UNAUTHORIZED COMMITMENT. An unauthorized commitment is the ordering and acceptance of services and supplies in advance of a legal contract. Such a commitment is an illegal act and does not obligate the Government to pay for the items ordered, but a personal liability may be levied against the individual making the unauthorized commitment. Depot personnel can avoid unwittingly violating Federal law by ensuring that only Contracting and Purchasing personnel and such other persons designated by the Contracting Officer negotiate and enter into contracts with commercial vendors.

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APPENDIX B

USERS GUIDE: BLANKET PURCHASE AGREEMENTS

GENERAL. The Blanket Purchase Agreement (BPA) is a simplified small purchase instrument that provides an easy method for purchasing supplies and services of a repetitive nature. The BPA is similar in nature to establishing "charge accounts" with qualified sources of supply. BPAs provide the buyer a means to procure items of the same general category that are readily available.

AUTHORITY. Only the Contracting Officer has the authority to establish and grant call authority for BPAs.

RESPONSIBILITY.

1. The Contracting Officer is responsible to determine whether to establish a BPA for use by personnel outside the Field Contracting Office.

2. It is the responsibility of the BPA administrator to ensure proper compliance with the guidelines set forth in this Manual, the BPA, and the letter of authorization. Noncompliance with the instruction contained herein may result in the termination of BPA call authority.

a. The BPA user will ensure that each authorized BPA administrator is thoroughly trained in the pertinent BPA procedures before actually administering call authority.

b. The BPA administrator will ensure that appropriate and sufficient funds have been administratively set aside to defray all costs incurred against BPA'S.

c. The BPA administrator must ensure that all military personnel and civilian employees engaged in the administration of BPA'S are thoroughly indoctrinated on their individual responsibilities in adhering to the ethical standards of conduct. Upon assignment as a BPA administrator, and every six months thereafter, every individual shall become familiar with the contents of the current edition of SECNAVINST 5370.2. After receiving indoctrination, each individual shall sign a statement certifying the same as shown in figure B-1.

d. Each indoctrination shall be signed and dated by the individual and be retained on file, in the contracting office, until five years after the individual has ceased to serve as a BPA administrator.

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e. The BPA administrator shall perform internal reviews to ensure compliance with BPA regulations by the BPA administrator(s).

f. The BPA administrator shall ensure timely payments are made to the contractor.

CONDITIONS FOR USE. When determining if a BPA is necessary to better satisfy your requirements consider the following:

1. Are the supplies or services of a repetitive need for closely related commodities, (electrical, religious, repair parts, engraving, etc.). The rule of thumb for "repetitive need" is generally considered to be at a minimum two calls placed against the BPA per month.
2. Are the supplies or services of a low dollar value and available in small quantities. The cost of the supplies or services, in quantities that the BPA administrator would most likely procure them, cannot exceed \$2,500 per single call.
3. Are the supplies or services readily available from the local vendor base within 30 days.
4. Is the use of a BPA more economical than any other method of procurement.

LIMITATIONS. The following limitations apply to the use of all BPA's:

1. No call shall be placed without an approved purchase request document (DD 1149).
2. Each BPA has limitations as to individuals who can place calls against the BPA and their dollar limitation per call and month.
 - a. For BPA holders outside of the Field Contracting Office, call authority shall not exceed \$2,500.
 - b. The Field Contracting Office has authority to place calls not to exceed \$25,000. No single call can exceed \$25,000.
3. A BPA is effective as long as there is sufficient use, as described above. Calls cannot be placed against a BPA which has been cancelled.
4. Calls placed by other than Field Contracting Office personnel shall be made only for the, quantity of supplies or ser-

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VICES required to correct a specific problem. Supplies will not be purchased for stock or overhead.

5. When the contractor cannot deliver or perform in 30 days (or as specified by the BPA), the call must be cancelled and all documentation concerning the purchase must be sent to the Field Contracting Office to complete procurement action.

REQUESTING BPAS. Any Fund Administrator can identify a need for a BPA, in writing, to the Contracting Officer. The Contracting Officer will determine the most efficient way to procure desired goods or services in a timely manner. If appropriate, the Contracting Officer will award a BPA.

1. Procedures for requesting a BPA(s).

a. For units located aboard the Depot, submit your written request for a BPA via the DSSC, Customer Services Branch. Requirements for services, and for those activities not located aboard the Depot, forward your written requests directly to the Field Contracting Office.

b. The request shall include:

(1) an adequate description of the supplies or services. Include Federal Supply Group(s), specialty items, commodity group(s) or classes as applicable;

(2) an estimate of the annual usage for the supply or service that the BPA is requested;

(3) recommended source(s) of supply, if known;

(4) justification that the requirement fulfills all conditions for the establishment of a BPA, be specific per the conditions and limitations above;

(5) list the personnel for which call authority will be given, the list shall identify those individuals by name, rank, and social security number; and

(6) point of contact/telephone number for the requesting unit.

2. The BPA, once established, will remain in effect until cancelled. If the usage of the BPA continues to meet the criteria above, and there has been no other procurement instrument established, i.e. GSA schedule, indefinite delivery type contract, maintenance agreement, etc., the BPA can remain active, even across fiscal years.

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PURCHASE REQUEST DOCUMENT. The purchase request document initiates all procurement actions. This is particularly important for BPA administrators. All BPA administrators shall screen purchase request documents using the guidance provided in Chapter 2 of this Manual.

UTILIZATION PROCEDURES

1. Submit all BPA requirements to the BPA administrator using DD Form 1348, DD Form 1149, or an approved purchase request document with the appropriate authorizing signature(s).
2. Procurement by the BPA method does not obviate the necessity for the screening requirements against availability from regular supply channels. Therefore, prior to placing calls against the BPA, each requirement **must** be screened using the same procedures outlined in Chapter 2 of this Manual.
3. Similar requirements shall be consolidated for one purchase. Do not "split" or "divide" a requirement to circumvent the limitations of the call authority for the BPA.
4. If the requirement exceeds the monetary limitations of the BPA administrator, forward the requirement and all supporting documentation to the Field Contracting Office for action.
5. To place a call, the BPA administrator will contact the contractor, identify themselves, the BPA, and place the call for the desired service or supply. Generally, the call will be made orally, except if the BPA allows other forms of conveyance. Once the call is placed, the BPA administrator will record the cost per unit, time and place of delivery, and call number in the BPA folder.
6. When activities have more than one BPA for similar commodities, the BPA administrator shall equitably distribute calls amongst the various BPAs.
7. All calls shall be controlled by the organization administering the BPA.
8. Documentation of calls shall be limited to essential information on the BPA worksheet, figure B-2.
9. The BPA call number will be recorded on the authorized purchase request document (requisition).
10. Upon receipt or performance of the supplies or services, a delivery ticket must be signed by the individual receiving the

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material or service; and the appropriate receipt document must be signed acknowledging receipt or completion. The delivery tickets and receipt documentation will be retained until a summary invoice (monthly statement) is received from the contractor.

11. The BPA administrator will establish a method to ensure that calls do not exceed the 30 day delivery requirement. When notified by the contractor that the delivery will take more than 30 days, the BPA is no longer the correct method of procurement. These BPA calls will be handled through normal procurement methods. Forward all BPA documents and documentation to the Field Contracting Office for proper action.

12. When delivery or performance of the desired supplies or services is not within the within required time, activities shall contact the contractor for delivery status. Document all communications with the contractor in the BPA folder.

13. When the summary invoice is received, a comparison will be made between the delivery tickets and the summary invoice. The BPA administrator will certify the summary invoice is correct, and forward it along with all delivery tickets to the fund administrator.

14. The fund administrator will review and certify the summary invoice and delivery tickets and forward the entire package to the Defense Accounting Office for payment. If a summary invoice is not received from the contractor, the administrator managing the BPA will summarize all calls and certify for payment as shown in figure B-1.

PROCEDURES FOR COMPLETING THE BPA WORKSHEET

1. After placing each BPA call, the BPA administrator will place the necessary data on the BPA worksheet (figure B-2). The required data are as follows:

- a. signature of the caller/BPA administrator,
- b. call number,
- c. date the call was placed,
- d. amount of the call,
- e. cumulative total including present call, and
- f. the date the material/service was received or performed.

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2. Call numbers are assigned to each BPA by the Field Contracting Office. Number all calls consecutively, as they occur, throughout the life of the BPA.
3. Record totals by total per call and as a cumulative total for the money actually spent using the BPA. Revert cumulative total to a zero balance at the beginning of each fiscal year.

PROCEDURES FOR RECEIVING MATERIAL.

1. The individual receiving material shall:
 - a. Inspect the material to ensure it complies with the requirements noted on the purchase request;
 - b. the individual receiving material will annotate the delivery with their name, rank, and date the material was received; and
 - c. then sign the delivery ticket.
2. Do not accept material that is in non-conformance with the purchase request.
 - a. If during delivery the material is not in conformance with the original call, reject the material and send it back to the contractor.
 - b. Attempt to seek compliance from the contractor. If the contractor does not comply, refer the matter to the contracting office.

FILE MAINTENANCE

1. The BPA administrator will establish and maintain a BPA folder, as set forth in this Manual (fig. B-5). BPA folders shall contain the following documents:
 - a. The activity's copy of the BPA.
 - b. All modifications/correspondence pertaining to that BPA.
 - c. Letters of Authorization for BPA administrators.
 - d. BPA worksheet/call sheet.
 - e. Purchase request document(s) for calls placed.
 - f. Delivery tickets/sales slips for each call placed.

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- g. All waivers or special documents pertaining to the BPA.
2. DESTRUCTION. Maintain all documentation, invoices, and payment vouchers for three years following payment or receipt of material, whichever is later.

CONTROLS

1. Controls will be established by the Fund and BPA Administrator to preclude the performance of any two of the following functions by the same person:
 - a. creating the requirement (approving the purchase request);
 - b. placing the calls; and
 - c. receipt, inspection, and acceptance of the service or supply.
2. If circumstances make the use of a three-way control impractical the following minimum standard applies. Ensure that the person placing the call will not simultaneously perform the function of receipt, inspection, and acceptance of the material.

REPORT REQUIRED. The current edition of MCO P4200.15 and the Federal Acquisition Regulation (FAR) requires the reporting of all purchase actions and dollar amounts to higher headquarters. BPA purchases are a critical part of this reporting. To assist the Contracting Officer in fulfilling this requirement, submit on the last day of each month the number of calls placed against each BPA and the corresponding total dollar value. BPA Monthly Reports (fig. B-3) must reach the Field Contracting Office by 1200 on the last day of each month; should the last day fall on a weekend or holiday, the report must be submitted the preceding workday. This report shall be prepared regardless of the number of calls placed. Negative reports are required.

REVIEW OF BPA'S. The Contracting Officer or designated representative shall conduct a semiannual review of all BPA's to assure that authorized procedures are being followed and purchases are being made in strict compliance with provisions of the current edition of MCO P4200.15 and FAR. A statement that the review was conducted, and that the applicable instructions governing BPA's are being complied with, will be maintained on file. The review will ensure:

1. That calls are distributed properly.

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2. That regular supply channels are not circumvented through the use of the BPA. The checklist shown in figure B-4 will be used to conduct the BPA review.

PROCEDURES FOR UPDATING LETTER(S) OF AUTHORIZATION. Letter(s) of Authorization, issued by the Field Contracting Office, identifies individuals authorized to place calls on a specific BPA. Calls placed by persons other than the individuals authorized are unauthorized commitments. It is the responsibility of the activity to initiate letters requesting the deletion and/or addition of personnel, as necessary. Include the following information in letters requesting BPA authority:

1. The fund administrator requesting the changes.
2. A complete list of the BPA's requiring updating. (This list shall contain the BPA number and name of the contractor.)
3. A list of the BPA administrators.
4. A list of the BPA administrators which are to be deleted and/or added. Indicating name, rank, SSN, and call authority limitation.

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BLANKET PURCHASING AGREEMENT

SUMMARY REPORT

(ACTIVITY & UIC)

(BPA NUMBER)

(VENDOR'S NAME)

(SUMMARY FOR THE MONTH OF _____)

<u>Date</u> <u>Call</u> <u>Placed</u>	<u>Delivery</u> <u>Date</u>	<u>Invoice</u> <u>Receipt</u> <u>Date</u>	<u>Invoice</u> <u>No</u>	<u>Invoice</u> <u>Call</u> <u>No</u>	<u>Total</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Monthly
Total _____

I certify that material/services were received, inspected and accepted, and invoices received as cite above. Exceptions:

(DATE FORWARDED
FOR PAYMENT)

(TYPED NAME OF CERTIFIER)

ACCOUNTING DATA:

Figure B-1.--Format for Summary Invoice Certification.

SOP FOR CONTRACTING AND PURCHASING

SATELLITE BPA HOLDER

BPA NUMBER: M00243-93-A-0001

CALL #	SIGNATURE DATE	REQUISITION #	AMOUNT (\$)	CUM. TOTAL	DELIVERY DATE
2001	16 MAR 88	M34000-8071-4327	150.00	150.00	21 MAR 88
2002	18 MAR 88	M34000-8074-4329	200.00	350.00	30 MAR 88
2003	20 MAR 88	M34000-8075-4350	500.00	850.00	23 MAR 88
2004	21 MAR 88	M34000-8076-4352	150.00	1000.00	31 MAR 88

Figure B-2.--Sample BPA Worksheet.

SOP FOR CONTRACTING AND PURCHASING

From: Operations Officer
To: Director, Field Contracting Office
Subj: MONTHLY SATELLITE BPA REPORT

BPA NUMBER	CONTRACTOR	CALLS	AMOUNT	BUS. SIZE
M00243-93-A-0001	JOHN'S ENGRAVING	12	\$3,245	SMALL
M00243-93-A-0002	I SELL PAINT	9	\$12,054	SMALL
M00243-93-A-0003	BULBS R US	0	\$0.00	SMALL

Figure B-3.--Sample Monthly Satelite Report

