

May 10, 1994

CDC GENERAL MEMORANDUM NO. 94-2

UNAUTHORIZED CONTRACTUAL AND PURCHASE COMMITMENTS

Employees are reminded to follow proper procedures for purchasing equipment, supplies, services, and training. Particular care should be given to service on computers, typewriters, etc. In certain situations, service on this type of equipment is covered under warranty, maintenance agreement, or a specific service contract. Prior to requesting service, repair, or training, an employee should be careful to ensure that a formal agreement of some type is in place. Otherwise, it will result in an unauthorized commitment.

Responsibility for the buying process and the execution of all contractual documents is delegated exclusively to personnel in the procurement offices with the exception of training requests. The Human Resources Management Office, Training and Career Development Branch, is responsible for the training requests. Administrative procedures and channels are well established in Centers/Institute/Offices (CIO) to provide orderly requisitioning of materiel, services, and training required for operations of CDC*.

HHS regulations provide that contractual or purchase commitments, regardless of the amount of funds, will be made only by personnel with delegated authority. Only the Director, CDC*, may ratify unauthorized commitments.

Any unauthorized commitment should be submitted, following one of the two procedures attached to this memorandum. Agreements or contractual commitments made to prospective contractors by persons who do not have delegated procurement authority are unauthorized actions. The Government is not bound by these commitments. Also, such unauthorized acts may be in violation of the Federal Property and Administrative Services Act and the Federal and HHS Acquisition Regulations. Obviously, such unauthorized actions are undesirable for both the employee and CDC.

Arthur C. Jackson
Associate Director for

Management and Operations

*References to CDC also apply to ATSDR; references to the Director, CDC, also apply to the Administrator, ATSDR.

REFERENCE POINT: Procurement and Grants Office
Human Resources Management Office, Training and Career
Development Branch (for training requests only)

SUPERSEDED MATERIAL: CDC General Memorandum No. 83-10, Unauthorized Contractual and Purchase Commitments, dated August 1, 1983

DISTRIBUTION: All CDC and ATSDR Employees

UNAUTHORIZED CONTRACTUAL AND PURCHASE COMMITMENTS

PROCEDURES NO. 1: For all unauthorized commitments other than training

The individual who makes an unauthorized contractual commitment will submit through channels to the Center/Institute/Office Director all records and documents concerning the commitment. The file will include, but not be limited to, a written statement by that individual committing the unauthorized procurement as to:

- ! Explanation of the events leading up to the unauthorized commitment.
- ! Why the procurement office was not utilized.
- ! Why the proposed contractor was selected.
- ! Whether the contractor has commenced performance.
- ! A list of other sources considered.
- ! A description of the work to be performed or products to be furnished.
- ! An estimated or agreed contract price.
- ! A citation of the funding appropriation.

The Center/Institute/Office Director will:

- ! Prepare a statement of corrective action taken to prevent other unauthorized commitments from occurring in the organization.
- ! Send this statement, together with the complete file on the unauthorized contractual commitment, to the Director, Procurement and Grants Office.

After reviewing the documentation, the Director, Procurement and Grants Office, will complete the following actions and then forward it through the Associate Director for Management and Operations to the Director, CDC:

- ! Determine the adequacy of the records and obtain further documentation if necessary.
- ! Prepare a statement of facts to include an analysis of the prices involved to support a findings of whether or not the prices are considered fair and reasonable.

If the unauthorized procurement is approved by the Director, CDC, the file will be returned to the appropriate procurement office. A purchase order, contract, or contract modification will be issued.

If the unauthorized procurement is disapproved by the Director, CDC, the file will be returned to the Center/Institute/Office Director. The individual responsible for the unauthorized procurement will be responsible to the supplier for correction of the situation.

UNAUTHORIZED CONTRACTUAL AND PURCHASE COMMITMENTS

PROCEDURES NO. 2: For all unauthorized training commitments

The individual or group who makes an unauthorized training commitment will submit through channels to the Center/Institute/Office Director a paper HHS-350, Training Nomination and Authorization form, records, and other documents concerning the commitment. The file will include, but not be limited to, a written statement as to:

- ! Explanation of the events leading up to the unauthorized commitment.
- ! Why the training office was not utilized in a timely manner.
- ! Whether the training has been completed.
- ! Name of the vendor, title of course, and dates.
- ! A total amount of tuition and/or book fees.
- ! The completed paper HHS-350 with signatures.

The Center/Institute/Office Director will:

- ! Prepare a statement of corrective action taken to prevent other unauthorized training commitments from occurring in the organization.
- ! Send this statement, together with the complete file on the unauthorized contractual training commitment, to the Director, Human Resources Management Office.

The Director, Human Resources Management Office, will review the file and forward it through the Associate Director for Management and Operations to the Director, CDC.

If the unauthorized training procurement is approved by the Director, CDC, the file will be returned to the appropriate office. A training order will be issued.

If the unauthorized training request is disapproved by the Director, CDC, the file will be returned to the Center/Institute/Office Director. The individual responsible for the unauthorized training order will be responsible to the vendor for correction of the situation.