



THE OLAO ACQUISITION NEWSLETTER

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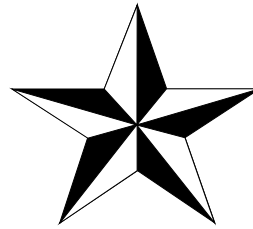
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HIGHLIGHT **OF THE MONTH**

Gifts from Outside Sources

National Institutes of Health Ethics Program

A vendor that you frequently place orders with sends a gift to you in appreciation for your business.

You place an order with another vendor for some laboratory supplies and one of the items qualifies you to receive a promotional gift, which will be sent to you along with the supplies.

What should you do?

The Standards of Conduct for Executive Branch Employees state that an employee, whether on or off duty, may not solicit or accept, directly or indirectly, any gift, favor, gratuity, entertainment, or loan, regardless of value, from a prohibited source, nor may an employee accept a gift, or thing of value, given because of the employee's official position. The following definitions will clarify what is considered a gift, and from whom gifts are permitted. The exceptions to the gift acceptance prohibition are also described below.

Definitions

A **gift** is a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes gifts of transportation, local travel, and lodgings and meals. These travel related gifts are covered whether provided in-kind (that is, the donor just gives you a plane ticket, or hotel room key), payment in advance, or reimbursement after the expense has been incurred.

A gift is NOT:

Food or refreshment which is not in conjunction with a meal, such as coffee, donuts, punch and cookies - in other words, snacks, are not considered gifts.

Greeting cards and items of little intrinsic value (e.g., plaques, certificates and trophies which are solely for presentation.)

Rewards and prizes given in contests which are open to the public or to a broadly defined class of government employees.

Loans from banks and other financial institutions at rates available to the general public.

Opportunities and benefits generally available to the public, or to all government employees.

Anything that the government pays for, or anything for which you pay the fair market price.

A **Prohibited Source** may be:

Any person, or entity, who has, or is seeking to do business with the NIH, or is seeking official action by the NIH,

Anyone who conducts operations which are regulated by the NIH,

Anyone with interests which may be substantially affected by the performance or non-performance of an employee's official duties, or

Any professional, technical or trade association, the majority of whose members represent prohibited sources

A gift is **solicited or accepted because of the employee's official position** if it is offered by a non-employee and would not have otherwise been offered, had the employee not held the Federal position.

Solicited or accepted in directly means that the gift was given with the employee's knowledge and acquiescence to a parent, sibling, spouse, child, or dependent relative because of the relationship to the employee; or given to any charitable organization because the employee designated that particular charitable organization.

Exceptions to the Gift Rules (Gifts Which May Be Accepted)

Even though acceptance of a gift may be permitted by the exceptions outlined in the regulation, it is sometimes advisable and prudent for an employee to decline a gift offered by a prohibited source or because of his/her official position.

Gifts may generally be accepted from individuals/entities outside the Government in the following situations. These descriptions are quite general. For more details, see the regulation (5 CFR 2635, Subpart B) or consult with your IC's Deputy Ethics Counselor or Ethics Coordinator. The gift acceptance prohibition does have a few limited exceptions which apply to most employees.

Gifts of **\$20 or less** per occasion, may be accepted from a single source. However, you may not accept more than \$50 from any one source in any one calendar year. Multiple representatives of the same outside entity constitute the same source. This exception DOES NOT apply to gifts of cash or investment interests, which are not permitted.

Gifts which are offered because of a **personal**

relationship are also OK, even though your friend or relative works for a prohibited source. However, you must be careful that the gifts do indeed come from your friend or relative and are not being paid for by your friend's company.

Discounts and similar benefits, including favorable rates and commercial discounts, are acceptable even when they are offered to a limited class of employees, provided that the class is defined so as not to discriminate among Government employees on the basis of employment, rank, rate of pay, or type of official responsibility.

Honorary degrees and **Awards** require advance approval by the Deputy Ethics Counselor (DEC). Awards, other than cash, with an aggregate market value of less than \$200 may be accepted, even if the award is for meritorious public service or actions taken in an official capacity. If the award is cash, or exceeds the \$200 threshold, it still may be accepted with the advance approval of the DEC. In addition, the DEC must determine that the award is given on a regular basis and pursuant to selection standards or chosen by a committee.

Gifts based on **outside relationships** may also be accepted. When we speak of outside relationships, we are talking about gifts which are offered to you because of your outside employment or activities, or because of your spouse.

There are also exceptions for speaking engagements. If you are speaking in your official capacity, at a conference, seminar, or training session, conference fees may be waived on the day of your presentation; and, if you are going to be a luncheon or dinner speaker, you may sit at the head table and eat the meal along with the rest of the dignitaries. Free attendance on days other than when you speak or attendance at other dinners require approval via the Widely Attended Gathering exception to the gift rules.

See the Standards of Conduct, 5 CFR 2635, Subpart B, for additional information and proper disposition of prohibited gifts.

For additional information, contact your IC's Deputy Ethics Counselor or Ethics Coordinator.

<http://ethics.od.nih.gov/coord.htm>

PURCHASE CARDS NEWS

Federal Acquisition Report, June 2003 © Copyright Management Concepts, Inc.

News

A recent General Accounting Office (GAO) report shows that federal agencies are increasingly taking advantage of emerging procurement methods, including Federal Supply Schedules and purchase cards, to obtain goods and services. GAO's report was the result of a comprehensive review of federal procurement patterns emerging over Fiscal Year (FY) 1997 through 2001. The agency studied the top 10 agencies in federal procurement, which represent over 90 percent of the federal government's contracting dollars.

GAO found that streamlined acquisition practices now represent a significant role in federal contracting. For example,

Federal Supply Schedule use more than tripled from FY 1997 through 2001 to about \$14.4 billion;

purchase card use increased 160 percent over the same period, to \$13.8 billion;

commercial acquisitions using Federal Acquisition Regulation (FAR) Part 12 accounted for 19 percent of contract spending in FY 2001; and

performance-based service contracting accounted for 24 percent of service contracts.

GAO attributed the significant growth in these emerging procurement practices to the time and administrative advantages that they offer. It noted

that tools such as the Federal Supply Schedules and the purchase card have yielded greater contracting efficiency, reduced administrative burdens, lowered transaction costs, and shortened procurement times.

GAO warned, however, that each procurement tool has been significantly weakened by lack of proper training, guidance, and internal controls. It emphasized that its own audits have revealed that federal contracting officials are not adhering to competition requirements for interagency contracting tools, including Federal Supply Schedules and government-wide acquisition contracts (GWACs). In addition, several studies have shown that internal control weaknesses in agency purchase card programs have allowed cardholders to make fraudulent, improper, abusive, or questionable purchases. Lastly, some agencies have reported mixed results with performance-based contracting, suggesting a need for better guidance to take full advantage of the approach.

Despite these drawbacks, GAO noted that agencies have introduced efforts to minimize procurement risk as the contracting tools take on greater significance. Specifically, the Department of Defense (DoD) has implemented new training processes and automated controls to limit purchase card fraud, while the Office of Management and Budget (OMB) has required that agencies provide quarterly reports on their efforts to improve purchase card oversight. Furthermore, the Office of Federal Procurement Policy (OFPP) is developing government-wide guidance to help agencies improve their use of performance-based contracting.

Purchase Card Procedures For End of

FY 2003

Cardholders may use their purchase cards to make FY 2003 purchases through close of business Tuesday, September 30th, but not all of the purchases will automatically be posted in the ADB/CAS. The purchase card end of fiscal year (FY)2003 procedures document is for all cardholders and card approving officials. For those who use the NIH ADB Log (Web & 3270) the preobligation procedures do not apply. The end of FY 2003 procedures apply to all the other Logs. The Intra all does not let you enter FY funds nor obligate monies so those users must follow these procedures. The cardholders IC s may require earlier cut off dates. A copy of the **Purchase Card Procedures For End Of FY 2003**

is attached to this issue, please see attachment (1).

DELPRO NOTES & SIMPLIFIED ACQUISITION NEWS

The Town Crier -

Date Change for Termination of Radioactive Materials Ordering System

The date for the scheduled termination of the RAMOS or RAM system has been accelerated. The new termination date is **September 25, 2003**. October 1, 2003 was the previous target date. Orders placed after September 25 will have to be placed directly with the vendor. The NIH form 88-1 will be required for release of the product. Shipments of the radioactive material must be delivered to:

Radiation Safety Branch

Authorized User Name & Phone Number

Building 21 Room 107.

21 Wilson Dr.

Bethesda, MD 20892-6780

You may contact Mr. Israel Putnam or his staff at (301) 496-3277.

LEVEL 1 PACKAGES FOR OCTOBER

The next Level 1 Certification Board will meet some time at the end of October, 2003. Please submit your Level 1 Package early to your IC Coordinator so that your IC Coordinator can send your package to Annette Romanesk, 6011 Executive Blvd., Room 547H by October 1, 2003

ELECTRONIC SIGNATURES FINAL RULING

A final decision has been reached regarding the acceptance of electronic signatures. This ruling revises the FAR to clearly establish permission for agencies to accept electronic signatures and records germane to government contracts. This final rule was based on a proposed rule issued on November 1, 2000 (65 FR 65698) which sought to

revise the terms in writing and signature in FAR 2.101 to include electronic in addition to paper transactions; and

encourage agencies to use electronic signature as much as possible.

For further information please contact your administrative officer.

New Federal Prison Industries Wavier

Government agencies may now take advantage of new legislation recently passed by the House Judiciary Committee. An interim FAR rule revises the Federal Prison Industries (FPI) clearance 8.606 (e) from \$25.00 to \$2,500.00 and eliminates the criterion that delivery is required within 10 days. This eliminates the requirement for clearance from the FPI. Therefore, if any agency chooses not to buy a low dollar item from FPI, it must next buy that item from the Committee for Purchases from People Who Are Blind or Severely Disabled if available from that organization. If this is not possible, the Federal Supply Schedules must be considered. Only after determining that the item is not available from the previous two sources may the item be purchased from commercial

sources.

USO EXTENDS THANKS FOR DONATION

The USO of Metropolitan Washington expressed their gratitude for the monies collected at the **2003 NIH SIMPLIFIED ACQUISITION SYMPOSIUM**. The donation, in the amount of \$270.00, assisted the USO in its mission to boost morale and provide our men and women in uniform with various items they requested. A copy of the letter is attached to this newsletter as attachment (2).

BPA NEWS

The following BPAs have recently been established:

#58327 - EMD Biosciences - for chemicals, media, blood products and biological materials

#58406 - Charrette LLC - for audiovisual supplies and equipment

#58354 - Dynamic Specialties - for imprinted and personalized items

#59358 - EPI Colorspace - for photographic and graphic arts services

#58027 - Fine Science Tools - for laboratory and medical supplies and equipment

#58030 - JFE Enterprises - for laboratory testing services

#57232 - Digital System Resources - for IT services

#57244 - CBMI - for IT services

#57256 - Amdex - for IT services

#57271 - Century Products - for housekeeping and janitorial supplies

#57283 - Computrain - for IT services

#57308 - Inotech - for IT hardware, software and services

#57350 - Resolvit Resources - for IT consulting

#57347 - BT images - for IT services, document management

#57335 - Automated Business Systems - for IT

services

#57386 - Teknova - for media, chemicals and biological materials

#57374 - Valley Industrial Products - for chemicals, electrical supplies and hardware and tools

#57398 - Pinnacle Resources - for temporary staffing

#57414 - Convergencz LLC - for IT services

#57441 - Economy Maintenance Supply - for plumbing supplies, small parts and tools

#57453 - Xerox Om nifax - for facsimile equipment and maintenance

#57465 - Moore North America - for printing services

#57492 - Tiger Personnel Services - for office support services

#57477 - Medical Staffing Network - for patient medical services

#57480 - Northeastern Supply Inc - for plumbing supplies, hardware and tools

#57520 - Saraf Software Solutions - for IT services

#41163 - JFE Enterprises

#54514 - Markson Scientific LLC

#47003 - Midwest Scientific

#56028 - United Tel Inc

The following BPA has recently been reestablished:

#52724 - Mizell Lumber & Hardware

The following BPAs have recently been discontinued:

#53416 - Calbiochem Corporation

#57714 - Dynamic Technology Systems

#51677 - Knoll Inc

#55781 - Research Diets Inc

#52384 - Single Source Inc

#48034 - Charrette Corporation

#56043 - Dynamic Specialties

#50270 - Executive Presentations Inc

#40105 - Fine Science Tools

#46883 - Integration Technologies Group

AVAILABLE TRAINING AND SEMINARS

* At this time the Training and Development Branch is scheduling classes. The list of classes will be updated on the Training and Development website, <http://learningsource.od.nih.gov/> and additional classes may be available. At this time, the same prices and location are in effect. If there are price changes, these changes will also be available on the Training and Development website, <http://learningsource.od.nih.gov/>. The information provided here is for your advanced planning.

PLEASE NOTE: ENROLLMENT FOR THESE CLASSES CANNOT BE ACCEPTED UNTIL OCTOBER 1.

2635

Purchase Card Processing System

The Purchase Card Log can be generated electronically through the ADB. This half-day course introduces electronic Purchase Logs and the reconciliation process with hands-on exercises in the ADB. Students will create and reconcile an electronic Purchase Log in the ADB.

This training is for current NIH Purchase Card holders who wish to create and reconcile electronic purchase logs using the ADB.

Course Date	Time	Location	Cost	Cancellation Deadline
10/28/2003	9:00am - 12:00pm	EPS	\$175	10/13/2003
12/10/2003	9:00am - 12:00pm	EPS	\$175	11/17/2003
2/12/2004	9:00am - 12:00pm	EPS	\$175	1/19/2004

2607

Simplified Acquisitions Refresher (2 classes each day)

This class will focus on changes and updates to Simplified Acquisition procedures, purchasing mechanisms, the ordering process, and the role and responsibilities of the Approving Official. The Delegated Acquisition (DELPRO) Reference Guide will be used. The audience is Administrative Officers/Approving Officials who have successfully completed the mandatory 4 day Delegated Acquisition Training course more than 2 years ago and feel they could benefit from an update course specifically designed to emphasize Approving Official responsibilities.

Course Date	Time	Location	Cost	Cancellation Deadline
10/29/2003	9:00am - 12:00pm	EPS	\$190	10/16/2003
2/11/2004	9:00am - 12:00pm	EPS	\$190	1/18/2004

2636

Mandatory Purchase Card Training

This course introduces the NIH Purchase Card, Purchase Logs and reconciliation process. Students will learn cardholder and card approving official responsibilities, uses and limitations of the purchase card, ordering procedures, implementation and maintenance of Purchase Logs, and the reconciliation process. As part of the reconciliation process, the proper use of the ADB Purchase Card will be explained. The class consists of lecture and hands-on exercises with the ADB Purchase Log and reconciliation process.

This course is mandatory for all NIH employees who wish to become Purchase Card Approving Officials or Cardholders. It is also recommended as refresher training for current cardholders or card approving officials.

For more information, or to register, please contact the NIH Training and Development Branch on 496-6211 or visit the website: <http://learningsource.od.nih.gov/>

Course Date	Time	Location	Cost	Cancellation Deadline
10/20/2003	9:00am - 4:30pm	EPS	\$290	9/29/2003
11/17/2003	9:00am - 4:30pm	EPS	\$290	10/27/2003
12/9/2003	9:00am - 4:30pm	EPS	\$290	11/17/2003
1/12/2004	9:00am - 4:30pm	EPS	\$290	12/18/2003
2/10/2004	9:00am - 4:30pm	EPS	\$290	1/20/2004
3/8/2004	9:00am - 4:30pm	EPS	\$290	2/20/2004

MANDATORY DELPRO PROCUREMENT TRAINING

The Delegated Acquisition Training Program and advanced acquisition seminars listed below are mandatory for Purchasing Agents, Approving Officials, Ordering Officials, and Procurement Officials with DELPRO authority. Failure to complete these seminars may result in loss of authority for DELPRO purchasing. Course schedules will be available on the website: <http://learningsource.od.nih.gov/>

2609

Federal Supply Schedules - Currently, there are no scheduled sessions of this course.

2610

Consolidated Purchasing Through Contracts - Currently, there are no scheduled sessions of this course.

2611

Buying from Businesses on the Open Market- Currently, there are no scheduled sessions of this course.

2617

Price Reasonableness in Simplified Acquisitions- Currently, there are no scheduled sessions of this course.

2612**Professional Service Orders**

Course Date	Time	Location	Cost	Cancellation Deadline
10/27/2003	9:00am - 12:00pm	EPS	\$245	10/11/2003
12/8/2003	9:00am - 12:00pm	EPS	\$245	11/22/2003

2603**Delegated Acquisition Training Program**

This class includes segments on processing FSS best value determinations, on open market requirements at various thresholds, and on each of the DELPRO mechanisms. Information is presented in a clear, logical and practical format. Included are exercises and a hands-on segment in which students actually access the ADB.

Course Date	Time	Location	Cost	Cancellation Deadline
10/21/ thru 10/24/2003	9:00 - 4:00	EPS	\$784	10/08/2003
11/18 thru 11/21/2003	9:00 - 4:00	EPS	\$784	10/29/2003

NOTE: Although a cancellation deadline date may have passed, you may still submit a registration form

through NIHITS in case an opening occurs. For further information, please contact the Human Resource Development Division on 496-6211 or visit the website:

<http://learningsource.od.nih.gov>

THE OLAO ACQUISITION NEWSLETTER

We encourage the ICs to send us any articles they may have related to acquisition so that we can include your articles in future newsletters.

The OLAO Acquisition Newsletter is published by the Office Of Logistics and Acquisition Operations (OLAO), OA, OD. This issue and prior issues are available through the OLAO homepage:

<http://www.nih.gov/od/olao/oa>

To receive a hardcopy of the Newsletter or to correct/remove/add your mailing address for the Newsletter, Mailing Key F113A, please fax your request to (301) 402-0217, or email your request to the following individuals:

Ms. Arlene Wallace at: wallacea@ors.od.nih.gov Or

Ms. Margaret Agresti at: agresti@ors.od.nih.gov

OLAO invites your comments and suggestions for future articles. Please address all correspondence to the co-editors Pat Seidel, seidelp@od.nih.gov, Tim Theoharis, theoharist@od.nih.gov, Annette Romanesk, romanesa@od.nih.gov, or John Best, bestj@od.nih.gov. If you have any questions or comments regarding the information, policy and/or procedures published in the News, contact the DELPRO Helpline on 496-0400 and you will be referred to the appropriate area.