

EIGHTH ARMY REGULATION 37-53

FINANCIAL ADMINISTRATIONS (37)

Base-Level Commercial Equipment

06 October 1987

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*EUSA Reg 37-53

HEADQUARTERS
EIGHTH UNITED STATES ARMY
APO SAN FRANCISCO 96301-0009

EUSA Regulation
No. 37-53

6 October 1987

Financial Administration
BASE-LEVEL COMMERCIAL EQUIPMENT

SUPPLEMENTATION. Issue of further supplements to this regulation by subordinate commands is prohibited unless prior approval is obtained from HQ EUSA, ATTN: RMJ-PB-HA, APO SF 96301-0009.

1. **PURPOSE.** This regulation establishes the Eighth United States Army (EUSA) base-level commercial equipment (BCE) program.
2. **APPLICABILITY.** The provisions of this regulation apply to HQ EUSA staff activities, major subordinate commands, and all units and activities assigned and attached to EUSA.
3. **REFERENCES.**
 - a. The following are required references:
 - (1) AR 25-1 (Army Information Management Program) Cited in subparagraphs 4b(2) and 5h.
 - (2) AR 25-5 (Information Management for the Sustaining Base). Cited in subparagraphs 4b(2) and 5h.
 - (3) AR 37-120 (Army Procurement Appropriation (PA) Management Accounting and Reporting System (APARS)). Cited in appendix A.
 - (4) AR 310-34 (Equipment Authorization and Usage Program). Cited in subparagraph 5b and appendix A.
 - (5) AR 725-50 (Requisitioning, Receipt and Issue System). Cited in subparagraph 9f.
 - (6) Federal Acquisition Regulation. Cited in subparagraph 9e(5)(a).
 - (7) SB 700-20 (Army Adopted/Other Items Selected for Authorization). Cited in subparagraphs 5c(1), 8b, and appendix A..
 - (8) US Army Catalog Data Agency Pam 18-1, Army Master Data File (AMDF). Cited in subparagraphs 5c(1) and 9a(1).

*This regulation supersedes EUSA Reg 37-53, 6 March 1984.

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(9) US Code, Title 31, Section 1517. Cited in subparagraph 4b(10).

(10) USFK Reg 715-2 (Local Contracting for Supplies, Services, and Construction). Cited in subparagraphs 9e and 9e(5)(a).

(11) USFK Reg 715-3 (Procurement Balance of Payment Program). Cited in subparagraphs 5c(2) and 9e(4).

b. The following are related references:

(1) EUSA Reg 37-1 (Budget Formulation, Execution and Review).

(2) Letter, HQDA, DACA-BUE, 24 Sep 86, Subject: Base-Level Commercial Equipment (BCE) Policy Guidance.

4. EXPLANATION OF SPECIAL ABBREVIATIONS AND TERMS.

a. The following special abbreviations are used in this regulation:

(1) BCE --- base-level commercial equipment.

(2) IMA --- Information Mission Area.

(3) KCA --- Korea Contracting Agency.

(4) PR&C -- Purchase Request & Commitment.

(5) RA ---- requiring activity.

b. The following special terms are used in this regulation:

(1) Base-Level Commercial Equipment. Nonstandard, nonstocked, locally procured investment end items costing \$5,000 or more that are not centrally managed or controlled.

(2) BCE-Fundable Automatic Data Processing Equipment (ADPE). BCE funds may be used to procure single-site, general purpose ADPE costing less than \$25,000. The funds will not be used to create or expand existing sustaining base mainframe/minicomputer projects, nor to expand centrally managed standard systems; funding for these projects will be programed in accordance with Information Management Plan guidance in ARs 25-1 and 25-5.

(3) DA Form 3953 (Purchase Request and Commitment (PR&C)). This form is used for local purchase of BCE items. The procedure for processing local procurement is given in paragraph 9e. The DA Form 3953 is commonly referred to as a "PR&C."

(4) DD Form 448 (Military Interdepartmental Purchase Request). This form may be processed in some instances for BCE requirements when approved by/coordinated with supply officials and funded by the Assistant Chief of

Staff, Resource Management (ACofS RM) (RMJ-PB-HA). The form will be processed directly to the procurement source when authorized.

(5) DD Form 1348-6 (DOD Single Line Item Requisition System Document (Manual - Long Form)). This form is used to procure certain items through General Services Administration/Defense Logistics Agency/Sacramento Army Depot (SAAD) directly from the manufacturer and from other nonlocal sources of supply. The procedure for processing nonlocal procurement is given in paragraph 9f.

(6) End Item. A piece of equipment that can be used in a stand-alone mode which does not lose its identity on application.

(7) Expense Item. Items consumed in use or costing less than \$5,000 for which there is no centralized individual item manager or centralized program control.

(8) Information Mission Area (IMA) Equipment End Item. For purposes of acquiring IMA equipment (equipment employed in the acquisition, development, transmission, use, integration, retrieval and management of information), legal authorities have determined that the definition of what constitutes an end item will be as follows--

(a) An item is a manufactured product which can be put to use without further work being done upon it. This means that an item purchased for less than \$5,000 which is re-engineered at a cost which raises the total cost to more than \$5,000 would be an investment item.

(b) When one item can be connected or plugged into another item or items, each will be treated as a separate item for purposes of fund determination as well as property accountability.

(c) If an IMA acquisition includes an investment item or items and the contractual vehicle also involves expense items such as off-the-shelf software and peripherals, the entire acquisition may be conducted in accordance with subparagraph (10) below. If the expense items are acquired separately, operating funds will be used.

(9) Investment Item. Equipment end items, (a) costing \$5,000 or more and having a future benefit and (b) subject to continuing, centralized, individual item management and asset control or centralized program management.

(10) Other Procurement, Army (OPA) Funds. An investment appropriation specifically designated and approved by Congress for procurement of end items of equipment. The BCE items will only be purchased with investment (OPA BCE) funds. Use of Operation and Maintenance, Army (OMA) funds to purchase BCE is strictly prohibited and will result in a violation of 31 US Code 1517 (formerly section 3679, Revised Statutes). The OPA funds can be obligated over a period of 3 years; however, it is DA policy to obligate BCE funds in the first year of obligation authority.

5. RESPONSIBILITIES.

a. The ACofS, RM is the primary staff proponent for the EUSA BCE program, solicits requirements from throughout the command, secures the funding from HQDA, exercises program management, and establishes priorities through the USFK/EUSA committee system.

b. The ACofS, RM (RMJ-MA-VT) is the primary staff proponent for tables of distribution and allowances (TDA) and other equipment authorization documents. BCE requirements will be provided to RMJ-MA-VT for inclusion in the TDA or for type classification exemption IAW AR 310-34.

c. The ACofS, J4 (DJ-MS-S) will--

(1) Make final determination as to whether an item is classified as BCE for items not identified in the Army Master Data File (AMDF) or SB 700-20.

(2) Review PR&Cs for balance of payments (BOP) implications IAW USFK Reg 715-3 when purchases over \$25,000 will be made from Korean vendors.

(3) Establish policy and procedures for requisitioning BCE items from CONUS.

d. Korea Contracting Agency (KCA) processes PR&Cs for local procurement of BCE items which have the proper OPA fund citation assigned (certified) by the ACofS, RM (RMJ-PB-HA). Advance acquisition planning should be coordinated with KCA.

e. Sixth Support Center (Material Management), 19th Support Command will--

(1) Process DD Form 1348-6 requisitions off-line for nonlocally procured BCE items which have the proper OPA fund citation assigned (certified) by the ACofS, RM (RMJ-PB-HA).

(2) Ensure that requiring activities receive current supply and shipment status.

(3) Implement a Standard Army Intermediate Level Supply Subsystem (SAILS) Stock Fund Exception Edit to prevent BCE items from being requisitioned through the Stock Fund System.

(4) Reject BCE requests without BCE fund citation to the supply point/property book unit and recommend that procurements must be made through BCE channels.

f. Chiefs of HQ EUSA staff activities, commanders of major subordinate commands, and commanders of units and activities assigned and attached to EUSA will--

(1) Identify BCE requirements for respective activities. Ideally, items should be identified 2 years in advance of the year in which procurement is projected.

(2) Validate requirements against BCE criteria, to include coordinating with ACofS, J4, as necessary.

(3) Obtain TDA authorization or type classification exemption for requirements in coordination with ACofS, RM (RMJ-MA-VT). Submit a list of these requirements to the ACofS, RM.

(4) Ensure that OMA funds are not used in purchasing BCE items.

g. The 175th Finance and Accounting Office, Korea (175th FAO) maintains formal BCE commitment, obligation, and disbursement ledgers by fiscal year, and submits BCE OPA fund status reports to US Army Finance and Accounting Center (USAFAC) IAW governing regulations.

h. The ACofS, J6 reviews all IMA equipment requirements submitted for EUSA BCE funding IAW ARs 25-1 and 25-5. (For ADPE items that are nontactical management information systems and determined not to be BCE, ACofS, J6 will request OPA funds from HQDA and US Army Information Systems Command.)

6. GENERAL FUNDING POLICY.

a. Whether OMA or OPA funding is utilized is determined by the \$5,000 threshold and whether an item is centrally managed. The price at the time of the initial order determines the fund source (e.g., a \$4,999 price at the time of the initial order designates OMA as the fund source even though the final cost (due to price/inflation adjustments) may be \$5,010 at the time of delivery.)

b. For expenditures less than \$5,000, the authority to set priorities and control funds allocations rests at the installation.

c. Items costing more than \$5,000 will be approved and priority established at major Army command (MACOM) level.

d. See appendix A for funding and authorization rules.

7. BASE-LEVEL COMMERCIAL EQUIPMENT PROCESSING CONSIDERATIONS.

a. Purchases should adhere to the following conditions:

(1) Replacement items must be either broken or worn out.

(2) Budgeted new requirements must be within the BCE parameters.

(3) Nonbudgeted emergency requirements must be observed.

b. To the maximum extent possible, apply small purchase procedures.

c. All funds provided to each MACOM and operating agency must be obligated NLT 30 September of the first year of execution.

8. AUTHORIZATION POLICY AND PROCEDURES.

a. For BCE costing less than \$25,000, approval from HQDA, US Army Equipment Authorization Review Activity (USAEARA) will no longer be required; however, a MACOM (EUSA) approved letter request is required. The Section III Supplement of the TDA will be updated after receipt of the BCE. The requirement for property book accountability will remain as currently prescribed.

b. For BCE costing \$25,000 or more, a USAEARA approved letter request will provide the authorization to procure investment items listed in SB 700-20, chapter 6. The TDA will be updated after the fact.

9. PROCEDURES.

a. Programing. When directed by HQDA (DAMA-CSS), ACofS, RM will request EUSA staff offices, major subordinate commands, and units and activities assigned to EUSA to submit requirements for BCE to HQ EUSA, ATTN: RMJ-PB-HA, APO 96301-0009.

(1) Units and activities should validate equipment requirements IAW the AMDF to ensure proper identification of BCE items prior to submitting requirements to ACofS, RM. Items for which BCE determination cannot be made by the requiring unit should be referred to HQ EUSA, ATTN: DJ-MS-S, APO 96301-0009, for final determination. Requests for determination from ACofS, J4 should be accompanied by complete descriptive information.

(2) Program Budget Advisory Committee (PBAC) meetings will be called to establish the approved EUSA BCE priority list for all identified requirements.

(3) The approved EUSA BCE program will be divided into a "funded core" and "unfunded program," based on initial DA funding guidance, and submitted to HQDA. The "funded core" may be adjusted based on actual funding provided by HQDA. Subsequent changes to the program (additions, deletions, reprograming) will be reported to HQDA by ACofS, RM.

(4) Reprograming of items (i.e., substitution of items or reordering of priorities) within the approved EUSA BCE program must be accomplished in coordination with ACofS, RM. All reprograming actions will be subject to command-wide priorities and availability of funds.

b. Authorization. Units and activities requiring BCE items must ensure that authorization action is initiated IAW AR 310-34 and other applicable regulations prior to submitting procurement request or requisition. Actions required to document authorizations on TDA or to receive type classification exemption should be coordinated with ACofS, RM (RMJ-MA-VT).

c. Procurement. Upon receipt of fund authorization, ACofS, RM will advise all activities with items in the "funded core" to initiate procurement

action. PR&Cs and/or DD 1348-6 requisitions must be submitted to ACofS, RM IAW procedures in subparagraph e below for local procurement or subparagraph f below for nonlocal procurement. The BCE items cannot be procured through the normal procedure for requisitioning supplies and equipment (i.e., the Stock Fund System (SAILS) operated by 6th Support Center (Material Management), 19th Support Command).

(1) The BCE OPA appropriation funds are available for obligation for 3 years. However, HQDA policy is to obligate BCE funds during the first year of obligation authority. To promote obligation of funds within the first year of availability and to meet equipment needs in a timely manner, all requisitions must be submitted to ACofS, RM and coordinated with KCA (if locally procured) within 120 days of notice of fund availability. Funds earmarked for items not requisitioned within 120 days will be considered as being available for reprogramming to procure items in the "unfunded program."

(2) Failure to comply with the requirements of subparagraphs a(1) and b above could delay and possibly preclude procurement. Therefore, activities requiring BCE items should comply with validation and authorization requirements for all items, in both the "funded core" and "unfunded program," early in the programming phase.

d. Fund control. EUSA has been allocated OPA BCE appropriations specifically for purchase of BCE items. Approval for expenditure of BCE funds is retained at the MACOM level. Upon processing requisitions or receipt of contracts, ACofS, RM will provide a numbered transmittal disposition form (DF) to 175th FAO, with supporting documentation, directing commitment and/or obligation of BCE funds. The 175th FAO will commit and obligate OPA BCE funds only upon written authorization from the ACofS, RM.

(1) Informal commitment and obligation records by fiscal year will be maintained by each unit and activity for its funded BCE requirements. The ACofS, RM will maintain "informal" fund control ledgers by fiscal year for the EUSA BCE program.

(2) Formal commitment, obligation, and disbursement ledgers by fiscal year will be maintained by 175th FAO.

e. Local requisition procedures. Upon receipt of notice of fund availability from ACofS, RM, the requiring activity (RA) or RA's supply support activity (SSA) will prepare and transmit a PR&C per USFK Reg 715-2 and the following supplemental instructions:

(1) The "THRU" block will contain "ACofS, RM, ATTN: RMJ-PB-HA."

(2) The "Accounting Classification" block will be left blank.

(3) Document the requisition in the informal BCE commitment ledger.

(4) Retain one copy of the PR&C for RA records and forward remaining copies to HQ EUSA, ATTN: RMJ-PB-HA, APO 96301-0009. (If the procurement is

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to be accomplished through a Korean vendor and the cost exceeds \$25,000, the PR&C and BOP documentation should be forwarded through ACoFS, J4 (DJ-VE-R) for approval IAW USFK Reg 715-3.) Upon receipt of the PR&C, ACoFS, RM will--

(a) Review and validate the PR&C to ensure that the requirement is included in the current BCE "funded core."

(b) Complete the "Accounting Classification" and "Certifying Officer" blocks.

(c) Retain one copy of the PR&C for ACoFS, RM records and forward one copy with numbered transmittal DF to 175th FAO requesting commitment of OPA BCE funds.

(d) Transmit the certified PR&C to KCA.

(5) Upon receipt of the certified PR&C, KCA will--

(a) Provide local purchase and contract/order service IAW procedures prescribed in the Federal Acquisition Regulation and USFK Reg 715-2.

(b) Ensure that copies of contractual documents are provided to the 175th FAO, Commercial Accounts Branch, the initiating SSA or RA; and the ACoFS, RM (RMJ-PB-HA). (The ACoFS, RM (RMJ-PB-HA) will provide a copy to the 175th FAO, Accounting Division, with numbered transmittal DF requesting obligation of OPA BCE funds.)

f. Nonlocal requisition procedures. Upon receipt of notice of fund availability from ACoFS, RM, the RA or RA's SSA will prepare and transmit DD 1348-6 IAW instructions provided in AR 725-50, figure B-11; appendix B below; and the following--

(1) Document the requisition in the activity's informal BCE commitment and obligation ledger.

(2) Retain one copy of DD Form 1348-6 for RA records and forward remaining copies to HQ EUSA, ACoFS, RM, ATTN: RMJ-PB-HA. Upon receipt of DD Form 1348-6, ACoFS, RM will--

(a) Review and validate the form to ensure the requirement is included in the current BCE "funded core."

(b) Complete the "Fund Code" (columns 52 and 53) and provide detailed accounting classification and certifying officer's signature on the back of the form.

(c) Retain one copy for RM records and forward one copy with numbered transmittal DF to 175th FAO requesting commitment and obligation of OPA BCE funds.

(d) Transmit the certified DD 1348-6 to 6th Support Center (Materiel Management), 19th Support Command, APO 96212-0172.

(3) 6th Support Center (Material Management) will--

(a) Establish procedures necessary for off-line requisition of BCE items and process requisitions to the appropriate CONUS source of supply.

(b) Ensure that mismatches that occur because of the off-line requisition processing do not result in cancellation of valid requirements during automated dues-in or dues-out reconciliations. This is applicable only to off-line requisitions which are processed through the 6th Support Center (Materiel Management).

(c) Maintain control to ensure that supply and shipment status is made available to the RA and that the rejection, cancellation, and reinstatement status is made available to the RA and ACofS, RM. A copy of the DD 1348-6 will be forwarded to the Logistic Control Activity (LCA), Presidio of San Francisco, CA, 94129-7000, for entry into the logistics intelligence file (LIF) for requisition tracking purposes.

The proponent of this regulation is the Office of the Assistant Chief of Staff, Resource Management. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, EUSA, ATTN: RMJ-PB-HA, APO SF 96301-0009.

FOR THE COMMANDER:

OFFICIAL:

GERALD P. STADLER
Major General, USA
Chief of Staff



BARBARA F. KILLIAN
2LT, AG
Assistant Adjutant General

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2 Appendices

A. Funding Rules

B. Instructions for DD Form 1348-6

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- 5 - CDR, 8TH PERSCOM
- 2 - CDR, UNCSF, APO 96251-0417
- 25 - ACOFS, RM, ATTN: RMJ-PB-HA

APPENDIX A

FUNDING AND AUTHORIZATION RULES

A-1. RULE I.

a. Dollar Levels. Covers items costing less than than \$5,000 for which there is no line item manager or central program control (generally referred to as expense items).

b. Appropriation. OMA funds used.

c. Controls.

(1) Authorization. Priorities are set and controlled at installation level. HQDA authorization is not required.

(2) Procurement. Small purchase procedures.

(3) Documentation. Effective 1 October 1986, Section III Supplement of the TDA will be updated after receipt of the item. AR 310-34 and SB 700-20 are being updated to reflect the change. Property book accountability is required. (Note: Items costing less than \$1,000 do not require TDA documentation.)

(4) Funding. Request is submitted through MACOM by total annual amount required. Installation/activity is to apply available dollars to items.

d. Reporting Requirements. Standard Financial System (STANFINS) for dollars just like other OMA.

A-2. RULE II.

a. Dollar Levels. Covers items costing between \$5,000 and \$10,000 for which there is no line item manager or central program control.

b. Appropriation. OPA funds used.

c. Controls.

(1) Authorization. Priorities are set and controlled at MACOM level. Effective 1 October 1986, HQDA (USAEARA) authorization will no longer be required. AR 310-34 and SB 700-20 will be updated to reflect this change.

(2) Procurement. Small purchase procedures.

(3) Documentation. Section III Supplement of the TDA will be updated after receipt of the item effective 1 October 1986. AR 310-34 and SB 700-20 will be updated to reflect this change. Property book accountability is required.

(4) Funding. On an item-by-item or annual basis.

d. Reporting Requirements. Status of allocations (RCS CSCFA-208 (MIN)) will be prepared by 175th FAO for automated submission to USAFAC on a monthly basis IAW AR 37-120, chapter 9. Hardcopy goes to USAFAC annually. Installation to MACOM hardcopy execution by item and amount every 6 months.

A-3. RULE III.

a. Dollar Levels. Covers items costing more than \$10,000 but less than \$25,000 for which there is no line item manager or central program control.

b. Appropriation. OPA funds used.

c. Controls.

(1) Priorities are set and controlled at MACOM level. Effective 1 October 1986, HQDA (USAEARA) authorization will no longer be required. AR 310-34 and SB 700-20 will be updated to reflect this change.

(2) Procurement. Must be synopsisized. Adds 45 days to administrative lead time.

(3) Documentation. Section III Supplement of the TDA will be updated after receipt of the item effective 1 October 1986. AR 310-34 and SB 700-20 will be updated to reflect this change. Property book accountability is required.

(4) Funding. On an item-by-item or annual basis.

d. Reporting Requirements. Status of allocations (RCS CSCFA-208 (MIN)) will be prepared by 175th FAO for automated submission to USAFAC on a monthly basis IAW AR 37-120, Chapter 9. Hardcopy goes to USAFAC annually. Installation to MACOM hardcopy execution report by item and amount every 6 months.

A-4. RULE IV.

- a. Dollar Levels. Covers items costing more than \$25,000.
- b. Appropriation. OPA funds used.
- c. Controls.

(1) Authorization. HQDA (USAEARA) authorization is required in accordance with the following revised authorization procedures. AR 310-34 will be updated to reflect these revised procedures. Under current procedures, a letter request to obtain authorization to procure investment items listed in SB 700-20, Chapter 6, must be submitted and approved by USAEARA, and the TDA must be updated and published prior to processing the procurement request. Under the revised procedures, the approved letter request will provide the authorization to process the procurement request, and the TDA will be updated after the fact. This revision will be effective 1 October 1986.

(2) Procurement. Sealed bidding or negotiations. Adds about 90 days to administrative lead time.

(3) Documentation. TDA updated after approval to procure the item is granted. Property book input after receipt of item.

(4) Funding. On an item-by-item basis.

d. Reporting Requirements. Status of allocations (RCS CSCFA-208 (MIN)) will be prepared by 175th FAO for automated submission to USAFAC on a monthly basis IAW AR 37-120, chapter 9. Hardcopy goes to USAFAC annually. Installation to MACOM hardcopy execution by item and amount every 6 months.

APPENDIX B

INSTRUCTIONS FOR DD FORM 1348-6

B-1. The following information should be entered in columns 1 through 66 of DD Form 1348-6:

| <u>Column</u> | <u>Entry</u> |
|-----------------|--|
| 1-7 | Blank |
| 8-22 | Item stock number |
| 23-24 | Unit of issue |
| 25-29 | Quantity |
| 30-43 | Requisition document number, including DODAAC, Julian date, and serial number |
| 44 | N |
| 45-51 | WT4KCJB |
| 52-53 | Blank |
| 54-56 | Blank |
| 57-59 | G U F |
| 60-61 | Priority |
| 62-64 | Required delivery day of year |
| 65-66 | Advice code, as applicable |

B-2. The following information should be entered in blocks 1 through 10 of DD Form 1348-6:

| <u>Blocks</u> | <u>Entry</u> |
|---------------|---|
| 1-6 | Any information applicable to the item |
| 7 | Item description and authorizing documentation |
| 8 | Information appropriate to the item |
| 9 | Requiring activity and THRU: ACoFS, RM ATTN: RMJ-PB-HA, APO 96301-0009 |
| 10 | Supporting SSA address and "SEE FUND CITE ON BACK" (Fund cite will be provided by RMJ-PH-HA.) |