

U.S. Department of  
Homeland Security

United States  
Coast Guard



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# SIMPLIFIED ACQUISITION PROCEDURES (SAP) MANUAL



COMDTINST M4200.13H  
May 2010

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Subj: SIMPLIFIED ACQUISITION PROCEDURES (SAP) MANUAL

1. PURPOSE. This SAP Manual implements and supplements the Federal Acquisition Regulation (FAR), the Homeland Security Acquisition Regulation (HSAR), the Homeland Security Acquisition Manual (HSAM), the Coast Guard Acquisition Procedures, (CGAP) COMDTINST M4200.19 (series), and other departmental guidance that establishes Coast Guard policies, procedures, and guidance for the acquisition of supplies, services, and construction within the simplified acquisition threshold.
2. ACTION. All Coast Guard unit commanders, commanding officers, officers-in-charge, deputy/assistant commandants, and chiefs of headquarters staff elements shall comply with the provisions of this Manual. Internet release is authorized.
3. DIRECTIVES AFFECTED. Simplified Acquisition Procedures Manual, COMDTINST M4200.13G is cancelled.
4. SUMMARY OF CHANGES. Due to changes in federal procurement regulations and the Modernization of the United States Coast Guard (USCG), the SAP Manual has undergone significant revisions. In short, version H implements Department of Homeland Security acquisition regulations; removes all Department of Transportation policies, regulations, and requirements; and includes language reflecting the Modernization structure of the USCG; adds Internal Control Plan (ICP) information; revises the micro-purchases thresholds to increase the threshold for supplies to \$3000; updates Federal Acquisition Regulation (FAR) Clauses and Provisions to the most recent Federal Acquisition Circular (FAC); revises the “Buy Green” and Resource Conservation and Recovery Act (RCRA) information; incorporates detailed procedures in acquiring training services; replaces the new Simplified Acquisition Summary Worksheet (DHS 700-16); adds information on the DHS contract such as EAGLE/First Source for Information Technology requirements; removes the mandatory requirement to use DHS EMALL; describes the Undelivered Order (UDO) processes,

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revises language on Government Printing Office (GPO) printing and the Government-wide Commercial Purchase Card program.

5. ENVIRONMENTAL ASPECTS AND IMPACT CONSIDERATION. This SAP Manual contains procedures located in Chapter 10 (see Affirmative Procurements for Recovered Materials) on the use of recovered materials that apply to all Coast Guard acquisitions. Additionally, a listing of environmentally preferable products is provided.
6. REQUEST FOR CHANGES. Address comments, suggestions, and corrections to Acquisition Directorate, Office of Procurement Policy and Oversight (CG-913).
7. DIRECTIVES SYSTEM AVAILABILITY. <http://cgweb2.comdt.uscg.mil/cgDirectives/> and [www.uscg.mil](http://www.uscg.mil).
8. FORMS/REPORTS. The forms referenced in this Manual are available in USCG Electronic Forms on the Standard Workstation or on the Internet: <http://www.uscg.mil/forms/>; and Intranet CG Central at <http://cgcentral.uscg.mil/>, and the Intranet at <http://cgweb2.comdt.uscg.mil/CGFORMS>.

CLAIRE M. GRADY /S/  
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## SAP Manual - Introduction

The Office of Procurement Policy and Oversight (CG-913) is pleased to issue this latest edition of the Simplified Acquisition Procedures (SAP) Manual. This edition represents the first revision since 2004, and the first edition since the Modernization of the USCG. The purpose of this introduction section is to:

- Describe the impact that Modernization has had on contracting operations within the USCG;
- Provide a crosswalk of the pre-Modernized contracting offices to the Modernized structure;
- Identify the Chiefs of the Contracting Office (COCO) responsibilities in the Modernized contracting structure; and
- Outline the next steps for the SAP Manual.

### Modernization Impacts to the Contracting Community

The Commandant's vision for a Modernized USCG has had a significant impact on the structure of the contracting function. The establishment of Logistic / Service Centers and the alignment of product lines are designed to lead to standardized processes and procedures, and efficiencies that are aimed at making the USCG better prepared, more responsive, and positioned to maximize its mission.

On September 28, 2009, the Maintenance and Logistics Commands (MLC) were decommissioned and the Logistic Center model was implemented. As a result, the Head of the Contracting Activity (HCA) appointed six (6) Chiefs of the Contracting Office (COCO) to support and manage contracting operations for the USCG. These COCOs were appointed at the following Logistic / Service Centers:

Aviation Logistics Center (ALC)

Command, Control, Communications, Computer, and Information Technology (C4IT) Service Center

Headquarters (CG-912)

Shore Infrastructure Logistics Center for Construction (SILC-Construction)

Shore Infrastructure Logistics Center for Base Support (SILC-BS)

Surface Forces Logistics Center (SFLC)

A sixth Service Center, the Personnel Service Center (PSC) was also created, but it does not have its own COCO; it is supported by CG-912. All USCG contracting offices report to one of these COCOs. The work and support provided by the contracting offices has, for the most part, remain unchanged; with some exceptions - Information Technology (IT) requirements will migrate to C4IT, and various requirements may migrate to different offices depending whom it supports.

As part of Modernization, the HCA ensured separation of duties where contracting professionals no longer report to Comptrollers or financial managers. For the first time, every civilian Contracting Officer or Contract Specialist (GS-1102) has an 1102 in their rating chain. This ensures the integrity of the procurement process is maintained to the highest standards.

SAP is one of many acquisition tools available to contracting professionals, and although this manual is designed to assist with SAP requirements, contracting professionals are encouraged to seek more innovative and strategic contracting vehicles to support their customer's needs. COCOs and contracting officers are tasked to analyze SAP requirements in hopes of identifying common purchases in their Area of Responsibility (AOR), and look at other acquisition tools to gain economies of scale or increase efficiency. For example, if multiple contracting offices are purchasing office chairs using SAP, an alternative could be to establish a Blanket Purchase Agreement (BPA) or make one large buy to satisfy the need of the entire AOR.

### Contracting Office Crosswalk

With the implementation of the Logistic / Service Centers and appointment of 6 COCOs, contracting offices have a new chain of command, and several offices have new names. The below table is a crosswalk that identifies contracting office's pre-modernization name, their post-modernization name, the COCO they report too, and whether they are authorized for SAP, large procurements, or both.

Office ID	Pre-Modernization Office Name	Post-Modernization Office Name	Procurement Type
<b>Aircraft Logistics Center (ALC)</b>			
G8	AIRSTA Washington	AIRSTA Washington	SAP
48	ATC Mobile	ATC Mobile	SAP
G6	ATTC Elizabeth City	ATTC Elizabeth City	SAP
38	AR&SC	Aviation Logistics Center (ALC)	Formal & SAP
26	NSFCC-Strike Force Elizabeth City	National Strike Force Command Center	SAP
<b>Command, Control, Communications, Computer &amp; Information Technology (C4IT)</b>			
44	C2CEN	C2CEN	Formal & SAP
42	Loran Support Unit (LSU)	Loran Support Unit (LSU)	SAP
G3	OSC Martinsburg	OSC Martinsburg	Formal & SAP
79	TISCOM	TISCOM	SAP
<b>Headquarters Command (CG-912)</b>			
23	CG-912 Office of Contracting Support	Office of Contract Operations (CG-912)	Formal
90	Finance Center (FINCEN)	Finance Center (FINCEN)	SAP
46	National Pollution Fund Center (NPFC)	National Pollution Funds Center (NPFC)	SAP
51	PSC Topeka	Personnel Support Command	SAP
23	PRO Lockport	PRO Lockport	Formal
23	PRO Marinette	PRO Marinette	Formal
23	PRO Rescue 21	PRO Rescue 21	Formal
32	R&D Center	R&D Center	Formal
G7	Recruiting Command	Recruiting Command	SAP
44	Special Mission Training Center (SMTC)	Special Mission Training Center (SMTC)	SAP
G9	Uniform Distribution Center (UDC)	Uniform Distribution Center (UDC)	SAP
39	Academy	USCG Academy	SAP
<b>Shore Infrastructure Logistics Center (SILC-Construction)</b>			
83	CEU Cleveland	CEU Cleveland	Formal & SAP
86	CEU Honolulu	CEU Honolulu	Formal & SAP
87	CEU Juneau	CEU Juneau	Formal & SAP
82	CEU Miami	CEU Miami	Formal & SAP
88	CEU Oakland	CEU Oakland	Formal & SAP
G1	CEU Providence	CEU Providence	Formal & SAP
47	FDCC Atlantic	FDCC	Formal & SAP
50	FDCC Pacific	Shore Maintenance Command (SMC)	Formal & SAP
<b>Shore Infrastructure Logistics Center (SILC-Base Support)</b>			
31	ISC Alameda	BSU Alameda	SAP
24	ISC Boston	BSU Boston	SAP
25	ISC St. Louis	BSU Det. St. Louis	SAP
81	MLC LANT (f)	BSU Elizabeth City	SAP
34	ISC Honolulu	BSU Honolulu	SAP
35	ISC Ketchikan	BSU Ketchikan	SAP
45	ISC Kodiak	BSU Kodiak	SAP

28	ISC Miami	BSU Miami	SAP
29	ISC New Orleans	BSU New Orleans	SAP
27	ISC Portsmouth	BSU Portsmouth	SAP
37	ISC San Pedro	BSU San Pedro	SAP
33	ISC Seattle	BSU Seattle	SAP
30	ISC Cleveland	Detachment Cleveland	SAP
G8	HSC	Detachment Washington DC	SAP
28	HITRON Ten	HITRON (subunit to BSU Miami)	SAP
84	MLC LANT (fcp)	SILC East	Formal & SAP
89	MLC PAC (fcp)	SILC West	Formal & SAP
42	TRACEN Cape May	TRACEN Cape May	SAP
49	TRACEN Petaluma	TRACEN Petaluma	SAP
41	TRACEN Yorktown	TRACEN Yorktown	SAP
<b>Surface Forces Logistics Center (SFLC)</b>			
80	MLC LANT (vpl)	SFLC Procurement Branch 1	Formal & SAP
85	MLC PAC (vpl)	SFLC Procurement Branch 2	Formal & SAP
40	ELC – Centralized Contracting	SFLC Procurement Branch 3	Formal & SAP

**COCO Responsibilities**

As a result of Modernization, the roles and responsibilities of the COCO have dramatically shifted from a ‘supervisory’ type position at each of the 48 contracting offices, to a managerial/leadership position with numerous contracting offices under their direction.

The COCO is tasked with leading procurement in their AOR. This includes working with Contracting Officers to develop acquisition strategies; monitoring and maximizing competition; implementing effective post-award administration to ensure the goods and services purchased are received, accepted, paid in a timely manner as well as monitoring undelivered orders (UDOs); nominating Small Business Specialists and monitoring socioeconomic accomplishments; assessing needs for contracting officer warrants and nominating warrant packages; developing and implementing an Internal Control Plan (ICP) for their entire AOR and approving ICP with the individual contracting offices; appointing Alternate Organizational Purchase card Coordinators (A/OPCs) and monitoring purchase card activities to prevent fraud, waste, and abuse; ensuring FPDS data accuracy and submission of past performance reports in CPARs; and approving ratification requests of unauthorized commitments.

This edition of the SAP Manual permits the delegation of numerous functions that were previously performed by the COCO to a level below. The COCO may delegate functions to the Senior Field Contracting Officer (SFCO) to execute and oversee the daily operations of each USCG contracting office. The SFCOs will inherit / continue to have many of the functions that were previously performed by COCOs, and will serve as the senior contracting official at an identified contracting office.

In anticipation of these possible delegations, the SAP Manual authorizes “COCO or designee” in several areas to allow COCOs to delegate functions to the contracting office. The COCO shall specify exactly what is delegated to the SFCO in the written delegation memo.

The establishment of the COCOs and delegations of SFCO are the new chain of command for all contracting professionals. Contracting specialists and contracting officers shall first seek guidance on questions, concerns, issues, or problems from their SFCO; the SFCO shall elevate any questions, concerns, issues, or problems to the COCO for their guidance; and the COCO will elevate any questions, concerns, issues, or problems to CG-913, the Deputy HCA or HCA if guidance at that level is warranted.

Over the next year, one of the primary tasks of the COCO, their SFCO, and all of their contracting specialists is to identify opportunities to operate more efficiently and strategically. Contracting professionals have many tools and flexibilities provided through the Federal Acquisition Regulation (FAR) and Homeland Security Acquisition Manual (HSAM), and as business advisors you need to understand the full breadth of these tools to ensure you are providing your customers with sound business advice.

This SAP Manual represents guidance on simplified acquisitions, but there are other procurement vehicles available to contracting professionals to meet the needs of their customer. While SAP is a solution for thousands of requirements, COCOs should actively seek opportunities to reduce the number of actions, and purchase goods and services more strategically. Increasing efforts in acquisition planning and identifying recurring requirements and similar requirements that exist throughout their AOR is critical in accomplishing this goal. All Contracting professional are tasked with assisting their COCO in modernizing contracting, and SAP represents a tremendous opportunity to start.

#### **Next Steps for the SAP Manual**

This edition of the SAP Manual is a much needed update to the current (2004) version; however, it does not totally capture the modernized USCG contracting strategy. At this point, Modernization is too new to fully understand its impact on contracting support.

Therefore, after publication of this edition of the SAP Manual, the HCA intends to take a comprehensive review of the SAP Manual, revise it to ensure it continues to meet the needs of the Modernized USCG, and reissue it, in some form, in FY2012.

Input will be solicited from the COCOs, and all decisions regarding the direction of the revised Manual will be clearly communicated to the COCOs to ensure agreement and understanding.

We welcome your feedback on this Manual, and your thoughts as we consider options. The end state should be procedures that assist the operational contracting officer meet their mission. Comments can be sent to the Procurement Planning & Oversight Division (CG-9131).

Finally, CG-913 has developed a SAP Community website that has been launched in conjunction with the issuance of the SAP Manual. This website will include the SAP Manual, the **Examples** referenced from the Manual, Small Business information, a resource and training toolkit, green procurement information, future SAP COCO alerts, and other SAP related topics of interest.

Thank you and Happy Negotiating!



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# Chapter 1: Simplified Acquisition Procedures (SAP) Overview

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## **Introduction**

This chapter provides an overview of Simplified Acquisition Procedures (SAP) and the laws governing SAP. The discussions that follow reflect the usage of common terms when accomplishing SAP procurements at USCG. Additional terms can be found in the appendix.

Simplified Acquisition Procedures (SAP) is the preferred method for the acquisition of supplies, services and construction within the Simplified Acquisition Threshold (SAT). SAP significantly reduces the government's administrative costs compared to formal procedures. SAP also improves opportunities for small businesses to obtain a fair portion of government contracts, promote efficiency and economy in contracting.

The SAT is \$100,000, except for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. For these acquisitions, the SAT is:

- (1) \$250,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and
- (2) \$1 million for any contract to be awarded and performed, or purchased to be made outside the United States.

## **Applicable Laws and Regulations**

There are laws and regulations that govern the processing of simplified acquisition procedures. Those laws are listed below:

### **Federal Acquisition Streamlining Act of 1994 (FASA)**

The Federal Acquisition Streamlining Act of 1994 (**FASA**) made a number of changes in the way goods and services at, or below, \$100,000 are acquired. The Act replaced the \$25,000 threshold with a new "Simplified Acquisition Threshold" (**SAT**) of \$100,000 once an agency (or procuring activity within the agency) has achieved certain electronic commerce (**FACNET**) capabilities, are using them and certify that they have met the criteria.

### **Clinger-Cohen Act of 1996**

Clinger-Cohen Act of 1996, in an effort to further streamline the acquisition process, authorized, on a test basis, special simplified procedures for the acquisition of certain commercial items with a value greater than the simplified acquisition threshold but not greater than \$5.5 million, including options. There is a ceiling of \$11 million for acquisitions under FAR 12 for supplies and services that are used to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack.

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<b>Armed Services Procurement Act of 1947</b>	The basic legislation that governs USCG acquisitions of supplies and services is the Armed Services Procurement Act of 1947. This law is implemented in the FAR, which is prepared, issued and maintained jointly by Secretary of Defense and Administrators of NASA and the General Services Administration (GSA).
<b>Coast Guard Acquisition Procedures (CGAP)</b>	The CGAP is intended for use by all Coast Guard personnel involved in the acquisition process. CGAP implements the Federal Acquisition Regulation (FAR), Department of Homeland Security Acquisition Regulation (HSAR), Homeland Security Acquisition Manual (HSAM), and other related Federal and agency contracting guidance, and establishes Coast Guard acquisition policy.
<b>Federal Acquisition Regulations (FAR)</b>	The FAR provides uniform policies and procedures for acquisition by executive agencies of the federal government. It is Chapter 1 of Title 48 of the Code of Federal Regulations (CFR). The FAR is divided into 53 Parts; Part 13 is specifically devoted to SAP; Part 8, Required Sources of Supplies and Services; Part 25, Foreign Acquisition; Part 35, Construction and Architect & Engineering Contracts; Part 38, Federal Supply Schedule Contracting; Part 41, Acquisition of Utility Services and Part 19, Small Business Programs.
<b>Homeland Security Acquisition Manual</b>	The Department of Homeland Security Acquisition Manual (HSAM) and The Department of Homeland Security Acquisition Regulation (HSAR) implements and supplements the Federal Acquisition Regulation (FAR). It is non-regulatory in nature and provides uniform procedures for the internal operation of acquiring supplies and services within the Department of Homeland Security.
<b>Federal Property Management Regulations (FPMR)</b>	The Federal Property Management Regulations (FPMR) (41 CFR Chapter 101), Federal Management Regulation (FMR) (41 CFR Chapter 102), and the departmental property management regulations that implement and supplement them, also contain provisions that address activities such as ordering from established sources.
<b>Definitions and Comparison of Terms</b>	This list is provided in alphabetical order. The definitions that follow are commonly used when making SAP purchases. Additional definitions are located at the end of this manual.
<b>Acquisition</b>	Acquisition is the acquiring by contract with appropriated funds of supplies and services (including construction) by and for the use of the federal government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated and evaluated.
<b>Acquisition Planning</b>	Acquisition planning identifies the agency's needs in the most effective, economical and timely manner. Key personnel must establish reasonable milestones, such as, type, quantity, quality, performance, and delivery schedule. A Procurement Forecast is not required for acquisitions that do not exceed

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\$100,000. However, acquisitions exceeding \$100,000 require an Advance Acquisition Plan per CGAP 3007.172 and HSAM 3007.1.

## **Acquisition Teams**

The acquisition team consists of all participants in government acquisitions including representatives of the technical (members of program office/customer), financial (funding), legal (general counsel) and contracting/procurement communities.

## **Anti-Deficiency Act**

The Anti-Deficiency Act of 1982, 31 USC 1341 (a), 1517 (a), provides that no government officer or employee may authorize or create any obligation, or make any expenditure, in excess of an apportionment or administrative subdivision of appropriated funds. The Act requires administrative discipline to those who inadvertently exceed their authority, and provides financial responsibilities and/or criminal penalties for those who do so knowingly and willingly. Accordingly, a government officer or employee who exceeds the funds available to him or her does so at his or her own risk.

## **Buy American Act (BAA)**

The Buy American Act (BAA) restricts the purchase of supplies that are not domestic end products for use within the United States (i.e. the 50 states, District of Columbia, and Outlying Areas as defined by FAR 2.101). However, it does not prohibit Federal Agencies from buying foreign end products when certain conditions apply. See FAR Subpart 25.103, 25.202, and 25.4 for exceptions permitting the acquisition of foreign end products.

When one of the following applies, an agency may acquire a foreign end product without regard to the restrictions of the Buy American Act: (1) Use outside the United States; (2) Domestic preference would be inconsistent with the public interest; (3) Not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality; (4) The cost would be unreasonable; (5) Specifically bought for commissary resale; (6) A specific trade agreement applies; (7) Information Technology that is a commercial item; (8) The award value is less than or equal to the micro-purchase threshold; or (9) The foreign end product being offered is eligible to receive equal treatment as that of a domestic end product pursuant to an existing trade agreement.

FAR Part 25 prescribes the policies and procedures for acquiring foreign supplies, services, and construction materials. A table in FAR Subpart 25.002 identifies which subparts apply to the types of items being procured. FAR Subpart 25.4 addresses acquisitions covered by trade agreements, and Subpart 25.5 provides step by step guidance for evaluating offers of foreign end products.

If a quote for a foreign item is received, you must evaluate it in regard to the

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## Buy-American Act (continued)

lowest domestic quote, including duty. Use the chart below to assist you.

When evaluating:	And:	Add:
a foreign quote	the low domestic offeror is a large business	6 percent to the foreign quote
a foreign quote	the low domestic offeror is a small business	12 percent to the foreign quote

NOTE: When quotes are obtained orally, vendors must be informed that only domestic end products shall be accepted, unless the price for an offered domestic end product is unreasonable.

## Central Contractor Registration (CCR)

The Central Contractor Registration (CCR) is the primary contractor database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions.

Contracting Officers (KOs) should use the CCR database at [www.ccr.gov](http://www.ccr.gov) as one of their primary sources of vendor information. Offices maintaining additional vendor source files or listings should identify the status of each source in the following categories:

1. Small business.
2. Small disadvantaged business.
3. Women-owned small business.
4. HUBZone small business.
5. Service-disabled veteran-owned small business.
6. Veteran-owned small business.

Note: Purchase card transactions do not require registration in CCR.

If you have a valid exception to the requirement to award to a contractor registered in CCR (list of exceptions are found in FAR Subpart 4.1102), then cite the exception on the reverse side of the Simplified Acquisition Summary Sheet (DHS 700-16) in the block entitled "DUNS/TIN number." No additional documentation is required.

When none of the CCR exceptions apply, FAR Subpart 4.1103(c) requires the KO to wait until the vendor is in the system before making the award. The FAR states the KO should notify the vendor that award cannot be made to them until they are registered in the CCR. The notice

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to the vendor should also tell the vendor that if they are not in the CCR registration database by the deadline provided, award SHALL be made to the next responsible offeror.

If the KO determines that award CANNOT wait until vendor is registered in CCR, the KO CANNOT award to that vendor, but instead must award to the next responsible offeror who is registered in CCR. See FAR Subpart 4.1103(c) (2) – if this is done, the KO must obtain written approval above the KO.

<b>Commercial Item</b>	A commercial item is any item, other than real property, that it is of a type customarily used for nongovernmental purposes and has been sold, leased, or licensed, or offered for sale, lease or license, to the general public.
<b>Contract</b>	The FAR defines a contract as a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It is an agreement between two or more parties that is enforceable by law. The Contracting Officer (KO) will issue either an Order for Supplies or Services (OF 347) or Solicitation/Contract/Order for Commercial Items (SF-1449). The vendor indicates acceptance of an order by notice to the government, in writing, or by furnishing the supplies or services ordered or proceeding with the work. The SF-1449 is primarily used for all commercial items, and the OF347 is for GSA orders or non-commercial purchases.
<b>Contract Closeout</b>	Contract closeout is the gathering together of all documents that serve as evidence that required procedures have been followed throughout the acquisition process, the contract has been completed or terminated, and the contractor has been paid.
<b>Contract Clauses/ Provisions</b>	Clauses and provisions are required for acquisitions exceeding the micro-purchase threshold. Each purchase order, contract and modification must incorporate all clauses prescribed for the particular acquisition. (See FAR Part 52 for applicable contract clauses and provisions)
<b>Contract Modifications</b>	All modifications should be made in writing, in the same manner in which the order was initially issued. The requirement to modify the contract arises for both relatively minor administrative issues and more substantial changes. The KO shall modify any order, if the content is deficient in administrative details due to (1) omission of information, (2) change in the government's accounting and appropriation data (3) inaccurate wording and terms of the solicitation or quotation, (4) typographical errors, or (5) change in any of the government's internal information (scope, price or delivery).
<b>Contracting Officer (KO)</b>	The Contracting Officer (KO) is the person with written authority (warrant) to enter into, administer, and/or terminate contracts, as well as to make related

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determinations and findings on the behalf of the government.

## **Delegated Authority**

Authority to enter into contractual relationships and commit the government to the expenditure of public (taxpayer) funds is a DELEGATED authority. This authority must be delegated in writing to the individual. The requesting activity must demonstrate a valid need for the authority. The Head of the Contracting Activity (HCA) is authorized under Homeland Security Acquisition Manual Subchapter 3001.601-70 to designate Contracting Officers (KOs) for the Coast Guard and may delegate this authority to a level no lower than the Chief of the Contracting Office (COCO). The issuances of contracting officer warrants are based on mission requirements and a candidates experience, training, education, business acumen and grade/rank.

## **Excluded Parties List System (EPLS)**

Excluded Parties List System (EPLS) is a worldwide website provided as a public service by General Services Administration (GSA) for the purpose of efficiently and conveniently disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Non-procurement suspension and debarment.

FAR Subpart 9.103 directs agencies to purchase from contractors who are responsible. In order to be determined responsible, a prospective contractor must:

1. Have adequate financial resources to perform the contract, or the ability to obtain them;
2. Be able to comply with the required or proposed delivery or performance schedule;
3. Have a satisfactory performance record;
4. Have a satisfactory record of integrity and business ethics;
5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
6. Have the necessary production, construction and technical equipment and facilities, or the ability to obtain them; and
7. Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

When making award to a responsible offeror/quoter, the contracting officer's signing of the award constitutes a determination that the prospective offeror/quoter is responsible with respect to that award. The contracting officer

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must place supporting documentation for the determination in the contract/order file. At a minimum, supporting documentation for a simplified acquisition must include written evidence of checking the Excluded Parties System. “The List of Parties Excluded from Federal Procurement and Non-procurement Programs” is available at [www.epls.gov](http://www.epls.gov).

**Task and Delivery Orders.** A responsibility determination is not required when placing orders under indefinite delivery contracts, including orders placed under the GSA Federal Supply Schedule. However, the contracting officer must check the Excluded Parties List System prior to: placing an order exceeding the guaranteed minimum under an indefinite quantity contract; placing an order under an optional use Federal Supply Schedule contract, blanket purchase agreement, or basic ordering agreement; or adding new work, exercising an option, or otherwise extending the duration of a current order (See FAR 9.405-1(b)).

Note: The use of the DHS Form 700-12 is required when documenting the determination that a firm is not responsible.

## **FedBizOpps (FBO)**

The electronic Government Point of Entry (GPE) for public notification is FedBizOpps. Proposed contract actions expected to exceed \$25,000 must be formally advertised by synopsisizing the requirement at [www.FedBizOpps.gov](http://www.FedBizOpps.gov).

## **Funding Document/ Procurement Request (PR)**

The funding document that provides the KO with authority to begin the acquisition process is called the Procurement Request (PR). The requisition must be numbered properly to be valid, contain valid appropriation and accounting data, and have a valid signature, or digitally approved in the Finance and Procurement Desktop System (FPD). Each certified PR must contain at least two signatures, one by an authorized requisitioner and one by the Funds Manager (accounting verification officer). Any changes to increase the amount of funds on the PR shall only be made by the Funds Manager. All pen/ink changes on the PR to increase funds shall be initialed and dated by the Funds Manager. Under no circumstance, will the ordering official/contracting officer sign/approve the funding document (e.g., procurement request).

The PR must provide at a minimum, the following data (see chapter 4 Open Market Purchasing Overview for further guidance on PRs):

1. Independent Government Cost Estimate
2. Statement of Work or detailed description
3. HAZMAT and Recovery Conservation Recovery Act forms(RCRA) (when applicable; such as new stock)
4. List of potential sources, if known

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5. Valid accounting/funding information
6. Treasury Account Symbol (TAS)

## **Head of Contracting Activity (HCA)**

Head of Contracting Activity (HCA) is the official who has overall responsibility for managing the contracting activity within an agency or component.

## **Independent Government Cost Estimate (IGCE)**

Independent Government Cost Estimate (IGCE) is the estimated amount of the proposed contract. The IGCE includes, but is not limited to: (1) an estimate of the labor hours required by the category (program manager, technician, engineer, etc.); (2) an estimate of travel cost (number of trips, destinations, and duration; and (3) a listing of other anticipated direct charges, such as equipment, consultants, and computer time.

## **Market Research**

Market research is collecting and analyzing information about capabilities within the market that will satisfy the agency's needs. The extent of market research will vary depending on such factors as urgency, estimated dollar value, complexity of the requirement, and past experience in the particular commercial market place.

The A/OPC may delegate micro-purchase authority to individual cardholders. These individual cardholders are known as Non-Warranted Cardholders.

## **Non-Warranted Cardholder**

Non-Warranted Cardholders may not exceed \$2,500 in purchase authority for services and \$3,000 for supplies. Construction authority is limited to \$2,000 due to application of labor laws that constrict construction actions above that amount.

## **North American Free Trade Agreement (NAFTA)**

As required by the North American Free Trade Agreement (NAFTA), Canadian end products under supply contracts with an estimated value above \$25,000, and as required by Free Trade Agreements with Chile and Singapore, end products from these countries under supply contracts with an estimated value equal to or exceeding \$64,786, shall be evaluated without regard to Buy American Act (BAA) restrictions. Similarly, with respect to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) manufactured end products from El Salvador, the Dominican Republic, Guatemala, Honduras, and Nicaragua under supply contracts and with an estimated value equal to or exceeding \$64,786, shall be evaluated without regard to BAA restrictions. The Israeli Trade Agreement is also similar to NAFTA as only end products under supply contracts with an estimated value above \$50,000 or more shall be evaluated without regard to the BAA. The estimated values listed above change frequently, therefore, please refer to FAR Subpart 25.4.



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## Performance Based Acquisition (PBA)

Performance Based Acquisition (PBA) is contracting for results, not just best efforts. PBA means structuring all aspects of an acquisition around the purpose of the work to be performed. PBA techniques include: using objective, measurable performance requirements and quality standards in developing Performance Work Statements; selecting contractors using performance as a consideration; determining contract type and incentives in accordance with a fair assessment and assignment of performance risk; and performing contract surveillance and administration for insight only into essential areas of contractor performance, and mindful of the need for conservation of government resources.

For a contract to be considered as PBA, it cannot be: level-of-effort (either fixed-price or cost reimbursement), time and materials, or have a design or detail specification. Finally, a PBA contract must have performance standards (criteria for determining whether the work requirements are met), and some kind of contract performance incentive, positive or negative, explicit or implicit. Samples and tools for PBA may be found at: [www.arnet.gov](http://www.arnet.gov).

## Procurement Ethics

Statutes prohibit government personnel from: accepting gifts or bribes; using public office for private gain; giving preferential treatment to any person; losing complete independence and impartiality in business decisions; making a government decision outside official channels; or eroding the confidence of the public in the integrity of the government. All contracting officers are required annually to complete and document completion of the procurement ethics and standards of conduct training. Such training may be found online at [www.oge.gov](http://www.oge.gov). Any concerns or questions about ethics should be directed to your servicing legal office.

## Program Representative

The program representative is a member of the program office who is requesting the procurement. He/she is the individual who oversees programs and organizes resources and personnel to achieve a program goal. When the contract is awarded, the program representative may be designated as the COTR to assist in administering the contract.

## Publicizing Contracts

Proposed contract actions expected to exceed \$10,000, yet not expected to exceed \$25,000 must be displayed in a public place (i.e. lobby, security house, etc). If the customer does not have a public place available due to security reasons, then such requirements shall be posted in FedBizOpps. When using the aforementioned public place method, a proper solicitation package shall be prepared, ready for distribution and accounted for when posting the hard copy. In other words, for example, the SF-1449 shall be completed accordingly for a solicitation, and shall include all pertinent FAR and HSAM clauses, Statement of Work (if applicable), and wage rates (if applicable). It is imperative that the Government's estimate is not included as part of the solicitation package that is

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intended to be posted.

Proposed contract actions expected to exceed \$25,000 must be formally advertised by synopsisizing the requirement in <http://www.FedBizOpps.gov>.

## **Purchasing Agent**

A purchasing agent is an acquisition professional who works under the 1105 job series and acquires supplies and services to meet the purchase, rental, or lease needs of the USCG.

## **Purchase Order (PO)**

A purchase order (PO) is an offer by the government to buy supplies or services on specific terms and conditions, using simplified acquisition procedures.

## **Ratification**

Ratification is the act of approving an unauthorized commitment. Authority to ratify unauthorized commitments is given to the Head of Contracting Activity (HCA). This authority cannot be delegated below the Chief of Contracting Office (COCO) level.

## **Soliciting Quotes**

Contracting officers (KOs) shall seek competition whenever practical. FAR 13.104 states that competition must be obtained for all procurements over the established micro-purchase thresholds (e.g., \$2,500 for services, \$3,000 for supplies, \$2,000 for construction). Although documented Requests for Quotes (RFQs) are preferred, oral solicitations are acceptable as long as it is properly documented on the Simplified Acquisition Summary Form (DHS 700-16).

Sole source acquisition is a contract for the purchase of supplies or services that are entered into, after soliciting and negotiating with only one source. If only one bid is received from the release of a competitive solicitation, the contracting officer should attempt to ascertain the reasons for the lack of response and place a written justification in the contract file documenting all conclusions regarding the lack of competition. All sole source justifications must follow the required approvals as outlined in the CGAP 3006 and HSAM 3006.304.

For purchases not exceeding the simplified acquisition threshold, contracting officers may solicit from one source if the contracting officer determines through market research that the circumstances of the contract action deem only one source reasonably available (e.g., urgency, exclusive licensing agreements, brand name or industrial mobilization). A Justification & Approval (J&A) shall be approved for contract awards to facilitate the response to or recovery from a natural disaster, act of terrorism, or other man-made disaster, that relies on this exception. The period of performance shall be limited to the minimum period necessary to meet the urgent and compelling requirements of the work to be performed and to enter into another contract for the required goods or services through the use of competitive procedures. However, in no event shall the period of performance exceed 150 days, unless the HCA (or higher approval authority of required by FAR Subpart 6.304 or HSAM 3006) determines that exceptional

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circumstances apply, approving the justification set forth in HSAM. Pursuant to FAR Subpart 13.106-3(b)(3)(i), at a minimum, blocks 3, 7, 8, 9, 10, 11d/e/f, and the signature blocks of the DHS 700-16 shall always be completed. Written quotes shall be obtained for construction contracts over \$2,000 because of the requirements of the Davis Bacon Act (DBA). Wage rates as well as specific DBA clauses and the non-commercial FAR clause are required to be included in solicitations and contracts. These wages are based on the prevailing wages in the area where the contract is being performed under the Fair Labor Standards Act (FLSA). To request or access rates electronically go to the [Department of Labor](http://www.wdol.gov) website at <http://www.wdol.gov>

Written quotes shall be obtained for service contracts over \$2,500. Under the [Service Contract Act](#), any procurement over \$2,500 must include Service Contract Act wage rates. This act also requires minimum wages to be paid in all service contracts regardless of dollar value. To request or access rates electronically go to the [Department of Labor](http://www.wdol.gov) website at <http://www.wdol.gov>.

## **Termination for Convenience**

The exercise of the Government's right to completely or partially terminate performance of work under a contract when it is in the best interest of the Government. The Government can be held liable for payment to the vendor when acceptance of the order has already been made and a contract has been created. If FAR clause 52.213-4 has been incorporated into the contract, a contractor is entitled to payment reflecting the percentage of the work performed prior to notice of the termination and related reasonable startup expenses. In commercial item contracts, FAR 52.212-4(l) gives the parties similar rights to those incorporated in FAR 52.213-4(f)

## **Termination for Default**

The exercise of the Government's right to completely or partially terminate a contract because of the contractor's actual or anticipated failure to perform its contractual obligations. Unless the contract contains a termination for default cause clause, termination would be a breach of contract requiring settlement under general principles of contract law. Contracts may be terminated for default based on the relevant clause in the contract. In commercial contracts, use FAR 52.212-4(m). In noncommercial contracts, use FAR 52.213-4(g)

## **Unauthorized Commitment**

An agreement that is not binding on the government solely because the government representative who made it lacked authority to enter in to that agreement on behalf of the government.

## **Warranted Cardholders**

A Purchase Card (P-Card) transaction above the micro-purchase threshold must be made by a purchase card holder with a specific written delegation of contracting authority (warrant). Once the delegation of contracting authority is given the P-Card holder becomes a warranted cardholder. Warranted card holders are only permitted to make purchases up to their written delegated

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contracting authority.

As a last resort, Warranted Cardholders may use their purchase card to purchase fuel for USCG aircraft and vessels up to the stated value of their warrant (fuel services exceeding \$2,500 are subject to the Service Contract Act). However, if the purchase will exceed the purchase card single or monthly purchase limits, the cardholder must receive prior authorization, in writing, from their Alternate Organization Program Coordinator (A/OPC). This authority may only be used if (1) there is no Defense Energy Supply Center (DESC) supplier available, and (2) the vendor will not accept the Fleet Fuel Services Card. Another deviation to the rule for fuel purchases only allows aircraft (Air Card) and vessel commanders (or their designees, appointed in writing) to issue delivery orders against DESC contracts.

## Warrant Requirements for All GS-Series except GS-1105s/USCG Storekeepers

Authority	Contracting Certification/ Training	Contracting Experience	Annual Skills Currency
Up to synopsis threshold (\$25,000)	Completion of a 40 hour SAP training course	6 months	24 hours
Up to SAT warrant (\$100,000)	GS-1102s, Level I Federal Acquisition Certification in Contracting – FAC-C. In order to obtain authority in specialty areas, e.g., services, construction, A&E, training must be completed specific to these authorities.	1 year of contracting or procurement experience	40 hours

## Warrant Requirements for GS-1105s and USCG Storekeepers

Authority	Contracting Certification/ Additional Training	Contracting Experience	Annual Skills Currency
Up to synopsis threshold (\$25,000)	40 hours of Advanced SAP training is required in addition to 40 hours of SAP training that is relevant to the complexity of the contract actions to be processed.	6 months	24 hours
\$50,000 up to the SAT (\$100,000)	40 hours of Advanced SAP training is required in addition to 40 hours of SAP training that is relevant to the complexity of the contract actions to be processed, 40 hours of formal Cost & Pricing training must be completed. In order to obtain authority in specialty areas, e.g., services, construction, A&E, training must be completed specific to these authorities.	1 year of contracting or procurement experience	40 hours

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The above warrant authority levels are based on the total contract cost. Contract cost includes options, award terms, and total potential contract ceilings. This includes Memorandum of Agreements (MOAs), Memorandum of Understandings (MOUs), and Military Interdepartmental Purchase Requests (MIPRS) which will result in the delivery of systems, products, or services.

In addition to meeting the training and experience qualifications, there must be an organizational need for the authority that was approved by the COCO.

## **Roles/ Responsibilities in the Acquisition Process**

Contracting and program professionals have specific roles and responsibilities in the acquisition process. Both professionals must be involved in the process to ensure the government needs are met.

### **Program Official**

The program official and his/her staff are expected to do the planning and program control. These duties involve: establishing program objectives, developing requirements, scheduling, estimating, budgeting, developing controls, developing the funding document/procurement request, ensuring all accounting data and signature authority is entered correctly on the funding document prior to submitting to the contracting office, developing specific project plans, including financial status, coordinating project planning with the contracting office, evaluating proposals, participating in the source selection process and monitoring contract performance, identifying delays and determining required changes and other appropriate actions that are coordinated with the contracting officer (KO).

### **Contracting Professional**

The contracting professional is responsible for ordering, purchasing or contracting for goods and services needed by the program official. These duties may entail, but are not limited to: determining the appropriate source of supply; finding sufficient prospective commercial sources to obtain maximum practicable competition and satisfy socioeconomic and other FAR and HSAM requirements; advising potential sources of the governments requirements; issuing and publicizing solicitations; receiving and evaluating quotations; conducting price and contract terms negotiations; making sound judgment in making the best buys; writing the contract or ordering document and modifying or amending the contract or order and ensuring the finish product is received in a efficient and timely manner.

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## Chapter 2: Required Sources of Supplies and Services

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### **Introduction**

This chapter presents the order of priority to be followed, explains the policy considerations that shape it, and outlines factors to be considered in selecting the proper source. After the receipt of the PR, the KO must determine the proper source of supply for the goods and services to be acquired. The KO must consider the sources of supply in an order of priority established by FAR 8.002. All procurement actions, regardless of dollar value, shall use the following sources in the order they are listed.

### **Priorities for use of Government Supply Sources**

Available sources for supplies and services can be classified in three broad groups and arranged in the general order of priority (1) required government sources, (2) required commercial sources, and (3) open-market sources.

### **Supplies By Descending Order of Priority**

1. Agency Inventories (see following pages), including DHS-wide contracts/agreements
2. Excess From Other Agencies (see succeeding sections of this chapter)
3. Federal Prison Industries, Inc. (UNICOR) \*\*see ordering guideline in the succeeding sections of this chapter\*\*
4. Supplies which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled i.e., NIB-NISH or Ability One (previously known as JWOD).
5. Wholesale supply sources such as General Services Administration (GSA) Global Supply and the Defense Logistics Agency (DLA)
6. Mandatory Federal Supply Schedules (FSS)
7. Optional use Federal Supply Schedules (FSS)
8. Commercial Sources (Open Market) including educational and nonprofit institutions
9. Interagency Agreements (FAR 17.5) i.e., MIPRs under The Economy Act
10. Other Government-wide Agency Contracts (GWAC)

### **Services by Descending Order of Priority**

1. DHS-wide contracts and agreements
2. Services which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled i.e., NIB-NISH or Ability One

## Chapter 2: Required Sources of Supplies and Services

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### Services by Descending Order of Priority (continued)

3. Mandatory Federal Supply Schedules (FSS)
4. Optional use Federal Supply Schedules (FSS)
5. Federal Prison Industries, Inc. (UNICOR)
6. Commercial Sources (Open Market)
7. Interagency Agreements (FAR 17.5)
8. Other Government-wide Agency Contracts (GWAC)

### Factors to Consider

In determining if the offer meets the government's need, factors such as functionality, delivery date, quantity, shipping point, and cost must be considered. If a required source does not meet the needs, a waiver may be required. Exceptions and waivers for each of the required sources listed above, can be found later in this chapter.

### Agency Inventory

Refers to stock items maintained by various Coast Guard Inventory Control Check Points (ICPs), such as the Surface Forces Logistics Center (SFLC) in Baltimore, MD, and Aviation Logistics Center (ALC) in Elizabeth City, NC.

The Supply Policy and Procedures Manual, COMDTINST M4400.19 (series), lists other inventory points, and contains management policy and requisitioning procedures. The Supply Policy and Procedures Manual may be reviewed by accessing the CG Portal.

### Excess Property From Other Government Agencies

There are several sources of excess property that must be considered to satisfy the government's needs:

1. Customer's excess property
2. Coast Guard-wide property, and
3. Other government agencies (OGA) excess property (e.g., Defense Reutilization and Marketing Office (DRMO), [General Services Administration GSA](#)).

When a federal agency determines that property under its control is excess and reports it to GSA, that agency is relinquishing ownership of the property to GSA. As the manager of the federal excess property system, GSA ensures the needs of the federal government for excess property are met first before use or distribution of excess property to non-federal beneficiaries. GSA receives, screens, and distributes (disposes) excess property through its regional distribution centers.



## Chapter 2: Required Sources of Supplies and Services

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### **Coast Guard Excess Property List**

The primary sources for excess property used by the Coast Guard are DRMO and GSA. The Property Management Manual, COMDTINST 4500.5 (series) provides policy and procedures in obtaining excess property from Coast Guard, DRMO, and GSA sources.

Online information is available at: <http://www.drms.dla.mil/>.

For GSA:

GSA Area Utilization Offices are contained in the GSA Customer Assistance Guide. This guide may be obtained by calling:

GSA Centralized Mailing List Service: (817) 334-5215 or by facsimile at telephone number (817) 334-5227. The mailing list code for this publication is OSSC-0003

For Coast Guard excess property list:

Commanding Officer

USCG Engineering Logistics Center

Communications Equipment Branch

2401 Hawkins Point Rd.

Baltimore, MD 21226-1797 or website:

<http://cgweb.elcbalt.uscg.mil/default.asp>.

### **UNICOR/Federal Prison Industries (FPI) Ordering Guidelines**

UNICOR is the trade name for the Federal Prison Industries (FPI), which is a self-supporting, wholly owned government corporation of the District of Columbia. It provides training and employment for prisoners in federal correctional institutions and provides a wide range of products and services. UNICOR Product Line includes: office furniture, dormitory lodging, healthcare, mattresses, bedding, textile items, apparel, interior and exterior signs, promotional items, metals, racking and warehouse storage, call centers, help desks, data services, printing and binder services, fleet services and management, distribution/reverse logistics, electronics, electronics recycling, food service items, eyewear and optics, solar energy and green products. FAR Subpart 8.6 governs all purchases from UNICOR. Though printing is one of the services offered by UNICOR, the Government Printing Office (GPO) supplants UNICOR. UNICOR products are listed in its full line catalog, which can be obtained from:

UNICOR Federal Prison Industries Inc

320 First Street NW

Washington, DC 20534-0002

(800) 827-3168

(202)305-3501

The on-line address is <http://www.unicor.gov/>

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### **UNICOR/Federal Prison Industries (FPI) Ordering Guidelines (continued)**

[UNICOR](#) also has a QuickShip Catalog, available both as part of the paper catalog and electronically through the Internet. QuickShip lists items that are guaranteed to be shipped within 30 days of receipt of order. If it takes more than 30 days, UNICOR will deduct 10% from the order price. Regulations implemented in fiscal year 2004 did not completely eliminate UNICOR as a mandatory source, but provided new guidance that states: “Before purchasing a supply/service from FPI, you must conduct market research. The research is used to determine whether the FPI product/service is comparable to supplies/services available from the private sector and which best meet the government’s needs in terms of price, quality, and delivery time”.

UNICOR is no longer required for furniture, but must be solicited and included in Market Research.

NOTE: The use of a Military Interdepartmental Purchase Request (MIPR) is prohibited when purchasing furniture directly from UNICOR in order to circumvent the required competition process.

If the item is comparable, purchase the item from FPI (following procedures at FAR Subpart 8.602) or <http://www.unicor.gov/>

If competitive procedures are followed, and the item is anticipated to be purchased from an agency’s Indefinite Delivery Indefinite Quantity (IDIQ) or from a Federal Supply Schedule (FSS) contract, then FPI is to be solicited also. Document the market research in the Simplified Acquisition Summary Form.

If the FPI supply/service is NOT comparable, then purchase the supply/service using the appropriate procedures found in FAR Subpart 6.102, 13, and 19.5.

### **Waivers**

FPI may grant a waiver for purchase of supplies in the FPI Schedule from another source, FPI waivers ordinarily are of the following types:

- a) General or blanket waivers issued when classes of supplies are not available from FPI.
- b) Formal waivers issued in response to request from offices desiring to acquire from other sources, supplies listed in the FPI Schedule and not covered by a general waiver.

Waivers can be processed by mail, faxed or electronically by sending request to:

## Chapter 2: Required Sources of Supplies and Services

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### Waivers (continued)

[UNICOR](#) Customer Service Center  
PO Box 13640  
Lexington, KY 40583-3640  
or fax to (606) 254-9692 or electronically at  
<http://www.unicor.gov/>

UNICOR generally processes waiver requests within two to three days. For planning purposes, UNICOR advises that as many as seven days may be required. The Contracting Officer's (KO's) waiver request and clearance from UNICOR shall be included in the purchase file.

### Waiver Exception

#### **Purchase from FPI is not mandatory and a waiver is not required if (FAR Subpart 8.605):**

- a) (1) The contracting officer makes a determination that the FPI item of supply is not comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery; and (2) The item is acquired in accordance with FAR Subpart 8.602(a)(4);
- (b) Public exigency requires immediate delivery or performance;
- (c) Suitable used or excess supplies are available;
- (d) The supplies are acquired and used outside the United States;
- (e) Acquiring listed items totaling \$3,000 or less;
- (f) Acquiring items that FPI offers exclusively on a competitive (non-mandatory) basis, as identified in the FPI Schedule; or
- (g) Acquiring services.

### **Committee for Purchase from People who are Blind or Severely Disabled AbilityOne**

Javits-Wagner-O'Day (JWOD) Act requires the Government to purchase supplies or services on the Procurement List, at prices established by the Committee from Ability One participating nonprofit agencies, if they are available within the period required (FAR Subpart 8.7). The Procurement List identifies all supplies and services required to be purchased from AbilityOne participating nonprofit agencies. The two central nonprofit agencies under AbilityOne are National Industries for the Blind (NIB) which been designed to represent people who are blind and NISH which has been designed to represent AbilityOne participating nonprofit agencies serving people with severe disabilities other than blindness. The address information for both agencies are listed below:

National Industries for the Blind (NIB)  
1310 Braddock Place  
Alexandria, VA 22314-1691  
Voice Number: (703)310-0500  
Internet: <http://www.nib.org/> and

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### **Committee for Purchase from People who are Blind or Severely Disabled (continued)**

NISH - Creating Employment Opportunities for People with Severe Disabilities  
 8401 Old Courthouse Road, Suite 200  
 Vienna, VA 22182-3820  
 Voice Number: (571) 226-4660  
 Internet: <http://www.nish.org>

[GSA Advantage!](#) list includes AbilityOne supplies. See GSA Advantage! section later in this chapter.

Though DHS EMALL is no longer the mandatory source for DHS agencies when purchasing office supplies, it is an excellent source of AbilityOne products.

### **National Supply System**

The National Supply System was created and designed to eliminate duplication of acquisition and supply functions between the General Services Administration (GSA) and other federal agencies. Its objective is to develop a single, integrated, government-wide system for the acquisition and supply of common-use, commercially available items used by agencies of the federal government. GSA is the designated manager of the National Supply System.

### **Wholesale Supply Sources**

Wholesale supply source is an umbrella term identifying the various government managed supply systems (i.e. GSA, DLA, VA, ICPs). Items are obtained utilizing various requisition methods (i.e. CMPlus, DD-1149, MILSTRIP, CSC, ICP). Requisition procedures are governed by the Supply Policy and Procedures Manual, COMDTINST M4400.19 (series).

### **GSA Customer Supply Centers (CSC) and Inventory Control Points (ICP)s**

Supplies can be ordered from GSA Customer Supply Centers (CSC), military ICPs by telephone with a P-Card or by facsimile with ID Activity Address Code (AAC), plus a GSA-selected access code. Orders are shipped within 24 hours and usually arrive in two to five days. For more information on ordering procedures, call the GSA National Help Line at (800) 488-3111.

### **GSA Advantage!**

GSA offers an online shopping service called “GSA Advantage!” through which ordering activities may place orders against Federal Supply Schedules. (Ordering activities may also use GSA Advantage! to place orders through GSA Global Supply System, a GSA wholesale supply source, formerly known as “GSA Stock” or the Customer Supply Center.”

GSA Advantage! enables ordering activities to search specific information (i.e., national stock number, part number, common name), review delivery options, place orders directly with Schedule contractors (except for limited

## Chapter 2: Required Sources of Supplies and Services

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**GSA Advantage! (continued)** sources justification and approval, see FAR Subpart 8.405-6) and pay for orders using the Government-wide commercial purchase card.

The GSA Advantage on-line shopping help line is 877-472-3777. Also, see information on GSA E-Buy Program below.

GSA also accepts MILSTRIP orders.

To establish a GSA account, call or write:

GSA Global Supply  
1900 River Road  
Burlington, NJ 08016-2100

GSA Global Supply

Phone: (800)525-8027

Facsimile: (800)856-7057

Web address: [www.gsaglobalsupply.gsa.gov](http://www.gsaglobalsupply.gsa.gov).

### **Defense Logistics Agency (DLA)**

Items available from the Defense Logistics Agency (DLA) range from heavy machinery parts to small hardware items to clothing and ecclesiastical furnishings. These items are supplied by the agency's five Defense Supply Centers (DSC). An "R" preceding the stock number in the NSN index of the GSA Supply Catalog Guide identifies items managed by DLA.

### **Federal Logistics Data Compact Disc-Read Only Memory (FEDLOG)**

FEDLOG. DLA managed items can be found in the Federal Logistics Data on Compact Disc-Read Only Memory (CD-ROM). FEDLOG provides logistics information, including reference numbers, management data, freight data, supplier (also as commercial and government entity) data and code, characteristics data and representative drawings. See website: <http://www.dlis.dla.mil/>

Commandant (CG-441) manages and distributes FED LOG within the Coast Guard. The federal logistics information includes: NSN, National Item Identification Number (NIIN), Permanent System Control Numbers (PSCN), CAGE data, supplier information, part numbers, reference number data, item/colloquial name index, management data, interchangeability and substitutability (I&S) information, freight data, and characteristics information.

**Fuels, Lubricants, and Other Petroleum Products (Defense Contract Bulletin Items):** The Defense Energy Supply Center (DESC) contracts annually with commercial suppliers for fuels (2 year contracts for Bunker fuel), lubricants, and other petroleum products. Yearly requirements are submitted to DESC as the basis in determining the quantity to be awarded.

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The Logistics Centers require contracting offices, which have the need for these items to submit their annual estimates. Procedures and guidelines for submission of estimates are in the Supply Policy and Procedures Manual (SPPM), COMDTINST M4400.19 (series).

### **DLA Prime Vendor Contracts**

Prime vendor contracts were issued by DLA to replace their depot system and one of the advantages to these contracts is the need for large agency inventories is abolished because the vendor guarantees quick delivery. Currently, they cover pharmacy, medical/surgical, and subsistence items. Prime vendor contracts are typically Internet based.

To use a prime vendor contract, contact the designated Defense Personnel Support Center (DPSC) point-of-contact for sign-on information and other assistance. Once items are received, the unit certifies the invoice/packing slip for payment and forwards the invoice to the Contracting Officer's Technical Representative (COTR) or DPSC.

NOTE: Prime vendor contracts are NOT mandatory for the Coast Guard. \*Only subsistence and medical supplies are authorized for the Coast Guard on Prime Vendor contracts. Services are NOT authorized for the Coast Guard on Prime Vendor contracts.

\*Guidelines to utilize the Medical Prime Vendor contracts are contained in Medical Prime Vendor Implementation within the Coast Guard, COMDTINST M6740.2 (series). See website address:  
<http://www.uscg.mil/ccs/cit/cim>

\*Guidelines for utilizing the Subsistence Prime Vendor contract can be located in the Food Services Handbook, COMDTINST M4061.3 (series) or website address:  
<http://www.uscg.mil/ccs/cit/cim>

### **GSA/FSS Services and Supplies Program**

Directed and managed by GSA, this program provides federal agencies with commonly used supplies and services at established prices. The Ordering Office issues delivery orders directly to the schedule contractor for the required supplies or services. Every schedule includes contractual terms, minimum and maximum order limits, specifications, quality control, delivery timeframes, inspection, and acceptance.

A schedule can either be single-award schedule (SAS) or multiple award schedule (MAS). At the present time, GSA has only one SAS; The JWOD Schedule. This was awarded to the National Industries for the Blind under the JWOD Act (AbilityOne Program) and contains a variety of products and services.

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### **GSA/FSS Services and Supplies Program (continued)**

MAS covers contracts awarded to firms supplying comparable commercial services and products. Consistent with the Competition in Contracting Act, MAS are competitive. Therefore, participation in the program is open to all responsible sources, and orders placed following procedures in FAR Subpart 8.4 result in the lowest overall cost alternative to meet the needs of the government.

**Options** may be included on orders placed against MAS contracts provided the options are clearly stated in the requirement, are evaluated as part of the best value determination and stay within the SAP dollar threshold. Such options may be exercised provided that:

1. Funds are available
2. The requirement covered by the option fulfills an existing need
3. Prior to exercising an option, ensure that it is still in the government's best interest, i.e., the option is the most advantageous method of fulfilling the government's need - price and other factors considered, and
4. The options do not extend beyond the period of the scheduled contract, including option year periods.

**ORDERING PROCEDURES FOR FSS/SUPPLIES:** SEE FAR Subpart 8.405-1.

Place orders at or below \$3,000 with any FSS contractor that can meet your needs. Always attempt to distribute orders among contractors.

**ORDERING PROCEDURES FOR FSS SERVICES-** SEE FAR Subpart 8.405-2.

To the maximum extent practicable, requirements shall be performance-based statements (services under \$2,500 do not require a Statement of Work (SOW). Place orders at or below \$2,500 with any FSS contractor that can meet your needs. Always attempt to distribute orders among contractors. Requirements over \$2,500, but not exceeding the SAT – At least three quotes shall be obtained along with a request for firm fixed prices to perform the services identified in the Performance Work Statement (PWS), as well as evaluation criteria (e.g., experience and past performance).

A PWS is a written statement of work for performance based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes.

Seek price reductions from the schedule contractor appearing to provide the



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“best value.” After price reductions have been sought, place the order directly with the contractor who provides the best value and results in the lowest overall cost alternative.

Document the procurement file with the results from performing the above-described steps.

**NOTE:** In order to support efforts to achieve socio-economic goals, GSA suggests you state in each RFQ/RFP, the following: “When making a best value determination, one of the primary evaluation factors is achieving United States Coast Guard’s socio-economic goals.” By incorporating this statement into each RFQ/RFP, the prospective vendors will know up front that CG will be evaluating the quotes/responses received and will be considering the socio-economic goals as his/her primary evaluation factor.

### E-Buy Ordering

**E-BUY** - is a component of the GSA Advantage! - an electronic request for quote (RFQ) system designed to allow federal buyers to request information, find sources, and prepare RFQs online for services and products offered through GSA FSS contractors on GSA Advantage! The website to login is located at: <http://www.ebuy.gsa.gov/>. Each RFQ is assigned a FSS Special Item Number (SIN) category by the buyer. The category assignment determines which schedule contractors (sellers) may receive the e-mail notice to quote. It is imperative that you properly choose the most accurate SIN in order to query the ideal vendors to obtain the maximum number of competitive proposals. Sellers are automatically listed under their awarded SIN categories. Buyers may notify all sellers listed under a particular SIN category or may choose to notify a lesser number of sellers. Although you can select vendors to receive the RFQ, the solicitation is still open to viewing by any vendor logging onto the system.

**NOTE:** P-Card account holders shall thoroughly read the instructions contained in the website prior to placing orders for services on GSA Advantage! They shall not place orders above their procurement authority. Additionally, it is illegal to split purchases/orders to keep obligations under SAT or under the level of the Contracting Officer (KO) authority. Ordering from GSA/FSS is not equivalent to placing a MILSTRIP order; therefore, purchases made cannot exceed the KO’s warrant authority.

The FAR provides guidance on ordering services and supplies from GSA Advantage! on-line shopping center at FAR Subpart 8.405-1 and FAR Subpart 8.405-2. Procedures for ordering on GSA Advantage! or e-Buy is found at: <http://www.fss.gsa.gov>.



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**Limited Sources** The decision to limit sources must be based upon FAR Subpart 8.405-6 which states, Orders placed under FSS are exempt from requirements in Part 6. However, an ordering activity must justify in writing its action when restricting consideration of schedule contractors to fewer than required in FAR Subpart 8.405-1 or 8.405-2. Circumstances that may justify restriction include:

1. only one source capable of responding due to the unique or specialized nature of work;
2. new work is a logical follow-on to an original FSS order – the original order must not have been previously issued under sole source or limited source procedures;
3. item peculiar to one manufacturer – brand name item, whether available on one or more schedule contracts; and
4. unusual and compelling urgency exists.

Therefore, should you determine to limit or restrict the purchase to a single source, you must justify in writing by completing the Simplified Acquisition Summary Form (DHS 700-16) in Example 7 and the Justification and Approval Form in Example 8. Example 7 and 8 are located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

For orders exceeding the simplified acquisition threshold (FAR Subpart 8.405-6 Limited sources justification and approval), the requiring activity must assist the KO in preparation of the justification. The justification must cite that the acquisition is conducted under the authority of the Multiple Award Schedule Program (see FAR Subpart 8.401) and, at a minimum, shall include the following information:

1. Identification of the agency and the contracting activity, and specific identification of the document as a “Limited Source Justification.”
2. Nature and/or description of the action being approved.
3. A description of the supplies or services required to meet the agency’s needs (including the estimated value).
4. Identification of the justification rationale (see FAR Subpart 8.405-6(a) and (b)) and, if applicable, a demonstration of the proposed contractor’s unique qualifications to provide the required supply or service.
5. A determination by the ordering activity contracting officer that the order represents the best value consistent with FAR Subpart 8.404(d).
6. A description of the market research conducted among schedule holders and the results or a statement of the reason market research was not conducted.

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7. Any other facts supporting the justification.
8. A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration before any subsequent acquisition for the supplies or services is made.
9. The ordering activity contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief.
10. Evidence that any supporting data that is the responsibility of technical or requirements personnel (*e.g.*, verifying the Government's minimum needs or requirements or other rationale for limited sources) and which form a basis for the justification have been certified as complete and accurate by the technical or requirements personnel.

### Department of Homeland Security (DHS) – Strategically Sourced Commodities (EMALL)

The use of EMALL is no longer a mandatory source when procuring office supplies. DHS in partnership with GSA known as GSA/ DHS Advantage! has established four (4) Department-wide Office Supply Blanket Purchase Agreements (BPA) which provide simple solutions for procurement of office supplies. All contracting offices and purchase cardholders shall utilize the DHS-wide Office Supply BPAs, described below, whenever it is deemed most cost efficient. When purchasing office supplies, you may seek price reductions, in accordance with Federal Acquisition Regulation (FAR) Part 8, from the vendor(s) considered to offer the best value.

Vendor	Vendor Size	Product Offering	BPA Number
Office Depot	Large	Full Catalog	GS-23-F-A0016
George Allen	Small	Full Catalog	GS-23-F-A0017
Corporate Express/Staples	Large	Ink/Toner	GS-23-F-A0018
ABM Federal	Small	Paper	GS-23-F-A0019

Additional information (*e.g.*, order guides, vendor POCs, etc.) about these BPAs may be found on the DHS Online Portal at <https://dhsonline.dhs.gov/portal/jhtml/dc/sf.jhtml?doid=111773>.

As an important reminder, the multiple ordering sources listed in descending order of priority prescribed in Federal Acquisition Regulation (FAR) Part 8 apply to all purchases including those used via the purchase card.

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### **DHS - Strategically Sourced Commodities (Copiers)**

When acquiring new black and white multi-function copying equipment and associated maintenance services, contracting officers shall use the DHS-wide contracts, found at <https://dhsonline.dhs.gov/portal/jhtml/dc/sf.jhtml?doid=111764>, to the maximum extent practicable, considering the particular need in terms of function/performance required, time of delivery or performance, etc. Coast Guard commands not located in the continental United States, District of Columbia, Alaska, and Hawaii, and all vessels, cutters and boats (non-shore customers) are not required to use the DHS-wide contracts for multi-function equipment.

Sources other than the DHS copier contracts may be used for acquiring copiers or copier services provided that the particular need cannot be met by one of the DHS copier contracts. The contracting officer shall justify in writing why another source is more advantageous for fulfilling the need, considering price, performance, delivery, and continuity of operations. A request to be exempt from utilizing the DHS-wide copier contracts must be submitted to the Financial Reporting & Asset Management Division (CG-842). For a lease or service maintenance agreement, the term of the contract shall not exceed 12 months.

### **DHS - Strategically Sourced Commodities (Information Technology (IT) – Hardware and Software)**

An acquisition should be made from a DHS wide contract vehicle (IDIQ contract or BPA) before considering other commercial sources of supply. If a DHS wide contract vehicle is available, but not used, the contracting officer shall justify in writing the basis for the decision and the written justification must be kept in the contract file. When acquiring information technology (IT) requirements, contracting officers are required to first consider satisfying their needs from or through Enterprise Acquisition Gateway for Leading-Edge Solutions (EAGLE) for services and First Source for supplies. Additional information (e.g., ordering guide) for both these Indefinite Delivery, Indefinite Quantity (IDIQ) contracts is available at <https://dhsonline.dhs.gov/portal/jhtml/community.jhtml?index=135&community=MGMT&id=2031380003>.

### **Open Market Sources / GWACs**

Only after the requirements have been determined not to be available from the required sources, or the required sources cannot satisfy the government's needs, the ordering office can proceed with "open market" purchases. For IT, consider soliciting Government-wide Acquisition Contracts (GWACs) that are task/delivery orders established by one agency for government-wide use. GWACS are not processed in the same manner as the Federal Supply Schedules and have different requirements with respect to "fair opportunity" (See FAR Subpart 16.505(a) (7) and

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16.505(b)). Interagency acquisition is a procedure by which an agency needing supplies or services (the requesting agency) obtains them from another agency (the servicing agency).

### **Interagency Agreements/ MIPRs under the Economy Act**

A Military Interdepartmental Purchase Request (MIPR) is used to accomplish interagency acquisitions for the Coast Guard. A MIPR is a document (DD Form 448) that is used to place an order for supplies or services with a military servicing agency or a civilian-servicing agency if acceptable to that civilian agency. The funds on a MIPR are not obligated until the servicing agency has accepted the DD Form 448, returned the signed DD Form 448-2 (last page) citing the Category and amount, and the servicing agent or USCG records the information in Federal Procurement Data System-next Generation (FPDS-NG).

The servicing agency in accepting a MIPR will determine whether to use Category I (reimbursable funds citation) or Category II (direct funds citation) methods of funding. Category I is appropriate when the servicing agency will perform using their own internal resources. Category II is appropriate when the USCG utilizes the servicing agency's existing contract vehicle.

The Economy Act authorizes agencies to enter into mutual agreements to obtain supplies or services by interagency acquisition. In other words, the Economy Act permits Federal Government agencies to purchase goods and services from other Federal Government agencies or other organizational units within the same agency. The Economy Act is permitted only if (1) funds for the purchase are actually available, (2) the purchase is in the best interest of the Government (3) the ordered goods or services cannot be provided by contract from a commercial enterprise as conveniently or cost efficiently by the Government, and (4) the agency or contracting office filling the order is able to provide or obtain by contract the ordered goods or services (See Chapter 10 for more info on Economy Act and MIPRs).

### **Government Printing Office (GPO) Ordering Procedures**

In general, the [U.S. Coast Guard Printing and Binding Regulations, COMDTINST M5600.6 \(series\)](#) establishes policy and prescribes standards and procedures for publishing activities that include editing, printing, duplicating, copying, and binding. Contact your local GPO Printing Specialist and/or CG-61.

### **GPO Simplified Purchase Agreement (SPA)**

GPO is the mandatory source for printing requirements. However, the Coast Guard has entered into a Simplified Purchase Agreement (SPA) with GPO for purchases under \$10,000. (NOTE: All purchases over \$10,000 will be processed as current practice dictates found in this Manual). The

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### **GPO Simplified Purchase Agreement (SPA) (continued)**

SPA is a type of blanket purchasing agreement, under which a number of different vendors can submit “proposals” to do specific types of work. The printer certifies that whatever price it charges for the work will be equal to or less than the most favorable price it gives to any other customer. The agency does not have to make the award to the lowest price on the SPA, but rather, can directly make the award based on “best value”, under which it can consider quality, service, price, and other factors.

Before a contracting officer (over \$2,500) or a P-Cardholder (under \$2,500) can make a purchase under this program, he/she must successfully complete/pass the GPO SPA training. Obtaining printed material is considered a service vice a supply, so the micro-purchase threshold of \$2,500 for services applies. Additionally, though a P-Cardholder is authorized to submit requirements and place orders under the SPA Program, the Government-wide Purchase Card is NOT authorized to be used as payment. Under the terms and conditions of the SPA Program, the printing company who performed the job is required to submit the invoice(s) directly to GPO who in turn will charge the customer’s accounting line accordingly.

The Senior Field Contracting Officer (SFCO) nominates individuals for training and certification to GPO by submitting the nominees to the regional GPO point of contact (e.g., if you are located at in the Washington, DC, Metropolitan Area, contact Brian Coleman, GPO Agency Publishing Specialist at 202-512-0455 or by email ([bcoleman@gpo.gov](mailto:bcoleman@gpo.gov))). Field contracting offices should also contact Mr. Brian Coleman for their respective Regional GPO point of contact. Training performed by GPO will provide details of the process, the forms to use, how charges (including fees) are made to the CG (BY GPO – NOT THE VENDOR), the list of authorized vendors that the CG can solicit and award, how to add vendors to the list, and information on the certification process.

Any deviation from the policy outlined in this Manual or the U.S. Coast Guard Printing and Binding Regulations, COMDTINST M5600.6 (series) will result in the purchase being deemed a NONRATIFIABLE commitment (FAR Subpart 1.602-3). Therefore, the individual committing such offense will be held responsible for not complying with the process and making an improper purchase. If the P-Card was used to pay for printing services, adverse administrative action may be imposed and the cardholder’s account will be terminated. Procurements in violation of these provisions are subject to the penalties found in United States Code 31 USC §1350.

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## Chapter 3: Small Business

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### Small Business Overview

After the consideration of required sources in FAR Part 8, each acquisition of supplies or services that has an anticipated dollar value exceeding the micro-purchase threshold (\$3,000) but not greater than the simplified acquisition threshold (\$100,000) is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the Contracting Officer determines and documents that there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery (FAR Subpart 9.502-2). Historically, this is known as the small business reservation.

Coast Guard bi-annually sets participation goals of total procurement dollars for small businesses and individual sub-categories of small business including; 8(a), non-(8a) small disadvantaged business (SDB), women-owned small business, historically underutilized business zone (HUBZone) small business, and service-disabled veteran-owned small business (SDVOSB). Therefore, you shall conduct market research in order to locate small business to conduct set-asides. The Contracting Officer may select 8(a), HUBZone, SDVOSB or a traditional small business set-aside based on market research, historical data, progress towards small business goals, and any other pertinent factors.

For the CG current specific goal percentage and information related to SBA, contact your Small Business Specialist (SBS) assigned to your contracting office. A listing of all CG SBS can be located online at: [http://www.dhs.gov/xopnbiz/smallbusiness/gc\\_1178570919850.shtm](http://www.dhs.gov/xopnbiz/smallbusiness/gc_1178570919850.shtm)

Small business size status should be confirmed via CCR.gov.

### Small Business Set-Asides

As stated in FAR Subpart 19.102, the Small Business Administration (SBA) establishes small business size standards on an industry-by-industry basis.

The five-digit North American Industry Classification System (NAICS) codes provide size standard classification for Small Businesses. Under “Business” on the NAICS web page, click on [NAICS](#).

Determining the North American Industry Classification System ([NAICS Code](#)): For size standard purposes, procurements are classified in the industry whose definition best describes the principal nature of the product or services being acquired. The KO determines the NAICS code.

Determining the Small Business Size Standard: Size standards are based on either a firm’s average number of employees during the pay periods for the preceding twelve months or its average annual gross receipts for the past three fiscal years. Each NAICS code will have a size standard expressed in either “dollars of receipts” or “numbers of employees,” but not both. These size standards are located on the Internet at



## Chapter 3: Small Business

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### Small Business Set-Asides (continued)

[http://www.naics.com/sba\\_sizestandards.htm](http://www.naics.com/sba_sizestandards.htm).

**Small Business Size Determinations:** Generally, small businesses self-certify their status in the applicable provision or orally in response to telephone solicitations.

**Size of Non-manufacturers or Regular Dealers:** Under small business set-aside actions, a business entity which submits a bid or offer in its own name for supply type actions, but proposes to furnish a product which it did not manufacture, is deemed to be a small business if it:

1. Have fewer than 500 employees.
2. Is primarily engaged in wholesale or retail trade.
3. Represents that it will furnish the product of a small business manufacturer or obtains a waiver.

**Waiver for Non-manufacturers:** SBA has waived the requirement for small businesses to furnish supplies manufactured by small businesses for simplified acquisitions less than \$25,000. For acquisitions above \$25,000, SBA may waive the requirement for a vendor to furnish supplies manufactured by a small business if there are no small businesses in the federal market. Class waivers have been established for certain items and are available at SBA's website at <http://www.sba.gov/>. Waivers may be granted for an individual set-aside action if the Contracting Officer (KO) can demonstrate that small business manufacturers or products are either not available or are unable to meet the quantity or delivery requirements of the solicitation.

A sample format for waiver requests is found at SBA's website - send requests for waivers to:

Associate Administrator for Government Contracting  
U.S. Small Business Administration  
Size Standards Policy Board  
409 Third Street, SW.  
Washington, DC 20416-0005

### Small Business Set-Aside Provisions and Clauses

**Provisions and Clauses:** For requirements set-aside for small business, solicitations shall include FAR clause 52.219-1, Small Business Program Representation, for all actions in excess of the micro-purchase threshold, which will be performed in the United States, its possessions or territories, Puerto Rico and the District of Columbia. Insert the applicable NAICS Code and size standard in the blanks provided.

Solicitations and resultant orders shall also include FAR 52.219-6, Notice of Total Small Business Set-Aside in these actions. Solicitations and resultant orders for commercial supplies/services shall include FAR 52.212-3, 'OFFEROR REPRESENTATIONS AND CERTIFICATIONS -



## Chapter 3: Small Business

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COMMERCIAL ITEMS. An offeror shall complete only paragraph (j) of this provision if the offeror has completed the annual representation and certifications electronically at <http://orca.bpn.gov/>. If an offeror has not completed the annual representation and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (b) through (i) of this provision.

### Small Business Set-Aside Solicitation Instructions

The information in the above provisions shall be included in all solicitations. For oral solicitations, award files shall contain evidence that this information was provided to all vendors solicited for quotations.

Exceptions: The Contracting Officer (KO) may award orders to other than small businesses if a written determination is made that there is no reasonable expectation of receiving offers from two or more responsible small businesses. However, the business must be competitive in terms of market prices, quality, and delivery. This exception may apply, for example, in the event you are purchasing original equipment manufacturer (OEM) parts which are sole source and which are only available from a large business.

If the KO solicits quotes from small businesses and receives only one quote from a small business, award should be made to that offeror, provided the KO has determined that the price is reasonable.

If the KO does not receive any quotes from a small business, the set-aside shall be withdrawn and the requirement re-solicited on an unrestricted basis. If a synopsis has been issued for the original requirement, this should be canceled and a new unrestricted synopsis issued.

Documentation: If a simplified acquisition is made on an unrestricted basis, the KO must document the file with the reason for not awarding the order to a small business

### 8(a) Program

As indicated in FAR Subpart 19, section 8(a) of the Small Business Act established the 8(a) program. 8(a) firms are small disadvantaged business that have been certified by the Small Business Administration (SBA) based on various factors. SBA certification is required to be eligible to participate in the 8(a) program. The Department of Homeland Security (DHS) and the SBA have entered into a Partnership Agreement (PA) through which CG may enter into contracts directly with 8(a) concerns. A copy of the PA can be located at: <https://dhsonline.dhs.gov/portal/jhtml/community.jhtml?index=94&community=MGMT&id=2019980003>

8(a) credit can only be received if the requirement is set-aside exclusively for 8(a) concerns. One of the most efficient methods to achieve this is to utilize the GSA 8(a) acquisition vehicle known as 8(a) STARS Government-wide Acquisition Contract (GWAC). More information can be found at the following web site:

## Chapter 3: Small Business

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[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_OVERVIEW&contentId=15749](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_OVERVIEW&contentId=15749)

### **HUBZone**

As indicated in FAR Subpart 19.13 the Historically Underutilized Business Zone (HUBZone) Program was created to provide Federal contracting assistance for qualified small business concerns located in historically underutilized business zones, in an effort to increase employment opportunities, investment, and economic development in those areas. HUBZones are historically located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation.

A HUBZone small business concern is a business that appears on the Small Business Administration (SBA) list of qualified HUBZone Small Business Concerns maintained by SBA. This list is also available on the Internet at <http://www.sba.gov/>, click on Offices and Services, click on HUBZone.

Procedure: At the sole discretion of the Contracting Officer (KO), he/she may set-aside acquisitions that exceed the micro-purchase threshold for competition restricted to HUBZone small business concerns, provided the following criteria are satisfied:

Offers will be received from two or more HUBZone Small Business Concerns. Award will be made at a fair market price.

### **Service Disabled Veteran-Owned Small Business Concerns (SDVOSB)**

As indicated in FAR Subpart 19.14, the Veterans Benefit Act of 2003 created the Service Disabled Veteran-Owned Small Business Concerns (SDVOSB) which provides that KOs may set requirements aside for service-disabled veteran-owned small business concerns over the micro-purchase threshold if:

Offers will be received from two or more service-disabled veteran-owned small business concerns. Award will be made at a fair market price. In addition to the GSA VETS acquisition vehicle, DHS has established the PACTS acquisition vehicle for non-IT related services. Both VETS and PACTS are recommended sources for locating qualified SDVOSB.

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## Chapter 4: Open Market Purchasing Overview

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### Introduction

This section will address the framework for buying supplies and services from commercial sources. The United States Coast Guard (USCG) has identified nine basic steps to buying.

### Nine Basic Steps to Buying

The nine basic steps to buying are:

1. Receive a valid procurement request (PR). \*See Chapter 1\*
2. Review the PR for required information and approvals (HAZMAT, property review, Resource Conservation Recovery Act, specifications, SOW, funding, etc.)
3. Consider all mandatory sources of source of supply in descending order
4. Set-Aside for Small Business or document an exception
5. Solicit competition
6. Proposal Evaluation
7. Award or Issue Purchase Document
8. Ensure purchase is justified in writing on the Simplified Acquisition Summary form Example 7 located on the SAP Website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> or see Department of Homeland Security (DHS) 700-16 form located on [Coast Guard website](#) – and [DHS website](#).
9. Administer the order:

#### **Step 1: Receive a funded and approved PR**

The PR is the responsibility of the customer for whom the KO is buying supplies and services. The PR shall have complete, accurate, and current funding information.

#### **Step 2: Review the Purchase Request**

The contracting professional making the purchase must review the PR for accuracy before proceeding with the buy. The following items shall be included on or with the PR:

- a. Accounting data
- b. Approving authority
- c. Certification of funds availability
- d. Purchase description or SOW
- e. Required delivery date
- f. Suggested sources of supply (if known)
- g. Sole source justification (if applicable)

## Chapter 4: Open Market Purchasing Overview

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### Nine Basic Steps to Buying (continued)

- h. Property review and general purpose property statement (if applicable)
- i. Evidence of customer's hazardous material coordinator and pollution prevention coordinator's (PPC) review (if applicable)
- j. Requisitioner determination form (if applicable – see Example 24 for recovered materials which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>).
- k. Independent Government estimate (IGE) or Independent Government Cost Estimate (IGCE)
- l. Delivery terms (if applicable)

### Contact your customer for any missing information.

**Accounting data:** The customer must ensure that the proper funding is utilized for the purchase and the Treasury Account Symbol (TAS) is on all Procurement Requests (PR) prior to submission to the contracting office for action.

**Approving Authority:** After someone initiates a request, it is generally forwarded through their chain of command to an individual to approve purchases for that office.

**Certification of funds availability:** This is the single most important signature on the procurement request (PR). Do not purchase anything unless this certification has been made on the PR.

**Purchase description:** A description of the essential physical characteristics and functions required to meet the government's needs.

**Required delivery date:** A realistic delivery date. For example, if a customer gives a required delivery date of "ASAP" the buyer should find out what is the actual date the supply/service is required. Remember that the government may pay a higher price for fast delivery; so if an emergency doesn't exist, don't pay for it.

**Suggested sources of supply:** The source(s) identified on a PR are "suggested" only. For non warranted cardholders, the Contracting Officer (KO) and ONLY the KO is responsible for source selection.

**Sole Source Justification:** If your customer tells you the suggested source is a "sole source," a sole source justification must accompany the PR. The sole source justification must demonstrate the suggested source is the only supplier in terms of urgency, exclusive licensing agreements, etc. The

## Chapter 4: Open Market Purchasing Overview

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### **Nine Basic Steps to Buying (continued)**

complexity and detail of the sole source statement should be commensurate with the complexity of the procurement. See FAR Part 6.

**Property Review and General Purpose Property Statement:** All PR requests (except for services) must contain one of the property statements as defined in the Property Management Manual, COMDTINST M4500.5 (series).

**Hazardous Material Coordinator/Pollution Prevention Coordinator Review:** PRs containing items listed in Example 1 (Example 1 can be found on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>) must have this review.

**Requisitioner Determination Form:** Required for every PR that contains any of the items designated by the Environmental Protection Agency (EPA) as items that can be made with recycled materials (see Chapter 10, Non-Routine Procurement Actions).

**Independent Government Estimate (IGE) or Independent Government Cost Estimate (IGCE):** IGEs can be derived from market research, published catalogs price lists, recent purchases, etc. (See chapter 1 for more information on IGCE)

#### **Step 3: Mandatory Sources**

Review all required sources of supply/service and exhaust the list of required sources prior to purchasing on the open market.

#### **Step 4: Set-Aside for Small Business**

All acquisitions over the micro-purchase threshold and up to SAT are set-aside for small businesses. A written justification for using other than a small business is required for all purchases over the micro-purchase threshold and up to the SAT Threshold.

#### **Step 5: Solicit Competition**

If your procurement request (PR) estimate is less than the micro-purchase thresholds (except for construction), you are encouraged to solicit three competitive quotes before making a selection, but multiple quotes are not required as long as the price can be determined fair and reasonable. At a minimum, you should call the suggested source and confirm the amount quoted. Remember to note the name of the person providing the quote and the date. If there is any question whether the price on the PR is NOT a fair price, find another source for the item and get another quote.

If your PR is over the micro-purchase thresholds FAR Subpart 13.104 requires competition. This is accomplished by soliciting at least three sources, and is normally done orally, using sources within the local area. Additionally, any proposed contract action between \$10,000 and \$25,000

## Chapter 4: Open Market Purchasing Overview

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### **Nine Basic Steps to Buying (continued)**

shall be posted in a public place. Any proposed contract action expected to exceed \$25,000 requires synopsis in Government Point of Entry (additional information on publicizing can be found in Chapter 8 Reporting and Publicizing Actions).

All other than full and open actions over the micro-purchase threshold(s) must be justified in writing with a sole source justification statement (see chapter titled Processing Simplified Acquisitions).

#### **Step 6: Proposal Evaluation**

Proposal evaluation is an assessment of the proposal and the offeror's ability to perform the prospective contract successfully. The Contracting Officer shall evaluate competitive proposals and then assess their relative qualities solely on the factors and sub-factors specified in the solicitation.

Evaluations may be conducted using any rating method or combinations of methods, including color or adjectival ratings, numerical weights, and ordinal rankings. The relative strengths weaknesses and risk supporting proposal evaluation shall be justified in writing and kept in the contract file.

Note: Oral quotes are normally evaluated on price, quantity and delivery date.

See Example 7: DHS Form 700-16 – Quote Evaluation (Example 7 can be found on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>).

#### **Step 7: Award or Issue Purchase Document**

Determine the most economical, efficient purchase method and then issue the order. Purchase methods to consider, in the order of preferred use, are: P-Card (micro-purchase); Purchase Order, Blanket Purchase Agreement, Standard Form (SF-44), and Imprest Fund. Each of these methods is briefly described below and in more detail in Chapter 7, Processing Simplified Acquisitions.

NOTE: Regardless of the form used, prior to award, the purchase request must reflect the identical amount negotiated between both parties. In the past, the Finance and Procurement Desktop (FPD) has allowed instances where purchase requests \$100.00 less than the actual invoice and purchase order to be adjusted automatically to pay the higher value invoice. Obliging a purchase order that does not have enough funds is considered a violation under the Anti-Deficiency Act (ADA). Therefore, it will be necessary for the customer to submit a modification to the previously under-funded purchase request and increase the funds **BEFORE** award. (A modification SF-30 to financially change an award's funding will be issued by the KO accordingly)

## Chapter 4: Open Market Purchasing Overview

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### Nine Basic Steps to Buying (continued)

#### Step 8: Simplified Acquisition Summary

Ensure evidence that steps 1-6 are documented in the Simplified Acquisition Summary ([DHS form 700-16](#)). This form is located in Example 7 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

#### Step 9: Administer the Order

This may be as simple as ensuring your supplies arrive on time or as complex as negotiating a termination settlement for an order that has been terminated for convenience.

At a minimum, administration includes receipt and acceptance of goods, documentation, timely payment(s) and final closeout.

### Procurement Administrative Lead Times (PALT)

Procurement Administrative Lead Times (PALT) for simplified acquisitions.

KOs that execute simplified acquisitions are required and encouraged to process requirements in the timeliest manner possible while remaining within legal, regulatory and procedural confines. Below are some reference points for lead times from PR receipt to award:

Dollar Value	Acquisition Type	Average Day to Award
Under \$25,000	All SAP	30
\$25,001-\$100,000	Supplies	50
\$25,001-\$100,000	Services & Construction	50
Any	GSA Schedule Buys	30 - 45
Any	Establish BPA under GSA	60
Any	Interagency Agreements	30

### Tax Information

Generally, the U.S. Government is exempt from payment of taxes on purchases. This exemption applies to purchases of both property and material acquired with appropriated funds for government use. The exemption does not apply to items purchased by contractors or the Federal Excise Tax imposed on specific items (e.g., tires). Contractors are required to include all federal, state and local taxes in their bid/quote in accordance with FAR 52.229.3; therefore, it is improper to provide the CG's tax exemption certificate or number to a contractor who is purchasing items necessary to perform a contract (e.g., construction).

### Tax Exempt

A tax exemption number allows an organization exemption from all or certain taxes from a state or nation in which part of the taxes that would normally be collected from an individual or an organization are instead foregone. The Coast Guard Tax Exempt Number is 529980000. Purchasing personnel may have to provide this number to vendors to claim the exemption. The U.S. Tax Exempt Certificate Standard Form (SF) SF-1049



## Chapter 4: Open Market Purchasing Overview

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may also be used for this purpose.

### **IRS Reporting to FINCEN**

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. The USCG Tax Identification Number (TIN) is 54-6010204.

**Note:** All MIPRs originating from other Government agencies (OGA)s that require CG to pay the contractor and be reimbursed by the OGA must contain the above information. Also, place the TIN in Block 13 of the MIPR Acceptance, DD Form 448-2. (For additional information on MIPRs, please see Chapter 10)

### **Vendor Agreements**

Usually, the terms and conditions of the purchase can be agreed upon and a standard government purchase document (e.g., Purchase Order) along with the pertinent FAR clauses can be used to accomplish the buy. If the vendor requires their agreement to be signed, you must first obtain legal advice from your local servicing legal office, via the Senior Field Contracting Officer (SFCO). Again, the contract vehicle between both parties must be issued by a Government contracting officer in the form of the standard purchase order with FAR clauses (e.g., FAR 52.212-5).

### **DO NOT SIGN VENDOR AGREEMENTS (e.g., HOTEL)!**

**Note:** Using a hotel's space and service to conduct a conference or a meeting is considered a service; so FAR Part 22 applies.

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## Chapter 5: Micro Purchases & Purchase Cards

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<b>Introduction</b>	There are several simplified acquisition methods that may be used to buy supplies and services. Procurement professionals should use the most efficient and economical method for procurement. The Purchase Card (P-Card) was designed to be the easiest method.
<b>Micro-Purchases Overview</b>	<p>This chapter describes Micro-purchases and the Government-wide Commercial Purchase Card (P-Card). Micro-purchases refers to open market purchases less than or equal to \$3,000 utilizing government-wide Commercial Purchase Card (P-Card), Purchase Orders/ Delivery Orders/Task Orders (SF-1449, OF-347), Blanket Purchase Agreement (BPA), Purchase Order Invoice Voucher (SF-44), convenience checks (C-Checks) and Imprest Funds, to obtain supplies and services.</p> <p>Micro purchasing is designed to reduce administrative work and expedite the purchases of readily available supplies and services. Once the procurement official determines items/services are not available from mandatory sources, micro-purchases are initiated.</p>
<b>Restrictions</b>	Purchase card holders may not exceed the limits of their written authority and micro-purchasing does not waive mandatory sources of supply procedures.
<b>Buy Green</b>	Micro-purchases must comply with the <a href="#">Resource Conservation and Recovery Act</a> (RCRA) and Executive Order 13423 of January 26, 2007 entitled “Strengthening Federal Environmental, Energy, and Transportation Management”. The Executive Order directs the Environment Protection Agency (EPA) to issue guidance on buying “environmentally preferable products.” Each year, EPA distributes recommended products and materials that each agency is required to buy for all procurements. See Chapter 10, Special Procurement Items for the current list of EPA designated products and process for completing a Recovered Materials Determination Form (see also Examples 24 & 25 which are located on the SAP website at <a href="https://cgportal.uscg.mil/lotus/myquickr/sap#">https://cgportal.uscg.mil/lotus/myquickr/sap#</a> ).
<b>Guidelines</b>	<p>Under micro-purchasing guidelines, procurements do not have to be reserved for small business; however, we encourage utilizing small businesses. Also, purchases shall be rotated among qualified suppliers.</p> <p>USCG encourages procurement professionals to obtain three competitive quotes before making purchases. Oral quotes should be utilized to the maximum extent practical. Quotes are evaluated for best value including warranty, maintenance, and performance. Ensure the price paid is fair and reasonable. Simple rule of thumb, “would you pay the price asked if it were a personal purchase?” Personal preference and brand-name identification shall not limit the use of vendors.</p> <p>FAR clauses are not required for micro-purchases; however, the use of FAR clauses are not prohibited.</p>

## Chapter 5: Micro Purchases & Purchase Cards

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**Documentation** Documentation should be kept to a minimum. However, written justification is required to document deviation from a mandatory source, to describe unusual situations affecting the purchase and/or to explain the purchasing official's rationale for the purchase. The Simplified Acquisition Summary Form (DHS 700-16) is only required for purchases above the micro-purchase threshold; however, it may be used as a resource for documenting the file.

**Open Market Purchases** Open market purchases are purchases made from commercial vendors/sources when all mandatory sources have been evaluated and excluded.

**Procedures:**

1. Identify the requirement.
2. Initiate procurement request; obtain funding and certifications (i.e., HAZMAT, RCRA, Property – when applicable).
3. Solicit quotes, terms and availability.
4. Determine best value to the government.
5. Determine purchase method and place order.
6. Obtain a receipt for supplies/services.

**NOTE:** Vendors shall not be excluded because they do not accept the P-Card.

**Purchase Card Overview**

The Purchase Card (P-Card) including its associated convenience check, if available, is the preferred method for buying supplies and services at or below the micro-purchase threshold. Supplies may be purchased using the P-Card at or below \$3,000, Services at or below \$2,500, and Construction due to labor laws at or below \$2,000.

A warranted individual as described in Chapter 1 may use the P-Card for payment of agreements, contracts, or orders (task/delivery) whenever the amount is over the micro-purchase threshold, but not more than the simplified acquisition threshold as long as it does not exceed his/her warrant authority. Prior to using the card for payment, the KO's due diligence is still required in terms of market research, soliciting competition, publicizing proposed actions, price analysis, and completing the DHS Simplified Acquisition Summary form (DHS 700-16).

Using the P-Card for other than official Government business is an attempt to DEFRAUD the Government and is considered a serious violation of the Coast Guard's Core Values. Such action shall result in the immediate cancellation of the member's/unit's purchase card(s) and/or the appropriate disciplinary action against the violator(s).

The P-Card shall be kept in a secured and locked location. It can only be used by the individual whose name is embossed on the card. Failure to comply with

## Chapter 5: Micro Purchases & Purchase Cards

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these rules will result in unauthorized commitments.

### **P-Card: Cardholder and Approving Official (AO) Responsibilities**

1. Head of Contracting Activity (HCA): The HCA is responsible for establishing procurement authority for all cardholders Coast Guard wide.
2. Chief of the Contracting Officer (COCO): COCOs are designated with procurement oversight for a geographical area. Responsibilities include oversight and delegation of authority for the P-Card program within the appointed geographical area.
3. Organization Program Coordinator (OPC): Individual designated at Coast Guard Headquarters level responsible for managing the P-Card Program Coast Guard-wide.
4. Alternate Organization Program Coordinator (A/OPC): Official responsible for the administrative management of the P-Card Program within a geographical area.
5. Approving Official (AO): Official designated in writing, one supervisory level by rank or command structure above the cardholder.
6. Cardholder (CH): Designated government employee appointed by first line supervisor or appropriate senior official.

**Cardholder (CH):** The cardholder is responsible for:

1. Successful completion/passing DHS Purchase Card training and complete refresher training every 2 years.
2. Verifying that funds are available prior to each purchase made with the card.
3. Only use the card for authorized purchases in accordance with the authorities delegated by DHS as well as the OPCs, within the limitations outlined in the DHS Purchase Card Manual. Under no circumstances shall the purchase card be used to split payments for a purchase.
4. Maintaining complete and accurate purchase card activity logs.
5. Reviewing the transactions on the Purchase Card Statements (PCS) for accuracy. These transactions can be reviewed and verified in the Purchase Card Application (PCA) on a daily basis and should be complete as soon after the end of the statement period as possible. Supporting documentation (e.g., sales/credit slips, order log, dispute forms) should be forwarded to the AO when verification is complete and in time for the AO to complete certification within 14 days of the statement date.
6. Taking action to correct/dispute questionable charges. The cardholder should try to correct the questionable charge with the vendor first and file a dispute with the issuing bank within 60 days of the date of the statement. Freight charges and taxes should be disputed with the vendor only.

## Chapter 5: Micro Purchases & Purchase Cards

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### **P-Card: Cardholder and Approving Official (AO) Responsibilities (continued)**

7. Submitting monthly PCSs to the AO with copies of supporting documentation (e.g., sales slips, order logs, dispute forms, etc.).
8. Responding to the Office of Inspector General (OIG), the bank, and/or your component audit point of contract or OPC's requests for documentation in a timely manner. Cardholders must keep the OPC's apprised of information /documentation provided to the OIG or the bank.
9. Notifying a local property officer before or within a reasonable time after acquiring accountable, sensitive and/or hazardous personal property, so that property may be recorded in the proper system of record. This must be complete prior to placing the asset in service.

**Approving Official:** The AO is responsible for oversight and review of cardholder activity as follows:

1. Successful completion/passing DHS Purchase Card training and complete refresher training every 2 years.
2. Reviewing each cardholder's PCS for accuracy and completeness; review each purchase for official use and regulatory compliance.
3. Ensuring that personal property acquired is reported into Coast Guard's property management system.
4. Reporting cardholder card misuse to the A/OPC.
5. Attesting or certifying that the PCS has been reviewed and is authorized for payment in PCA.
6. Taking action to review and submit PCSs in the absence of a P-Card account holder in PCA.
7. Certifying the PCS in PCA (or submit via hard copy if PCA access is not available) within 14 days of the statement date.
8. Resolving questionable charges with the P-Card account holder. Initiate action for incidents of improper use.
9. Evaluating inactive accounts; ensure accounts are cancelled where necessary; track disputed/questionable purchases through resolution.
10. Working with the budget and other administrative officers to ensure that the end-of-fiscal-year accruals related to open purchase card obligations are completed in order to account for unexpended funds in a timely manner.
11. Evaluating purchase limits and MCC initiated by bank/USCG.
12. Ensuring documentation for unaudited transactions are submitted in accordance with Chapter 12, Section D of the FINCEN Standard Operating Procedures, FINCENINST M72000.1 which is available at <http://www.fincen.uscg.mil/sop/Chapter%2012/Section%20D/32purcard.pdf>
13. Disseminating non-audited transaction information found in PCA to all

## Chapter 5: Micro Purchases & Purchase Cards

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### **P-Card: Cardholder and Approving Official (AO) Responsibilities (continued)**

cardholders regularly and ensuring transactions are cleared from this list in a timely manner.

14. Ensuring that the goods and services charged to the account were inspected and accepted by the government. In regards to receipt and acceptance of the delivered goods and services, receipt is evidenced by an independent third party (neither the cardholder, nor the authorizing official) signing or initialing a receiving report form, commercial shipping document, or packing list to indicate that the items listed (and only those listed) are present in the delivery.
15. Ensuring cardholder statement is approved prior to statement certification.
16. Ensuring that cardholders maintain complete and accurate purchase card records and logs.

NOTE: FINCEN pays the card-issuing bank on a daily basis, and reconciles charges paid via monthly audit of PCS. As part of FINCEN arrangement to pay daily, monthly audits are performed on PCS. As a result, cardholders shall reconcile within seven days and AOs shall approve within seven days after the cardholder reconciles. Failure to do so may result in deactivation or cancellation of the P-Card. Statements must be certified within 14 days (by the 26<sup>th</sup> of the month).

### **P-Card: Chief of Contracting Office (COCO) and Deputy Chief of Contracting Office (COCOD)**

**Chief of the Contracting Office (COCO) and Deputy Chief of the Contracting Office (COCOD):** The COCO/COCOD is responsible for:

1. Administration of the P-Card program within their AOR.
2. Ensuring AOs and CHs complete/pass DHS Purchase Card training and complete refresher training every 2 years.
3. Implementing procedures to ensure training requirements are met by Cardholder (CH), Approving Official (AO), and the Alternate Organization Program Coordinator A/OPC.
4. Implementing procedures to verify and ensure regulations and procedures are followed.
5. Ensuring periodic audits are conducted (not less than annually) of P-Card files/purchases for compliance with regulations, policy, and procedures.
6. Disseminating monthly unaudited transaction reports from FINCEN to all approving officials.

### **P-Card: Alternate Organization Program Coordinator (A/OPC)**

**Alternate Organization Program Coordinator (A/OPC):** The A/OPC is responsible for:

1. Establishing and closing accounts.
2. Resolving issues by communicating with the bank and all account holders.

## Chapter 5: Micro Purchases & Purchase Cards

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3. Expediting requests for emergency issue of a P-Card (disaster relief, etc.).
4. Reviewing and submitting approved account set-up and maintenance forms to the P-Card issuing bank.
5. Coordinating card reports for Program Management purposes.
6. Requesting C-Checks from issuing bank, after initial approval by Headquarters Organizational Program Coordinator (OPC)
7. Ensuring each P-Cardholder and AO has proper training.
8. Ensuring that cardholder accounts are canceled where necessary.

### **P-Card: Organization Program Coordinator (OPC) Responsibilities**

#### **Organization Program Coordinator (OPC) (USCG P-Card Program**

**Manager located at Commandant (CG-913):** The OPC is responsible for :

1. Managing the program to promote efficient use and safeguard against waste, fraud and abuse.
2. Developing, issuing, implementing and maintaining policies and procedures.
3. Issuing and establish training, job aids, and guidance.
4. Investigating suspect or inappropriate transactions; take initiate/corrective action. This may include taking appropriate and immediate actions to suspend or revoke use of the purchase card where the cardholder has not complied with all of the requirements set forth by this Manual.
5. Maintaining records of purchase card holder training, warrants and other related certifications or credentials.
6. Periodically report to the APC and HCA on the status of the P-Card program.
7. Performing Post Payment Audits (PPA).
8. Establishing mandatory Merchant Category Code (MCC) blocks for each cardholder Coast Guard wide. MCC can be found on the P-Card issuing bank's website. Performing a monthly post-payment audit of cardholder transactions.

### **P-Card: Account Set-Up and Cancellations**

Cardholder's immediate supervisor is responsible for nominating the perspective cardholder.

Each card may only be established with one accounting string and one object class.

**Headquarters** - Alternate Organization Program Coordinator (A/OPC) will interface with the card-issuing bank to establish new accounts through the bank's automated access system.



## Chapter 5: Micro Purchases & Purchase Cards

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### **P-Card: Account Set-Up and Cancellations (continued)**

The cardholder shall report lost or stolen purchase cards or convenience checks immediately to their A/OPCs and to the bank on the same date of discovery. Cardholders may contact JP Morgan Chase bank's customer service department 24 hours a day, seven days a week at 1-888-297-0781. If any checks or cards are reported lost or stolen, the account will be closed immediately, and a new account may be established. Replacement time is approximately 4 or 5 business days.

As part of the checkout/exiting process, cardholders separating from or transferring within Coast Guard must notify the A/OPC. The A/OPC has the responsibility for closing out the cardholder's purchase card account (s). The cardholder should discontinue using their card two weeks prior to departure. This will allow for payment of prevailing charges.

### **P-Card: Limitations on Purchase Authority**

Although Procurement Request(s) (PR) are not required when purchasing supplies/services using the P-Card, purchase cardholders must still verify that funds are available and approved prior to each purchase card transaction. It is the cardholder's responsibility to ensure that written approval is obtained prior to the purchase card transaction (Email approval is acceptable).

Units electing not to use a PR must have in place procedures that will ensure purchase transactions are supported by a certification of funds availability, and accountable documentation (e.g., an itemized sales slip for over-the-counter purchases, itemized invoices, package slips, and a telephone log for telephone purchases).

The Purchase Card (P-Card) is used as a replacement for other procurement documents such as Purchase Orders, Blanket Purchase Agreements, and Standard Form 44 Purchase Orders. Therefore, when using the P-Card, do not prepare additional procurement documents that could cause unintended or duplicate Finance and Procurement Desktop (FPD) entries and result in duplicate/improper payments.

The government purchase card shall not be used for personal purchases or cash transactions. Cardholders may be held personally liable to the government for the amount of any non-approved and/or improper purchases. However, for waste, fraud, and abuse, the cardholder shall also be subject to additional sanctions.

Savings Bonds - The GSA and DHS purchase card policy restricts all cash transactions. However, DHS has granted CG authority to purchase savings bonds using the P-Card and convenience checks for Sailor and Employee of the Quarter/Year Awards programs. Convenience checks should only be used if the financial institution will not accept the purchase card. All requests to purchase savings bonds must be routed through CG-913, the Organizational Program

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### **P-Card: Limitations on Purchase Authority (continued)**

Coordinator (OPC). The OPC is responsible for ensuring that the Merchant Category Code (MCC) for the purchase of savings bonds is unblocked at the time of purchase. Accordingly, the OPC is authorized to lift blocked MCCs. All requests to purchase savings bonds must be submitted to the OPC, by e-mail at [Gwendolyn.Strogen-Boozer@uscg.mil](mailto:Gwendolyn.Strogen-Boozer@uscg.mil), a minimum of two business days prior to the purchase date. The OPC will respond by e-mail to let the requester know that the MCC has been unblocked and the purchase of the savings bond(s) can take place. The following information must be provided in the request: (1) name of cardholder, (2) last six digits of cardholder account number (3) name and address of financial institution; (4) number of bonds to be purchased and actual purchase price, and (5) anticipated date of purchase. At the time of purchase, the cardholder must ensure that the financial institution calls JP Morgan Chase (JPMC) for the authorization code. The customer service number for obtaining the authorization code at JPMC is (888) 297-0781.

Proper documentation/receipts providing evidence of purchase of savings bonds must be maintained for audit purposes.

Use of the P-Card for other than official government business will be considered an attempt to DEFRAUD the government. This may result in immediate cancellation of credit cards and/or disciplinary action against violators. **IMPORTANT: The P-Card shall be kept in a secure location.**

You must consider required sources (see Chapter 2, Required Sources of Supplies and Services) prior to making commercial/open market purchases with the P-Card.

When telephone orders are placed for pickup at a merchant's facility, the cardholder may designate a staff member to pick up the order. If the person picking up the order is required to sign a credit card receipt, they should sign as having received the item (i.e., received by \_\_\_\_\_). Verification of the pickup is made when the monthly statement of account is certified. Keep the receipt in the purchase file.

### **P-Card: Record Keeping of Purchase Card Statement (PCS) and Receipt/ Invoices**

Charge Slips, Sales Receipts/Invoices: Must be legible and complete and include the date, vendor name and address, the amount and a detailed description of the purchase. Part numbers or terms such as "miscellaneous supplies," "office supplies," "general merchandise," or "hardware items" are not sufficient. If the charge slip sales receipt/invoice only gives date, store names, and amounts, either attach it to the procurement requests or the P-Card Log with a complete description.

**P-Card Log:** The P-Card Log may be used as an alternative to submitting accountable documentation when submitting a hardcopy PCS. The log ([CG Form 5623](#)) is available in Adobe format. The log shall contain the vendor's name, address and telephone number, purchase amount, freight amount (if

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### **P-Card: Record Keeping of Purchase Card Statement (PCS) and Receipt/Invoices (continued)**

freight amount is over \$100, a copy of the carrier's freight bill must be included), purchase and receipt date, and a detailed description of the purchase. Receipts and documentation for the following charges shall be attached to and forwarded with the Order Log (even if it is being used in lieu of receipts) and with the PCA statement to the Finance Center (FINCEN) (if submitted in hard copy) as follows:

1. All purchases over the micro-purchase threshold;
2. Bottled water purchase authorization;
3. Approvals for membership in the name of the Coast Guard;
4. Advertisement tear sheets;
5. SFCO approval of airline, bus, boat, or train tickets, lease of motor vehicles for official travel, meals, beverages, or lodging (other than reservists), maintenance and fuel for motor vehicles in the GSA fleet;
6. All dispute forms filed with bank, and
7. All audited transactions requested by the FINCEN.

The above mentioned information shall be retained as documentation (See Chapter 13). Additionally, a copy of the PCS and AO signatures shall be retained for audit purposes. In the absence of the CH, the AO shall take the necessary actions to retrieve, review, and process the PCS. The AO shall document why the CH was unavailable to sign the PCS.

**Taxes:** At the time of purchase, the cardholder should advise the merchant that the purchase is for official U.S. Government purposes, and therefore, is not subject to state and local sales tax. The face of the P-Card indicates "US GOV TAX EXEMPT" in embossed letters.

The Coast Guard tax-exempt ID number is 529980000. In the event the merchant includes sales tax, it should be disputed to the merchant, not the card issuing bank. Provide the bank's toll-free number on the back of the credit card for them to call if they question the sales tax exemption. Vendors may tax the Government for services and should indicate in the procurement document and on the invoice as "tax on service" to authorize FINCEN to pay the applicable tax.

**Records:** PCSs shall be retained for a period of three (3) years (see FAR 4.805).

**Backorders:** If the P-Card is used for backorders, the unit shall have a system for tracking receipt of undelivered items (e.g., tickler file) and for disputing items charged prior to shipment or receipt.

**NOTE:** Purchases made with the P-Card are to be charged based on order date.

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### **P-Card: Record Keeping of Purchase Card Statement (PCS) and Receipt/Invoices (continued)**

Special procedures are to be used to correct Program Element Status (PES) transactions charged to the incorrect FY. Users should refer to the [FINCEN SOP](#) concerning P-Card procedures for guidance.

**Fees:** P-Card merchant regulations prohibit vendors from adding a surcharge to the cost of the merchandise. Surcharges must be reported to the bank via customer service department. If the merchant accepts the P-Card, but attempts to impose a “premium” or additional charge on the purchase, cardholders should emphasize the benefit for contractors of obtaining their payment immediately upon shipment rather than having to wait 30 days or more after submitting an invoice.

There may be instances where surcharges and federal excise tax are imposed and are legitimate charges. For example, surcharges found under a GSA schedule/contract where you are buying pharmaceuticals, are accepted. Another example is the industry standard rate imposed on audio-visual and business services associated with conferences. Further, the Comptroller General Decisions recognize that certain state and local taxes, for example, may be valid, such as state tax levies on rental fees.

### **P-Card: Restricted Uses**

The following items are either restricted or requires prior approval before purchasing (see Chapter 11 entitled Funding in Selected Procurements):

1. Long term rental or lease of land or buildings. Long term leasing of parking spaces exceeding \$2,500 per year.
2. Telephone services under GSA authority. (This does not include cell phones or pagers).
3. Cash advances/transactions.
4. Meals, beverages, lodging (not applicable to reservist and recruit applicants), vehicle rentals/leases have 60 day limits (not applicable during port calls and dry dock), airline/bus/train/ boat tickets or other travel expenses incurred while traveling under official government orders. The cardholder should use their own Government Travel Card (GTC) issued to them for these expenses.

When an individual is on official orders and the GTC is not going to be used as the primary source of payment for travel related expenses, the SFCO authorization is mandatory upon written approval from the member’s supervisor explaining why the GTC process is not being used.

If the merchant refuses to accept the GTC for lodging, as an alternative, the P-Card may then be used. In this case the A/OPC shall grant approval.

As a reminder like all purchases, advance planning is desired to mitigate seeking after hour’s approval. Should a requirement necessitate the purchase of lodging to accommodate a group of individuals (such as berthing for

## Chapter 5: Micro Purchases & Purchase Cards

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### **P-Card: Restricted Uses (continued)**

ships company due to renovations or repairs), and the lodging price is part of a “service contract” covering all individuals collectively, then the P-Card would be appropriate in such instance, but prior SFCO approval is still required, unless the aggregate total would exceed the cardholder’s authority. Then the procurement would be effected with a purchase order instead.

5. Ammunition and weapons.
6. Fuel (fuel services over \$2,500 are subject to the Service Contract Act), oil, repairs, tires, or other attachments/equipment, vehicle retrofit, and vehicle maintenance for department owned or commercially leased vehicles should be purchased using the Government Fleet Card.  
  
(Exception – Coast Guard cardholders with an approved MCC lift from DHS/Agency Program Coordinator (APC).
7. Legal Services.
8. Private sector temporary employees.
9. Real Estate Services (unless DHS has authorized a MCC lift).
10. Prepaid phone cards.
11. Personal convenience items (e.g., parking ticket, microwave, fans, heater)
12. Lodging (unless DHS has authorized a MCC lift).
13. Postage Stamps (unless DHS has authorized a MCC lift) are authorized under certain circumstances, with prior approval in writing (email or memo) from the USCG Postal Manager, USCG HQ CG-611).

### **Special Approval Purchases**

1. Information Technology (IT) – Cardholder shall consult with their local information resource management personnel when procuring IT resources.  
  
NOTE: Use of Internet payment services such as PAYPAL and PAYCOM and Internet auctioning sites (e.g., EBAY) are prohibited under the Coast Guard P-Card program.
2. Printing Services. All printing shall be performed by the Government Printing Office (GPO). However, if a GPO waiver is obtained in writing or a Simplified Purchase Agreement (SPA) vendor is non-responsive to meet the agency’s minimum requirements (urgency due to poor planning is not a valid reason), other sources may be solicited and used. Regardless of the source performing the job, the invoice(s) shall not be paid with the purchase card. The vendor mails GPO the final invoice and GPO will pay the bill by applying the CG customer’s accounting information previously provided.

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### Special Approval Purchases (continued)

3. Mail Package Services. The payment of FEDEX invoices shall be in accordance with other agency regulations promulgated by CG-611. However, the P-Card may be used to pay United Parcel Service (UPS) invoices.
4. Advertisements for personnel recruitment.
5. Business Cards.
6. Branding (See Promotional Items under chapter 11).
7. Conference or meeting room rentals – although allowed in certain circumstances (see FRMM chapter 5), rental of conference or meeting rooms in a hotel will require coordination with the KO in cases where an agreement will be involved or the price will exceed the CH authority.
8. Individual memberships (see section 5.6 of the FRMM for policy on purchasing memberships).
9. Training requirements that are more complex than the purchase of one training instance for one employee.
10. Meals and light refreshments, such as light refreshments for morning, afternoon or evening breaks defined to include, but not limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips and muffins.

### Rebates

Rebates can be accepted. Should the vendor state the rebate would be a check versus a credit to your P-Card, instruct the vendor to make the check payable to the USCG. Upon receipt, mail the check and information regarding the rebate to the appropriate Treasury Lockbox (see [FINCENSOP](#)).

### P-Card: Disputes

If supplies purchased with the P-Card are unacceptable, follow the steps below:

1. Return the item for replacement or credit; cash refunds are not authorized. If you return an item and receive a credit voucher, attach the voucher to the Purchase Card Statement (PCS). If the merchant refuses to replace the defective item or give credit, the purchase of this item/service will be considered to be “in dispute.”
2. If a cardholder is charged for an item incorrectly, fails to receive items or services ordered, receives only a partial delivery, or is billed for supplies or services not ordered, the item/service will be considered “in dispute.”
3. The government has the right to determine the appropriateness of the charge. If the dispute results in a credit, the credit will appear on the cardholder’s statement. All disputes must be documented and copies of all disputes must be maintained in the P-Card file.
4. Disputes must be filed with the bank within 60 days of the date of the PCS. Cardholders should refer to the bank’s procedures for processing disputes.

## Chapter 5: Micro Purchases & Purchase Cards

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NOTE: Clicking on “Disputed” in the Transaction Verification screen in PCA indicates that you have disputed the transaction with either the vendor or the bank. It DOES NOT dispute the transaction with the bank.

### **P-Card: Convenience Checks (C- Check)**

C-Checks are pre-printed, pre-numbered, multi-copy checks that are issued by the government’s P-Card issuing bank.

Convenience-Checks (C-Checks) are a procurement vehicle for purchasing and paying for supplies and services. They are used when merchants will not accept a P-Card or purchase order. They may be used worldwide.

They are next to the least preferred method of procurement, just above the Standard Form (SF) 44 Purchase Order Invoice voucher. The reason for this is twofold:

1. By the nature of their use, C-Checks carry a high risk for abuse, and;
2. JP Morgan Chase charges a substantial fee on the value of each check cashed.

### **P-Card: Requesting C- Checks**

Only the A/OPC(s) have authority to request C-Checks. All initial requests for C-Checks must be submitted to the OPC (CG-9131) via the A/OPC.

Approval/requests to the Organization Program Coordinator/ Chief Financial Officer shall include the following:

1. P-Card account holder name and last six digits of the account number;
2. Justification for C-Checks
3. Business unit’s mailing address and telephone number.

### **P-Card: How to Write a C-Check**

The following information must be legibly entered in the space provided on the C-check. It may be typed in or printed/written in ink.

1. **Date:** Enter the date on which the C-Check is prepared. Spell out the date. Do not pre-date or post-date checks.
2. **Pay to the order of:** Enter the name of the payee, i.e., the merchant/vendor. C-Checks shall not be written for cash, or be written to the P-Card account holder.
3. **Amount:** Write the amount of the C-Check in the spaces provided in numbers and words followed by a horizontal line out to the end of the space provided.
4. **Memo:** Enter additional information pertinent to the purchase.
5. **Authorized signature:** Sign in the space provided. The signature should be in the same format as printed on the C-Check. The signer’s name must be

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spelled out in full.

### **P-Card: Maintaining the C-Check Register**

The Purchase-Card (P-Card) account holder SHALL enter each C-Check into the register when it is written.

The following SHALL be written:

C-Check number

Date Issued

Payee

Description of Purchase

Enter all destroyed C-Checks in the register

### **Voiding a C-Check**

If an error is made and a C-Check needs to be voided, write in ink or stamp “VOID OUT” on the C-Check over the space provided for authorized signature.

Record the voided C-Check in the register.

### **Request for Stop Payment**

If a STOP PAYMENT is necessary, immediately notify the P-Card issuing bank (currently, JP Morgan Chase 1-866-725-1185).

### **Reconciliation Procedures**

The procedures for reconciling C-Checks are the same as those used for reconciliation of the P-Card account holder’s monthly PCS.

**Staying Within the Single/Monthly Purchase Limit:** P-Card account holders MUST stay within their purchase limits when using C-Checks. C-Checks are not subject to electronic approval (swiping through an electronic authorization box) at the point of purchase/payment. A vendor will not know the cardholders purchase limits. Therefore, checks written for more the P-Card holder’s purchase limit will be REJECTED by the bank.

### **Security**

1. The COCO and the A/OPC must ensure that C-Checks are secured as follows:
  - a. Blank C-Checks must be secured at all times in a locked safe or filing cabinet.
  - b. Voided C-Checks must be accounted for in the check register.
  - c. C-Checks must be made out for the exact amount of purchase.



## Chapter 5: Micro Purchases & Purchase Cards

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### **P-Card: C-Check Restrictions**

The following restrictions apply:

1. C-Checks must not be written for cash or personal purchases.
2. C-Checks must not be used for purchases and/or payments in excess of \$2,500 without prior written approval from the P-Card “Organization Program Coordinator” (OPC). The checks will expressly have imprinted the not-to-exceed amount authorized to be written.
3. P-Card account holders must not exceed their warranted procurement authority.
4. C-Checks cannot be used for the following:
  - a. Payment known to be delinquent under the Prompt Payment Act
  - b. Payment of utilities, including telephones (exception due to location of cardholder)
  - c. Payment for fuel unless approved by the OPC.
  - d. Bulk fuel purchase where the payment is made by Defense Finance and Accounting Service (DFAS)
  - e. Contract payments
  - f. Payments charged to reimbursable accounts (AFC 80 and AFC 88) except payments to foreign students
  - g. Transportation documents, commercial bill of lading, and GTS
  - h. Travel advances and travel claim payments
  - i. DO-IT-YOURSELF (DITY) move claims
  - j. Auxiliary claims
  - k. Inter-service payment to non Coast Guard members
  - l. Payment to other government agencies using Convenient-Check for purchases

### **Bank Charges Submission of Purchase Card Statements**

1. JP Morgan Chase currently charges the USCG unit 2% of the amount of each check. (NOTE: This fee must be included in all funding documents)
2. The timely submission of Purchase Card Statements (PCS) to Coast Guard Finance Center (FINCEN) is critical to the success of the P-Card program. Timely submission of all PCS to FINCEN allows accurate billing submission to pay the P-Card issuing bank on a daily basis.

### **P-Card: Foreign Currency Conversion Fees**

GSA Smart Pay® cardholders will notice fees on their statements when making purchases denominated in non-United States (U.S.) currency. Master Card® and VISA® impose fees for transactions that involve foreign currency conversion. For example, a U.S. based cardholder purchases a camera priced in Euros on their P-Card. This transaction will appear on the cardholder’s

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statement, as well as a separately identified fee for currency conversion. The contractor banks are permitted by the GSA SmartPay® contracts to charge these fees, as long as they are disclosed to the cardholder. The names and mechanics of these fees vary between MasterCard® and VISA®, and are identified below.

### Dynamic Currency Conversion (DCC)

#### Dynamic Currency Conversion (DCC)

DCC is a financial service which foreign merchants may offer to convert a charge card purchase from the local (foreign) currency to the cardholders' currency (i.e., Euros to US dollars). While this may seem like a good deal to the cardholder at the time, it is necessary for the cardholder to ask what currency exchange rate the merchant will be using. The most cost effective purchase option is to make the purchase in a foreign currency, with MasterCard® and VISA® (as appropriate) applying the currency conversion fee in accordance with the terms of the GSA SmartPay® master contract.

Under section C.3.8, of the SmartPay® 2 master contract, FOREIGN CURRENCY CONVERSION, GSA SmartPay® contractor banks must ensure purchases made in a foreign currency are converted into US Dollars using a favorable conversion rate (emphasis added) established by an interbank rate, or where required by law, an official rate. This rate shall be the one in existence at the time the transaction is processed. Exchange rates offered by the merchant under DCC contain no such promise or protection.

In addition to overseas locations, internet sites and mail order companies that offer products and/or services priced in non-US denominations may also offer DCC service. Cardholders making purchases from these vendors need to pay close attention to any fees added to the cost of the item(s) they are purchasing to ensure they are not assessed any inappropriate fees.

Before agreeing to DCC, the cardholder should understand the cost associated with it. If the merchant did not advise the cardholder of a DCC cost prior to making a purchase, the cardholder has the right to instruct the merchant to void the transaction with currency conversion costs and redo the sale in the local currency.

### Foreign Currency Conversion

Cardholders should be aware that MasterCard® and VISA® currency conversion fees are allowed to be assessed on purchases in foreign currencies under the GSA SmartPay® master contracts. These fees are controlled by the terms of the contracts.

When making non-U.S. dollar denominated purchases, it is recommended that cardholders not request a transaction be processed in any specific currency unless the cardholder is able to confirm with the merchant that the transaction costs will be lower than that available through the typical GSA SmartPay® currency conversion process. Note: Transactions made on U.S. Embassy and

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Military installations are not assessed currency conversion fees as these locations are considered U.S. territory and therefore transactions will be billed in US dollars. Fees for currency exchange services or “DCC” offered by merchants are not controlled by the GSA SmartPay® contracts and are often higher than if the cardholder simply made the purchase in the foreign currency.

Questions or comments regarding this Smart Bulletin should be directed to GSA at 703-605-2811.

### **Purchase Card Invoice Voucher Standard Form 44 (SF-44)**

The Standard Form (SF) 44 Purchase Order Invoice Voucher is used as a last resort if the vendor will not accept the P-Card or Convenient-Check. The SF-44 is a multi-use document which includes the purchase order, receiving report, vendor invoice and payment voucher. The SF-44 is intended to be used for micro-purchases for which one delivery and one payment are to be made.

The SF-44 shall not be used to purchase construction over \$2,000, services over \$2,500 or supplies greater than \$3,000 except for the purchase of fuel/oil for vessels and aircraft. For those fuel/oil purchases, the limit is \$25,000 and a Contracting Officer (KO) must appoint, in writing, individuals using the SF-44 for such transactions. Fuel services that exceed \$2,500 are subject to the Service Contract Act.

### **Blanket Purchase Agreement (BPA)**

BPAs are written agreements established by a warranted KO. BPAs have been widely used in the Coast Guard, but the use of BPAs is diminishing due to the establishment of the P-Card. BPAs are similar to charge accounts. They are typically used when a customer has a repetitive need for supplies or services that cannot be predicted in advance. Authorized callers, within stated dollar limits, place “calls” (or transactions) against the BPA. Payment is usually made monthly, thus eliminating the need to make a payment each time a purchase is made.

Note: Authorized callers shall not exceed their purchasing authority when placing calls (or transactions) against the BPA.

The BPA is administratively efficient because:

1. oral (not written) calls are placed and
2. invoices are paid monthly

The BPA is not issued with any accounting data. There is no obligation on the government to order against the BPA and likewise no obligation on the vendor to accept any calls. Until the work is agreed upon by the vendor a contract does not exist.

Limits designated in the BPA may not exceed \$2,500 except by KOs. Multiple

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BPAs, utilized by Food Service commands, for example, are effective tools in procuring subsistence items.

Generally issued as a unilateral (one party) document. This is the government's offer to purchase supplies or services at the specified price under the terms and conditions contained on the order.

Optional Form (OF) 347 is used primarily for actions in excess of the micro-purchase threshold, when the government requires additional terms and conditions, or when any of the other simplified acquisition methods are not appropriate.

**NOTE:** All purchase and delivery/task orders must be signed by a KO. (More information on BPAs can be found in Chapter 7).

### **Use of Imprest Funds**

Imprest Funds are petty cash funds advanced to a designated custodian for cash disbursements (i.e. cash purchases). Imprest Funds allow over-the-counter cash purchases for actions, which do not exceed \$500 when other simplified acquisition methods cannot be used. Imprest Funds may not be used for money orders or personal services.

The Coast Guard Certifying and Disbursing Manual COMDTINST M7210.1 (series) contains policy and procedures to be used regarding set-up and maintenance of Imprest Funds.

Approval for purchases in excess of \$500 shall be requested from Commandant (CG-913) with a copy to the servicing Chief of the Contracting Office (COCO or designee) prior to making any transaction over the threshold. CG-913 will coordinate with FINCEN and issue a cash disbursement number and reporting requirements. If the requirement will/may exceed the contracting officer's warranted authority, the request shall also be made for a temporary increase to the warrant.

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## Chapter 6: Commercial Item Acquisitions

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<b>Introduction</b>	This section describes the procedures unique to the acquisition of commercial items. It emphasizes on the Federal Government's preference for the acquisition of commercial items as described in the Federal Acquisition Regulation (FAR).
<b>What is a commercial item?</b>	The FAR defines a commercial item as any item, other than real property, that is of a type customarily used by the general public or that has been sold, leased, or licensed to the general public; or has been offered for sale, lease or license to the general public.  The main question you should ask is, "Is this item or service unique to the government?" Another way of determining this would be to ask "Is the item generally available to the public?" If the item is available to the general public and the amount of the purchase is \$3,000 or more, then contracting officers are required to follow the procedures for a commercial item purchase.
<b>Market Research</b>	FAR Part 10 describes the requirements and procedures for conducting market research to determine whether commercial items are available to meet the government's needs. Coordination with technical personnel is required to determine if commercial or non-developmental items are available or could be modified to satisfy the government's needs. Though market research is not required for Simplified Acquisitions it is highly encouraged. The tools available include, but are not limited to, internet, public phone book, trade magazines, etc.  Internet sites, which may be used for market research, are: Thomas Register at <a href="http://www.thomasregister.com">www.thomasregister.com</a> , Acquisition Central at <a href="http://www.arnet.gov">www.arnet.gov</a> , the CCR at <a href="http://www.ccr.gov">www.ccr.gov</a> or PriceWatch - a complete listing of current commercial items available and their costs located at <a href="http://www.pricewatch.com">www.pricewatch.com</a> , <a href="http://www.Google.com">www.Google.com</a> , <a href="http://www.FedBizOpps.gov">www.FedBizOpps.gov</a> , <a href="http://www.gsa.gov">www.gsa.gov</a> , etc.  These tools are readily available to everyone and may be used to determine if the items purchased are commercial items.
<b>Procurement Form to Use</b>	The form to use for purchasing commercial items is the multi-purpose Standard Form (SF) 1449 Solicitation/Contract/Order for Commercial Items. In using the SF-1449 form, the Contracting Officer (KO) ensures that all information required by statute (NAICS Codes, size standards, TIN's, commercial clauses etc.) are gathered and recorded on one form.
<b>Which Clauses to Use</b>	To comply with commercial practices, the writers of the FAR recognized that the government needed to do away with the multitude of clauses the government uses. For commercial item acquisition, the clauses were "streamlined" and are referenced in block 27a and 27b on the SF-1449 (See

## Chapter 6: Commercial Item Acquisitions

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also FAR Subpart 12.3 for the Solicitations Provisions and Contract Clauses for the Acquisition of Commercial Items).

### **How to Buy Commercial Items**

Follow the procedures as outlined for any purchase over \$2,500 (see Chapter 7 Processing Purchase Requests using Simplified Acquisition Procedures).

### **Posting Requirements**

If you have an acquisition over \$25,000 for a commercial item or service and need to synopsise, you may issue a combined synopsis/solicitation. This should reduce your Procurement Administrative Lead Times (PALT). Follow the procedures in FAR Subpart 12.603 for the preparation of the synopsis notice.

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## Chapter 7: Processing Simplified Acquisitions

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### Introduction

This chapter will address the framework for processing purchase requests using Simplified Acquisition Procedures. All contracting professionals must keep in mind the separation of duties. The separation of duties is essential to avoid the appearance of impropriety. The initiator of the procurement request, the contracting officer, and the person who will be accepting the supplies or service shall be different individuals. At a minimum, there will be at least two different individuals responsible for these three functions.

### Competition

Contracting Officers (KOs) are required to promote competition by obtaining competitive quotes for actions above the micro-purchase threshold. Oral solicitation is usually the method considered to promote competition to the maximum extent. Some factors that influence the number of sources solicited include:

1. The nature of the article or service to be purchased, whether it is highly competitive and readily available in several makes or brands, or if it is relatively noncompetitive.
2. Information obtained in making recent purchases of the same or similar item.
3. The urgency of the proposed purchase.
4. The dollar value of the proposed purchase.
5. Past experience concerning specific vendor's prices.

### Competitive Quotes

The Contracting Officer (KO) must solicit quotations orally to the maximum extent possible if:

1. The acquisition does not exceed the SAT;
2. oral solicitation is more efficient than soliciting through available electronic commerce alternatives; and
3. notice is not required under FAR Subpart 5.101. (FAR Subpart 13.106-1)

The KO must establish and maintain documentation of oral quotes to determine the best value for the government. Exceptions to soliciting orally are as follows:

1. When a lengthy specification or statement of work must be communicated to a vendor.
2. When soliciting quotes for construction actions over \$2,000 or services over \$2,500.

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3. When soliciting for quotes for many items.
4. After advertising in FedBizOpps, many vendors have requested participation in the solicitation.
5. Written Requests for Quotations (RFQs) are generally issued on a Standard Form (SF) 18 for supplies and services and a SF-1442 for construction requirements. You may also use the SF-1449 when soliciting quotes for commercial items.

### **Price Reasonableness**

The following are price analysis techniques most commonly used in simplified acquisition. When competition is not available (e.g., for a sole source requirement), other forms of price analysis must be utilized. When multiple vendors are solicited for quotes, but only one quote is received, the contracting officer must make a determination that the proposed price is fair and reasonable before granting the award (See Example 9 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>).

**Competition:** Comparing competitive quotes is one method for determining a proposed price to be fair and reasonable. When utilizing this price analysis technique, the prices must bear a reasonable relationship to each other. If the price variance between responses reflects a lack of adequate competition, some other form of price analysis must be used to determine the price fair and reasonable. Examples of proper and improper uses of this pricing technique are found in Example 9 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Commercial Catalog/Published Price List:** When relying on published prices, there must be a high degree of confidence that the price list reflects prevailing competitive rates and that the suppliers' awareness of one another's prices was as effective as direct competition in establishing those prices. Some manufacturers may use a series of catalogs with varying prices for different classes of customers, charging what they think the market will bear. Government buyers need to ask a lot of questions and document the answers. When using this method, the file should be documented with the vendors catalog date (at a minimum) or a copy of the page from the catalog which contains the published price. Examples of proper and improper uses of this pricing technique are found in Example 10 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Comparison with Previous Similar Buys with Current Prices:** A price previously paid cannot be used to determine price reasonableness unless you have proof that the prior purchase was fair and reasonable. In other words, the previous purchase order amount was determined reasonable by the comparison of competitive quotations. Comparison should be conducted

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### Price Reasonableness (continued)

against prices paid for comparable requirements within the last six months or year. Otherwise, inflation factor and/or depreciation should be considered when using older prices. Examples of proper and improper uses of pricing technique are found in Example 11 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>

**Comparison with IGE:** A quoted price may be compared with a reliable government estimate when price comparisons with other previous purchases are not possible. However, do not assume that because the quoted price is the same as or less than the government estimate that the quoted price is reasonable. In some cases the customer obtains an informal quote from the supplier before submitting the purchase request to the contracting officer. For example, the customer has obtained informal quotes for Information Technology (IT) equipment, but IT equipment prices constantly fluctuate. A careful buyer investigates the basis of the estimate. Examples of proper and improper uses of this pricing technique are found in Example 12 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Comparison with Prices Set by Law or Regulation:** The first step in this comparison technique is to obtain a copy of the rate schedule set by the applicable law or regulation. Verify the government is being charged the correct price. Note that for utility contracts, an effective, independent regulatory body must prescribe prices. Examples of proper and improper uses of this pricing technique are found in Example 13 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

### Best Value

The FAR allows you to evaluate factors, in addition to price, in order to determine best value to the government. This process permits tradeoffs among cost or price, non-cost factors and allows the government to accept other than the lowest price offered. This technique is desirable when factors other than cost or price, need to be evaluated in order to select the vendor that offers the best value to the government. For example, purchasing an item that cannot be clearly defined, may lend itself to the best value technique so that comparative analysis among offers can be accomplished.

**Process:** The FAR allows the use of any of the methods described in FAR Part 15, Contracting by Negotiation. Best value is fully defined in FAR Subpart 15.1. However, when using simplified acquisition procedures simplify the process. Formal evaluation plans, establishing a competitive range, discussions, and scoring quotations are not required. At the KO's discretion one or more, but not necessarily all, of the evaluation procedures in FAR Part 15 may be used. Any evaluation decision regardless of the amount can be protested. Therefore, if the KO should choose to engage in any of the competitive processes, the KO must document the process at the time it is done or the agency will be unable to demonstrate the fairness of that competitive process. The Government Accountability Office (GAO)

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### Best Value (continued)

gives little weight to post-protest explanations.

NOTE: Procurement Law counsel are available to advise and assist contracting and requirements personnel at any point in the purchase process, regardless of the dollar value or process used.

When technical factors are considered in selecting best value, the award decision takes one of two approaches: lowest price technically acceptable or tradeoffs.

1. **Tradeoffs:** This approach is appropriate when it may be in the best interest of the Government to consider award to other than the lowest-priced offeror or other than the highest technically-rated offeror. The relative importance of all evaluation factors and significant sub factors that will affect the contract award must be clearly stated in the solicitation.
2. **Lowest Price-Technically Acceptable:** This approach is appropriate when best value is expected to result from selection of the technically acceptable offer with the lowest evaluated price. The evaluation factors must be stated in the solicitation. The award will be made on the basis of the lowest evaluated price or proposals meeting the acceptability standards for non-cost factors. For example, price-related factors could be shipping and past performance. Tradeoffs are not permitted. Proposals or quotations are evaluated for acceptability, but not ranked using non-cost/price factors.

**Documentation:** If using the best value approach, evaluation factors must be included in the solicitation. Quotations or offers shall be evaluated in accordance with the evaluation factors. The evaluation must be documented and maintained in the purchase file. The perceived benefit of a higher priced offer shall merit the additional amount paid and rationale for this tradeoff shall be documented in the purchase file. An example of a best value Request for Quotations is included in Example 14 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

### Purchase Orders (PO)/ Delivery Orders (DO)

A Purchase Order (PO) is usually a unilateral (one party signs) document. It is the government's offer to buy at the stated price and under the terms and conditions contained in the order. A PO becomes a binding contract upon acceptance by the vendor, either by performance or by written acceptance. When written acceptance is obtained, the PO becomes a bilateral (both parties sign) document.

Although the administrative costs involved with issuing a Purchase Order (PO) (SF-1449 or OF-347) normally are higher than that for purchase cards, BPA calls, or Imprest fund/convenience checks, the primary advantage is that a PO, when issued as a bilateral document, provides legal rights to the

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government in the event the vendor fails to perform.

### Forms

A PO may be issued on a SF-1449 (Solicitation/Contract/Order for Commercial Items) or an OF-347 (Order for Supplies or Services). For more information using these forms, see FAR Subpart 13.307.

In addition to using these forms for issuing POs, they can be used for a variety of purchasing tasks, which include:

1. Establish BPAs.
2. Issue delivery orders against established contracts (e.g., Federal Supply Schedule (FSS) contracts).
3. Receiving and Inspection Reports. The face of the SF-1449 and the reverse of the OF-347 contain receipt/inspection information.
4. Request for Quotations. The SF-1449 can be used as a solicitation document.
5. Establish Service Maintenance Agreements (SMA)s.

### Preparation

Chapter 12, Forms Preparation, contains instructions for preparing the OF 347 and SF 1449 forms. For instructions on Finance and Procurement Desktop (FPD) generated purchase orders, matching Procurement Instrument Identifier (PID) numbers and standard accounting numbers must be used ([FINCEN SOP](#)).

Clauses: Select the proper clauses for the acquisition. The FAR contains a matrix of clauses that may be used for specific acquisitions.

### Shipping

When purchasing with free on board (FOB) Origin, where the government will pay shipping as a separate charge, do not include a separate line item for shipping, and instead include an estimate of shipping costs in Block 20 of the SF-1449 or Block 17 of the OF-347.

NOTE: If it is advantageous to the government, the Contracting Officer (KO) may authorize the contractor to ship supplies, which have been acquired free on board (FOB) origin, to domestic destinations, including DOD air and water terminals by common carriers on commercial bills of lading. Such shipments shall not exceed 150 pounds by commercial air or 1,000 pounds by other commercial carriers and shall not have a security classification. Otherwise FOB origin freight shipments will move on a government –issued freight bill of lading. FOB destination shipping shall be used whenever possible in order to obtain overall cost and administrative benefits to the government.

### Freight Invoices

Purchase Orders with an estimated shipping cost of \$100 or more shall include the following on the face of the purchase order, “Invoices for POs

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only with shipping charges in excess of \$100 must be accompanied by a certified freight bill” Also, it should be incorporated in the purchase order as separate contract line item extended out.

### Acceptance

There are two primary ways a vendor accepts the government’s offer (purchase order). They are:

1. The vendor accepts by proceeding to furnish the supplies or services.
2. The vendor signs and returns a copy of the purchase order.

On occasion, it will be necessary to obtain vendor acceptance of the government’s offer to buy items. Some examples of this are:

1. Delivery time or performance is critical; the purchasing activity has experienced problems with the vendor in the past.
2. The order is for services, where performance is critical, the item needed is complex (not off-the-shelf), or has a long production lead-time.
3. The order has special terms and conditions.

The simplest way to request the vendor to accept the purchase order in writing is the use of a special note, typed or stamped on the face of the purchase order, as follows:

ACCEPTANCE OF THIS ORDER IS REQUIRED. SIGN  
BLOCK\_\_\_\_\_ AND RETURN ONE COPY TO THE ISSUING  
OFFICE.

The SF-1449 contains blocks, which provide acceptance by the contractor (Blocks 28, 30a, 30b and 30c). Once signed and returned by the vendor, the purchase order becomes a bilateral document (or contract).

### Confirming Purchase Orders

In special circumstances (e.g., emergencies), the Contracting Officer (KO) may place an oral order and follow it promptly with a written confirming Purchase Order (PO) (SF-1449 or OF-347) that obligates the funds and documents the transaction.

When the written PO is issued (confirm telephonic order), it should contain the following statement:

“CONFIRMATION - DO NOT DUPLICATE. Order placed  
verbally/telephonically/facsimile on \_\_\_\_\_ (Date) with  
\_\_\_\_\_ (Vendor Representative).”

It is paramount that the requesting office, with assistance from the contracting officer acting as a business advisor, contemplates long term, multiple year contracts when submitting their requirements. There are

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instances where a requirement is recurring year after year and should be awarded with option years.

### Options

Contracts may be written with options, if elected. However, if the option is exercised, the KO must make a written determination based upon the following:

1. The provisions in FAR Part 17 are met.
2. The aggregate value of the acquisition with all options does not exceed SAT.

**Documentation:** FAR Subpart 17.205 requires the KO to justify in writing the following for use of options:

1. Quantities or term under option.
2. The notification period for exercising options.
3. Any limitation on option price.

A sample Determination and Findings (D&F) is found in Example 15 which is located on the SAP website at

<https://cgportal.uscg.mil/lotus/myquickr/sap#>.

The KO must also make a written determination prior to exercising an option, that the exercise of that option is in accordance with the terms of the option and meets the following requirements:

1. Funds are available.
2. The requirement covered by the option fulfills an existing government need.
3. Exercising the option is the most advantageous
4. The option was synopsisized (if required).
5. Exercise of the option is in accordance with the FAR.

A sample D&F is included in Example 16 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

Options are appropriate when a known quantity of items or services is required and it is anticipated that the item or service will be required in the future. Typically, solicitations are issued for the known requirement (base quantity) with options for the future requirements (option quantities). An example of an RFQ issued for a base quantity and option quantities is found in Example 17 which is located on the SAP website at

<https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Synopsis Requirements:** If the total estimate of the basic quantity plus the options exceeds \$25,000, you must synopsisize the requirement in

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### Options (continued)

FedBizOpps unless the original synopsis provided sufficient detail on the options or another synopsis exception applies.

**Evaluation:** Evaluation criteria for options must be included in all solicitations with options. Option pricing should be evaluated along with the required base quantity pricing prior to contract award. The objective of this evaluation is to determine option prices to be fair and reasonable at the time of the basic award.

**Clauses:** Several clauses are required when incorporating options in purchases. The clauses for options for supplies differ from the clauses for options for services. A listing of option clauses and their use is included in Example 18 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**When to Exercise Options:** Whether exercising options for supplies or services, you must notify the vendor of the intent to exercise the option. The time period for notification is as stated below. The KO must submit a letter to the vendor notifying them that the government intends to exercise the option period.

**Services.** The clause for option to extend the term of the contract (FAR 52.217-9) contains a notification period (at least 60 days) the government must give the contractor indicating the government's intent to exercise an option. The clause also requires a fill-in for the time period in which the contracting officer has to exercise the option. Options for services are generally exercised prior to or on the first day of the option period. Due to the budget process of the government, many times the CG appropriation is not available on the first day of a fiscal year. Examples of these two documents are included in Example 20 and 21 which are located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Supplies:** The clause for options for supplies FAR 52.217-7 also contains a fill-in for the contracting officer to indicate the time the government will exercise the option for additional quantities. When using this clause, keep in mind the delivery requirements of the order. For example, the order may state that quantities are required to be delivered within 30 days of option exercise.

### Un-priced Purchase Orders (UPO)

An un-priced purchase order is one for supplies or service, for which the price is not established at the time of issuance of the order. Examples of when an un-priced purchase order should be used are:

1. It is impractical to obtain pricing in advance of issuance of the purchase order.
2. The purchase is for repairs to equipment requiring disassembly to determine the nature and extent of repairs.



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### Un-priced Purchase Orders (UPO) (continued)

3. Material available from only one source and for which cost cannot readily be established.
4. Supplies or services for which prices are known to be competitive, but exact prices are not known (e.g., miscellaneous repair parts, maintenance agreements).

In some cases, it may be necessary to issue a PO for a vendor to tear down and inspect equipment before a quote can be given for a repair (commonly referred to as “teardown and quote” (TD&Q). The process is simple, obtain a quote from the vendor to tear down the equipment and provide a quote for repairs. If reasonable, issue purchase order for the not-to-exceed amount of the quote.

Un-priced purchase orders are typically processed as follows:

1. Obtain quote (estimate).
2. Determine reasonableness of the quote.
3. The words “NOT-TO-EXCEED the established ceiling price, either for each line item or for the total order, shall be placed on each un-priced purchase order.” This amount must not exceed the established ceiling price set by the PR.
4. If, however, the work can be completed within the not-to-exceed price, the contractor completes the work and submits an invoice to the KO. POs must be properly prepared to indicate that the invoice must be submitted to the KO and NOT to FINCEN. Since this is the case, the order is issued as a Doc Type 24 (See chapter 12 for information on Doc Types) and the instrument code is “N” in keeping with FINCEN invoice payment procedures.
5. The final step by KO, or designee, is to review the invoice. If reasonable, the invoice is processed for payment as long as the KO has approved the invoice either by the KO’s signature or an equivalent signed form that has the KO’s authorization.

Require suppliers to submit a summary invoice at least monthly, for all deliveries made during the billing period, identify the delivery tickets covered, their dollar value and supported by receipt the copies of delivery tickets.

### Blanket Purchase Agreements (BPA)

Rotation and Competition. BPAs should be established with more than one supplier for a class of items. BPA calls are to be rotated among qualified suppliers for calls within the micro-purchase threshold. BPA calls in excess of the micro-purchase threshold must be supported by (1) evidence of competitive quotations or (2) a price reasonableness determination. A Sample BPA is found in Example 2 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

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### **Blanket Purchase Agreements (BPA) (continued)**

Establishing a BPA. FAR Subpart 13.303 requires specific data in BPAs, as follows:

1. A description of the supplies/services to be purchased.
2. The names of the individuals authorized to place calls under the BPA and their per call dollar limitation.
3. The maximum dollar amount for each individual purchase.
4. A statement that the government is obligated only to the extent of authorized purchases made under the BPA.
5. A statement that the prices to the government shall be as low or lower than those charged the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment.

A requirement that all shipments under the BPA be accompanied by delivery tickets or sales slips, which shall contain the following minimum information:

1. Name of supplier
2. BPA number
3. Date of purchase
4. Purchase (call) number
5. Itemized list of supplies or services furnished
6. Quantity, unit price and extended price of each item, less applicable discounts
7. Date of delivery or shipment

### **Pre-Priced BPAs**

In cases where BPAs can be pre-priced, the Contracting Officer (KO) must first determine that the prices are fair and reasonable and marks the price list "Approved" and signs the list of pre-priced items. Coast Guard pre-priced BPAs must contain the following statement:

"THE CONTRACTOR AGREES TO FURNISH PRICE CHANGES TO THE CONTRACTING OFFICER AT LEAST \_\_\_\_\_ DAYS (10 days unless the contracting officer specifies another time frame) PRIOR TO THE EFFECTIVE DATE OF THE PRICE CHANGE."

Ordering offices shall not negotiate prices. Only items on the approved price list may be purchased.

### **Placing BPA Calls**

Since BPAs do not contain accounting data, some method of funds certification must be accomplished.

A funded Procurement Request (PR) is generally used for this purpose,

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### Placing BPA Calls (continued)

however, customers may use the bulk-funding concept under the following conditions:

The KO receives authorization from a funds certification officer for a specific amount for a specified purpose for a specified time. This may be accomplished with a funded PR for a lump sum of funds.

The amount of each BPA call is deducted from the authorized funded amount. BPA calls do not exceed the authorized funded amount. BPA call record sheets shall cite the correct accounting data.

All orders placed under a BPA should be numbered sequentially. Generally, the BPA number is designated, followed by a serial number. When placing a BPA call, identify yourself to the supplier and provide the following information:

BPA number and call number.  
 Items ordered.  
 Unit price, total price, established by the BPA, if applicable.  
 Point of contact.  
 Time and place of delivery.

A sample BPA call record sheet is found in Example 4 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquicktr/sap#>. BPA call records shall be maintained. The BPA call record includes:

Call number  
 Date of call  
 Items or services ordered  
 Price, Delivery date, and Accounting data.

### BPA Invoices Payment

As stated above, the vendor submits a monthly, summary invoice directly to FINCEN. The summary invoice must contain the following information:

delivery tickets covered and their dollar value, and  
 delivery tickets or sales slips supported with CG signature indicating the materials have been received.

The KO (or designated representative) must submit a copy of each sales slip or delivery ticket with the monthly call sheet to FINCEN for obligation and receipt purposes when hard copies are used. When using CG electronic generated forms, electronic call sheets without delivery or sales slips can be submitted.

### BPA Reviews

A KO must review and update as necessary all BPAs. For CG BPAs, this review will be considered accomplished when the BPA is renewed. At that

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time, the KO should consider changes in market conditions, which may have an effect on the BPA (i.e., pricing and new suppliers of the class of items). If necessary, the KO should establish additional BPAs for similar commodities and ensure reissued BPAs are adequately updated.

### Annual Review of BPA Calls by Issuing Contracting Officer

The KO or a designated representative must annually review a sample of BPA calls placed under BPAs. The review should ensure that:

1. Calls are rotated among qualified suppliers.
2. Authorized callers have not exceeded their call authority.
3. BPA call logs are properly maintained.
4. Invoices are properly supported and timely submitted for payment.
5. Requirements are not “split” in order to permit purchasing within caller’s authority.
6. The KO shall maintain evidence of these reviews.

Non-warranted individuals are designated as BPA callers in amounts not-to-exceed the micro-purchase limit.

Only warranted KO (see exceptions, below) may place BPA calls in excess of the micro-purchase limit.

### Exceptions to Limitations When Placing BPA Calls

#### Exceptions:

Food Service Specialists are not warranted KOs. However, they are given written delegation of authority by a KO to order from local established BPAs. Food Service specialists on cutters placing BPA calls for subsistence items and purchasing agents inside a contracting office may place BPA calls exceeding the micro purchase limit as follows:

**Food Service Specialists:** A KO must issue the food service specialist a letter of instruction on how to place the BPA calls. A sample of this letter is provided in Example 3 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Purchasing Agents inside a contracting office:** A KO must review and approve calls over \$2,500 by reviewing documentation of competitive quotes received and approving the action by signing the call record sheet in the “Signature of Caller” block. The purchasing agent may then proceed to place the call and complete the file documentation (NOTE – Caller should sign as Caller and KO as Approving Official, not Caller).

### Service Maintenance Agreements (SMA)

The P-Card may be utilized as a payment tool for recurring services (e.g., cellular phone service, cable TV, copier maintenance, gym memberships facility and/or equipment maintenance, etc.) in which routine (e.g., monthly) invoicing to document the completion of a milestone or a service occurs and

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### **Service Maintenance Agreements (SMA) (continued)**

payment of such invoice is to be paid upon receipt (see section 5.6 of the FRMM for purchasing membership). As with any other Service Maintenance Agreement (SMA) regardless of the total annual dollar amount, a warranted KO using a SF-1449 or an OF-347 must FIRST establish a written document (e.g., the Purchase Order). KOs shall ensure that all required FAR clauses and provisions are incorporated into the document, including appropriate Service Contract Act clauses and any applicable wage determination from the Department of Labor (DOL). The document shall be completed as follows (NOTE: Block numbers below refer to the OF- 347, but required information apply also to SF-1449):

1. Block 3, leave blank
2. Block 4, insert "32", FY, Procurement Site Code, Region, Program Element and sequential number (e.g., 32-09-G896PE020) to indicate credit card charge
3. Block 9, do not include accounting data
4. Block 17 (Description), insert  

**"BILLING TO BE MONTHLY IN ARREARS. PAYMENT WILL BE MADE USING THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD."**
5. Block 32, insert the customer address for payment

Cardholders with the appropriate dollar threshold authority may use the P-Card payment procedures only when vendors agree to bill monthly in arrears. Do not use FINCEN address in Block 21 (OF-347) or mail copies of the invoices to FINCEN. Payment of SMAs will show on the PES reports as direct charges and as a Document Type 32. If the monthly payments are expected to be less than or equal to \$2,500, then the KO shall issue a Document Type 32 PO. If, however, the monthly charges exceed \$2,500, then the KO may issue a Document Type 24 PO instead of a Doc Type 32 (See Chapter 12 for information on DOC Types), and pay the invoices accordingly using a Contract Payment Approval Form (vice the P-Card). Again, regardless of the aggregate total amount ANNUALLY of all monthly invoices, a Service Maintenance Agreement Purchase Order document is required to be issued by a Contracting Officer.

(NOTE: NEVER USE a Document Type 23 (See Chapter 12 for information on Doc Types) when issuing an SMA. This will create serious billing, payment, and funds reconciliation problems even when incorporating 12 line items to cover each month. Also, when using the P-Card, it is imperative that the transactions are recorded and obligated against the originally-issued SMA, associated with the invoices, by using the FPD "Credit Card Module"). In both SF-1449 and OF-347, the "payments will be made by block" and "mail invoices to" block, respectively, shall have either the KO's or the purchase cardholder's name and contact information.

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### **Service Maintenance Agreements (SMA) (continued)**

Under no circumstances should specific information from the purchase card (i.e., credit card account number) be placed on the service/maintenance agreement. After receipt of the monthly invoice, cardholders can then provide their P-Card over the counter or provide the purchase card number over the phone in accordance with local contracting procedures. Cardholders shall not charge payment for supplies/services until the end of the month for which the supplies/services were received. Cardholders shall attach invoices for all maintenance agreements to monthly statements submitted to FINCEN.

For Cellular telephone SMAs: The monthly cellular phone billing statements require the following certification:

"The charges in this monthly statement have been reviewed for accuracy, completeness, waste, fraud, and abuse and are deemed to be correct and proper for payment."

Charges for personal calls shall be collected with an additional 3% Federal Excise Tax and forwarded to the appropriate collection point/lockbox. (See [FINCEN SOP](#))

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## Chapter 8: Reporting and Publicizing Actions

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**Introduction** This section explains the reporting and publicizing of procurement actions. An overview of the Federal Procurement Data System- Next Generation (FPDS-NG) and FedBizOpps (FBO) is provided in this chapter.

**FPDS-NG** The Federal Procurement Data System-Next Generation (FPDS-NG) is the authoritative source for government contract award data.

The accuracy of data submitted to FPDS-NG becomes increasingly important each year, as USCG relies on this information to field numerous Congressional inquiries and Executive branch data calls. Additionally, the Federal Funding Accountability and Transparency Act of 2006 required a single searchable website (USASpending.gov) that provides citizens with instant access to Federal contract data. FPDS-NG data feeds this website that is viewed by the public.

Per FAR Subpart Part 4.603(b), "agencies shall use FPDS to maintain publicly available information about all contract actions exceeding the micro-purchase threshold, and any modifications to those actions that change previously reported contract action report data, regardless of dollar value." Homeland Security acquisition regulations, however, go above and beyond the FAR requirements. In accordance with HSAM 3004.602 (c)(1), awarded contracts below the micro-purchase threshold are reportable to FPDS-NG if a Procurement Instrument Identifier (PIID) is created as a result of the contractor not accepting a government purchase card transaction. Only credit card purchases below the micro purchase threshold and Military Interdepartmental Purchase Requests (MIPRS) are exempt from the FPDS-NG reporting requirement.

Note: The KO shall maintain in the award file evidence that the contract action was entered into FPDS-NG.

Per FAR Subpart Part 4.6—Contract Reporting, “the responsibility for the submission and accuracy of the individual Contract Action Report (CAR) resides with the contracting officer.” However, the contracting professional who creates the initial contract action record also bears responsibility for inputting the information correctly.

Since USCG’s primary contract writing systems –Contract Information Management System (CIMS) and Finance and Procurement Desktop (FPD) – are integrated with FPDS-NG, the majority of users will complete the FPDS-NG CAR via the contract writing interface. Two other contract writing systems, Naval and Electronic Supply Support System (NESSS) and Aviation Logistics Management Information System (ALMIS), do not interface with FPDS, and the user manually loads the record directly in the FPDS Web Portal. The CAR should be confirmed for accuracy prior to



## Chapter 8: Reporting and Publicizing Actions

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release of the contract award. It is no longer sufficient to simply “validate” the contract action record and fill in only the fields that appear in red. There are many elements on the CAR not required by FPDS validation rules, but which are absolutely mandatory for USCG to produce accurate reports.

Contracting personnel shall receive initial training on accessing and completing the FPDS record during the USCG Finance & Procurement Desktop (FPD) Basic User Course given at the CG Training Centers. CG-9132 will work with individual COCOs to provide COCO specific training and will also provide other CG-wide training.

### Publicizing Contract Actions in FedBizOpps

The electronic Government Point of Entry (GPE) for public notification is [FEDBIZOPPS](#). Proposed contract actions expected to exceed \$25,000 must be formally advertised by synopsisizing the requirement in FEDBIZOPPS.

**Submitting your synopsis:** Submit your synopsis to the Government-wide Point of Entry (GPE) using the Internet. The Internet address for entering a synopsis is <http://www.fbo.gov/>. Additionally, the FedBizOpps (FBO) Government Manual that provides instructions for posting synopses and solicitation documents to the GPE is also under the same website, specifically under the Government Buyers link. Click on “FBO” for Government Buyers, click on FBO Buyers Guide. In addition to the Manual, the website has a Frequently Asked Questions link.

There is no charge for entering and posting a synopsis. Special characters, such as the following, cannot be used in the solicitation number: **<space>**, **\***, **&**, **/**, **%**, **#**, **@**, **and comma or semi-colon**. If any of these characters are in the solicitation number, you will need to remove them and repost the solicitation (you may contact the FBO Help Desk at (877) 472-3779 or by email: [fbo.support@gsa.gov](mailto:fbo.support@gsa.gov)).

The “Save” function is intended to allow you to partially create a document for follow-up at a later time. If you want to create a document, but in the process you realize that not all of the information is available, you can elect to save that document and come back later. When a document is saved it will be available under the Edit menu button. When you are ready to post the notice simply click Post to preview your posting, verify the information, and confirm that you would like to post the notice. If you do not save it you will need to re-work the fields that are automatically reset.

### Brand Name Justification Posting in FedBizOpps

An acquisition that uses a brand name description or other purchase description to specify a particular brand name, product, or feature of a product, peculiar to one manufacturer does not provide for full and open competition regardless of the number of sources solicited require a Brand Name Justification. It shall be justified approved in

## Chapter 8: Reporting and Publicizing Actions

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**Brand Name  
Justification  
Posting in  
FedBizOpps  
(continued)**

accordance with FAR Subparts 6.303 and 6.304.

Contracts awarded using this authority shall be supported by a Justification and Approval (J&A) as described in 6.303 and 6.304.

A written justification for not providing for maximum practicable competition shall be maintained in the file or justified when the acquisition is awarded using simplified acquisition procedures. The documentation or justification is posted for acquisitions over \$25,000.

For more specifics, refer to the FBO manual found online. Once posted, you can verify and confirm your action by checking back online after 24 hours.

**Preliminary Requirements:**

To obtain a FedBizOpps account, contact the CG-9132 Program Manager listed in the CG-913 website in CG Central.

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## Chapter 9: Acquisitions Exceeding \$100K

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### Introduction

FAR Subpart 13.5 provides special authority for acquisitions of commercial items exceeding \$100K, but not exceeding \$5.5 million (\$11 million for acquisitions entered into under the authority of FAR Subpart 12.102(f)(1)), for supplies or services that include only commercial items, and options, under the test program. The authority to issue solicitations under this subpart is limited by time, and expires on January 1, 2012.

An individual obligating the Government under this authority shall possess the required certification and written appointment by the appropriate warrant issuing authority.

The purpose of the test program is to vest contracting officers with more discretion and flexibility, so that commercial item acquisitions may be solicited, offered, evaluated, and awarded in a simplified manner that maximizes efficiency and economy and minimizes burden and administrative costs for both the government and industry.

### Procedures

Commercial acquisitions using the test program require the following:

1. Preparation of an Advanced Acquisition Plan (AAP) with milestones and entering the request in FIDO is required.
2. Inclusion of the Ombudsman Notice in the solicitation.
3. Preparation of Congressional Notification of Contract Awards (valued in excess of \$1 million) when applicable.
4. Documenting the file with written description of the procedures used in awarding the contract, a statement that FAR Subpart 13.5 was used, the number of offers received, the magnitude and complexity of the requirement, and any justification approved under FAR Subpart 13.5.
5. Documentation of market research.
6. Small Business Specialist Review and Endorsement using the DHS form 700-22.
7. Approved sole/limited source justification when applicable.
8. A memorandum signed by the HCA, for contract actions for professional services exceeding \$1 million annually, determining that the services to be performed do not include inherently governmental or nearly inherently governmental requirements, personal services or requirements impacting core functions that must be performed by federal employees.

### Acquisition Planning

An AAP is required for all requirements valued in excess of \$100,000. The use of the Contract Information Management Systems' (CIMS) Milestone Schedule is considered sufficient in meeting planning requirements for acquisitions over the simplified acquisition threshold to \$10M. Contracting

## Chapter 9: Acquisitions Exceeding \$100K

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Officers are the approval level for Acquisition Plans between \$100K and \$10M. The Deputy HCA is the approving official for Acquisition Plans and updates for acquisitions between \$10M and \$50M. The HCA is the approving official for Acquisition Plans that are over \$50M, but not exceeding \$300M. Acquisition Plans over \$300M require the review and approval of the DHS Office of the Chief Procurement Officer (OCPO).

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# Chapter 10: Non-Routine Procurement Actions

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<b>Introduction</b>	This chapter will describe non-routine procurement actions, such as Small Business 8(a) contracting, Military Interdepartmental Purchase Requests (MIPRs), Inter-Agency Support Agreements (ISSAs), Husbanding Agent Contracts, Capitalized Assets, Vehicle Guidance, Construction Contracting, Service Contracting, Architect/Engineering Services (A&E) and contracting through the NISH.
<b>Small Business Administration (SBA) 8(a) Contracting</b>	<p>DHS entered into a Partnership Agreement (PA) with the SBA, granting authority for the Coast Guard to expedite 8(a) awards that include requirements under the simplified acquisition threshold (SAT). Thus, no offering or acceptance letter is required for orders processed under the SAT, which permits simplified acquisitions under the Small Business Administration 8(a) Program. Additionally, the PA allows Coast Guard Contracting Officers, if delegated by their Chief of the Contracting Office COCO (or SFCO), to enter directly into contracts with eligible firms, without SBA signing as the prime contractor.</p> <p>For more information or to obtain a copy of the current PA, contact your COCO (or SFCO) or the Coast Guard Small Business Program Manager in CG-9131.</p>
<b>Husbanding Agent (HA) Contracts</b>	<p>Husbanding Agent (HA) contracts are multi-year contracts issued by the Navy Supply Systems Command (NAVSUP) for port services in foreign ports. These contracts provide for standard services and prices for military ships visiting various ports-of-call.</p> <p>Contracts are established with a HA (ship's chandler contractor) permitting visiting vessels to obtain services under a delivery order type contract. It also provides guidance for shipping and receiving of supplies. Prices are pre-negotiated based upon vessel size and alleviates the customer from negotiating its own terms.</p> <p>For first time users, the HA serves as the customers first POC for all in-port services and provides guidance for shipping and receiving of supplies. Contact the local Naval Supply Systems Command (NAVSUP) Fleet and Industrial Supply Center (FISC) in your area for further information.</p> <p><b>Procedures:</b> Request HA in a Logistic Request (LOGREQ) message to the supporting Defense Attaché Office of the Embassy for the host country. Specify services and supplies required. The Embassy then notifies the appropriate HA (contractor), or if a contract does not exist, finds and provides the necessary resources to satisfy the CG's requirements. Upon arrival, meet with the HA to discuss your requirements and confirm the prices to be charged. Anticipate obtaining agreement on the vessel size, delivery requirements (e.g., remove trash daily, etc.), and settlement for pier side, utilities services.</p>

## Chapter 10: Non-Routine Procurement Actions

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### **MIPRS, Inter-Agency Purchase Agreements,- Intra-Agency Support Agreements (ISSAs), Memoranda of Understanding MOUs/MOAs**

Most of these types of instruments are covered in FAR 17.5, with the exception of MOUs and MOAs. If any of these documents involve the exchange of funds (except for host/tenant agreements), they must be signed by a warranted KO whose authority meets or exceeds the estimate/dollar amount of the document.

When acquiring goods or services via a franchise fund organization, such as GovWorks (Department of Interior) or FedSource (Department of Treasury), the statute authorizing Coast Guard to enter into an interagency acquisition with the franchise fund organization is the Government Management Reform Act of 1994 (GMRA) (Pub. L. No. 103-356, tit. IV, § 403, Oct. 13, 1994, 103 Stat. 3413) which authorized the Director of OMB to establish six franchise fund pilot programs. Thus, in 1996, the Director approved applications from the Departments of Commerce, Treasury, Health and Human Services, Veterans Affairs, and Interior, and the Environmental Protection Agency.

There are three general categories for these instruments:

1. Those subject to the Economy Act and require a D&F as described in DHS Directive Instruction # 125-02-001. A warranted contracting officer must sign the D&F. Example 22, which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> illustrates a sample D&F.
2. Host/tenant type agreements (lease agreements).
3. Other, such as instruments issued pursuant to specific statutory authority.

The Economy Act (31 U.S.C 1535) authorizes agencies to enter into mutual agreements to obtain supplies or services by interagency acquisition. In other words, the Economy Act permits Federal Government agencies to purchase goods and services from other Federal Government agencies or other organizational units within the same agency. The Economy Act is permitted only if (1) amounts for the purchase are actually available, (2) the purchase is in the best interest of the Government (3) the ordered goods or services cannot be provided by contract from a commercial enterprise, as conveniently or cost efficiently by the Government, and (4) the agency or contracting office to fill the order is able to provide or get by contract the ordered goods or services.

As provided in DHS Directive 125-02, all Interagency Agreements must cite the statute upon which the agreement is based. Each Interagency Agreement may rely upon only one statute. The Economy Act should be used as the statutory authority for an Interagency Agreement only when a more specific authority is not available.



## Chapter 10: Non-Routine Procurement Actions

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### **MIPRS, Inter-Agency Purchase Agreements,- Intra-Agency Support Agreements (ISSAs), Memoranda of Understanding MOUs/MOAs (continued)**

Examples of interagency acquisition to which the Economy Act does not apply include (1) Acquisitions from required or optional sources of supplies prescribed in Part 8, which have separate statutory authority (e.g., Federal Supply Schedule contracts). (2) Acquisitions using Government-wide acquisition contracts.

A Military Interdepartmental Purchase Request (MIPR) normally accomplishes interagency acquisitions for the Coast Guard. A MIPR is a document (DD Form 448) that is used to place an order for supplies or services with a military servicing agency or a civilian-servicing agency if acceptable to that civilian agency. The funding on a MIPR is not obligated until the servicing agency has accepted the DD Form 448, returned the signed DD Form 448-2 (last page) citing the Category and amount, and the KO recording the information in FPD.

The servicing agency, in accepting a MIPR, will determine whether to use Category I (reimbursable funds citation) or Category II (direct funds citation) methods of funding. Category I is appropriate when the servicing agency will perform using their own internal resources. Category II is appropriate when the USCG utilizes the servicing agency's existing contract vehicle. (For additional information and detailed instructions, refer to the Coast Guard Acquisition Procedures (CGAP) - CIM 4200.19 – Subchapter 3017.504-90 and Example 3 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>).

### **Capitalized Assets**

Capitalized Assets are nonexpendable real or personal property with a useful life of two years or more and an acquisition cost above the capitalization thresholds, whose cost is expensed over its life. Additionally, real or personal property are tangible assets that are not intended for sale in the ordinary course of business and are intended to be used by or be available to CG. Real property assets include the procurement of land, building and structure. These assets may require construction, refurbishing, assembly or similar effort. Personal property assets include the procurement of aircrafts; boats; electronic systems; electronic test equipment; general purpose property (GPP); vehicles and vessels and industrial equipment managed in two designated fixed asset applications, Oracle and Naval & Electronic Supply Support System (NESSS).

### **Capitalization**

Capitalization is the recording and carrying forward any expenditure into one or more future periods (delay the recognition of expenses by recording the expenses as long-term assets). This results in expensing the cost of an asset over the remainder of its useful life by matching the benefits gained from that expenditure with the associated cost and does not include repair and maintenance (R&M) costs.

## Chapter 10: Non-Routine Procurement Actions

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### **Capitalization Thresholds for Real Property**

Capitalization applies to the acquisition, construction, or improvement of building structure, shore and waterways projects with a total unit cost (per-asset cost) of \$200,000 or greater. CG capitalization thresholds are applied to individual assets. For example, if two buildings are being constructed, one building costs \$100,000 and the second building costs \$250,000, only the \$250,000, building will be capitalized – the other building will be expensed. However, all land is capitalized no matter what the cost.

### **Capitalization Thresholds for Personal Property**

Capitalization applies to acquired, constructed or improved personal property for aircrafts, vessels and electronic systems with a total unit cost (per-asset cost) of \$200,000, or greater. Capitalization also applies to acquired, constructed or improved personal property for boats, buoys and ATON, electronic stand-alone equipment, electronic test equipment, general-purpose property, shipbuilding equipment & machinery, small arms and vehicles with a total unit cost (per-asset cost) of \$50,000 or greater.

Note: The capitalization threshold remains at \$25,000, for the following property assets purchased prior to October 1, 2003: electronic stand-alone equipment, electronic test equipment, boats, shipbuilding equipment and machinery, small arms, vehicles, buoys and other aids to navigation, and general-purchase property.

### **Identification of Real and Personal Property Assets**

The Contracting Officer shall ensure all solicitations and contracts procuring real or personal property assets shall identify separate contract line numbers (CLINs). The CLINs shall have separate accounting information whenever the contract will procure different types of real or personal property assets under the same procurement instrument.

In order to ensure effective capitalization of developed and delivered assets, it is Coast Guard policy that all Statements of Work (SOWs) for the procurement of real or personal property assets must clearly identify each real or personal property asset being procured.

### **Acceptance of Capitalized Assets**

Every contract for the development or delivery of capitalized assets valued at \$50,000 or more shall be supported by a signed acceptance report, such as DD Form 250, Material Inspection and Receiving Report, DHS Form 700-21, Material Inspection and Receiving Report, Standard Form (SF) 1449, Solicitation/Contract/Order for Commercial Items, or Optional Form (OF) 347, Order for Supplies and Services, in order to document the date of acceptance and valuation of Coast Guard capitalized assets. Such reports documenting receipt and acceptance of capitalized assets by the Coast Guard shall be signed by a Contracting Officer as acknowledgement that the asset has been received and satisfies the terms of the contract under which it was procured with respect to price, quantity, and quality.

## Chapter 10: Non-Routine Procurement Actions

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### **Payment Documentation/Content of Invoices for Capitalized Assets**

The Contracting Officer shall ensure that each solicitation and contract for real or personal property assets state the requirement for contractors to identify each real or personal property asset on each invoice submitted for payment. When reviewing such invoices for payment, Contracting Officers shall return invoices to the contractor when this information is not identified and COTRs shall validate that the proper real or personal property asset is identified. COTRs are also responsible for notifying the Business Manager and/or Accountable Property Officer of the payment amount and associated real and personal property asset.

Refer to Chapter 9 of the Financial Resource Management Manual (FRMM) COMDTINST M7100.3D for additional information concerning Capitalized Assets.

### **Vehicle Guidance**

There are 3 different types of purchase cards used for vehicles (Document Type 32) as follows:

1. The GSA Lease Fleet Card – this card is used only for currently leased GSA vehicles. All fuel, maintenance and authorized repairs by GSA are allowable expenses for current leased GSA vehicles.
2. The CG Fleet Fuel Card – this card is used only for CG owned and CG leased vehicles requiring fuel and regular maintenance.
3. The P-Card is authorized only when you cannot use the GSA Lease Fleet Card or the CG Fleet Fuel Card and you are purchasing “vehicle modifications” to CG Fleet Lease vehicles and CG owned/lease vehicles. COCO (or designee) authority is not required.

All expenditures related to vehicle purchase, commercial lease, maintenance, repair or vehicle modification not charged to a GSA Lease Fleet Card MUST be reported annually to Assistant Commandant for Engineering and Logistics (CG-4).

Purchases for GSA Fleet Lease Vehicles: GSA Fleet Lease Card is for fuel, regular maintenance and authorized repair. Authorized repair can either be billed back to CG or considered part of the monthly mileage fee. For example, a customer receives a new truck and decides the tires are not right for Beach OPS. The tires in this instance are considered a modification by the GSA Fleet Lease and they will not pay as part of the maintenance and repair. However, if the GSA Fleet Lease Truck has 50K miles and the customer pre-authorizes tire replacement (same type) GSA will authorize the tire replacement as necessary maintenance and not bill the CG extra for the new tires.

**GSA Fleet Lease Vehicle** is defined as “any vehicle provided by the GSA Interagency Fleet Lease Program.” The vehicles will have US Government

## Chapter 10: Non-Routine Procurement Actions

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### Vehicle Guidance (continued)

license plates that begin the "G", for example G41-12345, unless state license plates are authorized (undercover). GSA Fleet Lease vehicle types include sedans, SUV, minivans, vans, buses, light, medium and heavy duty trucks (including tractor/trailer) and trailers.

GSA Fleet Lease Card allows accident repair and major repairs (new engine) to be charged on the card. This is for maintenance tracking. Recommend using CG Fleet Fuel Card (rather than the P-Card) for CG owned and commercial lease vehicles. (Note: GSA Fleet Lease vehicle have tag numbers beginning with "G" and everything else has DHS plates).

**Maintenance:** defined by GSA is: "Scheduled maintenance per manufacturer(s) recommendation and/or work scheduled by GSA Fleet Lease Management/Maintenances Centers necessary to protect the serviceability and continue safe operation." This includes, but is not limited to: oil changes, valve adjustment, tire replacement (for wear), brakes pads, wiper blades, reasonable number of car washes per month, etc. Maintenance also includes recall work. In addition, some states now require emissions testing and safety inspections for government vehicles, this should be charged to the vehicle's Fleet Card.

**Authorized Repair** defined by GSA is: "Any work done to a GSA Fleet Lease vehicle must be authorized prior to the driver authorizing the work. Each GSA Fleet Lease vehicle has a GSA booklet with the toll free, 24-hour number of the GSA Fleet Lease Maintenance Center. Authorized repairs, including accident repairs, are charged on the GSA Fleet Card.

**Modifications** defined by GSA are: "Items such as; bed liners, emergency light bars, truck caps, winches, special tires (not required for normal use, but customer feels are required for operations), radios, etc. Installation of these types of items must be authorized by GSA Fleet Lease Management Offices but should not be purchased with the GSA Fleet Card unless otherwise directed by GSA Fleet Lease. Prior to turn in, GSA Fleet Lease vehicles should be returned to their original configuration. Therefore, CG equipment should be retained and reused if possible.

Modifications to CG Owned Vehicles are emergency light bars, bed liners, truck caps, BIG tires, radios, snow plows (unless installed prior to delivery), upgraded hitch systems, etc. The P-Card is used for modifications to GSA Fleet Lease, CG Owned, and commercial lease vehicles. Repairs for CG owned and commercial lease vehicles should use the P-Card.

### Construction Contracting Overview

Construction contracting includes construction, alteration or repair, painting and decorating of public buildings and public works. Included in this definition are improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewer mains, power lines,

## Chapter 10: Non-Routine Procurement Actions

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cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels.

Construction contracts in excess of \$2,000 must be issued on an Order for Supplies or Services (OF 347), or Solicitation, Offer, and Award (Construction, Alteration, or Repair) (SF-1442). These requirements are subject to the Davis-Bacon Act (DBA) and the Federal Acquisition Regulation (FAR) requires all solicitations for construction be issued in writing (use the SF-18, Request for Quotations or SF-1442, Solicitation, Offer, and Award (Construction, Alteration, or Repair)).

Construction is not commercial; therefore, the SF-1449 shall not be used for construction purchases. Furthermore, the pre-solicitation method shall be used when posting/synopsizing construction requirements under FAR Subparts 5.1 and 5.2. In the description block of the posting/synopsis, per FAR Subpart 22.4 certain clauses are required to be either incorporated by reference or included as an attachment. The Contracting Officer must ensure that the appropriate wage determinations and required construction clauses (e.g., required payroll reviews and labor interviews by the Government) are incorporated into the simplified acquisition solicitations for construction over \$2,000. The KO shall also disclose in the solicitation the magnitude of the construction project in terms of one of the price ranges listed in FAR Subpart 36.204.

The Davis-Bacon Act was designed to prevent federal construction funds from being used to depress local wage standards. A key provision of the statute was that the rate of wages for all laborers and mechanics employed by a contractor or subcontractor shall not be less than the prevailing wage rate for work of a similar nature in the area in which the contract is performed.

The Department of Labor (DOL) makes the determination of the prevailing wage rates and publishes them weekly. Wage rates are available on-line, at no cost at <http://www.wdol.gov>. This information must be provided to the awardees with a copy placed in the procurement file.

**NOTE:** Due to the requirements of the Davis-Bacon Act AND other special requirements, additional training is required in order to be granted construction contracting authority.

### Service Contracting Overview

A service contract is one that calls for a contractor's time and effort performing services rather than an end item of supply. In general, services include persons engaged in skilled mechanical crafts or unskilled, semiskilled or skilled manual labor occupations (for example, custodial, janitorial, housekeeping and guard services). See FAR Subpart 22.1003-5

## Chapter 10: Non-Routine Procurement Actions

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### **Service Contracting Overview (Continued)**

for even more examples of services. The law originally covered blue-collar workers; its provisions were amended to extend coverage to white-collar workers while accepting those employed in a bona fide executive, administrative or professional capacity.

A service contract in excess of \$2,500 must be issued on a purchase order (SF-1449 or OF-347) after receiving quotes on a SF-18 or SF-1449. When buying services, you must comply not only with simplified acquisition policies and procedures, but you must also comply with statutes and acts, which are aimed at protecting service employees.

The McNamara-O'Hara Service Contract Act (SCA) of 1965, provides that the Secretary of Labor shall determine the minimum wages and fringe benefits to be paid "service employees" to those working under federal contracts in excess of \$2,500. Wage levels vary by type of service and by locality. The wage determination is made part of the order, and the contractor and any subcontractor are required to comply with it. Therefore, the buyer or Contracting Officer (KO) must obtain from the Department of Labor (DOL), prior to the award of a service contract, the determination of prevailing wages for the locality in which the contract is to be performed.

The DOL database website is part of the Integrated Acquisition Environment. KOs may elect to use the e98 request form for any SCA-covered contract action.

In cases when a KO cannot obtain an appropriate SCA wage determination the KO must request an official SCA WD by completing the e98 form at <http://www.wdol.gov>.

This information must be provided to the awardees with a copy maintained in the procurement file.

In an emergency procurement, such as an environmental cleanup, it may be impossible to obtain the wage determination from the Department of Labor (DOL) prior to award. Therefore, you must make sure the contractor knows the Service Contract Act applies and that the contractor is paying prevailing labor rates for the area (see FAR Subpart 22.10 for Service Contract Act of 1965). When you receive the wage determination from DOL, you must modify the purchase to incorporate the wage rates with a bilateral modification. In some cases, you may have to increase the amount of the purchase order to accommodate the payment of those rates. A sample Standard Form (SF) 30 incorporating a wage determination is included in Example 23 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

For service contracts over \$2,500, the Contracting Officer (KO) must

## Chapter 10: Non-Routine Procurement Actions

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### **Service Contracting Overview (Continued)**

include:

FAR 52.222-41, SERVICE CONTRACT ACT OF 1965, AS AMENDED (MAY 1989) and

FAR 52.222-42, STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989).

The DOL Publication WH-1313 entitled “Notice to Employees Working on Government Contracts” must be furnished to the vendor at the time of award (see FAR Subpart 22.1018). The publication explains to the vendor that the poster shall be displayed at the worksite for employees to know what types of wages and compensation they are entitled to by federal law. The publication should be furnished to the vendor under the following criteria:

FAR 52.222-41 to 52.222-53 describes the various services that are covered by the Service Contract Act (SCA) and those that are exempt. The following is a list of services that fall under the Service Contract Act (when exceeding \$2,500): ambulance service, carpet laying (other than part of construction) and cleaning), chemical testing and analysis, clothing alterations and repair, computer services, concessionaire services, custodial services (janitorial and housekeeping), data collection, processing, and/or analysis services, drafting and illustrating, electronic equipment maintenance and operations, engineering or logistic support services, exploratory drilling (other than part of construction), film processing, fire fighting and protection, food services, fueling services, furniture repair and rehabilitation, geological field surveys and testing, grounds maintenance, guards and watchman security service, keypunching and key verifying contracts, landscaping (other than part of construction), laundry, linen supply services, mail hauling, mailing and addressing services, maintenance and repair services of all equipment (e.g., aircraft, engines, electrical motors, vehicles, and electronic, telecommunication, office and related business and construction equipment), mess attendant services, mortuary services, motor pool operation, packing and crafting, parking services, pest control, property management, snow removal, stenographic reporting, support services, surveying and mapping services (not directly related to construction), taxicab services, telephone and field interview services, tire and tube repairs, and trash and garbage removal.

Please refer to DOL’s website at <http://www.wdol.gov> for additional services that may not be included in the above list.

### **Architect/Engineering Services (A&E)**

Architect/Engineering services, as defined in the FAR are, (1) professional services of an architectural or engineering nature, as defined by State law, if applicable, that are required to be performed or approved by a person licensed, registered, or certified to provide those services; (2) professional

## Chapter 10: Non-Routine Procurement Actions

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services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and (3) those other professional services of an architectural or engineering nature, or incidental services, that members of the architectural and engineering professions (and individuals in their employment) may logically or justifiably perform, including studies, investigations, surveying and mapping, test, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils, engineering, drawings reviews, preparation of operating and maintenance manuals, and other related services. FAR Subpart 36.5 describes the procedures to be followed when acquiring A&E services not expected to exceed SAT. Only KOs with specific A&E warrant authority are authorized to procure A&E services.

### **Contracting with the AbilityOne Program (formerly JWOD) and the associated Central Non-Profit Agencies**

Prior to purchasing anything on the open market, Contracting Officers (KOs) must first attempt to locate the desired supply or service from one of the mandatory sources listed in Chapter 2, Required Sources of Supplies and Services.

The first priority for purchasing services is from AbilityOne. Their Procurement List is available online at <http://www.nish.org/>. For supplies, they are the fourth on the priority list.

Check to determine whether the supply or service is on the list. If the supply or service is not on the list, then AbilityOne is not a mandatory source. However, contact AbilityOne, as described in Chapter 2, for procedures for adding items to the list or to verify that AbilityOne is unable to meet the USCG's requirements.

### **Personal Services**

Personal services are defined in FAR Subpart 37.1 as those services characterized by an employer-employee relationship created between the Government and the contractor's personnel. Personal service contracts are only allowed when specifically authorized by statute.

### **Consultant/Expert Services**

The rate of pay for services rendered by a consultant to an advisory committee is governed by DHS Management Directive (MD) Number 3010.1, Employment of Experts and Consultants or 5 CFR part 304.101-108. Since the statutes governing the acquisition of and rate of pay for these services are subject to change, the Contracting Officer (KO) must seek the advice from legal counsel prior to taking action.

### **Personnel Security for Contractor Employees**

Contractor employees working on-site at Government facilities shall wear a CG Government issued identification badge. All Contractor employees shall identify themselves as contractors when their status is not readily apparent and display the CG Government issued badge in plain view above



## Chapter 10: Non-Routine Procurement Actions

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the waist at all times.

Contractor employees visiting Government facilities shall wear a identification badge that, at minimum, displays the Contractor name, the employee's photo, name, clearance-level and badge expiration date. Visiting Contractor employees shall comply with all Government escort rules and requirements. All Contractor employees shall identify themselves as Contractors when their status is not readily apparent and display all identification and CG visitor badges in plain view above the waist at all times. For contractors providing support that requires a security clearance, the KO shall include FAR clause 52.204-2.

### **Contractor Verification System (CVS)**

The Contractor Verification System (CVS) that manages the information necessary for contractor personnel to receive a Common Access Card (CAC) was designed in 2003 to replace DD Form 1172-2 "Application for Department of Defense Common Access Card DEERS Enrollment."

CVS is a web based application that allows for updating DoD (or other agency) Contractor personnel data. CVS allows DoD contractors and other Federal agency employees to register for a CAC or government credentials electronically via the internet. Upon award of a CG contract, the Contracting Officer's Technical Representative (COTR), or other appropriate government contract representative, shall review the contract to determine the Contractors need for routine access to a Coast Guard, or other government information systems, which would require issuance of a CAC. If a need is established by the government the COTR shall proceed with obtaining the CAC for the contractor.

### **Buying Green**

Government policy on the use of products containing recovered materials and bio-based products considers cost, availability of competition, and performance. Agencies shall assure the use of products containing recovered materials and bio-based products to the **maximum extent practicable** without jeopardizing the intended use of the product while maintaining a satisfactory level of competition at a reasonable price. Such products shall meet the reasonable performance standards of the agency and be acquired competitively, in a cost-effective manner. Except as provided at FAR Subpart 23.404(b), virgin material shall not be required by the solicitation.

**EPA DESIGNATED ITEMS.** As part of its continuing program to promote the use of recovered materials, the EPA has issued "Comprehensive Guidelines for Procurement of Products Containing Recovered Materials" (CPG) to designate recycled-content products in various product categories. The CPG implements Section 6002 of the Resource Conservation and Recovery Act (RCRA) requiring the EPA to designate products that are or can be produced with recovered materials, and to recommend practices for the procurement of designated products by

## Chapter 10: Non-Routine Procurement Actions

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### Buying Green (Continued)

procuring agencies. Once the EPA designates a product, RCRA requires any federal agency procuring that product to purchase it with the highest percentage of recovered materials practicable.

The current list of EPA designated products can be found at: [www.epa.gov/cpg](http://www.epa.gov/cpg) and click on “Products” for each designated item to obtain additional information, such as recommended percentage of recovered materials content. Further information can be found in the EPA’s CPG Supplier Database of vendors who sell or distribute CPG-designated products with recycled content.

**SOURCES:** The EPA designated items and USDA designated products can be found in several catalogs. Typically, suppliers flag the green products with special symbols to make purchasing easier.

GSA ADVANTAGE! This website allows customers to browse, search, and order environmentally oriented products and services. Click on “Special Categories Environmental” at the GSA Advantage Internet address at [www.gsaadvantage.gov](http://www.gsaadvantage.gov).

DOD/DHS EMALL: This website is a great tool in researching green products and services at [www.dlis.dla.mil/emall.asp](http://www.dlis.dla.mil/emall.asp).

**REPORTING:** Report all purchases of EPA-designated items and USDA-designated items, regardless of dollar value, to the COCO (or designee) via the Sustainable Practices Report (formerly RCRA) report format provided in Example 36 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

Each COCO (or designee) shall collect Sustainable Practices Reports from procurement offices under their areas of responsibility and provide one consolidated response to Commandant (CG-9131). CG-9131 will consolidate the responses and provide the information to the Department of Homeland Security (DHS).

### Hazardous Materials

Example 1 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> (Table 1 of Federal Standard 313C) provides a listing of hazardous material that must be reviewed by your customer Pollution Prevention Coordinator (PPC), prior to purchase. If the procurement request (PR) contains any item found (with the exception of fuel products, housekeeping, janitorial), the PR must include a Statement of Essential Need (Example 26 located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>) approved by the PPC. For further guidance, see Emergency Planning and Community Right-To-Know Act (EPCRA), and Pollution Prevention (P2), COMDTINST M16455.10 (series). If the PR is lacking the required documentation, the PR shall be

## Chapter 10: Non-Routine Procurement Actions

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returned without action to the requester.

**Required Clause:** Include the clause FAR Subpart 52.223-3 with Alt I in all orders for hazardous materials identified in Federal Standard 313C. This clause requires the vendor to furnish a Material Safety Data Sheet (MSDS) with the shipment of material.

### Training Services

Acquiring individual employee training services is a personnel/training officer function. See attached Example 27 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> for specific procedures and sample Delegation of Procurement Authority (DPA) Letter.

For training services or advanced education programs below the simplified acquisition threshold (SAT) that are commercial off-the-shelf (COTS) and of a fixed price nature, a Training Officer (TO), properly trained with delegated procurement authority may use the SF-182 to procure the services.

For advanced degree programs, which the USCG does not control the course content, a TO may utilize the SF-182 to pay for each semester the employee is enrolled, assuming the dollar threshold is within the TO's delegated authority, and the cost is only for tuition (e.g., no travel). Otherwise, if the educational institution requires their advance degree programs to be obligated and paid in aggregate, then a contracting officer is required to award a contract accordingly. The SF-182 is not authorized. In such circumstances, the contracting officer may consider limited competition and submit a justification for approval in accordance with the FAR and CGAP subchapter 3006.303-290.

For training services that are either over the SAT, or are not COTS or the USCG has control over the course content, a contracting officer shall conduct procedures in accordance with the FAR. The SF-182 is not authorized.

When using an SF-182, see Example 27 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>). In addition, completion of the Simplified Acquisition Procedures Summary ([DHS 700-16](#)) shall be prepared.

### Ship Repair

Ship repair includes construction, alteration, furnishing or equipping vessels. The Service Contract Act (SCA) pursuant to Section 7299 of 10 U.S.C. does not cover ship repair. Such action is within Sec 7(2) exemption for work subject to the Walsh-Healy Public Contracts Act.

However, a contract which calls principally for the maintenance and/or cleaning, rather than alteration or repair, of a ship or naval vessel is a service contract within the meaning of SCA.

## Chapter 10: Non-Routine Procurement Actions

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### **Rehabilitation Act of 1973 Section 508 Implementation**

Rehabilitation Act requires that when federal departments or agencies develop, procure, maintain, or use Electronic and Information Technology (EIT), they must ensure that the EIT allows federal employees with disabilities to have access to, and use of, information and data in the same manner as federal employees without disabilities.

Section 508 also requires that members of the public with disabilities seeking information or services from a federal department or agency have comparable access to and use of information and data as members of the public without disabilities.

Comparable access is not required if it would impose an undue burden. If an undue burden exception is applicable, the Coast Guard must still make EIT available by an alternate means of access.

CG policy on Section 508 is described in the DHS Management Directive # 4010.2 found at:

<https://dhsonline.dhs.gov/portal/jhtml/general/mdcat.jhtml;jsessionid=4LKJLGCUVZEPJQFIAACSFFI>.

The GSA website has many helpful links, including the free online training modules, such as Buying Accessible E&IT which may be accessed at <http://www.section508.gov/>.

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# Chapter 11: Funding In Selected Procurements

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## Introduction

Many questions arise concerning the appropriate use of funds (both appropriated and non-appropriated OE and NAF) to accomplish the various missions of the Coast Guard. Procurement officials and those in supervisory and command positions must be aware that the consequence of using Coast Guard funds inappropriately could lead to being held personally responsible for purchases made by them or be subjected to legal implications. For this reason, any question of whether a contemplated action is appropriate must be resolved prior to entering any agreement that commits (or appears to commit) the Coast Guard to payment.

The Coast Guard has issued policy on several issues of restricted purchases and this is contained in Financial Resource Management Manual, (FRMM) COMDTINST M7100.3 (series). This publication provides guidance for Coast Guard personnel. Contracting Professionals shall use this guide to ensure they comply with Appropriations laws and policies in the USCG.

This chapter provides highlights of common dos and don'ts, but you are directed to the FRMM for the most current Appropriation guidelines.

The material provided in this section is reprinted for the convenience of the reader and to allow for an all inclusive resource. The reader is cautioned to check the latest version of the FRMM and review the most recent published policy. Where a difference between the FRMM and this Manual occurs, the Manual (or change) with the most recent date takes precedence and should be referenced in the procurement file.

## Allotment Fund Control Codes

2/F/401/136/\*\*/0/AB/12345/2674

Allotment Fund Control Code (ALLOT-FUND-CNTL-CODE) - The allotment fund control code further classifies the appropriation for specific allotments to fund managers.

## AC&I Projects Appropriations, Fund Code 00

Fund code 00 is for AC&I Projects Appropriations. This multiyear appropriation finances the Coast Guard's capital improvement programs for the acquisition, construction, improvement and rebuilding of vessels, aircraft, shore facilities, aids to navigation and public family quarters.

## AC & I Reimbursement Expense, Fund Code 60

Fund code 60 AC&I Reimbursement Expense. This AFC is used to finance the cost of commodities, work, or services furnished to another government agency, Coast Guard appropriation, individual, firm or corporation.

## Chapter 11: Funding In Selected Procurements

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### **Operating and Maintenance, Fund Code 30**

Fund code 30 Operating and Maintenance. Normal and ordinary operating and maintenance costs, other than military and salaried civilian personnel costs. Examples of items included in the AFC:

1. Pay, allowances, and employer's contributions for all wage grade employees.
2. Temporary Duty Travel (TAD).
3. Travel expense incident to intra-district transfers of nonrated personnel and civilians.
4. Passenger vehicle rental expense except when such expense can be properly charged to another AFC.
5. Transportation (shipping) charges.
6. Communication services and expenses.
7. Utility services, except those for the Coast Guard leased housing program.
8. Rental of property and equipment.
9. Printing and reproduction expense.
10. Normal and ordinary services for maintenance and repair of shore structures and facilities, cutters, electronic equipment installations, small craft, vehicles, ordnance equipment, recreation equipment, aircraft support equipment, certain aids to navigation, aircraft (type 3 and 5 aeronautical material only).
11. Housekeeping and maintenance supplies, materials and services.
12. Minor equipment procurement, including furniture, fixtures and office labor saving devices.
13. Fuel costs for vessels, aircraft, and shore units not included in the Supply Fund.
14. Adjustments to supply fund inventory accounts.
15. Accessory surcharges and credit allowances for retail stock losses applied to materials issued to the CG by DLA, GSA, and OGA when cost of material is chargeable to the operating expense appropriation and Supply Fund.
16. Subsistence and clothing for shipwrecked and destitute persons.
17. Claims against the Coast Guard.
18. Expenses incident to seized property.
19. Expenses incident to operation of District mobile training teams.
20. Miscellaneous administrative expenses.

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### **Operating and Maintenance, Fund Code 30 (continued)**

21. All small boat costs, regardless of amount, except those expenses involving casualty damage.
22. Materials, services, and replacement systems not designated for procurement by AFC-43, required for routine maintenance and repair of unmanned aids to navigation, excluding the overhaul of Large Navigation Buoy (LNB) hulls.
23. General Purpose IRM hardware, software, etc.
24. Unvouchered expenditures for confidential investigations  
For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **AFC Industrial Support Activity Revolving Fund, Fund Code 38**

AFC –Fund code 38 Industrial Support Activity Revolving Fund. All travel, material and applicable labor cost transactions involved in completing an Industrial Service Order.

### **Chief of Staff Administrative, Fund Code 40**

Fund code 40 Chief of Staff Administrative. This AFC transfers funds to other control accounts for those projects/costs approved by the Chief of Staff Administrative.

### **Aeronautical Engineering, Fund Code 41**

Fund Code 41 Aeronautical Engineering. This AFC funds general expenses incurred in the aviation program. Normal charges in this AFC would include:

1. Materials, services, and supplies necessary for modification and overhaul of aircraft and aircraft equipment including avionics; restoration of casualty damage to aircraft.
2. Transportation cost for shipment of aircraft, aeronautical material and equipment.
3. Aeronautical engineering contractual services.
4. Issues of AFC-41 field stock inventory and inventory turn-ins.
5. Procurement of aircraft ground handling and support equipment.
6. Procurement of aircraft and avionics systems and equipment.

For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **Telecommunications, Fund Code 42**

Fund Code 42 Telecommunications. This AFC funds procurement, replacement, installation, major maintenance and system support expenses of standard electronic navigation, command and control (C2), and communications systems. For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).



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### **Civil Engineering, Fund Code 43**

Fund Code 43 Civil Engineering. This AFC funds normal and ordinary costs derived from the shore unit program. . For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **Naval Engineering, Fund Code 45**

Fund Code 45 Naval Engineering. These AFC funds general expenses related to inventory, repair, alteration, modification, and engineering design services in support of naval engineering. Costs would include:

1. Travel expense of military members from shipyard to homeport and return as authorized in 37 U.S. C. 406 b.
2. Materials and services necessary for maintenance, operation, and repair of vessels, floating dry docks, boat trailers, barges, and houseboats when not funded by AFC-30.
3. Repairs to nongovernment owned boats owned by CG Auxiliaries.
4. General engineering design and contractual services related to boats and vessels.
5. Procurement of major equipment used for operation, maintenance, repair, and alteration of vessels, barges, houseboats, and floating dry docks, including propulsion, ordnance and operational equipment. For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **Training, Fund Code 56**

Fund code 56 Training. This AFC funds formal training performed as TAD for civilian and military personnel, including Reserve members in the RK, RP and RY programs, and Au. For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **Medical, Fund Code 57**

Fund code 57 Medical. General expenses to support health care of military members and their dependents. For more details concerning chargeable expenses, see the Financial Resource Management Manual (FRMM).

### **Reimbursable/Refund Program, Fund Code 75**

Fund code 75 Reimbursable/Refund Program. This AFC is a "contra" reimbursable account. It allows tracking of reimbursable obligations.

### **Headquarters Reimbursable, Fund Code 77**

Fund code 77 Headquarters Reimbursable. This AFC funds O&M (AFC-30 & AFC-4X) purchases made with HQ reimbursable funds. This AFC will be used at the ATU level and above, except where

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ATU's are Inventory Control Points and not using FPD and the central accounting system.

### Reimbursable, Fund Code 80

Fund code 80 Reimbursable. This AFC is used to finance the cost of commodities, work, or services furnished to another government agency, Coast Guard appropriation, individual, firm, or corporation when by law the reimbursement may be credited to the Operating Expenses appropriation.

### Reimbursable Special Purpose Account, Fund Code 88

Fund 88 Reimbursable Special Purpose Account. This AFC is the CERCLA Reimbursable account.

### Reserve Training Program Expense, Fund Code 90

Fund 90 Reserve Training Program Expense. This AFC is used to cover all necessary expenses for the Coast Guard Reserve including repayments to other Coast Guard appropriations.

### Reimbursable Reserve, Fund Code 94

Fund 94 Reimbursable Reserve. This AFC is used for all reimbursable programs of the Coast Guard Reserve to include the Selective Service System's Reserve Training Program.

### Reimbursable/Refund Program Fund Code 97

Fund 97 Reimbursable/Refund Program. Reserve Program refunds to the operating expense appropriation. (For Headquarters use only).

### Civilian Pay Reserve, Fund Code 98

Fund 98 Civilian Pay Reserve. Pay and benefits for civilian employees engaged primarily in the administration of the Reserve Program.

For more details concerning chargeable expenses to these codes, see the Financial Resource Management Manual (FRMM) section 2.D.1–2.D.17 Operating Expenses (OE) Allotment Fund Control Codes (AFC).

### Awards and Recognition

The Coast Guard provides recognition in a variety of circumstances. The use of appropriated funds is authorized for the formal and informal presentations of medals, plaques, certificates, *etc.*, as long as the purchase and presentation are accomplished in compliance with the authorities listed below. The same true of cash awards when expressly authorized.

Authority for providing **FORMAL** recognition of Coast Guard personnel is found in:

1. 5 USC 4503, "Agency awards."

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### Awards and Recognition (continued)

2. 10 USC 1124, "Cash awards for disclosures, suggestions, inventions, and scientific achievements."
3. 14 USC 491-502.
4. Military and Civilian Personnel: Military and Civilian award programs are described in Medals and Awards Manual, COMDTINST M1650.25 (series).
5. Civilian Personnel: Civilian award programs are also described in the Coast Guard Civilian Awards Manual, COMDTINST 12451.1 (series).
6. NAF Employees: NAF Employee award programs are described in the Non-appropriated Fund (NAF) Personnel Manual, COMDTINST M12271.1 (series).
7. Auxiliary Personnel: Auxiliary award programs are described in the Auxiliary Manual, COMDTINST M16790.1 (series).

Authority for providing **INFORMAL** recognition of Coast Guard personnel is found in:

1. 5 USC 4503, "Agency awards."
2. 10 USC 1124, "Cash awards for disclosures, suggestions, inventions, and scientific achievements."
3. 14 USC 491-502.

See FRMM 5.6 Awards and Recognition for further guidance on formal and informal recognition.

See also FRMM section 5.6 for policy concerning refreshments.

### Retirement Recognition

Additional authorization is provided to allow a customer to present a retiring member assigned to their command with an item of nominal value (currently \$335 or less) to recognize their contribution to the service and the country. Items must be non-monetary and convey pride and honor to the recipient. Items to be considered may include, but are not limited to: Plaques (wall, desk, or shadow box), pen sets, desk medallions and certificates.

Discretion should be used when selecting an item for retirement recognition. Gifts (i.e., golf clubs, deck chairs, clothing items) are **NOT AUTHORIZED** and shall not be purchased with appropriated funds.

Expenses related to retirement receptions are personal expenses and are not payable with appropriated funds. There are exceptions to the use of government resources for official retirement ceremonies. These include items traditionally provided for (e.g., government

## Chapter 11: Funding In Selected Procurements

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facility, personnel, or equipment usage that does not involve additional charges), items customarily presented to a member/employee upon retirement (e.g., retirement certificate, flag, appreciation certificate for spouse and dependents), or a recognition item as previously mentioned in this section.

### **Traditional Ceremonies**

Non-personal expenses that are customarily incurred incident to traditional ceremonies are payable from appropriated funds. The appropriation account to be charged depends upon the essential nature of the ceremony. For example, expenses incident to a unit change of command ceremony are chargeable to OE, while expenses incident to a groundbreaking or cornerstone ceremony are chargeable to the appropriation that funded the construction of the facility.

The charges allowed for change of command ceremonies must be linked directly to the ceremony itself and not any reception that follows.

All expenses related to a reception are considered personal expenses and are not payable with appropriated funds. This includes, but is not limited to, facility and equipment rentals, food expenses, return postage for RSVP cards, and travel expenses for personnel whose sole purpose is to coordinate or be involved in the reception.

Coast Guard traditional ceremonies are limited to:

1. Change of Command;
2. Change of Homeport;
3. Vessel Christening;
4. Vessel Commissioning/Decommissioning;
5. Change of Watch (only for the Vice Commandant of the Coast Guard, Secretary of DHS and the Master Chief Petty Officer of the Coast Guard and CG Reserve Force);
6. Recognition of the Coast Guard “Ancient Mariner” and “Ancient Albatross” awards;
7. Groundbreaking;
8. Laying a cornerstone for a public building;
9. Graduation.
10. James Ancient Keeper Award
11. Ribbon cutting ceremonies

Note: Only those ceremonies listed above are authorized support

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with appropriated funds as discussed.

### **Bottled Water**

Bottled or potable water cannot be purchased using appropriated funds unless a local health official or USCG SILC Safety and Environmental Health Officer determines that the water is unfit due to non-compliance with recommended Maximum Contaminant Levels (MCL) from the Environmental Protection Agency (EPA) Primary Drinking Water Regulations. All water testing must be completed at an accredited laboratory. Tainted, discolored, or odorous water (including EPA Secondary Drinking Water Regulations) is not a basis for authorizing the purchase of bottled water.

As stated in the GAO's decision (B-147622 12/7/61), i.e., bottled water may be purchased with appropriated funds only on the grounds of necessity which include:

1. No potable water is available within 200 feet of the place where people normally work.
2. Water is contaminated.
3. There is an urgent need for water that could not otherwise be met.

### **Business Cards**

Printing business cards either commercially or utilizing GPO, is not authorized except in those rare cases where a specific statutory authority exists (i.e. Recruiters and Academy Admissions Officials).

Business cards may be produced in-house when a Commanding Officer has determined that the cards are necessary to perform official duties and to facilitate mission related business communications (as distinct from the extension of a social or business courtesy).

Local production of cards will use CG standard computer hardware and software on perforated card stock that may be obtained with the customer's appropriated funds using standard procurement procedures and policies.

All locally-produced cards shall comply with the following standards. Deviations are not authorized.

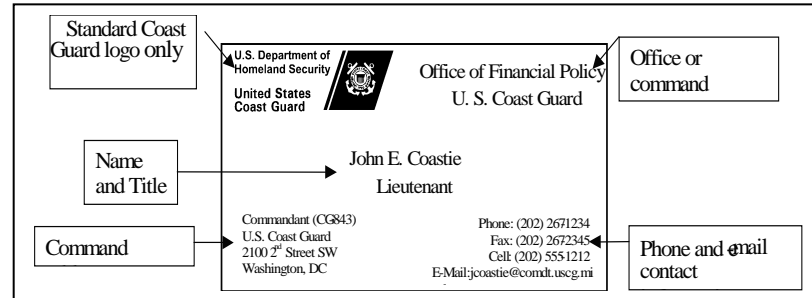
1. White or ivory card stock 50 –110 pounds (non- glossy. No matte finish) (NSN 7530-01-425-6754 or 7530-01-449-6946)
2. Finish size of 3-1/2 by 2 inches
3. Print one side only

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### Business Cards (continued)

4. No additional artwork, symbols, or information is authorized  
White or ivory card stock 50 –110 pounds (non- glossy. No matte finish) (NSN 7530-01-425-6754 or 7530-01-449-6946
5. Finish size of 3-1/2 by 2 inches
6. Print one side only
7. No additional artwork, symbols, or information is authorized

#### Sample Business Card:



Personally Procured cards: Business cards purchased with personal funds may be of any design as long as they convey favorably upon the Coast Guard as a professional Government Agency. The cost of cards purchased with personal funds may not be reimbursed with appropriated funds.

Use of DHS Logo: Any business cards that contain the DHS logo shall comply with DHS Management Directives 0030 and 0570.

### Cable/Satellite TV Service

The use of appropriated funds to pay for subscription services for cable or satellite TV service is permissible only under the following circumstances:

1. The service must be viewable in general areas, such as rec decks, lounges, wardrooms, and not individual offices.
2. The subscription must be limited to basic and three (3) premium stations/services. Premium stations/services are defined as those stations or services that are not included in the most basic service agreement offered. They normally include such services as dedicated movie channels, channels of special interest (children's programming, history or technology related programming, sports programming) and sports packages services that give access to all games within a season, or packages that provide expanded sports coverage beyond the basic level service. Specific examples of premium service include:
  - a. Movie services such as Cinemax, HBO, and Showtime. In

## Chapter 11: Funding In Selected Procurements

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### **Cable/Satellite TV Service (continued)**

- some cases these services may include more than one channel. For example, Showtime, Showtime 2, Showtime Unlimited, the Movie Channel, Flix, and the Sundance Channel.
- b. A “specialty pack” of channels not part of a basic service. Examples include Sports Packs consisting of several sports channels and/or regional sports channels.
  - c. A sports subscription that is not part of a basic service. Examples include NFL Sunday Ticket, MLB Extra Innings, and ESPN GamePlan.

The following stations/services are not authorized to be purchased with OE funds:

1. Movie and special event viewing paid per event/daily basis.
2. Payment for adult entertainment stations where the content is sexually related.

**NOTE:** Advance payment for cable and satellite services is **not** authorized and customers shall exercise care to ensure compliance with 31 U.S.C. § 3324(a) (B-237789 12/10/99).

### **Change of Command Expenses**

See Financial Resources Management Manual (FRMM), COMDTINST M7100.3 (series), 5.6 Traditional Ceremonies, for guidance on the use of appropriated funds for change of command expenses. Additional guidance associated with mailing of items may be found in United States Coast Guard Postal Manual, COMDTINST M5110.1 (series).

### **Chaplain**

The Coast Guard is obligated to support the chaplains that are assigned to the service and the valuable work that they accomplish. The manual, Religious Ministries within The United States Coast Guard, COMDTINST M1730.4 (series) provide applicable guidance concerning support of the Coast Guard Chaplain Corps.

### **Coffee Mess, Picnic Supplies and Equipment**

The use of appropriated funds to procure coffee makers, microwave ovens, and refrigerators for centralized kitchen areas is authorized if the primary benefit of such equipment is for the Government, and not simply for the personal convenience of the employees.

1. The equipment can be reasonably related to the efficient performance of agency activities. This may be demonstrated by showing that:
  - a. The equipment allows personnel to prepare and consume meals in close proximity to their work area, thus reducing the

## Chapter 11: Funding In Selected Procurements

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### Coffee Mess, Picnic Supplies and Equipment (continued)

- time away from their desks, and
- b. The equipment contributes to the health and well-being of the employees by providing a means for employees to prepare their food.
2. The equipment is only provided for centralized kitchen areas. The term “centralized kitchen area” is defined as a common area that is accessible to all employees in the immediate area, not limited by division or office, and is constructed to accommodate refrigerators, microwave ovens, and coffee makers, as well as food preparation. The term does not apply to private offices or messes, or areas commonly referred to as ‘break areas’ where the equipment is located in an office or division, and normally used only by personnel of a particular office or division. Exception: Spaces in operation twenty-four hours per day, such as command or communications centers, are exempt from this requirement.

Refer to the FRMM 5.6 for additional information.

### Conference Lodging

Lodging, in conjunction with a conference, may not be procured by government contract within the confines of Washington D.C. Attendees may, however, rent rooms and receive reimbursement by filing a travel voucher. (40 U.S.C. § 34) (JFTR U2550 H.1).

**NOTE:** See FRMM section 5.K.8 concerning internally organized meetings, conferences, and workshops.

### Daycare Center Expenses

Coast Guard Child Development Services Manual, COMDTINST M1754.15 (series) contains Coast Guard policies governing the use of appropriated funds for daycare services. In general terms, appropriated funds may be used for most daycare center expenses except for food.

### Decorative Items

The Federal Property Management Regulations (FPMR) (41 CFR 101-26.103-2) permits the purchase of pictures, objects of art, plants, flowers (both artificial and real) and other similar items as decorative items when furnishing federal buildings. Such items may be purchased for general use areas and may not be purchased solely for the personal convenience or to satisfy the personal desire of an employee.

**Appropriated funds may be used to purchase flowers under the following circumstances:**

**Traditional Ceremonies:** Floral centerpieces may be purchased for



## Chapter 11: Funding In Selected Procurements

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### Decorative Items (continued)

traditional ceremonies. The purchase of a wreath for National Veteran Commemorations is also authorized. See FRMM section 5.6 for this list of approved ceremonies.

**Receptions** held in conjunction with traditional ceremonies are separate events and XXF funds (which are only available to a small number of customers) or personal funds must be used to fund most items for them. Flowers used as decoration at a reception held in conjunction with a traditional ceremony or flowers given to participants or their family members are not allowed.

### Food and Refreshments

Food and refreshments may not be furnished to government employees and military personnel **without charge** except as noted below.

Meals and refreshments may not be funded at government expense during meetings, conferences, and workshops organized to principally deal with Coast Guard issues, meetings relating to Coast Guard operations or meetings dealing with internal agency functions. Internal business meetings do not meet the criteria of training as described below. (Comp. Gen. B-270199 8/06/1996).

Written justification shall be submitted via the chain of command if meals or refreshments are to be provided to the appropriate authority listed below for prior approval.

- a. Customer's Supervisor
- b. Senior Field Contracting Officer

The justification shall include all information necessary to determine compliance with this guidance:

**Refreshments:** Are defined as light refreshments for morning, afternoon, or evening breaks are defined to include, but not be limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips and muffins.

**Meals:** Are defined as a regular occasions during the day when food is taken, as breakfast, lunch or dinner. This includes items commonly referred to as light or heavy hors d'oeuvres.

**Exception:** Meals and refreshments may be funded at government expense during meetings and conferences given for the purpose of enhancing employee proficiency or qualifying employees for other duties only under the following circumstances. Charges for the meals and refreshments may be paid when the cost is a mandatory

## Chapter 11: Funding In Selected Procurements

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### Food and Refreshments (continued)

non-separable element of the registration fee.

In order to provide for meals and refreshments during conferences and meetings, where charges for meals and refreshments are a separate charge, the following requirements must be met (1) Essential business relating to the official duties of the Coast guard participant must be discussed during meal time, and (2) The presence of the Coast Guard participant during mealtime is absolutely necessary if the purpose and goal of the Coast Guard for authorizing the participant to attend the meeting is to be realized by the Coast Guard, and (3) The employee is not free to take the meals elsewhere without being absent from essential formal discussions, and (4) The meal must be incident to the meeting and not the other way around; that is, the conference must extend significantly beyond the meal itself.

**Meals in Lieu of Per Diem:** Meals may be provided during training sessions. However, meals and/or refreshments may not be funded at government expense for non-federal attendees during meetings, conferences, or workshops sponsored by USCG. If non-federal employees will be present during Coast Guard conducted events, food and/or refreshments shall not be procured. However, the use of the Coast Guard Trust, Extraordinary Expense Fund (XXF fund) may be authorized if the purpose of the event is determined to be representational in nature. (Comp. Gen. B-247966 6/16/1993).

**Training:** For the purpose of this section, is defined as an instruction given for the purpose of enhancing employee proficiency or qualifying employees for other duties. Training sessions are primarily given to materially enhance the student's ability, existing skill, or modify the student's professional qualifications so as to enable the student to assume different or enhanced duties. The procurement of meals to be served during a Coast Guard training session is authorized only under very limited circumstances. In order for the purchase of meals to be authorized, documentation must exist to show that:

1. The meal is incidental to the training meeting; that is, the meeting is not completely conducted at the meal table, and
2. The provision of food must be necessary to obtain the full benefit of the training, and
3. The employees are not free to take meals elsewhere without missing vital information relative to the training.
4. The amount to be contracted for the meal shall not exceed the

## Chapter 11: Funding In Selected Procurements

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### Food and Refreshments (continued)

applicable proportional per diem rate, and

5. The event must be a training event, dealing with contingency operations and not day-to-day operations of the service.

**Refreshments:** Coast Guard policy is that refreshments will not be provided for during training sessions organized by the Coast Guard.

**Cultural Awareness program:** Appropriated funds may be used to purchase "samples" of ethnic food, not readily available in the community, to be served to government employees for the purpose of promoting cultural awareness.

The term sample is defined to mean of minimal portions and be separate from any meal. The term "readily available in the community" is defined to mean items that are not mass-produced and mass consumed in urban areas. In other words, if a customer was celebrating Italian heritage month, ordering pizza would not be appropriate. If a customer was celebrating Hispanic heritage month, ordering fast food tacos or burritos would not be appropriate.

**Emergencies:** Expenditures for food are authorized when the purchase of food is incidental to an extreme emergency requiring the protection of government property or the protection of human life. This authority may not be used to stockpile emergency rations for customers that are not authorized such stock.

**Uncompensated Volunteer:** Meals may be furnished to uncompensated volunteer workers when their scheduled assignment extends over a meal period.

**Vessel Availability:** Appropriated funds may be used to procure meals during emergency yard periods when the ship's mess is temporarily unusable or unavailable as a result of the yard period. The general principles contained in the FAR concerning reasonableness of price and full and open competition would provide the appropriate limitations on issuing contracts for meals.

### Information Technology (IT)

IT includes any equipment or interconnected system(s) or subsystem(s) of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information. This includes all hardware, software and services. Refer to Planning Approval for Automated Information Systems (AIS), [COMDTINST 5231.2](#) and Acquiring Microcomputer Resources, [COMDTINST 5230.55](#), for procedures and specifics.

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### Information Technology (IT) (continued)

**SmartBUY:** is a strategic sourcing initiative of the federal government to support effective enterprise level software management through the aggregate buying of commercial software government wide in an effort to achieve bulk savings.

GSA is designated the Executive Agent under provisions of the Clinger-Cohen Act for the SmartBUY interagency initiative, and leads the interagency team in negotiating government-wide enterprise licenses for software. The SmartBUY initiative includes Commercial Off-The-Shelf software that is generally acquired using license agreements with terms and prices that vary based on volume. The SmartBUY initiative includes the following types of software licenses: Office Automation; Network Management; Antivirus; Database; Business Modeling Tools; Open Source Software support; Enterprise Resources Planning; GEO Spatial Information Systems; and Information Assurance.

### Insurance

The federal government is essentially a self-insurer. Therefore, in the absence of express statutory authority to the contrary, appropriated funds are not available for the purchase of insurance to cover loss or damage to government property. The following exceptions to this policy are allowed:

**Rental Vehicle Insurance:** Members and employees may be reimbursed for the cost of collision damage waiver insurance if it is determined that purchase of such insurance is required by law or procedure in certain foreign countries. The Joint Federal Travel Regulations (JFTR) and the Federal Travel Manual (FTR) are the principal directives in this area and must be consulted.

**Contractor Required Insurance:** The FAR and Coast Guard Acquisition Procedures (CGAP) require contractors to carry minimum amounts of insurance under certain conditions against the loss of or damage to government property when in the possession of contractors.

**Professional Liability Insurance:** Coast Guard Professional Liability Insurance Reimbursement (PLIR) Policy, COMDTINST 12800.1, (series) provides the policy concerning reimbursement of liability insurance for certain government employees.

**Liability Insurance for Child Development Center (CDC) Operation:** Appropriated funds may be used to obtain liability insurance to protect its non-appropriated assets in the event that an adverse judgment or settlement is to be paid from non-appropriated funds.

### Luggage

In very limited and highly unusual instances, the Coast Guard may use appropriated funds to pay for luggage to be used by its members

## Chapter 11: Funding In Selected Procurements

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### **Luggage (continued)**

and employees in the performance of their official duties. The luggage in question must remain the property of the Coast Guard and must be assigned to the user and returned when not in use. The following circumstance must be present and documented prior to any purchase of this equipment (GAO B-200154 2/12/81).

1. The luggage must be needed for the customer to perform their mission.
2. The customer must travel extensively in the performance of their duties in order to carry out its mission expeditiously and satisfactorily.
3. The customer can not travel without luggage.

Customers cannot travel without luggage. For the purpose of this section, the term “travel extensively” is defined by the number of travel days, and the reoccurrence of travel trips. These two together must be considered prior to authorizing a purchase for luggage. At a minimum, the member must travel:

1. A minimum of 20 trips per year, and
2. In excess of 140 days per year

Some examples of customers that may be authorized under this provision would be:

1. Training Teams
2. Substance Advisory Team (SAT) Teams
3. STAN Teams (Standardization Teams, Aviation, Search & Rescue Teams)

The use of this authority shall be certified by a member of the senior command staff and incorporated into the procurement file.

### **Mascots**

While station and mascots are a great tradition within the Coast Guard, providing support for these animals does not qualify as a necessary expense that may be charged to OE funds. All support costs (food, veterinary, etc.) for mascots must be borne by individual members on a voluntary basis, and must not be borne by appropriated funds.

### **Membership Fees**

See section 5.6 of the FRMM.

### **Military Exchange Facilities as Sources of Supply**

CG customers are authorized to consider DOD & CG exchanges as a possible source of supply for micro-purchases. The requirements regarding mandatory sources of supply and distribution of micro-purchases as outlined in FAR Part 8 must still be followed. Contracting Officers are required to screen not only the required

## Chapter 11: Funding In Selected Procurements

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sources of supply and service listed in FAR Part 8, but also the other mandatory-use/consider sources (e.g., EAGLES and First Source for IT, DHS Copier contracts for copiers, GPO for printing). Thus, if purchasing an item from the Exchange system but is available through one of the required/mandatory sources, customers shall follow normal procedures with respect to obtaining waivers and ensure proper file documentation for urgent requirements.

### **Morale, Welfare, and Recreation (MWR)**

The Coast Guard has statutory authority to make expenditures from OE for the morale and recreation of military members. Funds for the acquisition, construction, and improvement of Coast Guard Morale, Welfare, and Recreation (MWR) facilities must be specifically obtained. Expenditures for morale are controlled by established directives. Consult the Coast Guard Morale, Welfare, and Recreation Manual, COMDTINST 1710.13 (series) for additional guidance.

### **Organizational Clothing**

14 USC § 477 and 5 U.S.C. § 7903 authorize the use of appropriated funds to purchase special clothing equipment for the promotion and maintenance of safety and occupational health. The statutes, along with prior GAO decisions, form the basis for Coast Guard policy on organizational clothing. (SEE Uniform Regulations, COMDTINST M1020.6 (series)).

Organizational clothing is CG-owned clothing that is issued to Coast Guard members to perform their duties. Organizational clothing is only authorized to mitigate unusual situations, or to alleviate health and safety concerns. Organizational clothing is not authorized to promote the appearance of the Coast Guard or Coast Guard programs without prior approval of Commandant (CG-122) and Commandant (CG-843)

Request for organizational clothing may be made in writing. Requests must be routed through the chain of command to Commandant (CG-122). Commandant (CG-122) will provide a response to the unit in consultation with Commandant (CG-0944) and Commandant (CG-843) when required. See FRMM section 5.6 for additional information on Organizational Clothing.

### **Paper**

All Coast Guard activities shall, as a general rule, purchase and use only white recycled paper for printing, copying, note pads, route slips and other related office supplies. Commands shall convert to white stock when purchasing printing services from local Government Printing Offices (GPO). Whenever possible, recycled white paper supplies shall be acquired.

## Chapter 11: Funding In Selected Procurements

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### Personal Expenses and Furnishing

Items that are personal expenses or personal furnishings (i.e., business cards (except for designated recruiters), non essential medical care, personal qualification expenses, and seasonal greeting cards, coffee cups (except for authorized CG Dining Facilities, etc.) may not be purchased with appropriated funds.

### Printing and Related Services

All requests for printing and duplicating services must be forwarded through a regional GPO. The term 'printing' includes and applies to the processes for composition, plate making, presswork, binding, and microfilm; the equipment used in such processes; and the items produced by such processes and equipment. Design concepts, layouts, and prototypes prepared up to the completion of a camera ready copy may continue to be procured outside GPO. The printing process begins with the camera-ready copy being presented for plate-making or negative production. At that point, printing requests must be submitted to GPO. See the Printing and Binding Regulations, COMDTINST M5600.6 (series) and Printed Matter For Official Ceremonies, COMDTINST 5603.1 (series). Printing policy for the Coast Guard HQ is issued by CG-61. Alternatively, you may utilize the Simplified Purchasing Agreement (SPA) between GPO and CG. The SPA allows CG personnel a vehicle to expedite printing services for procurements not exceeding \$10,000 dollars. GPO provides a list of authorized vendors for CG to solicit, a description of the processing, an explanation of fees charged by GPO, and the training process.

### Promotional Items

Promotional items are items that further the growth of a specific program or the Coast Guard service as a whole. In general, these items **may not** be purchased with appropriated funds without **specific** statutory authority.

Coast Guard Recruiting commands have limited authority to procure promotional items that will be provided to the general public for recruiting purposes (14 USC § 468).

NOTE: DHS has instituted restrictions on the purchase of branding related merchandise such as trinkets, souvenirs and other promotional items that incorporate any new or existing DHS-related seal or logo. For further guidance, please contact The Efficiency Review Office located in CG-4 or Captain Jerry Doherty at [www.Jerry.D.Doherty@uscg.mil](mailto:www.Jerry.D.Doherty@uscg.mil) or 202-447-5740.

Another program that currently has specific, limited legislative authority is the Commercial Fishing Vessel Safety program.

Requisitioners are advised to obtain written authorization from

## Chapter 11: Funding In Selected Procurements

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program managers or CG-843 to ensure the items are legislatively authorized.

### **Savings Bonds**

See the Purchase Card Section in Chapter 5 of this manual for information concerning the purchase of Savings Bonds.

### **Subscriptions**

Statutory authority exists which allows the purchase and advance payments for subscriptions. You must include FAR clause 52.213-2, Invoices, in purchase orders that authorize advance payments for subscriptions.

You may also buy subscriptions for more than the current fiscal year, if known in advance that a continuing requirement exists and it is with current fiscal year funds. This is authorized when it is advantageous for the purpose of economy or otherwise (Ref: FPMR 101.25.108; 31 U.S.C. 3324(d) (2)).

### **Warranties**

Warranties may be authorized if the warranty is standard industry practice. In accordance with HSAM Subchapter 3046.7, Contracting Officers (KOs) are authorized to approve the use of warranties. Warranties of data shall be used only after consultation with legal counsel.

### **Leasing of Passenger Vehicles Information**

#### **TRANSPORTATION REQUIREMENT**

**Refer to FAR Subpart 8.11**

#### **DEFINITIONS**

Passenger vehicle is a vehicle primarily manufactured for transportation of people over public roads regardless of use. Vehicles in this category include sedans, passenger mini-van, passenger van, buses, crossovers, SUV's and ambulances.

A truck is a vehicle that is primarily manufactured for transportation of supplies and equipment over public roads regardless of use. Vehicle in this category include all sizes pickup trucks (including crew cab pickups), cargo minivans, cargo vans, stake beds, semi tractors and special purpose motorized equipment designed to operate on public roads such as fire trucks, dump trucks, utility bed trucks and mobile command posts.

Low Speed Vehicle (LSV) is a vehicle which is designed to operate on public roads with posted speed limits of less than 35 miles per hour (mph). These are similar to off road utility carts (example golf carts type vehicles) with additional safety features and DOT safety



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### **Leasing of Passenger Vehicles Information (continued)**

testing requirement. These are sometimes referred to as Neighborhood Electric Vehicles (NEV) because many are manufactured with electric motors. Utility Cart is a vehicle which is designed for off road use.

#### **LSV and Utility Cart**

Acquisition of these types of vehicle does not require prior authorization from CG-43.

#### **Passenger Vehicles and Trucks**

Acquisition of passenger vehicles and trucks require prior authorization from CG-43. This includes additional vehicles and upgrades from the GSA Fleet Lease Program. Acquisition includes rentals greater than 60 days, MOU with other government agencies, leases from a commercial vendor, purchase and transfer into the CG from another DHS component or another government agency (including DRMO and GSA excess).

#### **LESS THAN 60 DAYS:**

Rental vehicle authorized without HQ approval. Rentals for more than 59 days are considered commercial leases. A series of sequential "rentals" less than 59 days extending past the 60-day limit is also considered a commercial lease and should not be considered an alternative to a commercial lease. Any vehicles acquired through any of these methods must have prior approval from CG-43.

#### **MORE THAN 60 DAYS:**

**Interagency Fleet Lease:** An Interagency Fleet Lease is when another agency retains ownership of the vehicle while allowing the Coast Guard to use and manage the vehicle. Interagency Fleet Lease is the preferred acquisition method. The most common Interagency Fleet Lease is GSA Fleet Lease Program. Other government agencies (such as the Navy) can provide vehicles to the Coast Guard as an interagency fleet lease.

GSA Fleet Lease Program must purchase the vehicle prior to leasing to the CG. GSA plans their budget to replace approximately 20% of the existing fleet each year. CG must request additional vehicle and/or upgrades to vehicles scheduled for replacement prior to the beginning of the fiscal year to be considered in the GSA budget process. Normally, upgrades and additional vehicles are delivered in the third or fourth quarter of the fiscal year.

GSA Fleet Lease can offer some types of vehicles, via an MOU, as a pass through commercial lease. This is still considered an Interagency Fleet Lease. These vehicles can be delivered quicker,

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### Leasing of Passenger Vehicles Information (continued)

usually within 60 days. The vehicles will be offered at the market commercial lease cost (approximately double the cost of a normal GSA Fleet Lease). Besides cost, all other GSA Fleet Lease services, such as billing, fuel card GSA tags, etc., will be the same as a normal GSA Fleet Lease.

**Purchase, Transfer and Commercial Lease:** For vehicles, acquisition through transfer to CG (such as through DRMO, or any other non-CG source), purchase and commercial vehicle lease are all considered “purchases” by law.

**GSA Automotive Division is a mandatory source of new vehicle purchases:** GSA Automotive Division can issue waivers for agencies to do open market purchases if, for example, GSA cannot offer a vehicle that fits your requirement. Shore Infrastructure Logistics Center (SILC) is the CG entity that is authorized to place orders for vehicles through GSA Automotive Division. All vehicle purchases must be authorized by CG-43 prior to commitment of CG funds.

**Purchase, Transfer and Commercial Lease of Passenger Vehicles:** The CG cannot acquire additional passenger vehicles through purchase, transfer or commercial lease. CG can only acquire a limited number of passenger vehicles per year (25 in FY 2004 and beyond) by these methods **for replacement only**. It is not authorized to replace an Interagency Fleet Lease vehicle (such as GSA Fleet Lease) with a passenger vehicle using any of these acquisition methods.

**Purchase, Transfer and Commercial Lease of Trucks:** These types of acquisition should only be used if Interagency Fleet Leases are inappropriate for the mission such as for vehicles that are subject to long term overseas deployment in an area not serviced by interagency fleet lease programs. Purchase must be accomplished through GSA Automotive Division. Trucks acquired through transfer must be the minimum body type and maximum fuel efficiency. For example, if your mission requires a compact pickup truck to accomplish the mission, the customer should not acquire a F550 stake bed because it is available from DRMO. Trucks may be leased commercially via the GSA Schedule 751 contract. The normal commercial lease is for one year with a-year options. If a truck lease is established to fill an immediate need, a GSA Fleet Lease vehicle should be requested at the same time as the commercial lease for a replacement vehicle at the end of the one year lease period.

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Customers should be sending their requests to CG-43 via their cognizant Regional Motor Fleet Manager.

Area Commanders - to submit requests to Headquarters (CG-43) requesting authorization in procuring passenger vehicles. Upon review, CG-43 approves or denies the requests. When deemed necessary, leasing of vehicles are authorized NTE 59 days. For specific instructions on when you are and are not eligible to lease a vehicle, contact the CG Vehicle Manager in CG-43.

### **Physical Training (PT) Clothing**

As per the most recent revision of the Uniform Regulation, Physical fitness clothing outside of accessions, is not organizational clothing and cannot be purchased with CG funds. Clothing purchases that are discovered during audits performed by FINCEN that do not follow this policy, will be considered personal purchases and the purchaser will be required to reimburse the CG for the amount of the purchase.

### **Satellite Radio Service**

The use of appropriated funds to procure satellite radio service is authorized if the following conditions are met:

1. The service must only be used in general areas, such as recreation decks, lounges, or wardrooms, and not in individual offices or group and individual berthing areas.
2. The subscription must be limited to only the basic service package. Premium packages (if available) are not authorized. Premium packages are defined as those stations or broadcasts that are not included in the most basic package offered.
3. In keeping with Coast Guard Core Values, satellite radio receivers must contain locking devices to ensure that adult entertainment stations that broadcast sexually explicit material are filtered from use via the provider filtering controls. It is the responsibility of the command cadre to ensure that inappropriate content is blocked.
4. Satellite receivers shall not be installed in any government vehicles.
5. Advance payment for satellite radio service is not authorized, and customers shall exercise care to ensure compliance with 31 U.S.C. § 3324(a). Payment shall be made monthly. Lifetime, annual and multiple-year purchase service packages are NOT authorized for payment.
6. Satellite radio receivers and associated products are highly desirable, and as such, it is highly recommended that these items be reported as General Purpose Property in accordance with

## Chapter 11: Funding In Selected Procurements

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*Property Management Manual,*

COMDTINST M4500.5 (series).

### **Super Boots**

COMDTINST M10470.10E, the Rescue and Survival Systems Manual (RSSM) authorizes customers to purchase and issue safety boots using AFC 30 funds to coxswains, crew members, boarding officers, and boarding team members. The purchase of the safety boots using AFC 30 funds is only authorized if the member does not already own a pair of safety boots that meet the requirements of the RSSM. Members that already have a pair of conforming safety boots shall not automatically be issued another pair until the conforming pair is unusable to the point of becoming a safety issue. Purchasing officials shall ensure that when purchasing safety boots, the procurement files are documented with the members name and an assurance statement that the member does not already have a conforming pair of safety boots that meet the requirements of the RSSM

### **Transportation Worker Identification Card (TWIC)**

TWICs are tamper-resistant biometric credentials that will be issued to workers who require unescorted access to secure areas of ports, vessels, outer continental shelf facilities and all credentialed merchant mariners. Customers shall not purchase TWICs for non-official business purposes (e.g., CG member holds a Coast Guard-issued license, MMD, or STCW certificate).

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## Chapter 12: Forms Preparation

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<b>Introduction</b>	This section is designed as a guide to filling out common procurement related documents. Users are strongly encouraged to check any stated references for the most recent guidance and forms usage instruction.
<b>Document Numbering</b>	Procurement documents shall be numbered in accordance with example 28, which is located on the SAP website at <a href="https://cgportal.uscg.mil/lotus/myquickr/sap#">https://cgportal.uscg.mil/lotus/myquickr/sap#</a> . Refer to FINCEN SOP for special entries required when ordering items from Federal Prison Industries (UNICOR)
<b>Optional Form OF-347 Order for Supplies or Services</b>	The OF-347 is the most common form used when ordering goods or services under SAP. The KO is responsible for ensuring that all applicable clauses are included with the order. Instructions for completing individual blocks can be obtained from the corresponding information described on the OF 347 form itself. Secondary pages shall be issued on the OF 348 form.
<b>Standard Form SF-30 Amendment of Solicitation/ Modification of Contract</b>	<p>The SF-30 is used to amend a solicitation or modify existing orders or contracts. If the SF-30 is used to amend a solicitation, ensure blocks 11 and 14 are also completed to describe the change(s). Amendments shall be assigned a 4 position numeric serial number always sequentially beginning with 0001. When completing block 13; an authority must be listed for the type of change/modification that you are issuing. For an SF-30 electronic version see <a href="http://www.uscg.mil/forms/default.asp">http://www.uscg.mil/forms/default.asp</a>.</p> <p>Some examples of authority are:</p> <ol style="list-style-type: none"> <li>1. FAR clause 52.243-1 for change orders – NON COMMERCIAL</li> <li>2. FAR clause 52.212-1 for termination or partial termination of fixed price contracts amount \$100,000 or less.</li> <li>3. FAR clause 52.249-4 for termination or partial termination for service orders, regardless of contract value. FAR Subpart 43.101 or 103(a) (supplemental agreement/mutual agreement of the parties)</li> <li>4. FAR 52.212-4 (c) used for changes in terms and conditions made only by written agreement of the parties. FPD prints out in Block 13c of the SF-30, “FAR 52.212-4 (c) Mutual Agreement of the Parties”.</li> </ol> <p>Mutual agreement of the parties are used in most commercial contracts and are supplemental agreements such as price changes, quantity changes, cancellations or partial cancellations, etc.</p> <p>Use the following guidance when determining which specific block to use when completing item 13 of the form:</p> <p>13A. This block is used when issuing a “Change Order”. An example of a change order would be:</p>

## Chapter 12: Forms Preparation

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### Standard Form SF-30 Amendment of Solicitation/ Modification of Contract (continued)

1. changing place of delivery
2. changing a specification

Warning: Be careful when doing change orders for it may increase the price thereby, requiring a supplemental agreement/mutual agreement to be issued.

13B. Use this block when making an “Administrative change” to the order. An example of an administrative change would be:

1. changing vendor address
2. changing accounting data
3. announcing funds available per FAR 52.232-18

13C. Use this block when issuing a “supplemental agreement/mutual agreement”.

13D. Use this block for all other changes, not included above. Normally, unilateral changes occur as follows:

1. Exercising an Option Year
2. Availability of Funds
3. Termination
4. Increases in quantity to conform to customer packs

### e98 - Obtaining Wage Determinations (WD) Online request

The e98 form is used for obtaining both Service Contract Act (SCA) and Davis Bacon Act (DBA) wage rates. Contracting Officers may elect to use the e98 request form for any SCA-covered contract action. If a KO cannot obtain an appropriate SCA WD within the DOL database, the KO must request an official SCA WD by completing the e98 form at: <http://www.wdol.gov>. It is paramount that the KO carefully chooses the place of performance and the labor categories, when filling in the blocks.

The process of completing the e98 (formerly SF-98/98A) is required when purchasing services that are not exempt from the Service Contract Act per FAR Subpart 22.10. Additionally, the KO shall obtain wage determinations for the following service contracts:

1. Each new solicitation and contract in excess of \$2,500.
2. Each contract modification which brings the contract above \$2,500 and,
  - a. Extends the existing contract pursuant to an option clause, or
  - b. Changes the scope of the contract whereby labor requirements are affected significantly.

## Chapter 12: Forms Preparation

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3. Each multiple year contract in excess of \$2,500 upon its annual anniversary date.

### **SF-1449 Solicitation / Contract / Order for Commercial Items**

The SF-1449 form is used for solicitations, contracts and orders for commercial items.

The solicitation: When completing this form for a solicitation, the order number (block 4) is not used. You should complete all applicable blocks for a solicitation, and forward the form to all bidders. Check block 27a, and include the following clauses:

1. 52.212-1 Instructions to Offerors - Commercial Items as tailored (See Example 6 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> 52-212-3 Offeror Representations and Certifications - Commercial Items. All KOs should refer to the FAR clause Matrix and ensure that all applicable clauses are included for the procurement. The FAR clause Matrix is located at the FAR Part 52. An offeror shall complete only paragraph (j) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov/> the 1<sup>st</sup> page of the vendor's ORCA record will be kept in the contract file.
2. 52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items. This clause may be included in full text with the appropriate sub clause for inclusion. Example 29 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> has been provided to assist you in determining which clauses should be included.

When the form is returned from the vendor, blocks 10, 12, 23, 24, 26, 30a and 30b must be completed. If these blocks are not completed, contact the bidder for the required information.

If oral solicitations are sought, the information in provision 52.212-1 (Instructions to Offerors-Commercial Items) and provision 52.212-3 (Offeror Representations and Certifications Commercial Items) shall be attached.

The provision 52.212-2 Evaluation – Commercial Items may be used when you are including evaluation factors. NOTE: An offeror shall complete only paragraph (j) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov/>.

The Award: Upon receipt and evaluation of all quotes, the KO issues the SF-1449 to the vendor and ensures the following:

1. Page number - The correct number of pages must be stated in this block in order to be included in the order. If the order is typed as “page 1 of



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### **SF-1449 Solicitation Contract/ Order for Commercial Items (continued)**

1” then the order legally is only 1 page. Note: Orders for commercial items will usually be more than one page.

2. Clauses – check block 27b and include clauses 52.212-4 (as amended in Example 6 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>) and 52.212-5 to the vendor, even though you provided these in the RFQ package. Remember, a quote is non-binding; therefore, you must include all clauses in the order to be in effect.
3. Block 10 – enter unrestricted (open to any vendor) or set-aside. If the order is between \$2,500 and \$100,000, then it is a small business set-aside unless a determination has been documented permitting full and open competition. See chapter 3, for more information on set-asides and log onto [www.naics.com](http://www.naics.com) for more information on North American Industry Classification System (NAIC) Codes and Size Standards.

An example of an SF-1449 for ordering is included in Example 29 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

### **SF-1442 Solicitation, Offer, and Award**

The SF-1442 is used for construction (over \$2,000.00). Sample electronic copy is available in <http://www.uscg.mil/forms/default.asp>.

An SF-1442 can also be used as the solicitation document and as award document. See FAR Part 36 for more details in construction contracts. Example 39 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#> shows a sample of the SF-1442 form and the required terms and conditions.

The Optional Form OF-347 may be used as an alternative award form. Ensure that the applicable clauses and provisions are included in the RFQ/RFP as well as the resulting award

### **Finance & Procurement Desktop (FPD) Document Type**

Once all the procurement procedures are performed and accomplished, the KO generates the SF-1449 or OF-347 as the official ordering document along with the pertinent FAR clauses and wage rates, if applicable. Depending on the nature of the requirements and the procedures of administering the contract post award, one of the following document type will be used:

1. 23 - Orders that require one-time payment at the end of the performance period or upon receipt of goods or when advance payment is authorized.
2. 24 - Orders that require progress payments.
3. 28 - Interagency orders in the form of Military Interdepartmental Purchase Requests (MIPR) issued to another federal government agency.
4. 30 – SF-182 is the Request, Authorization, Agreement and Certification

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of Training document used to document instances of completed civilian employee training.

5. 32 – Service Maintenance Agreements (e.g., annual software maintenance, copier support), cellular phone service, and furniture rental with a monthly price of less than \$2,500.

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## Chapter 13: Administration After Award

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**Introduction** Administration refers to actions that occur after award. It may include modifications, report preparation, disputes resolution, ratification of unauthorized commitments, payment and file closeout.

**Documentation** Documentation is a vital element in a procurement file and its importance cannot be overstated. All procurement files should contain enough information so that the file can withstand any audit on its own. Documentation provides crucial information explaining facts and reasons for decisions made.

You must maintain a file containing documentation of all actions taken for each individual purchase. Each procurement file shall include, as applicable, the following items:

1. A copy of the approved procurement request.
2. A copy of the fully completed and accurate Simplified Acquisition summary form (DHS 700-16), for all procurement actions over the micro-purchase threshold.
3. Sole source justification from the requisitioner, if applicable.
4. A copy of all written quotes received.
5. A listing of vendors that supplied oral quotes, date received quotes, dollar amount of quotes, vendor's name, address and telephone number. Please indicate if vendor is a small business or not.
6. A copy of the FPDS-NG CAR if the award is over the micro-purchase threshold.
7. A copy of the award document (OF-347, SF-1449, SF-30 etc.).
8. A copy of all change orders/modifications issued against the order (if applicable). Note: Any price increase will require determination of price FAR Part 8 and may require posting per FAR Part 5.
9. A copy of SF-98 (e98) when a Service Contract Act (SCA) wage determination has been requested and applicable service clauses (if applicable).
10. A copy of all SCA/Davis-Bacon wage determination rates for the specific location of performance, applicable construction clauses and payroll reviews and labor interviews conducted by the Government for construction (if applicable).
11. Evidence of receipt and payment.
12. The 1<sup>st</sup> page of the vendor's electronic record [ORCA](#).
13. Evidence that the vendor is responsible (EPLS report).

## Chapter 13: Administration After Award

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### **End of Fiscal Year/Beginning of Fiscal Year Orders**

The Anti-Deficiency Act prohibits any employee of the Government from creating or authoring an obligation in excess of the funds available, or in advance of appropriations, unless authorized by law.

**Fiscal year contracts** - The contracting officer may initiate a contract action properly chargeable to funds of the new fiscal year before these funds are available, provided that the contract includes the clause 52.232-18, Availability of Funds. This authority may only be used for operation and maintenance and continuing services (e.g., rentals, utilities and supply items not financed by stock funds) (1) necessary for normal operations and (2) for which Congress has previously consistently appropriated funds, unless specific statutory authority exists permitting applicability to other requirements.

**Indefinite-quantity or requirements contracts** - A one-year indefinite-quantity or requirements contract for services that is funded by annual appropriations may extend beyond the fiscal year in which it begins, provided that (1) any specific minimum quantities are certain to be ordered in the initial fiscal year and (2) the contract includes the clause at 52.232-19, Availability of Funds for the Next Fiscal year.

The Government shall not accept supplies or services under a contract conditioned upon the availability of funds until the contracting officer has given the contractor notice, to be confirmed in writing, that funds are available.

Once funds have been appropriated, a modification to the order must be issued, citing the authority of the "Availability of Funds" clause. The amount of funds made available should be indicated in the modification. For example, if a Continuing Resolution is in effect (funding for continued operations for a short period of time, e.g., one month), the modification should indicate that funds are available for that period of time only, such as "This modification is issued to provide funds for the period of October 1 through October 31, 20XX in the amount of \$5,000." This type of modification should be issued until the entire appropriation has been received. At that time, a modification to the order should be issued which provides funds for the remainder of the fiscal year. This enables a contractor to perform work, invoice and receive payment.

**Contract crossing fiscal years** - A contract that is funded by annual appropriations may not cross fiscal years, except in accordance with statutory authorization (e.g., 41 U.S.C. 11a, 31 U.S.C. 1308, 42 U.S.C. 2459a, 42 U.S.C. 3515, and the below paragraph), or when the contract calls for an end product that cannot feasibly be subdivided for separate performance in each fiscal year (e.g., contracts for expert or consultant services).

## Chapter 13: Administration After Award

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The head of an executive agency, may enter into a contract, exercise an option, or place an order under a contract for severable services for a period that begins in one fiscal year and ends in the next fiscal year, if the period of the contract awarded, option exercised or order placed does not exceed one year. Funds made available for a fiscal year may be obligated for the total amount of an action entered into under this authority.

### **File Close-Out and Retention**

The purchasing office shall close out simplified acquisition files upon evidence of receipt, acceptance and final payment. Such files where the contracting officer maintains administration of the procurement should be considered closed when the contracting officer receives evidence, either through a centralized receipt control office or by querying the customer/original requisitioner and completing the receiving report in FPD, of receipt of supplies/services and final payment to the vendor was processed. This closeout process applies primarily to Document Type 23 purchase orders, which must be performed at least 30 days after award or last contract activity and monthly thereafter, until complete closeout is accomplished and all residual funding balances are reconciled with FINCEN. The use of the CG-843 open obligation validation application (OOVA) tool and coordinating with the PR's Funds Manager for reconciliation purposes is paramount. Document Type 24 contracts are administered regularly on a recurring basis as invoices are certified by the contracting officer and the respective Contract Payment Approval forms are issued to the Finance Center. Since this is the case, the order is issued as a Doc Type 24 (See chapter 12 for information on Doc Types) and the instrument code is "N" in keeping with FINCEN invoice payment procedures. The Document Type 32 Service Maintenance Agreements are also administered on a regular basis (e.g., paid monthly) and closed out when the period of performance expires. Document Type 28 Military Interdepartmental Purchase Requests (MIPR) are paid via the Intra-Governmental Payment and Collection (IPAC) system and regardless of the Category (I or II), the contracting officer must verify that the supplies and/or services have been received.

### **Inspection and Acceptance Process**

Each purchase/delivery order form (Optional Form (OF) 347 and SF-1449) has a space reserved for inspection and acceptance of the items/services order. This block is very important and the difference between inspection and acceptance needs to be understood by everyone involved in the procurement process.

Inspection and Acceptance for simplified acquisition usually takes place at destination – i.e., at the government facility designated as the receiving point. It is desirable to have someone other than the contracting officers perform these functions. However, the contracting officer, requisitioner, or end user may act as a receiver and inspector. Alternately, another employee may perform one or both of these tasks.

# Chapter 13: Administration After Award

## Inspection and Acceptance Process (continued)

Inspection means examining and testing supplies or services (including, when appropriate, raw materials, components, and intermediate assemblies) to determine whether they conform to contract requirements.

Acceptance constitutes acknowledgment that supplies or services conform to the applicable purchase/delivery order. This includes specifications, quality and quantity. If acceptance of the supplies/services occurs at a place other than place of inspection, check for:

1. correct quantity
2. damage in transit
3. possible substitution or fraud

**Resolving the Non-Conformance Deliveries:** If a supplier delivers supplies or performs services that are not in conformance with the purchase order, use the decision table below to determine the correct course of action.

If	Then
The supplier will replace the items, which are defective, or re-perform the service as requested, within a reasonable period of time.	Reject the non-conforming supplies and let the supplier make changes at its expense.
You elect to accept non-conforming supplies or services.	If necessary, adjust the price prior to acceptance.
The supplier cannot correct or replace the supplies, or re-perform the service, within a reasonable period of time, and the item or service is readily available from another source.	Reject the defective supplies or services and adjust the price and quantities accordingly.

## Transportation of Freight Guidance

Transportation of Freight, COMDTINST M4610.5 (series) provides guidance for moving freight in the Coast Guard.

The Coast Guard (CG) has obtained authorization to use the Military Surface Deployment and Distribution Command's (SDDC) "Electronic Transportation Acquisition" (ETA) systems to electronically select transportation service providers, manifest shipping documents and issue

## Chapter 13: Administration After Award

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### **Transportation of Freight Guidance (Continued)**

bills of lading.

ETA allows Coast Guard shippers to create an electronic bill of lading to replace the GBL for CONUS freight shipments.

Small Packages – To ship small parcels, use the appropriate contracted commercial small parcel carrier, such as UPS or FedEx, which offer DHS-negotiated discount rates. Use an account or P-Card for payment.

To satisfy government wide prepayment and post payment transportation of invoice audit requirements, freight and small parcel shipping services may not be obtained and paid for by use of purchase/credit cards unless authorized as an exception by the customer's support command.

Exceptions are those instances (i.e., customers operating in OCONUS deployment status and/or are located in remote geographical areas) in which the use of a purchase card is the only feasible option for obtaining and paying for satisfactory transportation services. As prescribed in this Manual, dollar amount limitations and processing requirements for use of the purchase card apply.

Contact the Transportation-of-Freight Program Manager in CG-441 for questions regarding policies related to shipping small parcels and freight, and identification of applicable freight bill of lading support centers at telephone number (202) 475-5655.

All Power Track transactions for freight shipment will be received and processed at FINCEN. These transactions include those generated at the two ICPs (ALC and SFLC). A business plan has been developed for monthly billing certification and PES report reconciliation requirements.

ETA users obtain maximum system proficiency when required to frequently process various kinds of freight shipments each business day. Therefore, as a policy, the Coast Guard intends to use the "hub" or "Center of Excellence" concept to support freight shipping requirements. Infrequent freight shippers (i.e., non-ETA sites) will be advised to request transportation services (via e-mail, fax) using support commands or other area ETA sites.

### **Termination (or Cancellation) of Purchase/Delivery Orders**

A purchase order can be canceled by one of three methods:

1. cancellation,
2. termination for default, or
3. termination for convenience of the government.

A purchase order may be canceled if acceptance has not yet occurred, or by mutual agreement between you and the supplier. A cancellation also occurs



## Chapter 13: Administration After Award

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### Termination (or Cancellation) of Purchase/Delivery Orders (continued)

if, after placing an order, you decide that you should delete some of the items from that order. This is a partial cancellation. Only the contracting officer can cancel a purchase order.

Cancellations are documented on a SF-30 and should be signed by both the KO and contractor. Examples of a partial and complete cancellation are provided in Example 34 and Example 35 which are located on the SAP website at <https://cgportal.uscg.mil/lotus/myquicktr/sap#> respectively.

**Termination:** CGAP Part 3049 states you cannot terminate an order for default unless you have included the appropriate Default clause in the order. If default is appropriate, contact your servicing legal counsel for advice. Copies of default notices must be approved by Commandant (CG-094) prior to issuance. You should also contact your servicing legal counsel for terminations for convenience since the government may have to pay for claims resulting from such terminations.

### Reporting Contract Actions

**Federal Procurement Data System (FPDS):** The information is utilized by Departmental officials as well as members of Congress. Reporting actions into FPDS is required by statute. Procurement actions over \$2,500 must be reported including orders placed against GSA or other federal agency schedules and contracts. In addition, any modifications or cancellations of these orders must also be reported. Refer to Chapter 8, Reporting and Publicizing Actions.

### Ratification of Unauthorized Commitments

It is illegal for anyone other than a properly appointed contracting officer, ordering officer or cardholder to make a purchase for the government (see also FAR Subpart 1.602-3).

Personnel without procurement authority who order supplies or services, who attempt to change the terms of an existing purchase, or who commit the government to pay a vendor for anything received, may be held to disciplinary action and may be responsible for payment.

Such actions are called unauthorized commitments. This also applies to Contracting Officers (KOs) who exceed the limitations stated on their warrant and/or who allowed their warrant to expire while continuing to award and obligate funds.

The Head of the Contracting Activity (HCA) has delegated the authority to approve or disapprove ratifications of unauthorized commitments to the COCO as follows:

1. All COCOs are authorized to approve/disapprove ratifications up to their contracting warrant limits.
2. All ratifications of \$10,000 or more must be reviewed by local legal

## Chapter 13: Administration After Award

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### Ratification of Unauthorized Commitments (continued)

counsel for legal sufficiency prior to COCO review and approval/disapproval.

3. All ratifications must be reported to the HCA on a quarterly basis.

Process: The steps in the ratification process are described hereafter. Additionally, an example of the ratification statement is provided in Example 37 which is located on the SAP website at <https://cgportal.uscg.mil/lotus/myquickr/sap#>.

**Step 1:** The individual who made the unauthorized commitment must state the facts that precipitated the action. If the person who made the unauthorized commitment is no longer available, the immediate supervisor must provide the information. The explanation must clearly include the following items:

1. A statement describing the circumstances of the action including a description of items, service or construction work.
2. Government benefit received from the action.
3. Reasons why normal acquisition procedures were not followed.
4. Describe the bona fide need necessitating the commitment.
5. Provide the dollar value of the unauthorized commitment and explain how price was fair and reasonable.
6. Provide the status of performance with dates of delivery or competition.
7. Provide rationale for the contractor selected and identify other sources considered.
8. Provide a completed purchase request, including a certification that the funds included in the purchase request were available at the time the unauthorized commitment occurred.
9. List and attach all relevant documents, including orders, invoices, receipts and other evidence of the transaction. If an invoice is not available, the request must include some form of request for payment from the vendor.
10. Provide signature certifying to the accuracy of the information provided.
11. Forward all documents to their immediate supervisor.

**Step 2:** The immediate supervisor shall certify to the accuracy of the information provided. In addition, the immediate supervisor shall provide the following information:

1. Recommendations for corrective action to preclude the situation from

# Chapter 13: Administration After Award

## Ratification of Unauthorized Commitments (Continued)

- recurring.
- 2. Description of any disciplinary action taken or an explanation as to why none was considered.
- 3. Forward the request to the appropriate contracting officer who would have entered into the commitment.

**Step 3:** The contracting officer shall return incomplete or incorrect data to the originator for further corrective action.

Within seven working days of receipt of all required information, the contracting officer will provide the following to the ratifying authority responsible for approving or disapproving the unauthorized commitment:

- 1. A written document clearly addressing the limitations in FAR 1.602-3.
- 2. Recommendation(s) for approving or disapproving the ratification.
- 3. If the amount of the action exceeds \$10,000, the package must be reviewed by the local legal counsel, as applicable, before the package is forwarded to the COCO.
- 4. Step 4: The COCO shall render a final decision within 30 calendar days of receipt of the ratification request.

If	Then
An unauthorized commitment is approved for ratification.	The contracting officer shall process a purchase order or other procurement document for payment purposes.
An unauthorized commitment is disapproved for ratification.	The contracting officer shall promptly notify the individual who made the unauthorized commitment, in writing, stating: <ul style="list-style-type: none"> <li>1. the reasons for disapproval</li> <li>2. recommendation that the individual obtain legal advice</li> <li>3. that the non-ratifiable commitment will not be paid IAW prescribed procurement procedures</li> </ul>

The contracting officer shall maintain a separate file, for audit purposes, containing the following information:

- 1. A copy of each request for ratification and a record of the decision.

## Chapter 13: Administration After Award

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2. A copy of the purchase order if the request for ratification was approved.
3. A copy of the forwarding letter advising him/her of a disapproval of the ratification request if applicable.

### Undelivered Order (UDO)

See section on file closeout and retention. Contracting Officers shall assist in reviewing and certifying the validity of UDOS for Document Types 23, 24, and 28 (e.g., contracts, orders, and MIPRs). Such UDO is valid if the supplies or services have not been received fully and the unexpended balance shown must remain open awaiting future deliveries or performance and requests for payment. If not valid, a funds review must be completed and action taken to remove the UDO from the CG's Core Accounting System (CAS).

UDOs with a five-year appropriation closing on September 30th of the fiscal year must be validated or closed by April 1st of that same year. For example, appropriation code 401 (CG Operating Expense, FY04) will close on September 30, 2009, and thus, all UDOS with appropriation code 401 must be reconciled, excess funds de-obligated, and closed by April 1, 2009. See Appendix B to the FINCEN SOP for appropriation codes.

UDOs from a fiscal year shall be certified as valid or closed by the end of each quarter.

### Fast Payment Procedures

The Fast Payment method allows payment under limited conditions to a contractor prior to the Government's verification that supplies have been received and accepted. The procedure provides for payment for supplies based on the contractor's submission of an invoice that constitutes a certification that the contractor has delivered the supplies to a post office, common carrier, or point of first receipt by the Government and shall replace, repair or correct supplies not received at destination, damaged in transit, or not conforming to purchase agreements.

The contracting officer shall be primarily responsible for determining the amount of debts resulting from failure of contractors to properly replace, repair, or correct supplies lost, damaged, or not conforming to purchase requirements (see FAR Subparts 32.602 and 32.603).

**When to use this method:** The Fast Payment method is designed to encourage faster delivery to the government and to improve supplier relations by speeding payments to contractors. The Fast Payment procedure is especially suitable when the receiving activity is located in a distant location and the time required for processing would delay payment to the vendor. To receive payment for the supplies delivered, the vendor submits an invoice directly to FINCEN stating that the supplies were delivered.

## Chapter 13: Administration After Award

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### Fast Payment Procedures (continued)

**Conditions for Use:** The Fast Payment procedure is authorized for purchases that require special attention to avoid an excessive delay through normal procedures. Fast Payment procedures are not appropriate when the point of acceptance is nearby, where normal receiving report control procedures apply, or where the item is complex and requires special quality assurance and/or inspection and acceptance procedures. Fast Payment use is authorized only if all of the following conditions are present:

1. The requiring activity is located in a location that would prevent quick payment of the vendor's invoice by normal receiving report procedures.
2. The vendor agrees to replace, repair, or correct supplies not received at destination, damages in transit, or not meeting purchase requirements.
3. Government ownership occurs upon delivery to a post office or common carrier or upon receipt by the government if the shipment is by means other than Postal Service or common carrier.
4. The method of purchase is a firm-fixed price contract, a purchase order, or a delivery order for supplies delivered.
5. A system is in place to ensure that contractor performance under fast payment procedures is documented, timely feedback to the KO of vendor deficiencies, and identification of vendors that have a current history of abusing fast payment procedures.

**Forms/Clauses for Use:** Purchase orders or Blanket Purchase Agreements (BPA) using the Fast Payment method are issued on the Standard Form (SF) 1449 or Optional Form (OF) 347 and must include the following:

1. The FAR clause "Fast Payment Procedure" (BPA's may include the clause in the BPA or the orders placed under the BPA). See [FAR 52.213-1](#).
2. A requirement that supplies be shipped with transportation or postage prepaid.
3. A requirement that the invoice be submitted directly to the Finance Center (FINCEN) or in the case of un-priced purchase orders to the contracting officer.

The SF-1449/OF-347 must include the statement:

"The consignee shall notify the purchasing office promptly after the specified date of delivery of supplies not received, damaged in transit, or not conforming to specifications of the purchase order. Unless

## Chapter 13: Administration After Award

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**Fast Payment  
Procedures  
(Continued)**

extenuating circumstances exist, the notification should be made not later than 60 days after the specified date of delivery.”

The supplier must mark all outer shipping containers “FAST PAY.”

The KO must establish a system to ensure regular follow-up with consignees to ensure the receipt and conformance information is obtained and forwarded to the purchasing office as required.

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## Chapter 14: Internal Control Plan

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### **Internal Control Plan (ICP)**

As one of the Procurement Management Internal Control programs under COMDTINST 4200.30 (series), the Internal Control Plan (ICP) Program was developed to ensure that all Coast Guard procurement activities and acquisition functions are efficient, effective, and accountable. The ICP is a mandatory internal control process by which the COCO has a written agreement with the Head of the Contracting Activity (HCA) to implement and conduct a self-assessment compliance review of procurement actions within their AOR. Annual ICP compliance certifications are required to be submitted to CG-913 annually by Nov 30 of each year.

Additionally, Commandant (CG-9131) is responsible for conducting on-site reviews on a 3-year period to ensure that the COCO (or designee)'s established ICP is verified and that his/her program is efficiently and effectively administered according to applicable laws and management policy. The program's primary goal is to improve CG-wide procurement processes by providing complete and current guidance on acquisition policy and procedures, and implementing an effective and constructive oversight process.

CG-9131 will coordinate the site visits, in advance, with the customer's command via the COCO.

Refer to COMDTINST 4200.30 (series) for further guidance and samples.



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# Definitions

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<b>Terms</b>	<b>Definitions</b>
<b>A-76</b>	A study to determine whether or not commercial activities should be performed under contract with commercial sources or in-house using government facilities and personnel. Services, for example, may be contracted out to commercial companies (see OMB Circular A-76 for more information).
<b>Acceptance</b>	When required by the contracting officer, acceptances of a purchase order, in writing, by a contractor. Acceptance can also be made by a contractor's performance (i.e. shipment/delivery, or initiating action to fulfill the government's requirement).  An acknowledgement of delivery of the supplies or services as received or completed.
<b>Accounting Certification Officer (ACO)</b>	The person listed on the procurement request that has the authority to approve and certify that funds for purchases are available. This ACO is not to be confused with authorized certifying officer and authorized certifying official.
<b>Acquisition</b>	The process of obtaining supplies or services either by open market or government instruments that is eligible for property, RCRA, HAZMAT, etc. reviews.
<b>Affirmative Procurement for Recovered Materials</b>	Program for ensuring procurement of recycled material – see <a href="#">FAR 23.405</a> .
<b>Agency Program Coordinator (APC/OPC)</b>	The person responsible for managing P-Card Program within a geographical area.
<b>Amendment</b>	A change to a solicitation (either a Request for Quotation or an Invitation for Bid) usually issued on a SF-30.
<b>Approving Official</b>	A person authorized to review and approve purchase card.
<b>Basic Ordering Agreement</b>	An agreement that is similar to a Blanket Purchase Agreement (BPA), issued by a KO with appropriate procurement authority. See <a href="#">FAR 16.703 (a)</a>
<b>Best Value Best Value (continued)</b>	The expected outcome of an acquisition that, in the government's estimation, provides the greatest overall benefit in response to the requirement considering both price and technical capability.
<b>Blanket Purchase</b>	An agreement that allows authorized callers to purchase

# Definitions

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<b>Agreement (BPA)</b>	supplies/services by placing calls against the agreement.
<b>Buy American Act</b>	The Buy American Act restricts the purchase of supplies that are not domestic end products for use within the United States (i.e. the 50 states, District of Columbia, and Outlying Areas as defined by FAR 2.101). See FAR 25.103, 25.202, and Subpart 25.4 for exceptions permitting the acquisition of foreign end products.
<b>Cardholder</b>	The person whose name is embossed on a P-Card.
<b>Central Contractor Registration (CCR)</b>	<p>Central Contractor Registration (CCR) is a database established for all government agencies to access contractor information. FAR requires contractors to register in CCR <b>prior to award</b> of any contract, basic agreement, basic ordering agreement or blanket purchase agreement.</p> <p><b>Exceptions:</b> Purchase Card (P-Card) transactions for purchase and payment, classified contracts, military or contingency operations, emergency response operations, urgent and compelling exceptions under <a href="#">FAR 6.302-2</a>, foreign vendors, and micro-purchases.</p>
<b>Change Order</b>	A written order signed by the contracting officer, directing the contractor to make changes authorized by the Changes clause.
<b>Chief of the Contracting Office (COCO OR DESIGNEE)</b>	The person designated by the Head of the Contracting Activity (HCA) who has the responsibility for oversight of all procurement actions within an assigned area of responsibility.
<b>Clause</b>	A term or condition to further define the legal requirements of a solicitation, purchase order, or contract.
<b>Commercial Item</b>	An item or service generally available and purchased by the private sector.
<b>Commitment of Funds</b>	An administrative reservation of funds.
<b>Competition in Contracting Act (CICA)</b>	A public law enacted for the purpose of increasing the number of government procurements conducted under the principles of full and fair competition, as opposed to contracts issued under noncompetitive arrangements such as “sole source” or “set-aside” awards.
<b>Confirmation Order</b>	A written order validating a verbal order.

# Definitions

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<b>Construction Contract</b>	A procurement for construction, alteration, or repair of real property.
<b>Contract</b>	A legally binding relationship obligating the seller to furnish the supplies/services and the buyer to pay for them.
<b>Convenience Check</b>	Checks issued by P-Card bank to CG cardholders for use as a procurement vehicle, also called C-Check.
<b>COWP</b>	Contracting Officers Warrant Program Coast Guard Acquisition Procedures CGAP) <a href="#">COMDTINST M4200.19</a> series.
<b>Contracting Officer (KO)</b>	An individual designated in writing by the HCA authorized to obligate the government to procure supplies or services; and oversees the activities of non-warranted cardholders, ordering officers and purchasing agents within a designated activity.
<b>Contracting Officer's Technical Representative (COTR/COR)</b>	The person designated in writing by the KO to oversee the performance of a contract. This person must also hold an active DHS COTR Certification.
<b>Customer Supply Center (CSC)</b>	Retail supply distribution outlets established by GSA to provide efficient, economical support of frequently needed common-use expendable items for the accomplishment of customer agency missions
<b>D&amp;F</b>	Determination and Findings is a specialized form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contract actions. The determination is the conclusion or decision supported by the findings. The findings are statements of fact or rationale essential to support the determination and must cover each requirement of the statute or regulation.
<b>Davis-Bacon Act</b>	Legislation that requires laborers and mechanics on government construction contracts must be paid wages and benefits as determined by the Department of Labor.
<b>Delivery Order</b>	An order of supplies placed against an established government contract.
<b>DESC</b>	Defense Energy Support Center, formerly Defense Fuel Supply Center (DFSC).
<b>Discount</b>	A price reduction offered by a vendor.

# Definitions

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	Prompt Payment: A price reduction offered by a vendor for payment of supplies within a specified time.
<b>DLA</b>	Defense Logistics Agency is the Department of Defense's largest logistics combat support agency, providing worldwide logistics support in both peacetime and wartime to the military services as well as several civilian agencies and foreign countries
<b>DOL</b>	Department of Labor (DOL) works to fosters and promote the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements. DOL administers a variety of Federal labor laws including those that guarantee workers' rights to safe and healthful working conditions; a minimum hourly wage and overtime pay; freedom from employment discrimination; unemployment insurance; and other income support.
<b>DRMO</b>	Defense Reutilization and Marketing Office is part of the Defense Logistics Agency. DRMO's provides services for the reuse, transfer, donation, sale or disposal of excess/surplus property.
<b>Delegation of Procurement Authority (DPA)</b>	The document that grants procurement authority to P-Card holders or training officers.
<b>DHS EMALL</b>	Non-mandatory office supply source ordering portal at website: <a href="http://www.emall.dla.mil/">http://www.emall.dla.mil/</a>
<b>e.g., / i.e.,</b>	example given, or as in.
<b>Excess Property</b>	Property, which exceeds the quantity, required and is available for reutilization.
<b>Federal Acquisition Regulation (FAR)</b>	The procurement regulations utilized by the federal government.
<b>Federal Prison Industries (FPI)</b>	A self-supporting, wholly owned government corporation of the District of Columbia. It provides training and employment for prisoners in federal correctional institutions and provide

# Definitions

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	and wide range of products and service. See UNICOR at the end of this section.
<b>FBO</b>	FedBizOpps is the electronic GPE for government solicitations and contract awards of \$25,000 or more. See <a href="http://www.FedBizOpps.gov">http://www.FedBizOpps.gov</a> or <a href="http://www.fbo.gov">www.fbo.gov</a> website. See UNICOR.  Link to FBO for distribution of sensitive but unclassified acquisition-related information.
<b>FOB</b>	Free on board. The point at which transportation costs are levied and responsibility is transferred.  Origin: Means that you pay the bill for freight Destination: Means shipping is included The current electronic system to record obligations, prepare PRs and record/prepare SAP purchase documents
<b>FSC</b>	Federal Supply Classification Codes (FSC) –Four-numeric digits that are similar to SIC Codes used only to identify products. You may search for FSC Code – <a href="http://www.dlis.dla.mil/h2">http://www.dlis.dla.mil/h2</a> or <a href="http://www.dlis.dla.mil/PDFs/h2.pdf">http://www.dlis.dla.mil/PDFs/h2.pdf</a> either link available.
<b>FSS</b>	Federal Supply Schedule or Federal Supply Systems are large contracts through which federal customers can acquire more than 4 million products and services directly from more than 8,000 commercial suppliers. They offer a vast array of brand name products-from office supplies and copier paper to systems furniture, computers and laboratory-and services ranging from accounting to graphic design to landscaping. More than 1 million of these products and services can be ordered using the GSA Advantage! online ordering system.
<b>Funds Certification official</b>	The official listed in the purchase request that approves the validity and accuracy of the accounting information.
<b>General Services Administration (GSA)</b>	A government agency that buys commonly used supplies and services for all government agencies. The GSA establishes FSS contracts for use by all government agencies.
<b>Government Point of Entry (GPE)</b>	Is a single point where government business opportunities greater than \$25,000 (including synopses of proposed contract acquisitions, solicitations, and associate information) can be

# Definitions

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accessed electronically by the public. This GPE is located at <http://www.fedibzopps.gov> see also FedBizOpps.

## **Government-Wide Acquisition Contracts (GWAC)**

GWACs are task order or delivery order contracts for IT established by one agency for government-wide use. Each GWAC is operated by an executive agency designated by the Office of Management and Budget (OMB) pursuant to section 5112(e) of the Clinger-Cohen Act. The **Economy Act** does not apply to orders under GWACs (See [FAR 16.505](#) for details).

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## **GSA Smart Pay**

The government-wide commercial purchase card.

## **HAZMAT**

Material that has been determined to be capable of posing an unreasonable risk to health, safety and property.

## **HCA**

The Head of the Contracting Activity is CG-91, and is also the Director of Contracting and Procurement. This is a Senior Executive Service (SES) position.

## **Homeland Security Acquisition Manual**

**HSAM** – The Homeland Security Acquisition Manual for DHS that establishes policies and procedures.

## **Homeland Security Acquisition Regulation**

**HSAR** - The Homeland Security Acquisition Regulation supplement to the Federal Acquisition Regulation

## **HUBZone**

A historically underutilized business zone that is an area located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation.

## **Husbanding Agent Contracts**

Contracts for standard port services and prices for military ships visiting various foreign port-o-calls.

## **Integrated Acquisition Environment (IAE)**

IAE is one of 24 e-government initiatives such as deployment of single point entry for collection of statistical acquisitions - see [The President's Management Agenda](#) of FY2002 for complete list of the 24 initiatives.

# Definitions

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<b>Imprest Funds</b>	Funds advanced by a disbursing officer to a duly authorized agent.
<b>Independent Government Estimate (IGE)</b>	The requisitioner's calculation of the cost of the item to be procured based on market research or some other standard.
<b>Industrial Products Center (IPC)</b>	GSA express service center providing industrial supplies.
<b>Information Technology (IT)</b>	Formerly ADP, ADPE, and FIP. Equipment or interconnected system or subsystem of equipment, that is used in the automated acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency. The term information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.
<b>Inter-agency Acquisition</b>	An agreement to obtain or provide supplies or services between agencies (e.g., MIPR, ISSA).
<b>International Federal Supply Schedule (IFSS)</b>	A Federal Supply Schedule used by overseas customers.
<b>Intra-agency Acquisition</b>	Same as Interagency Acquisition except the agencies are in the same department (e.g. Federal Emergency Management Agency (FEMA) providing services for CG).
<b>Inspection</b>	Examining and testing supplies or services (including, when appropriate, raw materials, components, and intermediate assemblies) to determine whether they conform to contract requirements.
<b>JWOD</b>	Javits-Wagner O'Day – the Act that created the commission for National Industries for the Blind (NIB) and National Industries for the severely handicapped (NISH).
<b>MCC</b>	A categorization of the type of business the merchant is engaged in and the kinds of goods and services provided. These codes are used as an authorized transaction type code on a card/account to identify those types of businesses who provide goods and/or services that are authorized. DHS has set mandatory MCC blocks at the corporate level and has provided a set of recommended MCC blocks.



# Definitions

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<b>Military Interdepartmental Purchase Request (MIPR), InterAgency Support Agreement (ISSA), Memorandum of Agreement/Understanding (MOA/MOU)</b>	A financing document for interagency acquisitions, usually under authority of the Economy Act (FAR Subpart 17.5). Programmatic agreements (i.e., MOA, MOU) between government entities, which may sometimes be established by MIPRs.
<b>Micro-Purchase</b>	The acquisition of supplies for up to \$3,000, services for up to \$2,500, and for up to \$2,000 for construction. For micro-purchase exceptions see FAR 2.101.
<b>Modification</b>	Any written change in the terms of a contract authorized by the contracting officer.
<b>Multiple Award Schedule (MAS)</b>	A Federal Supply Schedule awarded to more than one vendor.
<b>North American Industry Classification System (NAICS)</b>	NAICS has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. The website for NAIC is: <a href="http://www.census.gov/epcd/www/naics.html">http://www.census.gov/epcd/www/naics.html</a>
<b>Non-Warranted Cardholder</b>	An individual, designated in writing by a COCO (or designee) or OPC, who is authorized to use the government-wide commercial purchase card for up to the micro-purchase thresholds.
<b>Obligation of Funds</b>	Amount of order placed, contracts awarded and similar transactions that will require payment in the future
<b>OPC</b>	Organization Program Coordinator that has overall responsibility for administration of P-Card program at Coast Guard Headquarters.
<b>Option</b>	A unilateral right in a contract by which, for a specified time, the government may elect to purchase additional quantities of the supplies called for by the contract, or may elect to extend the period of performance of the contract.
<b>Ombudsman Program</b>	Solicitations exceeding \$100,000 require the Notice for Filing a Protest as a cover page. Refer to the Coast Guard Acquisition Procedures (CGAP) CIM 4200.19 (series).

# Definitions

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<b>Ordering Officer</b>	An individual authorized to place orders against existing government contracts.
<b>P-Card Log</b>	P-Card Log for documenting P-Card activities – see also CG Form 5623 (Adobe) found in <a href="http://cgweb2.comdt.uscg.mil/cgforms/search.asp">http://cgweb2.comdt.uscg.mil/cgforms/search.asp</a> .
<b>Performance Based Contracts</b>	A service contract (see also Service Contract Act) that describes requirements in terms of results rather than the methods of performance of the work (Far 37.6).
<b>Personal Property</b>	All tangible property including art work, models and artifacts, with the exception of real property and records of the federal government.
<b>Pollution Prevention Coordinator (PPC)</b>	An individual authorized to approve Statement of Essential Need (SEN) for hazardous material.
<b>Price Reasonableness</b>	The process of determining that the proposed price is fair and reasonable (e.g., price analysis).
<b>Prime Vendor Contract</b>	A contract for procurement of supplies within a designated geographic area (e.g. subsistence prime vendor, pharmacy/medical supply prime vendor).
<b>Product Service Codes (PCS)</b>	Four character, alphanumeric codes used to identify services. You may search for PSC Codes at <a href="http://www.usabid.com/resources/tables/pscs/">http://www.usabid.com/resources/tables/pscs/</a>
<b>Purchase Card Statement (PCS)</b>	P-Card Statement.
<b>Purchase Limits</b>	An amount established as a financial control for the single purchase limit, monthly purchase limit, and office purchase limit of the cardholder and approving official.
<b>Purchase Order (PO)</b>	An offer by the government to buy supplies or services, including Construction and research and development, upon specific terms and conditions, using simplified acquisition procedures.
<b>Purchase Request</b>	A form (DHS 700-20) used to request the purchase of supplies or services (see also FPD).

# Definitions

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<b>Purchasing Agent</b>	A person within a procurement office who may have warranted/non-warranted procurement authority and performs the administrative task of awarding and administering SAP.
<b>Quotes</b>	A price from a vendor in response to a request from a government representative.
<b>Ratification</b>	The act of approving an unauthorized commitment by an official (HCA) who has the authority to do so (see FAR 1.602-3. and HSAM 3001.602-3).
<b>Real Property</b>	Land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. The term does not include foundations and other work necessary for installing special tooling, special test equipment, or plant equipment.
<b>Receiving Report</b>	Written or electronic instrument indicating supplies/services have been received, inspected and accepted, and that payment is proper.
<b>Red Book</b>	A nickname for the General Accounting Office publication titled <u>Principles of Federal Appropriations Law</u> , which covers a myriad of topics including proper use of appropriated funds.
<b>Requisitioner</b>	One who requires something to be furnished and initiates the procurement request.
<b>Restricted</b>	Refers to restrictions on who can compete for government acquisitions. Generally, it refers to small business set-asides.
<b>Resource Conservation and Recovery (RCRA)</b>	The statutory basis for the recovered materials program. The statute requires agencies to ensure that they do not exclude the use of recovered materials and that they require, for Environmental Protection Agency (EPA) designated items, the use of recovered materials to the maximum extent practicable.
<b>Reverse Auctioning</b>	The automated process whereby vendors bid on-line for government requirements.
<b>SAP</b>	Simplified Acquisition Procedures.
<b>SAT</b>	Simplified Acquisition Threshold – means \$100,000 with exceptions – see FAR 2.101.

# Definitions

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<b>SEN</b>	Statement of Essential Need is a written statement the requisitioner needs to include in the contract file when purchasing of hazards materials or fuel.
<b>Service Contract</b>	A contract to perform an identifiable task rather than to furnish an end item of supply (e.g. engine repair, mess service, etc.).
<b>Service Contract Act</b>	The Service Contract Act of 1965 as implemented at FAR Subpart 22.1000 and generally requires minimum wages and fringe benefits for service contracts over \$2,500.
<b>Service Maintenance Agreement (SMA)</b>	A procurement for recurring services (i.e. copier maintenance, cellular phone, laundry service etc.).
<b>Single Award Scheduled (SAS)</b>	A Federal Supply Schedule awarded to one vendor.
<b>Small Business Specialist</b>	Individuals appointed to facilitate agency efforts to improve opportunities for small business concerns to obtain a fair portion of government contracts
<b>Small Disadvantage Business</b>	A small business concern that is at least 51% unconditionally owned by one or more individuals who are both socially and economically disadvantaged individuals and has its management and daily business controlled by one or more such individuals.
<b>Sole Source Justification</b>	A brief written statement that adequately explains the lack of competition for a specific procurement. See also <a href="#">FAR 6.301-2</a> . See Example (8) which is located on the SAP website at <a href="https://cgportal.uscg.mil/lotus/myquickr/sap#">https://cgportal.uscg.mil/lotus/myquickr/sap#</a> .
<b>Solicitation Provision</b>	A term or condition used only in solicitations and applying only before a contract is award.
<b>Special Item Numbers (SIN)</b>	Numbers assigned to individual items listed on Multiple Award Schedules.
<b>Specification</b>	Details what we want the contractor to do and how we want them to do it.
<b>Statement of Work</b>	SOW - details the requirement in a performance-based contract (i.e., we tell the contractor what to do, not how to do it).
<b>Supply Contract</b>	The procurement of an identifiable end item.
<b>Taxpayer ID Number (TIN)</b>	The number used to identify vendors with the Internal Revenue

# Definitions

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	Service (IRS).
<b>Unauthorized Commitment</b>	An order placed by an individual without designated or adequate procurement authority.
<b>UNICOR (FPI)</b>	The trade name of Federal Prison Industries, Inc., which provides supplies and services from federal prison rehabilitation programs.
<b>Unilateral</b>	A document signed only by the contracting officer.
<b>Un-priced Purchase Order (UPO)</b>	Order for supplies or services, the price of which is not established at the time of issuance of the order. Also known as Not-to-Exceed purchase orders.
<b>Unrestricted</b>	An acquisition that is unrestricted is open for any eligible concern to submit a quote/bid on.
<b>Wage Determination</b>	A Department of Labor determination of wages to be paid on a specific service or construction contract.
<b>Walsh-Healy Public Contracts Act</b>	Legislation designed to protect workers in the manufacturing industry, for federal contracts over \$10,000.
<b>Warranted Cardholder</b>	An individual who holds a P-Card and a contracting warrant.
<b>Wholesale Supply Sources</b>	The wholesale sources of the federal government (e.g. GSA supply centers, DLA, etc.).
<b>8(a)</b>	A section of the Small Business Act (15 U.S.C. 637(a)) that gives preference to the use of Small and Disadvantaged Businesses that are certified by the Small Business Administration, through a special contracting program.

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