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MWR
SERVING AMERICA'S ARMY

STANDARD OPERATING PROCEDURES for NONAPPROPRIATED FUND CONTRACTING

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U.S. ARMY MILITARY DISTRICT OF WASHINGTON
STANDARD OPERATING PROCEDURES (SOP)
NONAPPROPRIATED FUND (NAF) CONTRACTING

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1. PURPOSE AND SCOPE.

a. The purpose of this SOP is to provide procedural instructions and guidance for Military District of Washington (MDW), Morale Welfare Recreation (MWR) activities to use in submitting procurement actions to the NAF Contracting Office.

b. This SOP establishes policy, responsibility, and procedures for the procurement of supplies, services, and construction for Nonappropriated Fund Activities.

c. The NAF Contracting Office will provide technical advice and assistance, as it pertains to procurement actions to all activities incorporated within the Installation Welfare Recreation Fund (IMWRF) and as directed by the fund custodian.

2. AUTHORITY. This SOP further implements the guidance and direction provided by AR 215-4.

3. DEFINITIONS.

a. Acquisition. The process of acquiring goods, services or construction, rental, lease or otherwise, by authorized means outlined in procurement regulations, and other laws and statutes enacted by Congress.

b. Agency Program Coordinator (APC). The Ft. McNair NAF Contracting Office is the APC for the NAF Visa Card Program. The NAF Contracting Office is the servicing office for the IMWRF for NAF Purchases. The Chief of the NAF Procurement Office is the appointing official and shall designate approving officials, appoint cardholders and perform contract administration of the General Services Administration Contract.

(1) Approving Official/Designated Billing Official (AO/DBO). Division Chiefs and Activity Managers will serve as approving officials. The AO/DBO is responsible for reviewing, verifying, approving and authorizing payment of the NAF purchasing card, unless otherwise designated by the local APC.

NOTE: A cardholder cannot be his/her own approving official. A cardholder may not be an approving official for his/her supervisor.

(2) Cardholder. The individual NAF employee is given a written letter of appointment as an ordering officer granting them authority to use the VISA Card. An ordering officer appointed under the credit card program will hereinafter be referred to as the cardholder. The VISA Card bears the employee's name and can be used only by that individual to make official purchases in compliance with AR 215-4.

c. Amendments. After the solicitation has been issued (but before the closing date), it may become necessary to make changes to the solicitation. Such changes may include the closing date for receipt of proposals. Such changes will be made by amendment to the solicitation using DA Form 4073-R.

d. Bilateral Agreements. An agreement that is signed by both the contracting officer and the contractor. It creates a binding contract between the NAFI and the contractor and cannot be changed or canceled without a written modification.

e. Blanket Purchase Agreements (BPA). A simplified method of filling anticipated repetitive needs for small quantities of supplies or services by establishing "charge account" with qualified sources of supply. Blanket purchase agreements are designated to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents. A BPA is not a contract, but an agreement between the NAFI and the BPA holder to supply repetitive needs under certain general terms and conditions.

f. BPA Caller. Appointed by the NAF contracting officer, the BPA callers are authorized to place calls against the blanket purchase agreement. Before making the appointment , the contracting officer will make a written determination that the appointment is essential and that the BPA caller appointed possesses a high degree of integrity and is capable of performing the action in an efficient and business-like manner .

g. Brand Name Product. A commercial product described by brand name, make, model number or the appropriate nomenclature by which such product is offered for sale to the public by a particular manufacturer, producer or distributor.

h. Construction. The erection, installation or assembly of a new facility; the addition, expansion, or alteration of an existing facility; the relocation of a facility from one site to another location. Construction includes construction alteration, or repair (including degrading, excavating, and painting) of buildings, structures, or other real property. Construction does not include the manufacture, production, furnishing, alteration, repair, processing, or assembling of vessels, aircraft, or other kinds of personal property.

i. Contracting Officer. An individual possessing the qualifications outlined in paragraph 1-3 and 1-4 of AR 215-4 and appointed by the Installation Commander to perform as an agent of the IMWRF for the purpose of entering into contracts, administering those contracts, and making determinations and findings with respect thereto.

j. Contracting Officer's Representative (COR). An individual assigned to an activity who has been appointed by the contracting officer to act as his/her representative in administering specified NAF contracts.

k. Delivery Orders. An order for the future delivery of supplies or nonpersonal services, placed against an existing contract or agreement, and issued on a DA 4067-R. It may be used for orders of any dollar amount, and is binding upon issuance (date of mailing).

l. Designated Billing Official (DBO). The DBO is the individual designated to review the monthly billing statement. The DBO also authorizes payment to I.M.P.A.C. Card Services. Hereinafter, the DBO will be referred to as the AO/DBO.

m. Emergency Purchase. A purchase required in support of a compelling and unusually urgent requirement where the Government/NAFI would be seriously injured, financially or otherwise, if the supplies, services, or construction were not provided by a specified date.

n. Modifications. Changes to contract document after contract awarded DA Form 4073-R.

o. Monthly Cardholder Limit. The monthly cardholder limit is a budgetary limit assigned by the AO/DBO for the total value of purchases that a cardholder may make in one month.

p. Nonappropriated Funds. Cash and other assets received by NAFIs from sources other than monies appropriated by the Congress of the United States. NAFIs are Government funds used for the collective benefit of those who generate them: military personnel, their dependents, and authorized civilians. These funds are separate and apart from funds that are recorded in the books of the treasurer of the United States.

q. Nonpersonal Services Contract. A nonpersonal service contract is a contract under which the personnel rendering the services are not subject, either by the contractor's terms or by the manner of its administration, to the supervision and control commonly prevalent in relationships between the NAFI/Government and its employees.

r. Ordering Officer. An individual who has been appointed in writing by the Nonappropriated Fund Instrumentality (NAFI) Contracting Officer to place orders or calls against specific blanket purchase agreements. Ordering Officers may place calls of $5,000.00 or less.

s. Payment Office. The payment office is the servicing NAF Financial Services.

t. Personal Services Contract. A personal service contract is characterized by the employer-employee relationship it creates between the NAFI and the contractor's personnel.

u. Process Action Lead-Time (PALT). This is the time between Contracting's receipt of the requirement and award of the contract.

v. Purchase Request. A request to procure supplies. services, or construction initiated by the requiring activity, and duly signed by approving officials. DA Form 4065-R will be used to initiate purchase requests to NAF Contracting.

w. Requesting Activity. The element, organization, activity or unit that is part of the Installation Morale, Welfare, Recreation Fund (IMWRF) responsible for preparation and initiation of NAF purchase request forms for acquisition of supplies, services, or construction in accordance with regulatory guidance established in AR 215-4.

x. Single Purchase Limit. The single purchase limit is the amount delegated to the cardholder for each single buy.

y. Small Purchase. Dollar limitations for NAF small purchases as outlined in chapter 1, AR 215-4 is $25,000.00 regardless of the commodity. For the purpose of competition, the threshold amount is usually $5,000.00.

z. Specifications. Description of the technical requirements for material, product, service, or construction that includes the criteria for determining whether these requirements are met. The function of a specification is to be "specific". Specifications are used where well-defined materials, products, services, or construction are to be provided, and formal specifications for the items are available or can readily be obtained. Technical in nature and encompass performance and design characteristics as described below:

(1) Design: Descriptive information that prescribes uniformity and quality of a product. Carefully detailed, most precise and complete specs. Design specifications tell the contractor what to make and how to make it; they could

include architectural drawings, schematic diagrams and other instruments or similar specificity.

(2) Performance: Descriptive information that prescribes performance characteristics of the product or service. Somewhat more abstract, since the contractor is permitted to make or do the work as the contractor sees fit, but the finished work must perform, look etc. as specified--in short, finished work must meet certain test or standards that are made clear at outset.

aa. Statement of Account (SOA). The statement of account is a monthly listing of all purchases made and credits received by the cardholder as billed by the merchant.

bb. Statement of Work (SOW). Describes the work to be performed or the services to be provided. It describes the tasks, directs methodologies to be used, and sets forth the period of performance.

cc. Supplies. All items needed for equipping, maintaining and operating NAFI, excludes land or buildings.

dd. Unauthorized Commitment. An action taken by an unauthorized individual that commits nonappropriated funds for purchasing supplies, services or construction projects and results in an irregular procurement action. Such an individual may be held personally liable for any expenses incurred as a result of an unauthorized commitment.

ee. Unilateral Agreements. An agreement signed only by the NAF or APF contracting officer. It constitutes an offer by the NAFI to pay for the future delivery of supplies or performance of nonpersonal services and does not require written acceptance of the supplier. The agreement gives the NAFI the opportunity to cancel the order at any time before the "initiation of performance" by the contractor without liability to the NAFI.

ff. Unpriced Purchased Orders. An unpriced purchased order is an order for supplies or nonpersonal services, the price of which is not established at the time of issuance of the purchase order.

4. RESPONSIBILITIES.

a. The NAF Contracting Office is responsible for:

(1) The contracting for all supplies, services and construction, cited in AR 215-4.

(2) Determination of contracting method to be used.

(3) Preparation of solicitations and contractual documents.

(4) Negotiations with potential commercial contractors.

(5) Award of purchase orders, contracts or agreements that obligate funds of a NAF activity.

(6) Distribution of contractual document.

(7) Contract Administration.

(8) Assignment of one contracting agent for each installation providing regularly scheduled weekly, on site support

(9) Appointment of COR and BPA Callers and NAF credit cardholders.

(10) Designation of Approving Officials for the NAF credit card.

(11) Insure that Capital Purchase, Minor Construction purchases are properly identified on all purchase orders and I.M.P.A.C. purchases to the Financial Management Division (FMD) and NAF Financial Services (NFS).

b. Nonappropriated Fund Activities are responsible for:

(1) Determining and identifying requirements to be obtained from commercial sources.

(2) Preparing purchase requests, DA Form 4065-R, in accordance with instructions contained in AR 215-4 and this SOP.

(3) Obtaining all necessary commands or fund approvals as specified in appropriate regulations pertinent to the IMWRF before submitting a purchase request to the NAF Contracting Office for action.

(4) Providing adequate specifications or purchase descriptions on the purchase request.

(5) Coordinating as necessary with special staffs and directorates, any support requirements related to the procurement from commercial sources, (i.e. sufficient electrical power to support what will be purchased and compatibility of equipment and coordination of on going construction efforts).

(6) Obtaining the assistance of appropriate MDW Activities in the

preparation of specifications (such as the Deputy Chief of Staff Directorate of Public Works (DPW) for construction, and the Deputy Chief of Staff for Information Management (DCSIM) for communications and electronics equipment and installation).

(7) Receiving and accepting supplies/services at the delivery point assuring contract compliance and initiating and distributing appropriate receiving documentation in accordance with procedures described within this document.

(8) Promptly notifying the Contracting Officer, of contractor's/vendor's noncompliance with purchase order/contract in all areas of non performance to include quality, quantity, delivery dates and required implementation of warranties.

(9) Promptly notifying the Contracting Officer, through written communication, of the need to modify contracts/purchase orders providing adequate specifications and revised requirements.

(10) Insure that CPMC purchases and depreciation schedules are identified on purchase requests, I.M.P.A.C. statements and receiving reports before submittal to the NAF Contracting office, FMD and NFS.

(11) Establishing appropriate files for contracts and suspense system for timely initiation of purchase request for renewal of services contracts..

c. NAF Financial Services (NFS) is responsible for:

(1) Making appropriate disbursements based upon the purchase order/contract, receiving reports/delivery ticket and invoice.

(2) Promptly notifying the NAF Contracting Office for necessary follow-up of discrepancies between invoices received, purchase order/contract documents and/or receiving reports.

(3) Contacting responsible activities when receiving reports/certificates of performance is not received.

(4) Providing proof of payment documentation to the NAF Procurement Office.

(5) Perform those functions directed by DOD 7000.14-R to account for and safeguarding nonappropriated funds..

(6) Insure that CPMC purchases are recorded on the fixed asset record.

d. The Staff Judge Advocate (SJA) is responsible to provide legal reviews on:

(1) All solicitations and contracts anticipated to be in excess or in excess on $100,000.

(2) Proposed awards that may result from an unsolicited proposal.

(3) All decisions concerning disputes, protest, and appeals.

(4) Termination actions and supporting documentation.

(5) Recommendations for suspension or debarment of any NAF contractor.

(6) BPA formats and any substantive changes to approved formats.

(7) Decisions concerning requests for release of acquisition information under the Freedom Of Information Act (FOIA).

(8) All proposed concessionaire, professional service, and amusement company (carnival, rodeo, circus, etc.) contracts, regardless of estimated dollar amount.

(9) All ratification actions.

(10) All requests for use of other than firm-fixed price type contracts.

(11) All Congressional inquiries pertaining to NAF contracting actions.

(12) All decisions concerning the handling of late proposals and alleged or actual mistakes in proposals.

(13) Entertainment contracts to which the service contract applies, a royalty and copyright clearance is required, or the nature of the entertainment may present a physical risk to either the entertainers, the audience, or property.

(14) Show cause notices, cure notices, and applicable documentation.

(15) All proposed contractual documents involving the purchase or lease or real estate or license to use real estate.

(16) Questions concerning tax status of NAFI's when not clearly defined

e. The Deputy Chief of Staff for Directorate of Public Works (DPW) is responsible for:

(1) Preparation of plans and specifications for construction and building

maintenance requirements.

(2) Inspection and technical services required during the course of construction and building maintenance contracts.

f. The Veterinarian is responsible for:

(1) Conducting appropriate sanitary inspection of contractor activities as required by applicable regulations.

(2) Inspecting subsistence items upon delivery.

(3) Providing technical advice and assistance in matters relating to subsistence acquisitions.

5. ACTIVITIES AUTHORIZED TO SUBMIT PURCHASE REQUESTS.

Fund Managers and Assistant Fund Managers will submit annual delegation of authority memorandum designating individuals authorized to request and approve purchase requests along with approval threshold for each individual. This includes but is not limited to Billeting Fund, Post Restaurant and Civilian Welfare Funds.

6. INTERNAL CONTROLS AND PROCEDURES.

a. The One Fund Manager directly supervises the NAF Contracting Office. The Purchasing agent/contract specialist work independently of each other under the supervision of the Contracting Officer.

b. Purchase requests in excess of $100,000 will be processed in conjunction with the Community & Family Support Contracting (CFSC), MDWAC, and other NAF contracting offices (i.e., AFNAFPO, AMC) as deemed appropriate.

c. The Purchasing Agents and Contract Specialists work under the supervision of the Contracting Officer. They review purchase requests to determine if the items requested are available through any other sources such as General Services Administration Stores, Air Force Nonappropriated Fund Contracts, Federal Supply Schedules. It is the responsibility of the Purchasing Agent/Contract Specialist to determine the reasonableness of the prices solicited. It is recognized that such determinations are primarily a matter of judgment based upon the circumstances of the specific purchase. These become difficult decisions when the price quoted is considerably higher than the Fund/Government estimate, and even more difficult when no estimate is available and only one price is obtained. Considering these factors, it is imperative that personnel authorized to obligate nonappropriated funds exercise care in the execution of assigned responsibilities.

7. STANDARDS OF CONDUCT.

Department of Army policy regarding Standards of Conduct is contained in the Joint Ethics Regulations (JER). It is incumbent on all personnel concerned to be continually aware of the importance of protecting the Government's interests and to avoid any acts that may tend to comprise both the Department of the Army and industry. Procurement personnel must observe the highest standards of business ethics to maintain the reputation of the Army for courtesy, fairness, integrity and strict impartiality in procurement operations and related functions. Official and personal conduct of all personnel, military and civilian, must be above suspicion at all times. Accordingly, all personnel having official duties in connection with procurement matters will refrain from indulging in any relationship which might excite conflict between self-interest and integrity. The policy of refraining from any commitments, administrative decisions, or other actions or statements concerning contracting matters beyond the scope of their delegated authority, is binding on all personnel. It is required that all persons directly connected with procurement read the JER, sign a statement of understanding, and review the regulation semiannually. The JER prohibits Army personnel, other than contracting officers and their duly authorized representatives, acting within the scope of their authority, to obligate the fund. Unauthorized procurement not only incur potential financial liability for the individual, but also embarrasses the Department of the Army in its dealings with firms unfamiliar with procurement laws and regulations.

8. SAFEGUARDING PROCUREMENT INFORMATION.

It is the individual responsibility of all personnel both military and civilian, to refrain from releasing to any individual or any individual business concern or its representatives, any knowledge such personnel may possess or have acquired in any way concerning proposed procurement actions by the procuring agency. Such knowledge will be released to all potential contractors or suppliers, as nearly simultaneously as possible only through the NAF Contracting Office in such a manner that one may not be given an advantage over another. All dissemination of such knowledge will be in accordance with existing authorized procedures, and only in connection with the necessary and proper discharge of official duties.

9. FUNCTIONAL PROCEDURES BETWEEN IMWRF ACTIVITIES AND THE CONTRACTING OFFICE:

a. Purchase Requests will be prepared in accordance with the AR 215-4 as follows:

(1) No purchase will be made unless a completed request has been furnished, except internal activity NAF/APF credit card purchases. DA Form 4065-R will be used as a purchase request. Adequate detailed descriptive data to include authorizing signatures, is the responsibility of the originator. The NAF Contracting

Office will be notified by the Assistant Fund Managers, in writing, of all persons authorized to sign purchase request on behalf of the Fund Manager.

(2) The original copy of the request will be forwarded to the NAF Contracting Office. Once received, the request will be date stamped and logged in, as a method of internal control. The request will be examined for approving signatures, local fund cite, and adequacy of description.

(3) The signature of the IMWRF Manager, or designated representative on the purchase request certifies that the purchase is authorized and adequate funds are available.

b. Distribution of Purchase Orders.

(1) One copy with original signature shall be retained in the contract file.

(2) One copy with original signature shall be sent to the contractor/vendor.

(3) One copy with original signature shall be sent to the NAF Financial Services.

(4) One copy shall be forwarded to the requesting activity, which should provide a copy to the property manager for all fixed asset purchases.

c. Blanket Purchase Agreements (BPA'S)

(1) A BPA is a simplified method of filling anticipated repetitive needs for small quantities of supplies or services by establishing "Charge Accounts" with qualified vendors. BPAs are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents. A BPA is not a contract. The purchasing agent /buyer is not restricted to soliciting BPA holders. BPAs will not be used to circumvent the competition requirements to ascertain fair and reasonable price.

(2) The BPA will be utilized under the following circumstances:

(a) There is repetitive need for small quantities of supplies or services of closely related types.

(b) The use of other methods requiring individual purchase instruments is considered more expensive administratively to the requesting activity.

(c) The individual call does not exceed $5,000 inclusive of subsistence items. Calls exceeding $5,000 will be placed by the NAF Contracting Office.

(3) BPAs will issued as follows:

(a) BPAs will be assigned a NAF Procurement Instrument Identification Number (PINN) for an indefinite period of time.

(b) A blanket statement providing a specified amount will be prepared for a specified period of time and must be obtained from the NAFI Certifying Official before orders are placed against blanket agreement. The certification may be made on a memorandum.

(c) Three copies of the agreement will be forwarded to the vendor for signature with instructions for him/her to retain a copy for his records and return the remaining copies to the NAF Contracting Office. NAF Contracting will forward one copy to the NFS and the other copy will become a permanent part of the BPA file in NAF Contracting.

(d) Supplier's itemized invoice shall be submitted at the end of each month for all deliveries made during that month and for which payment has not been received. Copies of delivery tickets need not support such invoices. Invoices will be mailed or delivered to NFS. This invoice must pertain only to the current BPA with no balance carried forward from prior billing periods, and will not include any other separate purchase order transactions.

(e) BPAs will not cite any accounting or specification data so that all purchases may be affected under the same BPA. Purchases made against BPA's will normally be made by telephone. A signature and date on the sales slip or delivery ticket will indicate the acceptance of the supplies or service. Quantities must be verified and exception noted on the delivery ticket. Over shipments will not be accepted. After completion, deliver ticket should be immediately forwarded to the appropriate stock control section.

d. Concession Contracts.

(1) Concession contracts allow a concessionaire the right to sell a particular type of item or to provide a specific service in a designated location for a specific period of time.

(2) Concession contracts may be used when the following conditions are met:

(a) The Installation Commander or designee has determined that NAF Direct Hire is not appropriate and has issued this determination in writing.

(b) Pursuant to AR 215-1, chapter 3, section IV, the installation

commander has authorized the MWR activity to operate a resale activity by concession contract.

(3) Concession contracts shall contain schedules of prices and service charges as appropriate, and the fee or commission to be returned to the NAFI.

(4) It will be the responsibility of the individual activity to furnish the NAF Contracting Office all information relative to the concession 120 days prior to commencement of a new contract or 90 days prior to renewal of an existing contract.

e. Entertainment Contracts..

(1) Contract information for entertainment will be furnished to the NAF Contracting Office well in advance of the required performance date in order for the contract to be approved and signed by the Contracting Officer and the contractor/agent prior to performance.

(2) The contract shall be prepared in quadruplicate by the NAF Contracting Office, who will assign a contract number to the contract as a method of internal control and identification. The contract must be specific as to the performer's name, address, dates of performance, hours of performance, type of entertainment, location of entertainment, contract price, time of payment and social security number.

(3) Upon receipt of signed contracts from the contractor, NAF Contracting will make distribution accordingly.

(a) original to contract file

(b) first copy to NFS

(c) second copy to the requesting activity

(d) the vendor will retain third copy

(e) the NFS shall take action to effect the payment as specified in the contract, upon receipt of satisfactory documentation for completion of required services.

(4) Requesting activities will be responsible for ensuring performance is accomplished as specified in the contract and shall authorize payment for the same.

f. Awarding Contract.

(1) No contracts shall be awarded, or any agreements entered into with any firm or individuals listed in the Consolidated List of Debarred, Ineligible, and Suspended Contractors (DA Circular 715-1).

(2) Agents will not contract with suppliers when a price exceeds the NAFI/Government estimate on the purchase request form, without first getting approval from the requesting activity and fund certification from the Fund Manager

(3) Agents will not enter into contracts without first ensuring that a fair and reasonable price has been obtained.

(4) All contracts, purchase orders and agreements between nonappropriated funds and private concerns will include applicable clauses as outlined in AR 215-4.

(5) All contracts, purchase orders and agreements will be assigned a control number and entered in to a log for internal controls.

g. Reporting Receipt of Goods and Services.

(1) It shall be the responsibility of all activities supported by the NAF Contracting Office to report receipt of all goods and/or services, regardless of dollar amount to the NAF Financial Services Office.

(2) These reports will be submitted immediately upon receipt and acceptance of supplies and/or services.

(3) The DA Form 4067-R or 4067-1-R may be used as a receiving document for shipments. DD Form 250 or DA Form 4067-R/4067-1-R will be used for receipt of partial shipments received and accepted under an existing purchase order. Forms will be boldly marked "PARTIAL" or "FINAL" whatever the case may be and forwarded to NFS. Regardless of the type of form used it should include sufficient information, and complete address, quantity and description of each item received and assigned purchase order/contract numbers. In addition, forms must have the signature of the individual authorized to receive the merchandise and certify that items/services received are acceptable.

h. NAF I.M.P.A.C. Government Credit Card Purchases

(1) Assistant one fund managers will identify approving officials and recommend candidates for cardholders and update the cardholder and approving official roster at least annually. Individuals that have credit cards can purchase supplies under $5,000.00. An alternate approving official will be provided as a back up to the primary approving official. All cardholders will sign this SOP as proof of training on I.M.P.A.C. procedures and the approving official will retain it on file.

All small purchases for supplies, CPMC, and services under the $5,000.00 threshold must be purchased with the I.M.P.A.C. credit card except as annotated in the restricted and regulated paragraphs in this SOP.

(2) Training.

(a) Training of designated individuals will be scheduled and conducted by the NAF Contracting Office Trainers quarterly. The names of those individuals designated to be cardholders should be submitted to the NAF Contracting Office, 30 days prior to the beginning of the quarter.

(b) As a prerequisite, all cardholders are required to complete the training as a cardholder or, approving official whichever is applicable. In the case of the division chief, training as a cardholder and approving official will be completed.

(3) Prohibited Purchases on the VISA Card. The VISA Card shall not be used for the following:

(a) Personal purchases.

(b) Cash advances.

(c) Rental or lease of land or buildings.

(d) Purchase of telephone services (i.e., FTS 2000 or DSN).

(4) Regulated Purchases on the VISA Card. These are not prohibited but regulated.

(a) Purchase of airline, bus train, car rental, lodging, alcoholic beverages or other travel and subsistence costs.

(b) Service contracts that require compliance with acts, laws, or executive orders (SCA 1965) and otherwise require written execution.

(c) Construction contracts which require compliance with acts, laws or executive orders (e.g. Davis Bacon Act) and otherwise require written execution.

(d) ADP hardware/software, after review/approval by the IMO, DOIM, and Assistant Fund Manager.

(e) Gas, oil, maintenance and repair of NAFI Vehicles.

(f) Any other NAFI requirements for supplies or services requiring

contract enforcement by means of a written contract (i.e. entertainment) shall be forwarded to the NAF Contracting Office on an Army NAF Purchase Request (DA Form 4065-R) with proper authentication for execution.

(5) Approving Officials. Fund Manager, Assistant Fund Manager, Division Chiefs, and Activity Managers may serve in this capacity. The Fund Manager and Assistant Fund Manager are designated as alternate approving officials.

(a) Recommend to the NAF Contracting Office the number of cardholders required for their operation.

(b) The NAF Procurement Office will perform the duties of the Approving Officials in their absence, if required, and serve as a liaison to FMD.

(c) Review, reconcile and certify statements of account.

(d) Set cardholder and monthly office dollar amounts in coordination with FMD. The approving official will forward a memorandum establishing a bulk funded amount to be set aside for their division in order to track credit card purchases and avoid exceeding approved budgetary limits.

(e) Assistant Fund Managers and/or their designated representatives will use the Customer Automation and Reporting Environment (C.A.R.E.) to monitor purchases and to insure purchased equipment is picked up on the fixed assets.

(6) Cardholder Procedures.

(a) Funds availability. Cardholders must ensure that funds are available prior to making purchases. Vendors are required to obtain approval from RMBCS for over $50.00. When authorization is sought, RMBCS will check cardholder single purchase and monthly limits.

(b) Each cardholder will maintain a log of expenditures made by use of the credit card. Log sheets will be forwarded weekly, as well as at the end of the month, no later than the second working day of the following month to NFS. Cardholders will follow the procedures for forwarding documentation as outlined in Chapter 20 of this SOP.

(c) Documentation. Cardholder must document all transactions made by use of the credit card. The log will be used to document or record telephonic orders under $5,000.00 that are NOT solicited (cardholders should ask for a government/NAFI discount). If competitive quotes are solicited for purchases under $5,000.00, the file will be documented to note sources solicited, and justification.

(d) Competition. The applicable NAF Procurement Office will make all purchases exceeding $5,000.00, and thereby requiring competition. A DA Form 4065-R will be submitted through the division chief and DPCA to the NAF Procurement Office for execution. The NAF Procurement Office has the discretion at the time of purchase to use the credit card or other prescribed methods of procurement in order to obtain goods and /or services. As a minimum, the cardholder will retain a copy of approved purchase requests and any additional documentation in the contract file for audit purposes.

(e) Compliance with Laws and Regulations. Personnel will comply with all applicable laws and regulation inclusive of AR 215-4, NAF Contracting Regulation.

10. AGENCY PROGRAM COORDINATOR (APC).

The NAF Contracting Office will serve as the primary contact for cardholders and liaison between cardholders and I.M.P.A.C. Card Services.

(a) The APC is responsible for the administration of the I.M.P.A.C. program for the NAF Contracting office/installations to include processing the purchase card applications, issuance, termination and destruction of I.M.P.A.C. card, and obtaining updated forms, providing reports and training.

(b) The APC is also responsible for exercising sound business judgment in determining the appropriate method of procurement and to ensure that appropriate terms and conditions and protective clauses are incorporated, when necessary. The APC will conduct a periodic review of cardholder files to ensure the program is efficiently managed and to determine whether alternative methods of procurement are more cost effective.

11. CONTRACT FOLLOW-UP.

a. The requiring activity will notify the NAF Contracting Office when supplies are not delivered and services are not performed in accordance with delivery schedules contained in the pertinent purchase/delivery order or contract. The NAF Contracting Office will follow-up with vendors upon non-receipt of supplies or services when written notification of delinquent deliveries is received from the requiring activity.

b. The NAF Financial Services will contact vendors when invoices are not received.

12. PROCUREMENT ACTION LEAD-TIME (PALT).

The following procurement action lead-time (PALT) will be used in arriving at realistic required delivery dates. Delivery dates are based from the date approved

purchase request with complete description of requirement is received in the NAF Contracting Office.

Delivery Orders:

	SIMPLE	NEGOTIATED
PALT:	3 Days	14 Days
GOAL:	2 Days	10 Days

NON-COMPLEX PROCUREMENTS: Entertainment, Instructor contracts, printing, supplies.

PALT: 15 Days
GOAL: 13 Days

REPETITIVE NON-COMPLEX PROCRUEMENT: Resale

PALT: 30 Days
GOAL: 25 Days

MAJOR COMPLEX PROCUREMENTS: Credit Card Contracts, renovation, design projects

PALT: 140 Days
GOAL: 120 Days

CONCESSIONARE CONTRACTS:

	LESS THAN 10 DAYS	MORE THAN 10 DAYS
PALT:	30 Days	90 Days
GOAL:	25 Days	55 Days

NOTE: Times shown as full workdays only.
Documents received after 0730 will be posted for the following day.

a. Action will be taken by activities initiating purchase request to submit their requirements in sufficient time to allow contracting personnel adequate administrative lead time to process the transaction and obtain delivery or performance by the date required. Insufficient lead time contracted; failure to obtain delivery by the required date; increased administrative costs in processing mistakes in bids, protests, appeals, etc.

b. Requesting activities should make every effort to establish a realistic delivery date in order that the purchase can be properly accomplished. Specific date will be

used for purchase requests. Service contracts that are for continuing periods of time will have the entire period of performance in the purchase request.

c. NAFI contracting regulations and directives place numerous mandatory requirements upon the contracting officer when effecting each purchase. Since these requirements may vary with each acquisition, the exact amount of lead-time that will be required to effect an individual acquisition cannot always be predetermined. However, adequate lead-time can be estimated and, in general, is dependent upon the type and dollar amount of the proposed contract.

d. The lead time specified does not allow for obtaining any required approvals from higher headquarters, processing mistakes in bids, protests, etc., or performance times.

e. Acquisitions may be divided into five phases, as set forth below:

(1) Acquisition Planning: is the time period prior to initiating the purchase request in which the requesting activity determines its needs and obtains all the necessary approvals.

(2) Pre-Solicitation - is time spent by the NAF contracting personnel, in coordination with the activity manager, developing the statement of work as well as other pertinent factors pertinent to the solicitation.

(3) Solicitation Phase - is the period of time allowed for prospective source to review the solicitation and submit their offers in response thereto. Depending on the dollar amount, the allowable time for offers submission is thirty (30) days.

(4) Evaluation/Award - is the period of time allowed in which all offers are evaluated to determine which offer is most advantageous to the fund.

(5) Delivery/Performance Phase - is the period of time in which the contractor is allowed to perform the contract.

13. CONTRACTING OFFICER'S REPRESENTATIVE (COR).

a. A contracting officer may appoint a qualified Department of the Army employee (military or civilian) to act as his/her authorized representative in administering a contract, subject to the authority and limitations set forth in the appointment. A COR will be designated by name and position title. COR appointments will be in writing and will clearly define the scope and limitation of the COR authority which cannot be relegated or exceeded.

b. A COR may not award a contract or agree to or issue a change to a contract,

if the change involves the unit price, total contract price, quantity, quality, or delivery schedules. A contracting officer may authorize a COR to make minor changes, not involving the above items, and to resolve problems as long as such authorizations are not prohibited by contract.

c. The COR will maintain records as a part of the official administration file and will be forwarded upon contract completion to the contracting officer for inclusion and retirement of the official contract file.

14. DELIVERY OR PERFORMANCE SCHEDULES.

a. Contract administration requires the efforts of representatives from both the requiring activity and the NAF Contracting Office. When an acquisition has been completed in response to a purchase request, the requiring activity is responsible for establishing a system that will monitor whether the contractor has failed to provide the required supplies or services on time.

b. The time of delivery or performance must be realistic. Giving consideration to relevant factors such as urgency or need for the supplies or services. Time needed by the contractor to comply with any conditions precedent to contract performance and time required by the fund to fulfill its contractual obligations can be met with sufficient timelines. As a general rule, delivery or performance schedules will be based on previous acquisition history for the particular type of supplies or on the advice of the Contracting Office prior to initiation of the purchase request. The proposed acquisition is complex in nature, or a significant monetary expenditure is involved, delivery or performance schedules will be develop during the advance contract stage.

c. The Contracting Officer will coordinate proposed changes to delivery or performance schedules in a purchase request with the requiring activity.

15. EMERGENCY PURCHASE PROCEDURES.

a. An emergency purchase is a requirement for emergency-type service or repairs or for purchase of resale or consumable goods that are needed immediately due to an unforeseeable combination of circumstances requiring immediate action and which cannot be obtained through the use of normal purchase procedures and the delay of which may cause destruction or loss of NAFI property or assets. Some examples of emergency purchases are: refrigeration compressor malfunction that may cause the imminent loss of perishable subsistence goods; the possible malfunction of an automated point-of-sale system that may result in the loss of revenues.

b. In the case of an emergency purchase action the maximum dollar limitation for an emergency purchase will be $2,500 or less. The emergency purchase must be reported in full detail to the NAF Contracting Officer not later than 1200 hours the first working day following the emergency action. A completed DA Form 4065-R will be processed with full justification for the emergency action, signed by the individual who place the order. The justification will include reasons why the purchase could not be processed during normal work hours by the contracting office or by the use of normal procedures (for example BPA, calls orders placed by authorized ordering officers, petty cash). A copy of deliver tickets other documents, identification of the services rendered in detail the name of the supplier who provided the services or goods will be included with the justification.

c. The purchase request and supporting documentation is to be hand-carried to the contracting officer so that the transaction may be formalized. The contracting officer will determine that the use of emergency purchase procedures were proper and then prepare a properly executed purchase document in order to formalize the action and allow for payment for services rendered or goods provided.

16. RATIFICATION/UNAUTHORIZED COMMITMENTS.

Ratification is the act of approving an unauthorized commitment, by an official whom has the authority to do so, for the purpose of paying for supplies or services provided to the NAFI as a result of the unauthorized commitment. Only contracting officers acting within the scope of their authority may enter into contracts on behalf of the fund. A contractual commitment that is invalid solely because the individual who made it lacks the authority may be made valid by ratification.

17. RATIFICATION PROCEDURES.

a. Each unauthorized commitment must be submitted to the ratification authority for review according to the procedures below:

(1) The individual who made the authorized commitment will prepare and sign a statement of all pertinent facts.

(2) Explain why normal procurement procedures were not followed.

(3) What bona fide NAFI requirement necessitated the commitment.

(4) What was the benefit was received, and its value.

(5) Provide copies of all relevant documents including orders and invoices.

(6) This signed statement will be forwarded to the chief of the activity in which the unauthorized commitment occurred, who in turn will-

(a) Review the documentation for accuracy and completeness and obtain further documentation if deemed necessary.

(b) Describe the measures taken to prevent a recurrence of unauthorized commitments, including a description of any disciplinary action (to be) taken.

(c) If the chief of the activity in which the unauthorized commitment occurred concurs that the commitment should be ratified, he or she will forward the documentation described in (1) and (2) above, along with a completed DA Form 4065-R with proper approvals and funding for ratifying the action, to the contracting officer with cognizance over the purchase request.

b. The contracting officer will be responsible for the following:

(1) Reviewing and determining the accuracy and adequacy of all documentation furnished and for obtaining any additional information required.

(2) Determining that the price is fair and reasonable.

(3) Obtaining a written opinion from legal counsel on whether or not there is a factual and legal basis for ratification of the unauthorized commitment.

(4) Making a recommendation for or against ratification.

(5) After approvals of the ratification authority, the ratification file will be returned the NAF Contracting office for issuance of appropriate contractual documents to effect payment of the unauthorized commitment.

18. SOLE SOURCE.

"Sole Source" means the purchase of supplies or services available from one single, responsible source. Generally, a “sole source” is the only source that can provide the requirement. When the supplies or services required by the NAFI are available from only one responsible source and no other type of supplies or service will satisfy NAFI requirements, competition is not required.

19. DELIVERY ORDERS.

Delivery orders may be placed against existing non-competitively awarded contracts and agreements. Delivery orders have no dollar limitation other than the following:

a. Availability of Funds.

b. Limits established by the installation commander or designee.
c. Limits established by the basic agreement.

20. INTERNATIONAL MERCHANTS PURCHASE AUTHORIZATION CARD (I.M.P.A.C.)

a. Individual purchases *will be* recorded on the I.M.P.A.C. log sheet. This record will be used to verify purchases billed on your monthly "Statement of Account."

***b.* Information recorded on the I.M.P.A.C. log sheet *will include the Location/Department Code, and General Ledger Accounting Code* (GLAC) as it applies to each purchase to ensure proper accountability.**

c. Log sheets *will be provided to NFS on a weekly basis*. Expenses will be recorded in the monthly financial statements based on data provided on the weekly logs. Negative reports to be provided when no purchases are made in any given week. See sample log sheet at Appendix A. Log sheets may be faxed, mailed or e-mailed to your appropriate accounting tech. E-mail address would be: *Last name.First name@NFS.org.*

d. A week for the purpose of turn in of log sheets will be at the discretion of the cardholder. Your log sheets will begin on the 1st of the month and end on the last day of the month.

e. Upon receipt of your "Statement of Account" purchases will be verified, description provided, and the appropriate accounting code listed. Location/GLAC code information recorded on the "Statement of Account" *must be the same as weekly log* to prevent duplicate recording of expenses. The cardholder will sign verifying the statement for accuracy and forward the statement his/her Approving Official within two (2) days of receipt of the "Statement of Account".

f. The Approving Official is responsible for signing the "Statement of Account" and the "Billing Account Statement" and assuring that both statements are submitted to NFS for payment within two (2) working days of receipt. The Approving Official must have complete information from *all* of his/her cardholders prior to submitting to NFS. He/she shall not forward packages to NFS if billing information is missing from any one cardholder's package. Incomplete packages will result in delay of payment to the bank; therefore creating a delinquent account.

21. CPMC PURCHASES USING I.M.P.A.C. CREDIT CARD.

a. Purchasing authority for using the I.M.P.A.C. credit card for CPMCs will be designated to key managers. No capital purchases will exceed the $5,000 limit.

b. Purchases will be recorded on the cardholders I.M.P.A.C. log sheet as required by chapter 20 of the SOP.

c. Upon receipt of your "Statement of Account", CPMC purchases are to be verified, CPMC numbers provided and appropriate accounting code listed for each approved CPMC.

d. After receipt of the CPMC purchase the receiving activity manager will accomplish a fixed asset update. The fixed asset update needs to include item serial number, appropriate description and any pertinent data to be recorded into the NAFISS fixed asset subsidiary. The installation financial management office/NAF property book officer will verify the fixed asset report against CPMC purchases. It will be the responsibility of the installation financial management office to inform the Ft McNair Financial Management Branch (FMB) if the review of insured exposures needs to be updated. A copy of this update needs to be forwarded to NFS.

e. Tracking of all CPMC purchases will be accomplished by the FMB. Purchase of items not on the approved CPMC listing will be highlighted by the FMB and forwarded to the appropriate Approving Official for corrective action.

Patricia A Dumire

PATRICIA A. DUMIRE
Acting Assistant Deputy Chief of Staff
for Personnel