



# REGIONAL CONTRACTING DEPARTMENT

## 2019

### CUSTOMER GUIDE



*NAVSUP Fleet Logistics Center Pearl Harbor's vision to be a world class provider of logistics and support services.*

*NAVSUP Fleet Logistics Center Pearl Harbor's Mission is to provide quality and timely logistics and support services to our Navy, Marine Corps, Joint and Allied Forces throughout the Pacific Rim.*

*~Service with Aloha ~*

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## **1.0 GENERAL INFORMATION**

### **1.1 INTRODUCTION**

The NAVSUP Fleet Logistics Center Harbor Pearl (FLCPH) Regional Contracting Department's mission is to provide contractual support, with timely, quality acquisitions while complying with all laws and regulations in peace, war and humanitarian efforts. Contracting is one part of the total acquisition process to provide customers with the supplies and services necessary for mission accomplishment. This guide will provide the information you need to prepare and submit a complete procurement request package for contract action, thereby helping us provide the quality service and timely delivery you expect. While not intended to make you an expert in contracting, this guide will provide enough information to ensure the steps you take to obtain contract support are on the right path.

### **1.2 WHAT WE DO**



NAVSUP provides quality and timely logistics and support services to our Navy and Air Force, Marine Corps, Army, Joint and Allied Forces throughout the mid-Pacific region. Additionally, NAVSUP FLCPH delivers supply chain management, contracting, procurement, transportation, defense fuel products and worldwide movement of personal property. The Regional Contracting Department of NAVSUP FLCPH conducts acquisitions for supplies and services from a broad range of industries for numerous commands across the mid-pacific region. These supplies and services include quality of life services, industrial supplies and services, ship port visits support, technical and engineering services, IT services, administrative support services, as well as provide customized acquisition solutions. Our customers depend on us to deliver their products and services at the right time, at the right place, at the right price, and in the most cost effective manner possible.

**OUR RESPONSIBILITIES:** Our professional staff is dedicated to delivering quality and responsive service. Teamwork is the keystone to achieve timely contract awards. We encourage early involvement in the acquisition cycle to develop a customized acquisition plan tailored for your individual needs. We provide support for the entire life of your requirement. We are committed to creating a more responsible and "customer-focused" contracting system. Our goal is to help you get the supplies and services you need to accomplish your mission. There are many legal and administrative actions we are required to accomplish while supporting your requirements. Many of the actions may seem counter-intuitive to your particular purchase. Please bear with us, your best interest is always in the forefront.

Contracting requirements are divided into two categories based on their dollar value; we refer to them as Simplified Acquisition Procedures (SAP) and Large Contracts (Large). Commercial requirements \$250,000 and below are acquisitions under the Simplified Acquisition Threshold (SAT) and require the use of SAP. Large Contracts are for requirements expected to exceed \$250,000. While NAVSUP FLCPH has unlimited procurement authority and conducts acquisitions both large and small, a significant portion of the workload falls under Simplified Acquisition Procedures.

**CUSTOMER RESPONSIBILITIES:** An informed customer is our best customer. As an activity generating requirements, it is critical that you understand your role in helping us meet your requirements. The following is a list of customer responsibilities discussed within this guide:

- Avoid unauthorized commitments.
- Plan ahead for your requirements by allowing adequate contract administrative lead-time through pre-coordination with appropriate contracting Point of Contact (POC).
- Develop adequate purchase descriptions, specifications, Statements of Work, or Performance Work Statements, may require pre-coordination with appropriate contracting POC.
- Properly prepare purchase requests to include sufficient funding.
- Provide proper justification when restricting competition or seeking special contractual actions, may require pre-coordination with appropriate contracting POC.
- Perform timely follow-up and quality assurance actions.
- **Teamwork** is an essential part of the acquisition process. Providing you with the information in this guide is one way we can work together and help you in our partnership endeavors.
- Contracting Department POCs are listed in Table 1 below:

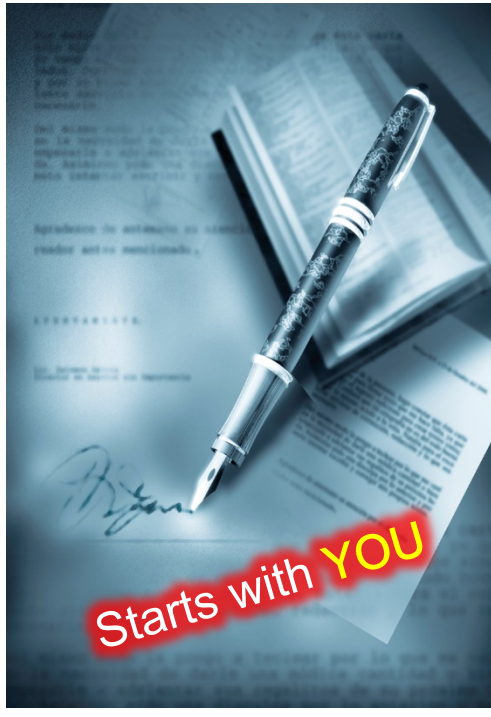
Table 1: Contracting Department POCs

<b>DIRECTOR</b> CDR Saucedo, (808) 473-7551
<b>DEPUTY DIRECTOR</b> V. Pappalardo, (808) 473-7687
<b>MILITARY SUPPORT (NACO)</b> LTJG Vu, (808) 473-7903
<b>SMALL BUSINESS SPECIALIST</b> H. Hu, (808) 473-7583
<b>CODE 200 – QAPM</b> M. Catian, (808) 473-7585 C. Bolla, (808) 473-7936
<b>CODE 201A – COMNAVREG Hawaii and NCTAMS PAC</b> J. Nguyen-Livic, (808) 473-7579 P. Murakami, (808) 473-7901
<b>CODE 201B – USPACOM and NECC PAC</b> E. Carmody, (808) 473-7531 P. Parnes, (808) 473-7643
<b>CODE 201C – COMPACFLT and NAVFAC Hawaii</b> C. Craft, (808) 473-7543 G. Johnson, (808) 473-7554
<b>CODE 207 – PMRF (KAUAI)</b> J. Moore, (DSN) 421-6731 G. Lung, (808) 473-7679

## **2.0 CONTRACTING GUIDELINES AND PROCEDURES**

**2.1 INTRODUCTION:** The purpose of this section is to remove some of the mystery associated with contracting procedures and explain how several of the more common rules have a significant impact on what you would like to have accomplished.

## **2.2 UNDERSTANDING THE ACQUISITION PROCESS**



### **ACQUISITION PLANNING:**

The most important phase of the acquisition process is acquisition planning. It is during this phase that significant decisions are made which create the path for the entire acquisition. The team is formed between the technical community and the KO. This relationship needs to begin early in the planning stages prior to specification development so a mutual understanding of the requirement can be achieved by the team. Many variables such as competition, commercial-item buying, type of contract, source selection techniques, and long-term administrative support are identified through this planning. Careful acquisition planning makes for a good contracting experience. The team initiative ensures your contracting goals are met within a timely manner to support your mission.

The Regional Contracting Office's goal is to process routine purchase requests (PR's) within specified cycle times. Lead times depend on estimated dollar value, contract type, and sourcing decision, etc. The "Clock" starts once FLC Pearl Harbor has received a complete & workable

Purchase Request Package. The acquisition process is structured along various time lines based upon the complexity of your requirement. Our acquisition planning needs to consider these times lines when identifying funding and the timing of contract award to safely ensure the obligation of your funds. Customers shall be notified via email when circumstances prevent award within established timeframes. See Table 2 below for general Procurement Administrative Lead Times (PALT):



Table 2: PALT Timelines

Requirements	Procurement Administrative Lead Time (PALT)
Simplified Acquisitions under \$250K (Purchase Orders)	30 Days +
Modifications	30 Days +
Orders (IDIQ, FSS, IDC, Seaport-e, or GWAC)	60 Days
Large Contracts >\$250K	120-300 Days

#### Additional Things to Consider

- For services that require CACs, background investigations, and/or security clearances allow 60 days for “ramp” time before start date
- Sole source actions do not take less time than competitive actions
- “Better Buying Power” initiative to promote competition (30-day extension to solicitation if competition not achieved (i.e. only 1 offer received)
- Thresholds for additional *acquisition* side reviews (e.g. peer reviews) & additional *customer* side reviews will result in longer processing times
- ERP Funding issues can take longer!

#### **WHAT CAN ACTIVITIES DO TO HELP CONTRACTING?**

Activities should seek opportunities, wherever possible, to move annual service renewals away from the standard 1 October start/30 September completion dates. As long as an activity is in keeping with the "bona fide needs rule," end of Fiscal Year (FY) work load may be more



appropriately spaced out across the FY using current year funds, which in turn will reduce end of FY work backlogs and free up contracting capacity for true end of FY requirements.

To the extent activities have requirements that they know for certain they will definitely fund when end of FY dollars become available, they should begin the acquisition planning with their supporting contracting office as soon as possible. The customer and the contracting office can begin working on the required acquisition planning (refinement of Performance Work Statement (PWS) /Statement of Work (SOW), market research, source selection strategy, development of the contract solicitation, etc.) that will allow the acquisition to proceed quicker once funds are received.

Activities should contact their local Contracting Office and request training early during the fiscal year on the proper development of a non-standard requisition package (e.g. purchase description, PWS/SOW, MOPAS, Acquisition Strategy, and J&A documentation) in order to preclude unnecessary end of year requisition processing delays resulting from insufficient purchase information.

Finally, Activities should maximize their use of Purchase Cards, and obtain their requirements through the DoD Email wherever possible. They can also consider consolidating similar requirements to minimize the number of contract actions and better leverage our buying power.

## **ACQUISITION PHASES:**

### **PHASE 1: SOLICITATION:**

The solicitation phase is where the KO begins execution of the acquisition plan. The requirement, which was jointly developed, is solicited either by a Request for Quotation (RFQ) or a Request for Proposal (RFP). The solicitation may be issued through conventional means by use of hard copy documents or in the case of a commercial item through use of a streamlined solicitation advertised in the FEDBIZOPPS, for requirements greater than \$25,000 on the Navy Electronic Commerce Online (NECO) site.

Regardless of solicitation method used, the PWS/SOW or specification must succinctly describe our requirement so a common understanding may be formed by anyone reading the solicitation document. Often, prospective suppliers question our requirements. In these instances, we review our requirements in light of their questions to see if we adequately describe our needs. Where there may be some uncertainty, we amend our requirements to clear possible ambiguities.

### **PHASE 2: EVALUATION PHASE:**

During the evaluation phase our team evaluates the proposals or quotes received to satisfy the requirement. The evaluation follows the plan developed during our acquisition planning meetings. The evaluation may be as simplistic as the proposal satisfies the requirement or complex when selecting the proposal that provides the best value. Past performance is an

evaluation factor in all requirements (A) For systems and operations support expected to exceed \$5 million; (B) For services, information technology, or science and technology expected to exceed \$1,000,000; and (C) For fuels or health care expected to exceed \$100,000. This factor affords us the ability to review how well our potential contractors have performed on their prior contracts.

In conjunction with any technical evaluations, a cost or price evaluation is conducted by the KO. The purpose of the evaluation is to develop a fair and reasonable price or a realistic cost to perform our requirement. The technical evaluation is a key consideration for the KO to measure the contractor's understanding of our requirement and determine if their pricing reflects the proposed technical solution. The results of this phase dictate whether award may be made upon the receipt of initial proposals or if negotiations should be conducted with all firms submitting proposals or only those with the best chance for award (competitive range).

### **PHASE 3: NEGOTIATION PHASE:**

Our acquisition team negotiates with the contractors identified during the evaluation phase as having the best opportunity to receive contract award. The KO is assisted by the technical members of the team when issues concerning technical deficiencies are discussed. The product of negotiations is either settlement on a fair and reasonable price for sole source acquisitions or the request for best and final offers for competitive requirements.

### **PHASE 4: POST-NEGOTIATION & AWARD PHASE:**

The results of the negotiation are reviewed and an award selection is made. It may be necessary to have the team review updated technical proposals and assist in determining the proposal with the best value. After contract award is made, the contracting office will debrief the unsuccessful firms providing feedback as to areas where they could improve their proposal techniques.

### **PHASE 5. CONTRACT ADMINISTRATION:**

The day-to-day management of the contract begins after contract award. Our team effort continues to ensure adequate performance is obtained from the contractor selected to satisfy your requirement. Contract administration can only succeed with commitment from the Contracting Officer's Representative (COR) and the KO to monitor progress under the contract or delivery order. Under indefinite delivery type contracts each order represents a separate contract vehicle requiring administration. A limited degree of acquisition planning is necessary for each delivery order.

## **2.3 METHODS OF CONTRACTING**

The four broad categories of contracting support listed in ascending order of complexity and/or dollar value are: micro-purchase; orders against existing contracts (to include Federal Supply Schedules (FSS)); simplified purchases; and formal contracts. Please note that there are “Required Sources of Supplies and Services” (See Table below) that must be considered.

Additionally, the Government has established some programs that, by law, require us to purchase supplies and services from specific governmental organizations if the supply or service is available from them. Prior to soliciting any private sector business, we must solicit these mandatory sources first. It is also very important to understand the KO must promote competition to the maximum extent possible. When and if we receive only one response to a solicitation valued at \$250K, we must re-post the requirement for a minimum of 30 days. This must be factored into the timeline when developing a package to send to FLCPH for acceptance into the acquisition process.

Table 3: Required Sources of Supply

Supplies (Descending Order of Priority)	Screening Source Information
Requiring Agency Inventories/ Excess From Other Agencies – FAR 8.1	<ul style="list-style-type: none"> <li>In-house/ Stock Items</li> <li>Defense Reutilization and Marketing Office (DRMO)</li> <li>GSAXcess®: <a href="http://gsaxcess.gov/">http://gsaxcess.gov/</a></li> </ul>
Federal Prison Industries, Inc. (UNICOR) - FAR 8.6/ DFARS 208.6	<ul style="list-style-type: none"> <li>UNICOR: <a href="http://www.unicor.gov">http://www.unicor.gov</a></li> <li>GSA Advantage!®: <a href="https://www.gsaadvantage.gov">https://www.gsaadvantage.gov</a></li> </ul>
Supplies which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne) - FAR 8.7	<ul style="list-style-type: none"> <li>GSA Advantage!®: <a href="https://www.gsaadvantage.gov/">https://www.gsaadvantage.gov/</a></li> <li>AbilityOne: <a href="http://www.abilityone.gov/index.html">http://www.abilityone.gov/index.html</a></li> </ul>
Wholesale supply sources, such as stock programs of the General Services Administration (GSA), the Defense Logistics Agency, the Department of Veterans Affairs, and military inventory control points.	<ul style="list-style-type: none"> <li>GSA: <a href="https://www.gsaglobalsupply.gsa.gov">https://www.gsaglobalsupply.gsa.gov</a></li> <li>DLA Prime Vendor/WebFLIS: <a href="http://www.dlis.dla.mil/webflis/pub/pub_search.aspx">http://www.dlis.dla.mil/webflis/pub/pub_search.aspx</a></li> <li>Integrated Material Management (IMM) (DFARS 208.70): <a href="http://www.iso-parts.com/Index/1">http://www.iso-parts.com/Index/1</a></li> </ul>
Services (Descending Order of Priority)	Screening Source Information
AbilityOne - FAR 8.7	<ul style="list-style-type: none"> <li>AbilityOne: <a href="http://www.abilityone.gov/index.html">http://www.abilityone.gov/index.html</a></li> </ul>
Preferred sources of supply/service reviewed (FAR 8.004 / FAR 8.4/ DFARS 208.4/ FAR 13.003)	
GSA Federal Supply Schedules (FSS) - FAR 8.4/ DFARS 208.4: Governmentwide acquisition contracts, multi-agency contracts, and any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under FSS	<ul style="list-style-type: none"> <li>GSA Advantage!®: <a href="https://www.gsaadvantage.gov">https://www.gsaadvantage.gov</a></li> </ul>
Federal Prison Industries, Inc. - FAR 8.6/ DFARS 208.6 – (For Services)	<ul style="list-style-type: none"> <li>UNICOR: <a href="http://www.unicor.gov">http://www.unicor.gov</a></li> <li>GSA Advantage!®: <a href="https://www.gsaadvantage.gov">https://www.gsaadvantage.gov</a></li> </ul>
Strategic Sourced Contracts (e.g. GBS, Furniture BPA, SeaPort, ESI, ELA, NASA SEWP, Army CHES)	<ul style="list-style-type: none"> <li><a href="https://www.navsup.navy.mil/portal/page/portal/nss">https://www.navsup.navy.mil/portal/page/portal/nss</a></li> </ul>
Shared Contracts	<ul style="list-style-type: none"> <li><a href="https://www.navsup.navy.mil/mynavsup_navsupgls/lce/shared_contracts_inventory">https://www.navsup.navy.mil/mynavsup_navsupgls/lce/shared_contracts_inventory</a></li> </ul>
Open Market Commercial Sources	<ul style="list-style-type: none"> <li>Includes educational and non-profit organizations</li> <li>Catalogs, brochures, internet, trade shows, conferences</li> <li>Small business and related socio-economic sub-categories</li> </ul>

### **MICRO-PURCHASE:**

Purchases for commodities, supplies, and products under \$10,000, and for services under \$2,500, are called micro-purchases. Unlike purchases between \$3,500 and Simplified Acquisition Threshold (SAT), which are generally set-aside for small businesses and must comply with certain other restrictions such as the Buy American Act, micro-purchases are unrestricted. Also unlike larger purchases, micro-purchases only need one price quote if an authorized individual makes the determination that the price is fair and reasonable. Consequently, micro-purchases can be accomplished very quickly by use of the Government Purchase Card (GPC). In most

cases micro-purchase requests will not be submitted to the contracting office unless policy requires such action as explained below.

The GPC is a government VISA card with a single purchase limit. GPC cardholders are authorized to make micro purchases using the GPC. You, the customer, buy what you want when you want it – GPC gives maximum flexibility and speed. You can use almost any source, large or small, that accepts VISA. This is the mandatory method of acquisition for any purchase valued at or below the Micro-purchase threshold unless conditions at DFARS 213.270 are met; however, purchases under \$10,000 for unique items or requirements outside the GPC arena, the use of MIPR or NAVCOMPT 2276 is necessary and requires approval.

#### **ORDER AGAINST EXISTING CONTRACTS:**

Many common-use items are covered by existing open-ended contracts, such as those awarded by General Services Administration (GSA), NASA SEWP, ARMY CHESS, NAVY Furniture BPAs, and other in house IDTC Contracts awarded by NAVSUP FLCPH. The many Federal Supply Schedules are a common example. We can more easily place orders against existing contracts.

#### **SIMPLIFIED ACQUISITION PROCEDURES:**

Simplified Acquisition Procedures (SAP) means using the methods prescribed Federal Acquisition Regulation (FAR) part 13 for the acquisition of supplies and services, including construction, research and development, and commercial items, the aggregate amount of which does not exceed the simplified acquisition threshold. The Simplified Acquisition Threshold (SAT) is currently \$250,000. Requiring activities should provide FLCPH at least three market research quotations or suggested sources, an Independent Government Estimate (IGE), a Performance Work Statement (PWS) if applicable, and any additional items needed. Adequate competition is essential to ensure the Government pays a fair and reasonable price for the supplies and services it needs. The KO must promote competition to the maximum extent practicable. Purchase order will be awarded to the successful offeror after quotes are evaluated using the terms stated in the solicitation to determine the best value. The lead-time for simplified purchases is 30 days although some may take less time depending on complexity of the requirement and other issues.

#### **FORMAL/LARGE CONTRACT:**

For more complex large dollar (greater than the Simplified Acquisition Threshold) requirements FLCPH will often engage in a more formal process, known as a Source Selection. Additionally, customers embarking on a requirement for non-commercial supplies or services and/or anything \$5M or more should contact the contracting office ASAP for procurement advice. FLCPH will help you in the beginning stages of the process to ensure all necessary documents, to include the IGCE, are developed, submitted, and accepted as a complete requirements package. In all, the time needed to award a contract varies depending on the urgency, dollar value, and complexity of the requirement, but generally ranges from 90 to 300 days from receipt of a complete purchase

request package.

### **2.3 DELIVERY TIMES**

It's worth noting that although Oahu has a strong vendor base, it is limited in its supply and stocks of many items. Items not available on Oahu must be purchased on the mainland. Mainland purchases have the advantage of availability and lower prices but also carry the disadvantage of long delivery times and higher shipping costs. We will contract for expedited shipment or commercial shipping when your requirement package specifies it and the Purchase Request (PR) the necessary funds.

### **2.4 DOD SMALL BUSINESS POLICY**

The Small Business Act and supporting regulations require the Navy and DOD components to set-aside purchases under the SAT for small business concerns. You, the customer, are an important part in supporting the nation's small business programs. Unless absolutely necessary for mission needs, do not restrict your requirements to supplies or services available only from large business concerns. Contact the Contracting Office or Director of Small Business early in the development of your acquisition to allow us to assist you in locating small businesses that may be able to satisfy your needs.

### **2.5 UNAUTHORIZED COMMITMENTS**

Actions by persons other than Warranted Contracting Officers, which cause a contractor to expend resources not under the scope of an existing contract, are considered unauthorized commitments. Depending on the dollar value of the action, approval (i.e., ratification of the action) will happen either at the FLCPH level (up to \$50K) or the Head of the Contracting Agency (NAVSUP 02). In such cases, appropriate administrative and/or disciplinary action may be taken against the individual concerned. If there is any doubt, don't do it--check with the Contracting Office first. **No one is authorized to make any changes to a contract except the KO.**

### **2.6 VENDOR DEMONSTRATIONS**

What should you do when a vendor approaches you and he/she wants to demonstrate a new product or service? Or you would like to test a product to determine if it meets your needs? First of all, do not agree to or allow the vendor to bring the product or service to your activity. Contact FLCPH to arrange such demonstrations. A member of contracting must be present at all product and capability demonstrations.

**2.7 FISCAL YEAR (FY) END PROCEDURES:** Every year, NAVSUP FLCPH distributes a FY end of year message with dates listed reminding our customers to get their requirements into our office on time. For planning purposes, the dates listed in the NAVSUP FLC FY19 letter are listed below:

Table 4: Plan Ahead: Coordinate & share FY spend plan early with NAVSUP Contracting Dept.

<b>SUBMISSION DATES</b>	<b>EST DOLLAR AMOUNT</b>	<b>TYPE OF ACTION</b>
Coordinate/Engage with servicing FLC personnel as early as possible (Avg Lead Time: 330-600 days)	OVER \$50 MIL	NEW/FOLLOW-ON CONTRACT
06 Nov 2018 or 280 days prior to required award date	>\$7 MIL TO \$50 MIL	NEW/FOLLOW-ON CONTRACT
06 Nov 2018 or 280 days prior to required award date	>\$250K TO \$7 MIL	NEW/FOLLOW-ON CONTRACT (Non-Commercial Items/Services)
05 Mar 2019 or 180 days prior to required award date	>\$250K TO \$7 MIL	NEW/FOLLOW-ON CONTRACT (Commercial Items/Services)
05 Mar 2019 or 180 days prior to required award date	>\$10 MIL	SEAPORT-e TASK ORDERS
02 Apr 2019 or 150 days prior to required award date	<\$10 MIL	SEAPORT-e TASK ORDERS
02 Apr 2019 or 150 days prior to required award date	>\$10 MIL	ORDERS AGAINST MULTIPLE AWARD CONTRACTS (MACS)
02 Apr 2019 or 120 days prior to required award date	>\$10 MIL	ORDERS AGAINST MULTIPLE AWARD CONTRACTS (MACS)
07 May 2019 or 120 days prior to required award date	<\$10 MIL	ORDERS AGAINST MULTIPLE AWARD CONTRACTS (MACS)
07 May 2019 or 120 days prior to required award date	>\$250,000	ANNUAL RENTAL / MAINTENANCE
04 Jun 2019 or 90 days prior to required award date	<\$10 MIL	ORDERS AGAINST SINGLE AWARD CONTRACTS
04 Jun 2019 or 90 days prior to required award date	>\$250,000	Interagency Acquisitions
04 Jun 2019 or 90 days prior to required award date	ALL	EXERCISE OF OPTION
02 Jul 2019 or 60 days prior to required award date	\$250,000 OR LESS	ANNUAL RENTAL / MAINTENANCE
06 Aug 2019 or 60 days prior to required award date	\$25,001 TO \$250,000	PURCHASE/TASK/DEL.ORDERS
20 Aug 2019	\$25,000 OR LESS	PURCHASE/TASK/DEL.ORDERS



**Plan your work – work your Plan!**



## **2.8 CANCELLATION POLICY**

In the event further information is required to process your requirement, FLCPH will contact the point of contact identified on the purchase request. The following plan will apply to all requests for information. This plan provides the buyer/contract specialist and the customer established periods for obtaining necessary information. This will ensure that FLCPH has sufficient time to support all customers without spending undue time on unnecessary calls.

❑ **Step One:** Day One, requisition contains incomplete information. Contract Specialist notifies customer and requests the additional information.

❑ **Step Two:** Two (2) *working days* later if the information is still not received, Contract Specialist again requests information from the customer.

❑ **Step Three:** Two (2) *working days* after Step Two follow-up. If customer has not provided required information, cancel requisition and send all documentation back to customer.

## **3.0 PURCHASE REQUESTS**

### **3.1 INTRODUCTION**

This section will guide you through the preparation and coordination process of a Purchase Request (PR) highlighting the information that must be completed and submitted with your PR. The requiring activity is responsible for preparing the Purchase Request (PR) Package. It is a NAVSUP FLCPH requirement that PRs provided to the Contracting Office be clear, complete, and comprehensive; written in a format that can be readily transformed into solicitations and contracts. Although the PR documentation assembled by the requiring activity comprises much of the RFP that NAVSUP FLCPH KOs will issue for the solicitation, only KOs have the authority to bind the Government. In order to properly carry out this task, KOs must ensure that all requirements of law, executive orders, regulations, and other procedures are met.

The PR may be for new work or a modification to an existing contract for administrative purposes, adding new work, or a funding action. It is used to describe your requirements. We can only buy what you identify in writing. Therefore, please help us by providing an accurate description of all supplies or services to be procured. Include attachments such as component lists if possible. In addition, please do not refer us to a market research quote on the PR document; the PR should include your full product description. This will help to ensure timely processing of your requirements.

The preparation of a PR for procurement should be initiated as early as possible in advance of the required contract award date to allow adequate time for soliciting data, obtaining key decisions, coordinating competency reviews and obtaining external/internal approvals. Once the

PR Package has been submitted to the KO, all exchanges with industry should be initiated and led by the KO and not the requiring activity.

### **3.2 PREPARATION OF PURCHASE REQUESTS - GENERAL**

The next two pages will walk you through preparation of a PR. Other samples are contained within the individual sections covered later in this guide. If you are unsure of any particular area, please contact FLCPH at the phone numbers listed on page 5.

1. FLCPH will accept the following purchase request documents: NAVCOMPT 2276, MIPRS, and DD1149 (Fleet requirements only).

2. A sample of the NAVCOMPT Form 2276 and MIPR are provided. Note: FLCPH is not responsible for erroneous or inadequate purchase authority. Suggest pre-coordination with appropriate contracting and financial management offices as part of preparation.

## **NAVCOMPT Form 2276**

	<b>BLOCK</b>	<b>ENTRY</b>
A	Requisition Number Priority	Self-explanatory
B	Date Required	Latest possible acceptable date to meet operational requirements
C	Priority	The urgency of need of the end use requirement specified based on the requisitioner's Force/Activity Designator (FAD) ( <i>Refer to section on Requisition Priority Designators</i> ).
D	From	Name, Organization and address of requesting activity
E	For Details Contact	Must include two points of contact, telephone numbers and e-mail addresses.
F	To	Name, Organization and address of contracting activity
G	Mail Invoices To	Name, Organization and address where invoices are to be mailed to.
H	Appropriation Data Description	Complete line of accounting to include fund code
I	Purchase Description	<p>Adequate purchase description which sets forth the essential physical and functional characteristics of the supplies or services required. A purchase description should include the following characteristics, as necessary, to describe the Government's minimum requirements:</p> <ul style="list-style-type: none"> <li>• Common nomenclature;</li> <li>• Electrical data, if any;</li> <li>• Intended use, including location within assembly</li> </ul>



		<ul style="list-style-type: none"> <li>• and essential operating conditions;</li> <li>• Other pertinent information, that further describes the item, material or services required;</li> <li>• Kind of material (i.e. type, grade, alternatives, etc.);</li> <li>• Dimensions, sizes or capacity;</li> <li>• Equipment with which the item is to be used;</li> <li>• If a vendor part number is cited, provide the manufacturer part number</li> </ul>
J	Suggested Source of Supply	<ul style="list-style-type: none"> <li>• Name, address and telephone number of the suggested source of supply. If possible, please provide a point of contact and extension as well. Requiring Activity POC Name, Telephone Number and email address. Distribution of Award: Names, email addresses</li> <li>• WAWF – Routing Table information, also LPO and Acceptor Name, Email, Telephone &amp; Role (LPO or Acceptor)</li> </ul>
K	Quantity / Unit of Issue	Quantity and unit of issue of the supplies or services being requested
L	Unit Price / Extended Price	Unit price and extended price of each supply or service being requested
M	Signature	Signature of authorized requesting activity official



# MIPR DD FORM 448

MILITARY INTERDEPARTMENTAL PURCHASE REQUEST					1. PAGE 1 OF 1 PAGES	
2. FSC		3. CONTROL SYMBOL NO.		4. DATE PREPARED		5. MIPR NUMBER
7. TO:		8. FROM: (Agency, name, telephone number of originator)				
9. ITEMS <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING <input type="checkbox"/> HAS <input type="checkbox"/> HAS NOT BEEN ACCOMPLISHED.						
ITEM NO. a	DESCRIPTION (Federal stock number, nomenclature, specification and/or drawing No., etc.) b	QTY c	UNIT d	ESTIMATED PRICE e	ESTIMATED TOTAL PRICE f	
10. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.						11. GRAND TOTAL
12. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's plant)				13. MAIL INVOICES TO (Payment will be made by)		
				PAY OFFICE DODAAAD		
14. FUNDS FOR PROCUREMENT ARE PROPERLY CHARGEABLE TO THE ALLOTMENTS SET FORTH BELOW, THE AVAILABLE BALANCES OF WHICH ARE SUFFICIENT TO COVER THE ESTIMATED TOTAL PRICE.						
ACRN	APPROPRIATION	LIMIT/ SUBHEAD	SUPPLEMENTAL ACCOUNTING CLASSIFICATION		ACCTS STA DODAAAD	AMOUNT
15. AUTHORIZING OFFICER (Type name and title)			16. SIGNATURE		17. DATE	

DD Form 448, JUN 72

PREVIOUS EDITION IS OBSOLETE.

Reset

Adobe Designer 7.0

### **3.3 PROCUREMENT PACKAGE**

The primary purpose of the Procurement Package is to provide NAVSUP FLCPH with the technical requirements (description, quantity, Statement of Work (SOW)/Performance Work Statement (PWS) specification, delivery schedule, inspection and acceptance, etc.) to be incorporated into planned Request for Proposals (RFPs) and contracts for supplies and services.

PRs should be accompanied by a complete procurement package. A complete package must include all of the following mandatory items listed in the below checklist. Select Non-mandatory items determined necessary for your requirement.

#### **A. GENERAL REQUIREMENTS - SUPPLIES AND SERVICES: (MANDATORY ITEMS)**

- ☐ **MANDATORY SOURCES** and Items requiring special attention. A list of government mandated sources that must be checked and or/used before you can contract to a local vendor for the supply or service. (U.S. ONLY)
- ☐ **MARKET RESEARCH** shall be conducted to identify potential socioeconomic opportunities, market availability, technical characteristics, and price.
- ☐ **COMPLETE PURCHASE DESCRIPTION** sets forth the required essential physical and functional characteristics of the supplies/service required.
- ☐ **PURCHASE REQUEST FORMS/FUNDING DOCUMENT** provides Purchase Requests Forms and Instructions that you will need to purchase supplies and/ or services. Should be accompanied by Funding Acceptance document.
- ☐ **INDEPENDENT GOVERNMENT COST ESTIMATE** helps estimate the fair market value of item/service & determine reasonableness of contractor's cost.
- ☐ **ITEM DESCRIPTION (if applicable)** are normally sufficient when purchasing only supplies (services are not involved)
- ☐ **PERFORMANCE WORK STATEMENT/STATEMENT OF WORK (if applicable)** describes what has to be accomplished without describing how the job must be done. For example, a task that requires a contractor to design a system to best meet the needs of the customer is performance oriented. It leaves the "how to" to the contractor. A performance-based description emphasizes acceptable results (Output).
- ☐ **WIDE AREA WORK FLOW (WAWF) TABLE** This only applies if your command uses WAWF. If not, document that WAWF is not used by your command and state the reason why and what the method of payment will be.

#### **B. CIRCUMSTANCES THAT MAY REQUIRE ADDITIONAL INFORMATION ON EACH INDIVIDUAL REQUIREMENT. INCLUDE THE FOLLOWING ITEMS ONLY IF DETERMINED NECESSARY.**

- ☐ **SOLE SOURCE Justification** is required when market research shows that you may only acquire supplies/services from a single source, limited source, or for a brand name specific product.

- ☐ **URGENCY** Justification is required when unfilled requirements for supplies/services will result in work stoppage, or are mission critical and routine processing time would result in injury to Government.
- ☐ **ECONOMY ACT** is required when FLC must contract through another Government Agency.
- ☐ **SECURITY** or DD Form 254 (MS Word or PDF compatible): required for classified contracts.
- ☐ **CDRL** or DD 1423 (MS Word or PDF compatible): List of data requirements that are authorized to be acquired for a specific acquisition and made part of the contract.
- ☐ **COR NOMINATION** If required, a Contracting Officer Representative is nominated to monitor contractor support services including orders under indefinite delivery type contracts for other than contracting support services (e.g. Hardware requirements, surveillance or technical discussions).
- ☐ **CONTRACT ADMINISTRATION PLAN** is required when COR is nominated or appointed under a contract.
- ☐ **LEASE VS. PURCHASE** determination is used when requiring agency contemplates leasing or purchasing equipment through their contract.
- ☐ **BALANCE OF PAYMENTS (BOP) PROGRAM** applies to acquisitions of supplies for use outside the United States.
- ☐ **ENVIRONMENTAL PROTECTION AGENCY (EPA)** Some items require special environmental attention. Customers shall be aware of “buy-recycled” program when determining their procurement needs.
- ☐ **OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION (OSHA)** Specifies appropriate clauses for shipping/marketing and handling of Hazardous materials and any other safety requirements.
- ☐ **GOVERNMENT FURNISHED PROPERTY (GFP)** If a contractor is authorized to use any GFP, a detailed list of GFP must be furnished with RCP, include time frame needed and value of GFP.
- ☐ **INFORMATION TECHNOLOGY-RELATED PROCUREMENTS** Discusses review of requirements for all prospective IT procurements in excess of \$ 25,000 up to and including \$1M.
- ☐ **BUY AMERICAN ACT. Supplies and Construction Materials** restricts the purchase of supplies that are not domestic end products.
- ☐ **LABOR CATEGORY DESCRIPTIONS** for service type contracts, identify the labor category descriptions to be incorporated into the contract.

### **3.4 ROUTING OF PURCHASE REQUESTS THROUGH FDM**

Procurement packages are submitted electronically through the NAVSUP Funding Document Manager (FDM). The Funding Document Manager (FDM) application has been developed to provide a cost effective means of receiving, accepting/rejecting, and routing the direct citation funded documents. The FDM application accepts data previously identified as “cover sheet data”

and provides the ability to attach supporting purchase documentation for comptroller review. Once the document is accepted or rejected, the document is routed to the designated contracting office and an email is sent to the customer notifying them of the reviewer's decision. To access the NAVSUP Funding Document Manager, type the following URL into your internet browser and hit enter: <https://www.navsup.navy.mil/fdm>

- There are six major areas in the NAVSUP Funding Document Manager:
  1. **Submission Form** – used to submit funding document data for review
  2. **Financial Review Queue** – used to review funding documents for approval or rejection
  3. **Contracting Office Queue** – used by contracting office to print RCPs after review
  4. **Customer Accounts** – used by financial analysts to retrieve Reimbursables after review
  5. **Status of Requisition** – used to determine status of document (pending, approved, rejected)
  6. **Reports** – used to run reports on funding document data

The Submission Form requires the user to provide Submitting Activity Information, Document Information and an attachment that contains the funding document itself. The Submission Form is where the physical documentation should also be attached. This includes the IGCE, PWS, justifications, market research, etc. A maximum of three (3) attachments are allowed. Attachments should be no larger than 10 MB. Please refer to the *NAVSUP Funding Document Manager Guide* for additional information on how to submit procurement packages through FDM.

**Tracking Your PR.** Always keep a copy of your PR and note the number in the upper right hand corner. You may contact the respective buyer that handles your type of purchase to obtain status of your PR. If unsure which buyer has your PR, call 473-7588. Be prepared to provide the PR number, brief description of the item or service, and the approximate date your PR was sent to FLCPH action, to help us locate misdirected PRs. Allow a minimum of three (3) working days after submission before following up on your PR. The three (3) days is necessary to allow time for the PR to flow through the FDM system.

### **3.5 EMERGENCY AND URGENT REQUESTS**

FLCPH will process all emergency and urgent PRs on a case-by-case basis. Urgent requirements are supplies or services that will result in a work stoppage, or are mission critical and the routine processing time would result in injury to the government. All emergency and urgent PRs must have written justification if we are expected to contract for the item in five (5) days or less.

1. When you start preparing an emergency or urgent PR, keep in mind that PRs with a shorter required delivery time are apt to cost more than usual for accelerated delivery of the needed supplies or services. Be sure to include extra money for the accelerated delivery on the PR (use 20 percent as a general rule of thumb).



2. In order for us to authorize your requirement to, in effect, jump to the head of the line, you must provide a written justification for doing so. The justification should state what impact there would be on the organization's mission and what adverse effect would result if the time requirements were not met and the special circumstances and conditions that exist validating the requirement as an "urgent". The requests for emergency or urgent handling of PRs must be signed by the organizational commander.

3. Emergency or urgent requests can be hand-carried or faxed. If you fax your requirement, please call FLCPH and advise them that an urgent requirement is on the way. Good two-way communication is key to our success!

### **3.6 SOLE SOURCE OR BRAND NAME REQUESTS**

Sole Source purchases occur when the required supplies or services can be bought from only one source, thereby eliminating all competition. Brand Name purchases occur when the PR identifies a specific commercial vendor's product, which can be obtained from either a single or numerous dealers/distributors. Keep in mind that when using "brand name or equal" to identify an acceptable product, you **MUST** identify those specific salient characteristics which the technical evaluator will use to assess the acceptability of proposed "equal" substitutions. If an "equal" product cannot be accepted, a Brand Name justification is required.

1. Since sole source and brand name justifications violate the requirement to procure items using full and open competition procedures, requests for Sole Source and Brand Name purchases must be accompanied by either the Justification for Sole Source (Open Market <SAT), Justification and Approval (Open Market >SAT) or Limited Source Justification (GSA/FSS) signed by the technical or requirements cognizance. *Please note regulations require us to publish all J&A's.*

***\*\*Please use discretion when including any sensitive/proprietary data in composing the J&A.\*\**** Depending on dollar value, the Contracting Officer, Competition Advocate, or Head of the Contracting Agency must approve the justification.

#### **Valid reasons for a sole source are:**

- Repair parts only available through equipment manufacturer (market survey or market research has been conducted)
- Compatibility with existing equipment (requires documentation of existing equipment value and special features, which no other manufacturer can provide)
- The source can / has established proprietary rights in the item or service required
- The work is so closely related to that of an on-going contract that it would not be feasible to consider another potential contractor
- Similar products lack features that are necessary to meet the Government's minimum needs or other contractors are not qualified to perform necessary services (specific, detailed features or qualifications must be provided in the purchase description or statement of work)

- Compliance with the agency's standardization program (e.g. Shipboard Copier Program (SCP))
- National Security - disclosure of the agency's needs would compromise the national security

**Reasons sole source may not be based are:**

- Lack of advanced planning by the requiring activity; or
- Concerns related to funds expiration or the amount of funds available to the activity

2. It is the responsibility of each activity to provide and certify accurate data necessary complete necessary data to support the recommendation for sole source procurement. Each justification shall contain sufficient facts and rationale to justify sole source procurement. It must have a full explanation as to why the item, or in the case of services, the vendor, is the only one that will satisfy the government's requirement to the exclusion of all others. Statements such as "only known source", "only source that can meet required delivery date" or "do not substitute" are not adequate. *"Urgency" is not a justification; "Must be compatible with existing equipment"* is not enough information to constitute a valid sole source justification. An adequate sole source justification must include the following minimum information:

- The intended use of the item or service
- A description of the item to include the critical or unique characteristics of the material or service which are mandatory that limit the requested item to a sole source.
- The reason why no other source can furnish the requested item (e.g. patents, copyrights or other proprietary data).

*NAVSUP FLC has developed justification forms that must be used to document your sole or limited sourcing. These forms will assist you in addressing the mandatory issues required when documenting a sole source justification, and obtaining the required approval signature within your activity.*

### **3.7 PREPARATION OF AN ITEM DESCRIPTION / PERFORMANCE WORK STATEMENT (PWS)**

The Item Description (Supply) or PWS (Service) shall obtain specific technical requirements that the contractor must meet in the performance of the contract. As such, the person best qualified to write the Item Description/PWS is one who has the necessary technical knowledge and experience in the subject matter. For example, an air conditioning mechanic or engineer would have the technical expertise to write a PWS for the repair of a chiller for a building's air conditioning system. The PWS must be submitted in the proper format.

Item Descriptions/PWS become part of the contract and are binding upon the government and the contractor. Therefore, they should be written as simply as possible, while stating the



requirements clearly and unambiguously. Use the word “shall” rather than “will” when specifying what the contractor must do. Avoid words such as “any”, “either” and “and/or.” Be consistent in terminology, especially when referring to technical terms.

Item Descriptions are normally sufficient when purchasing only supplies (services are not involved.) In order for us to meet your needs, you must provide an adequate description of the desired supply or equipment items. The description must include sufficient detailed information/specification to enable the buyer to identify the items required and to determine the appropriate contracting action. Give us the information we need to buy what you need! The purchase description should include the following (as applicable):

- Common nomenclature (do not use abbreviations)
- Kind of material (i.e., type, grade, color, any acceptable alternatives, etc.)
- Electrical data or operating characteristics, if any
- Dimensions, size or capacity
- The item’s intended use, including location within an assembly, equipment, or ship’s spaces and essential operating conditions
- Equipment with which item will be used or must be compatible with
- Drawings, sketches and any other information that are considered necessary to ensure proper identification of what is required
- Original Equipment Manufacturers (OEM) part number, if applicable
- Name of **suggested source(s)** and telephone number(s) (if known)

The PWS must be a clear and concise document that emphasizes the use of non-Government specifications and standards. A PWS describes what has to be accomplished without describing how the job must be done. For example, a task that requires a contractor to design a system to best meet the needs of the customer is performance oriented. It leaves the "how to" to the contractor. A performance-based description emphasizes acceptable results (Output).

Accountability for final outcome is placed on the Contractor who will be responsible for achieving the required results. PWS gives offerors the opportunity and flexibility to use their expertise while absorbing a greater share of the risk for contract performance.

As a general guideline the following areas should be included in the PWS, if applicable:

- **General Information** - Includes background, a description of the scope of work, personnel requirements (uniforms, special licensing, etc.), quality control, quality assurance, physical security, hours of operation, conservation of utilities, record keeping, period and place of performance, technical POC(s), etc.
- **Definitions** - Includes technical or unique terms.

- **Services Summary/Performance Metric** - normally used if requirement is \$250K or more annually. It lists the performance objective and the performance threshold.
- **Government-Furnished Property and Services** - A listing of government-furnished property and/or services should be included if furnished for the contractor's use in the performance of the contract.
- **Contractor-Furnished Items and Services** - Includes a description of contractor-furnished items and services that are specific items required in contract performance.
- **Specific Tasks** - A detailed description of what the contractor is required to perform should be included in Specific Tasks. Do not take anything for granted. Try to identify performance requirements. Try to identify the end product/condition without detailing the step-by-step process needed to get to the end product or condition.
- **Attachments** - Includes drawings or maps.

Listed below are a few additional questions to ask when developing the PWS to ensure it covers the required need:

- Does the PWS avoid specifying the number of contractor employees required to perform the work (except when absolutely necessary)?
- Does the PWS describe the outcomes (or results) rather than how to do the work?
- What constraints are placed in the PWS that restrict the contractor's ability to perform? Are they essential? Do they support the vision?
- Does the PWS avoid specifying the educational or skill level of the contract workers (except when absolutely necessary)?
- Can the contractor implement new technology to improve performance or lower cost?
- Are commercial performance standards used?
- Do the performance standards address quantity, quality, and/or timeliness?
- Are the performance standards objectives easy to measure and timely?
- Are there incentives to motivate contractors to improve performance or reduce costs?
- Are there disincentives to handle poor performance?
- Will the contractor focus on continuous improvement?
- Is the assessment of quality a quantitative or qualitative assessment?
- Would two different CORs come to the same conclusion about the contractor's performance based on the performance standards objectives?
- Are Acceptable Quality Levels (AQLs) clearly defined?
- Are the AQL levels realistic and achievable?
- Will the customer be satisfied if the AQL levels are exactly met? (Or will they only be satisfied at a higher quality level, or a lower level?)
- Are the individuals who will perform the evaluations identified?

**Table 5: Key Elements of a good PWS:**

- Specify and clearly define what you want accomplished.
- State your technical and schedule requirements in terms of desired results.
- Clearly establish deliverables (what it is you want from the contractor) and other reporting requirements.
- Any mandatory requirements should be limited to the Govt's actual minimum needs.
- Be careful not to state tasks in a vague manner.
- Cite only required references and leave out unnecessary requirements.
- Avoid incomplete or unclear task descriptions that may be misinterpreted or inconsistently applied.
- Do not over specify the requirement(s). Let the offeror provide the best method of attaining the desired outcome.

**NOTE: Please be sure to contact FLCPH in the early stages of your requirement to get assistance developing your SOW/PWS.**

## **4.0 CONTRACT ADMINISTRATION**

### **4.1 INTRODUCTION**

The contracting process does not end with the award of a purchase order, contract, or delivery order. The purpose of this section is to describe your role as the designated Technical Point of Contact (TPOC) or Contracting Officers Representative (COR). These roles are to complete the cycle and verify that YOUR needs are satisfied. If they are not being met, we need to be notified ASAP so we can take appropriate corrective action.

### **4.2 RESPONSIBILITY FOR CONTRACT ADMINISTRATION**

The administration of purchase orders, delivery orders, and contracts is a joint responsibility between the customer and FLCPH. The purpose of the Technical Point of Contact (TPOC)/Contracting Officer Representative (COR) is to ensure the terms and conditions of the contract are followed. Do not call to check on the status of the order prior to the date specified in Block 20 of the contract award document. However, if you do not receive your supply or service by the required delivery date and have already attempted to contact the contractor directly to obtain status, please contact the identified KO.

### **4.3 INSPECTION AND ACCEPTANCE**

If you or another designated representative receives the supplies or services, an inspection and receiving document must be signed if the delivery meets contract requirements. Acceptance in Wide Area Workflow (WAWF) is the method that attests to the fact the supply or service has been delivered or performed in accordance with the contractual document and immediate payment is authorized. Acceptance is the government's acknowledgement that it has taken ownership of a particular contract output/product; and entitles the Contractor (KTR) payment

and usually transfers the risk of loss of the work from the KTR to the government. Acceptance in WAWF should be completed immediately upon receipt of the product or completion of the required work unless the supply/service is unsatisfactory. The contractor cannot be paid until you sign off on the inspection and receiving reports.

1. Failure to accept the contractor's invoice in WAWF in a timely manner can result in loss of a prompt payment discounts along with loss of goodwill with the contractor. Keep in mind your delay may cost the government money.
2. If a discrepancy or question arises during the inspection and receipt of product or services, contact the KO identified on the contract instrument immediately. **DO NOT** accept the invoice in WAWF until you are completely satisfied that the contractor has fulfilled its responsibilities under the purchase order or contract.

#### **4.4 ACTIONS AGAINST UNSATISFACTORY PERFORMANCE**

For complex contracts or any service contract, the KO helps you to closely monitor contractor performance. In the event of unsatisfactory performance, several courses of action are available. Listed below, from least to the most serious are:

**1. Initial Discussion.** The KO will normally conduct a discussion with the contractor in an attempt to resolve discrepancies in performance. These discussions are documented for possible later reference.

**2. Cure Notice.** Continued unsatisfactory performance will result in the KO issuing a "Cure" notice. This notice reflects the unsatisfactory performance areas and prescribes a fixed number of days (cannot be less than ten days) within which performance must be corrected.

**3. Show Cause Notice.** Failure to satisfy a "Cure" notice will result in the KO issuing a "Show Cause" notice. Here the contractor is put on notice that his/her contract is being considered for termination for default (or breach) of contract. Usually the only cause for retraction of this notice is if the contractor positively corrects the inadequate performance and can prove that he/she has taken steps to prevent a recurrence. Otherwise, termination will be the next step.

**4. Termination for Cause or Default (or Breach) of Contract.** This is the final step in contract enforcement. Contracting Officers are extremely cautious in ensuring that the government has a proof-positive case against the contractor before initiating this action. Incorrectly terminating a contract would subject the government to possible liability for claims (\$\$) filed by the contractor. This type of termination holds significant consequences for the contractor to include financial liability for all Reprocurement costs sustained by the government, including the difference between his/her contract price and

that of the new (reprocured) contract. Additionally, it affects chances of obtaining any future Government contract awards.

**5. Termination of Contracts for Convenience of the Government.** All contracts contain a clause under which the government may terminate at its own convenience and through no fault of the contractor. An action of this nature usually stems from a change in the government's requirements. Termination for convenience may involve legal and settlement costs incurred by the contractor to compensate for expenses incurred in anticipation of contract performance.

#### **4.5 EQUIPMENT WARRANTIES**

The TPOC, COR, or designated representative will be responsible for the following:

- Maintain an accurate file on all current warranties and shipping documents.
- Advise FLCPH when an item is processed for repair if it is warranted or guaranteed.
- Insure that the warranty or guarantee accompanies any warranted or guaranteed item processed for repair.
- Provide a PR to cover the cost of items needing repair if they are not covered by a warranty.

#### **5.0 ADDITIONAL PROCUREMENT-SPECIFIC INFORMATION**

##### **5.1 IGE VS. IGCE**

A Commercial Supply "Independent Government Estimate (IGE)" is much less complicated than the IGCE for a service contract and is considered a "Price Estimate." The **Price Estimate** - is generally used for supplies, equipment, and simple services that are routinely available on the open market at competitive prices. The price estimate is **required** on all contract requirements over the simplified acquisition threshold and must be "independently" developed based on a comparison and analysis of factors such as published catalogs prices, historical prices paid, market survey information, vendor price quotes, etc. Typically, the KO or Contract Specialist (CS) can help you research for "pricing" information. It is a matter of determining the market value of an item and using that figure as the IGE, documenting your research, then furnishing this information along with your funded requisition to the contracting office. The IGE should include an explanation of how it was developed and it should be tied to the market research you've already conducted. IGE can be developed using numerous methods including:

- **General Services Administration (GSA) schedules.** The schedules are pre-priced and awarded to multiple firms for specific products or services. GSA schedules may be found at <http://www.gsaadvantage.gov/>
- **Published price lists.** This is a listing from an individual company that is published for use by the general public.

- **Catalog pricing.** This is a pricing arrangement such as a J.C. Penney's catalog.
- **Market survey.** A market survey is comparison of the prices offered within the local area for an item. This action is normally developed in conjunction with the KO. (See details for Market Survey under a separate subject at this website).
- **Previous buys.** This is simply a comparison of previous purchases of the same item assuming comparability in quantities, conditions, terms, and performance times. Adjustments should be considered for inflation, etc., when appropriate.

An Independent Government Cost Estimate (IGCE) is different from an IGE. The IGCE is a cost estimate developed by the Government Requiring Activity, based on the requirements of the Performance Work Statement (PWS) or Statement of Work (SOW). An IGCE is required for every new service acquisition that exceeds the simplified acquisition threshold (SAT).

The IGCE is the Government's estimate of the resources and projected cost of the resources a contractor will incur in the performance of a contract. These costs include direct costs; such as labor, supplies, equipment, or transportation and indirect costs; such as labor overhead, material overhead, as well as general and administrative (G&A) expenses, profit or fee. The estimate submitted with the procurement request shall include a basis for the Government's estimate using current validated data, whether at the price level or at the cost element level. A brief narrative of how the costs were developed and what reference material was used should be provided with the completed IGCE along with name, title, and signature of the estimator and an approving official. It also helps the KO determine the reasonableness of a contractor's cost and technical proposals and gain assurance that there is a "meeting of the minds" between the customer and contractor regarding the scope of the contract. If discussions or negotiations are necessary prior to contract award, the IGCE assists in developing and presenting the customer's position. The IGCE is for Government Use Only and shall not be made available to contractors. When preparing the IGCE you must identify the cost for each performance year (Base plus options). Also, do not base the IGCE on a contractors cost/price estimate.

In the narrative of the IGCE, the five primary questions to be answered are:

1. How was the estimate made?
2. What assumptions were made?
3. What information/tools were used?
4. Where was the information obtained from?
5. How did previous estimates compare with prices paid?

## **5.2 MARKET RESEARCH**

Market Research (MR) is the foundation for building an effective solicitation and a successful contract. In accordance with the Federal



Acquisition Regulation (FAR) 12.101 it is requested that the technical user conduct market research to substantiate whether the supplies/services are commercially available.

MR is done throughout the acquisition process, beginning with the mission needs statement. The level of specificity and scope varies at different points, but market research is a continuous process. MR, done early in the acquisition process, also provides information about commercial practices that you can use to shape the acquisition strategy, support and test plans, product description, PWS/SOW, evaluation factors, and contract terms and conditions.

If MR is done early in the acquisition process it is possible to compare your activities need to the capabilities of the commercial market and to determine:

- The availability of products to meet the requirement as is,
- The ability of suppliers to modify their products to meet the user's requirement, and
- The flexibility of users to modify their requirements to allow the purchase of commercial items, commercial services, or non-developmental items.
- Early indications of achievable performance parameters, i.e., the flexibility of users to modify their requirements to allow purchase of commercial/non-developmental items,
- Budget and schedule requirements of when commercial items and practices will be available, and a preliminary acquisition strategy

Provide all the information collected by your activity in your market research into suggested sources. A market survey is simply finding out which companies can provide what you're looking for. Searching for sources via the Internet, reviewing product literature, reading technical journals, or contacting sources over the phone can accomplish market research. Describe and document any market survey conducted.

Market research **should not include** a request for pricing information unless it is readily available to the public, such as a published price list or catalog. Include companies contacted and the information they provided, especially if it concerns a sole source requirement. **DO NOT FURNISH** a vendor's quote as the Government's specification. If your requisitions must be forwarded for approval, ensure any attached documents are not removed during the approval process. FLCPH needs all relevant background information along with your funding document to ensure we procure items meeting your requirements. Remember - There is no "one size fits all" approach; market research must be adapted to fit the circumstances.

### **Special Note: Communicating with Vendors**

The first time you will need to communicate with potential offeror is during the acquisition planning and market research stages. You should ask questions in generic terms and try to find out as much as you can about industry practice, as well as products and services that are available. If you do give information to a potential offeror about a specific upcoming procurement, it needs to be made public as soon as practicable. Finally, take care not to provide information that gives one potential offeror a competitive advantage over others because it is



critical to maintain fairness and a level playing field in terms of information. If you are developing a PWS take care not to reveal any company's proprietary information or unnecessarily restrict the solutions being offered.

**Table 6: PWS mistakes to avoid**

**Don'ts**

- Provide source selection information or proprietary proposal information to any contractor (except as narrowly permitted by the Procurement Integrity Act).
- Provide special favors or consideration to any contractor either directly or indirectly.
- Place personal gain or privilege above the faithful performance of their duties as government officials.
- Retaliate or discriminate against a contractor who files a protest or claim against the government.
- Engage in any conduct that is prohibited by the Government-wide Ethics Regulation and the Defense Department JER

### **5.3 REVERSE AUCTION TOOLS**

A reverse auction is a process for pricing contracts supported by an electronic tool where offerors bid down, as opposed to the traditional auction which requires buyers to submit sequentially higher bids, the main goal of which is to drive prices downward. Reverse auctions work best in a highly competitive marketplace when requirements are recurring and simple. When requirements can be awarded on a Lowest Price Technically Acceptable (LPTA) basis and result in fixed-price agreements.

On November 14, 2014 the Commander, Naval Supply Systems Command (NAVSUP) issued NAVSUP Policy Letter 15-002 directing contracting officers located in the Contiguous United States (CONUS) including Hawaii with contracting authority received from the NAVSUP HCA to use reverse auctions for all Competitive Firm Fixed Price (FFP), Commercial Off-The-Shelf (COTS) supply item acquisitions with estimated values from \$25,000.00 up to the simplified acquisition threshold.

Several public and private providers of reverse auction tools are available. However, DOD reverse Auctions are most frequently accomplished using the FedBid reverse auction tool ([www.fedbid.com](http://www.fedbid.com)).

### **5.4 FURNITURE REQUIREMENTS**

Designing and ordering "systems furniture" or "furniture systems" can be a complicated and confusing process so only a small overview is presented here in this guide. Contact us to discuss



your systems furniture requirements. We will provide you with an explanation of the furniture buying process.

**A. UNICOR/ FEDERAL PRISION INDUSTRIES (FPI) ORDERING GUIDELINES:**

Regulations identify Federal Prison Industries d/b/a UNICOR as a mandatory source of supply for systems furniture. This expedites and simplifies the acquisition of furniture. Before purchasing a product listed in the FPI Schedule, the customer and/or buyer shall conduct market research to determine whether the FPI product is comparable to products available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery (10 U.S.C. 2410n).

The KO must prepare a written determination that includes supporting rationale explaining the assessment of price, quality, and time of delivery, based on the results of market research comparing FPI products to those available from the private sector. This is a unilateral determination made at the discretion of the KO.

If the FPI product is comparable, purchase the item from FPI following the ordering procedures at <http://www.unicor.gov>, unless a waiver is obtained in accordance with FAR 8.604.

If UNICOR is unable to meet the request, the Contracting Department will purchase the system furniture through the Navy's suite of Blanket Purchase Agreements (BPAs) awarded by the Fleet Logistics Center, Norfolk, to General Services Administration (GSA) Federal Supply Schedule contract holders which are available for Navy-wide use. Please contact the FLCPH contracting office for more information.

**B. FURNITURE BPA:**

The Navy Furniture BPAs are currently a DON mandatory source for the acquisition of office and dormitory & quarters furniture per the DON Furniture Acquisition Policy Memo dated 26 September 2011 found on the NAVSUP Contracting Knowledge Site (CKS) - DON Strategic Sourcing Program; Mandatory Solutions – Navy Furniture BPA - POLICY – DON Acquisition Policy.

However, the furniture BPAs are NOT mandatory for OCONUS. According to Enclosure 11 of the NAVSUP Contracting Handbook dated 25 April 2018, Hawaii and Alaska are considered OCONUS. The NAVSUP policy memo dated 1 May 2015, NAVSUP Enterprise Acquisition Policy Regarding Furniture Procurement Outside the United States, gives activities exercising NAVSUP contracting authority outside the United states exemption from the mandatory use policy and are authorized to purchase furniture, for use outside the United States, from local sources.

The BPAs aid customers in finding sources that can support design services and installation of furniture. The BPAs provide a great deal of flexibility in procuring furniture that meets

customer's specific requirements and delivery schedules. Although competition is required, under certain circumstances the FAR allows for different justifications in order to match existing furniture. These justifications can be used in conjunction with the BPAs. Additionally, the BPAs do not include shipboard furniture. Ships are also exempt from the mandatory use of DON BPAs.

Purchase Requests for furniture and furniture components should be accompanied by a product list or detailed purchase description. Purchase Requests for furniture/office relocation requirements must include a list of all furniture and equipment to be moved, to include estimated weights, and the current location and destination. Any obstacles that may be encountered, i.e. stairs, oversized furniture/equipment, limited access to a facility, etc., shall be listed. You should list a suggested source "or equal" and provide a sufficient description of what constitutes an "or equal" product. Please note requests for carpet installation requirements must be submitted to NAVFAC.

### **5.5 VEHICLE RENTALS**

NAVSUP contracting authority may be used for short term leases for **120 days or less**. This is intended to provide the commanding officer of the activity with the flexibility to meet peak or unplanned vehicle needs and is authorized by DODM 4500.36 series, Acquisition, Management, and Use of DoD Non-Tactical Vehicles.

Activities are to submit requests for all vehicles to be leased for **more than 120 days** to the cognizant NAVFAC Transportation Equipment Management Center (TEMC) for approval. The requesting activity must provide adequate written justification and an approved claimant allowance for the equipment code requested. After all required approvals are obtained the lease should be executed by a NAVFAC contracting activity such as the activity public works officer/officer in charge or a NAVFAC engineering field division. (Ref: FAR 7.4, DFARS 207.4, and NAVSUP Policy letter 13-004, 11 June 2013 03-29, DOD Instruction 7041.03 dated 09 Sep 2015, NAVSUP Contracting Handbook 7.4)

1. The Contracting Department at FLCPH contracts on behalf of its customers for the lease or rental of passenger cars and vans. Those vehicles may be used for official government purposes only and may not be diverted to personal use. Rental is for a specified period; and are provided for official government use only.

2. **Contract Extensions:** Any unauthorized holdover of vehicles beyond the contract rental period will result in additional charges and may result in personal financial liability. Customers are directed to contact their FLCPH KO at the earliest practical time in the event they believe an extension of the rental period might be required. The KO can, given adequate advance notice and funds, extend the contract via written or, in emergency situations, verbal modification. Failure to so notify the KO, or failure to notify him/her in a timely fashion, will result in an unauthorized

commitment and could result in personal financial liability. Notifying NAVFAC or the rental car company will not modify the contract nor extend the rental period. You must notify the KO.

**3. Personal Liability.** Military drivers do not have immunity from prosecution for traffic offenses. Do not speed. Do not violate parking restrictions. Drivers who get into accidents while driving government vehicles on official business are normally protected from personal financial liability under the Federal Tort Claims Act. However, drivers lose that immunity if they convert the vehicle to personal use by diverting from the mission, speeding, drinking, using drugs, etc. Personal financial liability and/or fines and jail time can result.

## **5.6 EQUIPMENT REPAIRS AND PREVENTATIVE MAINTENANCE AGREEMENTS**

1. Purchase Requests for **“Equipment Repairs”** must include the following:

- Manufacturer, model and serial number of equipment.
- Location of equipment.
- Malfunction or description of problem.
- Acquisition cost.
- Maximum Repair Allowance (MRA) - This is the maximum amount which can be spent on a single repair before the equipment is condemned as uneconomical to repair. If the MRA is not listed in a Technical Order, the MRA is normally 75% of the replacement cost. The MRA may only be exceeded if the equipment custodian provides written justification for excess repair costs.
- Expiration date of any existing warranty; and date of last repair.
- Whether on-site repair is required.

2. Purchase Requests for **“Preventative Maintenance Agreements (PMA’s)”** must include:

- Performance Work Statement (PWS) - The PWS must list the manufacturer, model and serial number of the equipment. Also, a description of the inspection standards and maintenance requirements, frequency of inspection and maintenance intervals, a list of replacement parts, any minimum or maximum response times, or any special handling procedures for emergencies shall be included in the PWS.
- Cost Benefit Analysis (CBA) - The CBA must be accomplished to determine if you should invest in a PMA or obtain one-time repairs when your equipment fails. The CBA considers the cost of repairs as well as the administrative costs to accomplish one-time repairs. When completing the CBA, you must attach copies of delivery tickets to substantiate past services performed on your equipment.

## **5.7 PRINTING AND DUPLICATION**

Contracting activities are not authorized to purchase printing or duplication services unless specifically approved in writing by the cognizant office of the Defense Automated Printing Service (DAPS). All questions concerning definitions of printing, duplicating, etc., should be referred to DAPS.

## **5.8 TRAINING REQUIREMENTS**

Purchase Requests for training requirements. Process non-government source training requests on a DD Form 1556 - Request, Authorization, Agreement, Certification of Training and Reimbursement, through the source of training. This form validates the training: (1) be open to the general public, (2) be regularly scheduled, and (3) have standard tuition, books, and fee charges. The DD Form 1556 must have ALL required coordination, to include the Financial Management Officer, completed prior to the training date. If training is received prior to all coordination being completed, a contract ratification action must be accomplished. If the source cannot meet all three conditions or the training is modified to meet government needs, a PR must be processed.

## **5.9 LIST OF PROHIBITED ITEMS & ITEMS REQUIRING SPECIAL ATTENTION**

The List of Prohibited and Special Attention Items for Simplified Acquisitions, is not intended to be all-inclusive of the items that may be prohibited or require special attention; however, it does cover those items for which there have been recurring issues or concerns over the years and which require further clarification regarding usage. There are times that law or statutes require special approvals or waivers before FLCPH can contract for certain types of requirements.

Acquisitions must be made in accordance with statutory and regulatory guidance. When KOs have doubts regarding the use of their discretion in conducting an acquisition, remember to consult with your local Office of Legal Counsel and other resources available to assist in making the best overall decision for the Government. Additionally, there are specific items that cannot be procured with appropriated funds. Appropriated funds are provided by Congressional Act and have been designated for specific purposes only. DON Simplified Acquisition Procedures (SAP) Guide dated April 2018, contains a list of items that have been identified as requiring "special attention." Screening your purchase requests against this list prior to submitting to NAVSUP Contracting Office, will prevent unnecessary processing days.

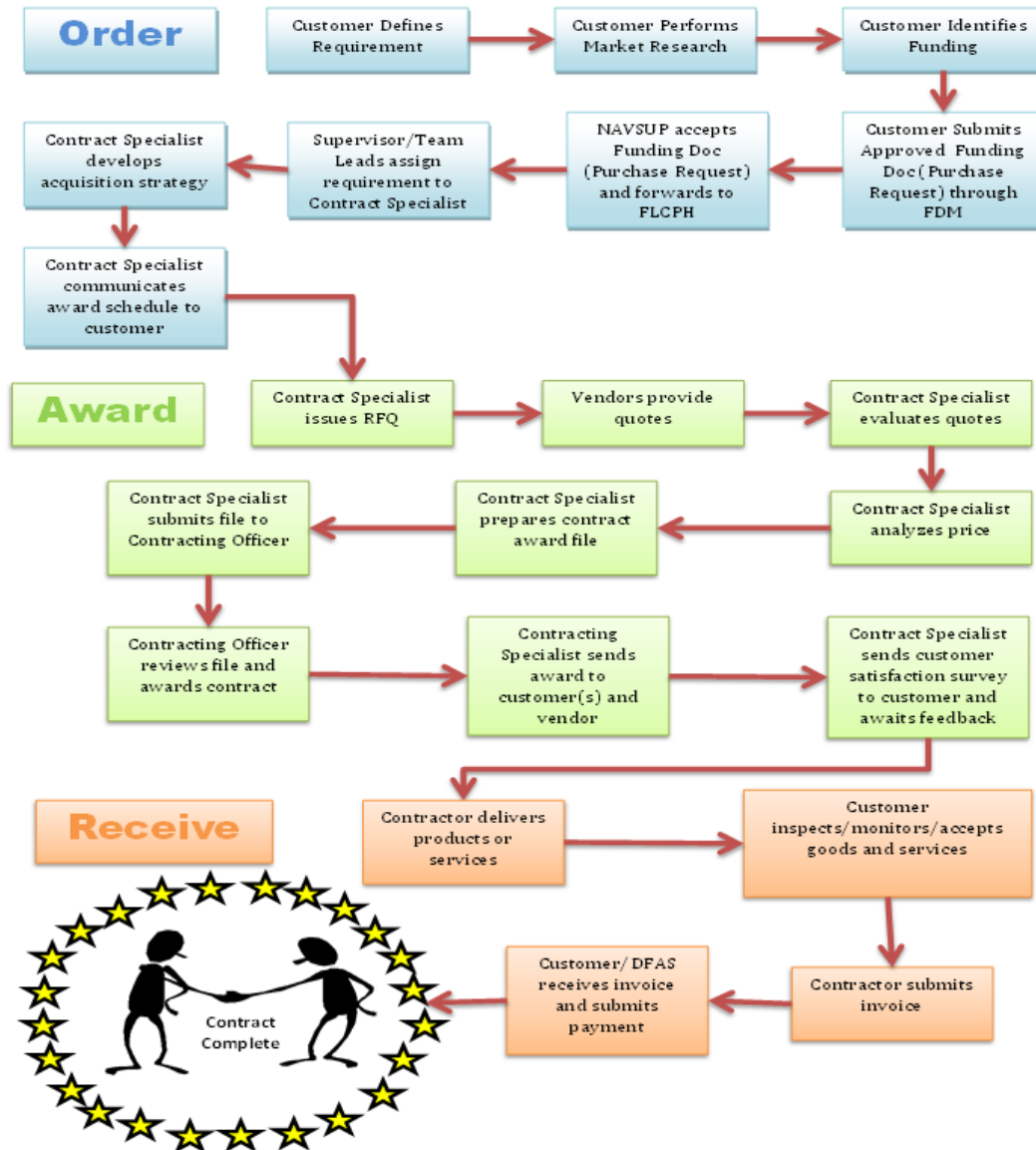
**Table 7: List of Items Requiring Special Attention:**

Appliances in the Workplace
Black Oxide Coated Brass Threaded Fasteners
Christmas Decorations and Other Seasonal Decorations
Business Cards, Calling Cards and Employee Identification Tags
Purchase of Commercial Vehicles
Construction and Other NAVFAC Services/Supplies
Entertainment
Exchange of Personal Property
Exchange /Non Appropriated Fund Instrumentalities (NAFI) purchases
Light Refreshments at Conferences
Lodging and Meals
Luggage
Membership Dues
Pesticides
Plaques, Ashtrays, Greeting Cards, Paperweights and Other Mementos as Give-Away
Plastics Aboard Ship
Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment
Transportation Airlift Assets
Transportation for Supplies or Personnel

## APPENDIX A

### PROCUREMENT CYCLE:

#### How Customers Order and Receive



**APPENDIX B:**  
**PERFORMANCE WORK STATEMENT (PWS) DEVELOPMENT CHECKLIST**

<b>1. Scope of Work</b>	<b>Yes/No</b>	<b>Remarks</b>
<ul style="list-style-type: none"> <li>Does the PWS clearly convey the intent and magnitude of the effort?</li> </ul>		
<ul style="list-style-type: none"> <li>Is there a clear link between the scope of work and the agency/ organizational mission?</li> </ul>		
<ul style="list-style-type: none"> <li>Are the most important aspects of the work clearly stated, rather than minor details?</li> </ul>		
<ul style="list-style-type: none"> <li>Have the requirements been “scrubbed” so that tasks that don’t contribute to achieving results have been removed?</li> </ul>		
<b>2. Identification of Required Tasks/Performance Requirements</b>	<b>Yes/No</b>	<b>Remarks</b>
<ul style="list-style-type: none"> <li>Are tasks clearly presented with minimal instruction?</li> </ul>		
<ul style="list-style-type: none"> <li>Can the potential offerors clearly discern <i>their</i> responsibilities?</li> </ul>		
<ul style="list-style-type: none"> <li>Can the offerors determine the level of effort, mix of skills and other resources necessary to submit a sound proposal at a fair and reasonable price?</li> </ul>		
<ul style="list-style-type: none"> <li>Are the tasks written in such a way as to make it easy for agency task monitors to assess performance?</li> </ul>		
<ul style="list-style-type: none"> <li>Are the tasks presented in a logical sequence, either by due date or by some other order?</li> </ul>		
<ul style="list-style-type: none"> <li>Does each task address the questions “what,” “where,” and “when?” (Not “how”)</li> </ul>		

<ul style="list-style-type: none"> <li>Are milestones expressed clearly and consistently, in terms of calendar or business days?</li> </ul>		
<ul style="list-style-type: none"> <li>Are reporting requirements clear (e.g., what, to whom and how often)?</li> </ul>		
<ul style="list-style-type: none"> <li>If approval actions are to be made by the government, is a time limit for such approval included?</li> </ul>		
<ul style="list-style-type: none"> <li>Have all points of control or decision, if applicable, been included?</li> </ul>		
<ul style="list-style-type: none"> <li>If government-furnished property is to be provided, has information concerning the nature, condition, and availability (location and date of delivery to contractor) been included?</li> </ul>		
<ul style="list-style-type: none"> <li>If elapsed time is included for due dates, are calendar days or workdays specified?</li> </ul>		
<b>3. Applicable Documents and Attachments/Exhibits</b>	<b>Yes/No</b>	<b>Remarks</b>
<ul style="list-style-type: none"> <li>Are all necessary documents and/or standards referenced, appended, or otherwise available to the offerors?</li> </ul>		
<ul style="list-style-type: none"> <li>Are citations for reference documents accurate (title, version, and date)?</li> </ul>		
<ul style="list-style-type: none"> <li>Are all documents pertinent to the task?</li> </ul>		
<ul style="list-style-type: none"> <li>If only portions of the documents apply, are the applicable portions clearly stated?</li> </ul>		
<b>4. General</b>	<b>Yes/No</b>	<b>Remarks</b>



<ul style="list-style-type: none"> <li>Is the format of the PWS consistent with agency guidelines, and easy to navigate?</li> </ul>		
<ul style="list-style-type: none"> <li>Has bias towards an incumbent's approach been eliminated, to the extent practicable?</li> </ul>		
<ul style="list-style-type: none"> <li>Have all stakeholders provided input?</li> </ul>		
<ul style="list-style-type: none"> <li>To the extent practicable, have conflicts of interest been identified/ precluded?</li> </ul>		
<ul style="list-style-type: none"> <li>Is more than one interpretation of the PWS possible? If yes, can steps be taken to clarify?</li> </ul>		
<ul style="list-style-type: none"> <li>Has all extraneous information been eliminated? Is the only information included that which is required to achieve the required results and that which specifies the contractor's responsibilities?</li> </ul>		
<ul style="list-style-type: none"> <li>Has the PWS been checked for spelling, grammar and numbering?</li> </ul>		