

AMS Handbook 200  
11/89

## ACQUISITION HANDBOOK

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## List of Attachments

Chapter 2 Exhibit 1 - Standards of Service  
Chapter 2 Exhibit 2 - Cut-off Dates for Requisitions  
Chapter 3 Exhibit 1 - Form AD-700  
Chapter 3 Exhibit 1 - Instructions for Form AD-700  
Chapter 3 Exhibit 2 - Instructions for Form AD-838  
Chapter 3 Exhibit 2 - Form AD-838  
Chapter 4 Exhibit 1 - Blanket Purchase Agreement

## CHAPTER 1

## INTRODUCTION

- 1.1 Purpose The Acquisition Handbook provides basic procedures for procuring supplies, services, and equipment.
- 1.2 Audience This Handbook will be used by employees procurement authority, or by employees responsible for ordering supplies, services, and equipment at various organizational levels within the following agencies:
- Agricultural Marketing Service (AMS)
  - Federal Grain Inspection Service (FGIS)
  - Packers. and Stockyards Administration (P&SA)
  - Office of Transportation (OT)
  - Agricultural Cooperative Service (ACS)
  - Animal and Plant Health Inspection Service (APHIS)
- 1.3 Scope This Handbook contains specific procedures and guidelines related to the following:
- A. Acquisition planning (including construction planning).
  - B. Authorities and limitations for purchasing.
  - C. Completion of required forms.
  - D. Blanket Purchase Agreements.
  - E. Bills of Lading.
  - F. Unauthorized procurement transactions.
  - G. Acquisition of restricted items.
- It is not intended that all employees using this Handbook become completely familiar with information in all chapters. Rather, the Handbook has been organized so that when certain questions arise in a particular area, the user should be able to turn quickly to the information that is needed by consulting the Table of Contents. Some information in the Handbook will not be relevant to some users, whereas to others, this same information may be of critical importance.

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## CHAPTER 2

## ACQUISITION PLANNING

- 2.1 Purpose This Chapter states policy, requirements, and procedures for acquisition planning.
- 2.2 Acquisition Planning Acquisition planning should begin as soon as an Agency identifies a need. The purpose of planning is to ensure that the Government meets Its needs in the most effective, economical, and timely manner. Agencies which effectively plan their procurement program obtain efficient and economical acquisitions, and reduce wasteful practices resulting from hurried or unnecessary acquisitions.
- 2.3 Advance Acquisition Plan It is Agency policy to use the annual Advance Acquisition Plan (AAP) as its vehicle to formalize planning. The AAP serves as a management tool to provide efficient and effective acquisition of needed commodities and services, as well as to ensure an economical use of resources. All projected major acquisitions should be included in the plan. This does not mean that all items must be purchased, but rather, that they be incorporated in the planning document. The objectives of advance planning are to:
- A. Ensure efficient and economical acquisitions.
  - B. Meet essential and priority acquisition

requirements.

C. Schedule workloads and manage personnel resources.

D. Control unnecessary fourth quarter spending and reduce waste resulting from hasty acquisition plans.

2.4  
AAP Procedures

- 2.4.1 AAP Requirements. Agencies should develop their plans using APHIS Form 61, Advance Acquisition Plan. When developing the Plan, consider the established leadtime (see Exhibit 1) and the cut-off dates for submitting requests (see Exhibit 2). The following describes those types of procurements that must be reported on the AAP:

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A. All annual and one-time construction and supply contracts or individual acquisitions which are expected to exceed \$25,000.

B. Delivery orders against existing contracts which exceed \$100,000 (i.e., GSA Federal Supply Schedule Contracts) or the Maximum Order Limitation (MOL).

C. All ADP and word processing related acquisitions in excess of \$25,000 including contracts, delivery orders against existing contracts (including GSA Federal Supply Schedule Contracts), and interagency contracts.

D. The following "high-waste vulnerability" purchases which are expected to exceed \$10,000 in any area:

1. Consulting services,
2. Audiovisual products and services,
3. All furniture,
4. Office equipment,
5. Noncompetitive acquisitions (identify if with a former USDA employee), and
6. Personal services contracts.

- 2.4.2 Submitting the Acquisition Plan. Once the plan (APHIS Form 61) has been completed, forward it through the appropriate office as follows:

A. AMS (only)

1. The Division Administrative Officers should consolidate the individual program plans and submit a Division AAP to the Property and Safety Management Branch (PSMB), Administrative Services Division (ASD), APHIS, by August 1 of each year.
2. PSMB, ASD, will coordinate and compute the final Agency plan for AMS and submit it to the Deputy Administrator, Management, by September 15, for approval. An advance copy will be submitted to Procurement and Realty Services (PRS), Field Servicing Office (FSO), and the Director, ASD, at this time.
3. The Office of the Deputy Administrator, Management, will route the plan back to PSMB, ASD, for distribution by September 30.

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4. A copy of the approved Agency plan will be sent to:

- \* The Deputy Administrator for Management, AMS;
- \* Director, Financial Management Division;
- \* Director, Information Resources Management Division;
- \* Procurement and Engineering Branch (PER), ASD;
- \* PSMB, ASD; and
- \* PRS, FSO.

B. APHIS (only)

1. VS; PPQ; ADC; Management and Budget; LPAS; International Services; Regulatory Enforcement and Animal Care; Policy and Program Development; Biotechnology, Biologics, and Environmental Protection;

Recruitment and Development; and Science and Technology should consolidate all the plans submitted and send the consolidated plan to PSMB, ASD, by August 1 of each year.

2. PSMB, ASD, will coordinate and compile the final Agency plan for APHIS and submit it to the Deputy Administrator for Management and Budget by September 15 for approval. An advance copy will be submitted to PRS, FSO, and PEB, ASD, at this time.
3. The Office of the Deputy Administrator for Management and Budget will route the approved plan back to PSMB for distribution by September 30.
4. A copy of the approved Agency plan will be distributed to the following:
  - \* Deputy Administrator for Management and Budget;
  - \* PRS, FSO;
  - \* PEB, ASD;
  - \* Each organizational unit within APHIS; and
  - \* PSMB, ASD.

C. ACS (only)

1. The Administrative Officer (AO) should compile the information for the Agency's AAP. The AO shall obtain approval from the

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Administrator (signature should be placed in block 15 on APHIS Form 61-R) and send the consolidated plan to PSMB, ASD, by August 1 of each year.

2. PSMB, ASD, will automate ACS' final Agency plan and provide copies to:
  - \* Administrative Officer, ACS;
  - \* Chief, PRS, FSO;
  - \* Budget and Accounting Division, APHIS;
  - \* PEB, ASD;
  - \* PSMB, ASD; and
  - \* Deputy Administrator for Management and Budget.

D. FGIS (only)

1. The Director, Resources Management Division (RMD), should coordinate and consolidate all the plans submitted, obtain the required approvals, and send the consolidated plan to PSMB, ASD, by August 1 of each year.
2. PSMB, ASD, will compile the final Agency plan. A copy will be submitted to:
  - \* PRS, FSO;
  - \* PEB, ASD;
  - \* Director, ASD; and
  - \* Director, RMD, FGIS.

RMD will distribute to FGIS Divisions.

3. Requisitions obligating nonappropriated funds that are received by PEB or FSO after the established cut-off dates ( Exhibit 2) Shall be processed on a first-come, first-served basis without regard to fiscal year deadlines. Requisitions should specify "nonappropriated funds." Requisitions obligating appropriated funds that are submitted after the cut-off dates must be fully justified and approved and will be processed only under extraordinary circumstances.

E. P&SA (only)

1. The Management Services Staff should develop P&SA's plan and shall obtain approval from the Administrator (signature should be placed in block 15 on APHIS Form 61-R) and submit

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the approved plan to PSMB, ASD, by August 1 of each year.

2. The Office of the Administrator will forward the approved plan back to PSMB,

ASD, for distribution by September 30.

3. PSMB, ASD, will automate P&SA-s final Agency plan and will provide copies to:
  - \* Management Services Staff, P&SA;
  - \* Deputy Administrator for Management and Budget;
  - \* Chief, PRS, FSO;
  - \* PEB, ASD; and
  - \* PSMB, ASD.

F. OT (only)

1. The Administrators Office should compile and consolidate the information for the Agency's AAP and send the consolidated plan to PSMB, ASD, by August 1 of each year. Approval shall be obtained from the Administrator (signature should be placed in block 15 on APHIS Form 61-R) before submitting the approved plan to PSMB, ASD.
2. PSMB, ASD, will automate OT-s final Agency plan and provide a copy to:
  - \* Administrative Office, OT;
  - \* Deputy Administrator for Management and Budget;
  - \* Budget and Accounting Division, APHIS;
  - \* PEB, ASD;
  - \* PSMB, ASD;
  - \* PRS, FSO.

2.5  
Special Approval  
Process

Requisitions covering major acquisitions not in the annual plan or submitted after the cut-off dates require special processing. They should not be processed by a contracting officer in PEB or FSO until the request is fully justified by the originating office. Such requisitions:

- A. Should include a justification by the originating office on why the request is being made at this

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time. It shall also include the following certification:

Certification:

"The financial data code(s) and the associated appropriation number(s) cited herein have been made available to meet this requirement in support of an approved program. These funds are being obligated to meet a current need and not merely to obligate unused user fees or appropriated funds which would revert to Treasury."

- B. The originating office will submit the signed justification through the appropriate channels for review and approval as shown below. The approved revision shall then be forwarded to PEB, ASD, or PRS, FSO, for processing.

Official - Originating Officer      DATE

Division or Staff Director, or  
Administrative Officer

Administrator, or Deputy Administrator,  
P&SA  
Administrator, or Deputy Administrator, OT  
Administrator, or Deputy Administrator,  
FGIS  
Administrator, ACS  
Deputy, Administrator for Management, AMS  
Deputy Administrator for Management and  
Budget, APHIS  
Program Deputy Administrator, APHIS

2.6  
Tracking System

PEB and PRS will use a tracking system to monitor the AAP. Procurement items will be checked against the AAP. This will ensure that items on the plan have the necessary approval for purchasing.

- A. Form AD-700, Procurement Request, initiated during the year requesting acquisition of a specific item listed on the AAP, will show the

tracking code in the area directly above block #1, Requesting Office.

- B. Each Agency Program or Division will establish its own unique tracking code ending with four digits, 0001 through 9999, numbered consecutively.

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Tracking codes will be formulated as indicated by the following example:

| Agency | Division          | Tracking Code |
|--------|-------------------|---------------|
| OT     | Domestic Division | 0001          |
| (OT)   | (DD)              | (0001)        |

The tracking code for this example is OT-DD-0001.

2.7  
Preparation and Submissions of Requisitions

- A. Requisition Information. Once the AAP is approved, all offices should follow normal procedures for submitting requisitions to contracting activities. Requisitions must contain:
  1. Appropriate funding data;
  2. Full description of commodity or service specifications, design, drawings, etc.;
  3. Support documentation and justifications including required clearances, approvals, authorizations; and
  4. Tracking code.
- B. Acquisition Leadtimes.
  1. Timely submission of requisitions depends on the commodity or service required, the time in which it must be provided, the dollar value of the requirement, and the method of acquisition. Acquisition leadtimes are listed in Exhibit 1. Acquisition leadtime begins when a properly prepared, fully documented requisition is received in PEB or FSO, and ends when a contract is awarded.
  2. Requisitions received by PEB or FSO after the established annual cut-off dates shall be returned to the originating office through channels for proper justification and approval. Exceptions to the cut-off dates shall be kept to a minimum and approved only under extraordinary circumstances.

2.8  
Year-end Buying

Early planning will ensure that year-end buying requests are satisfied in a timely manner to avoid heavy spending during the fourth quarter of the fiscal year.

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EXHIBIT 1  
Chapter 2

STANDARDS OF SERVICE

| Description of Service  | Process and Completion Time in Working Days |
|---|---|
| Negotiated procurement, including presolicitation, solicitation, evaluation, negotiation, and award           | 150 days                                    |
| Formally advertised procurement, including presolicitation, solicitation, evaluation, and award               | 70 days                                     |
| Government contract orders for complex equipment and furniture needing clearance                              | 30 days                                     |
| Open market purchases between \$1,000 and \$25,000  | 5-30 days                                   |
| Government contract orders excluding complex equipment between \$1,000 and the maximum order limitation (MOL) | 11 days                                     |
| Government contract orders up to \$1,000  | 7 days                                      |

|                                     |            |
|-------------------------------------|------------|
| Open market purchases up to \$1,000 | 7 days     |
| Services over \$25,000              | 120 days   |
| Services under \$25,000             | 30-45 days |

## ADD to LEADTIME:

- 30 days - negotiated acquisitions over \$100,000
- 60 days - negotiated acquisitions over \$500,000

NOTE: Contact PRS, FSO, for clarification on a negotiated vs. formally advertised procurement.

EXHIBIT 2  
Chapter 2

CUT-OFF DATES FOR REQUISITIONS

FSO/ASD must receive all requisitions chargeable to current fiscal year funds on or before the following dates:

| Types of Requisitions   | Cut-off Date         |
|---|----------------------|
| 1. Consulting Services  | February 1           |
| 2. Construction over \$2,000  | April 1              |
| 3. ADP Equipment and Services   | July 1               |
| 4. Services (other than Consulting) over \$2,500  | June 1               |
| 5. Supplies and Equipment Over \$25,000 on Open Market Purchases  | July 1               |
| 6. Construction under \$2,000   | August 1             |
| 7. (a) Federal Supply Schedule over \$1,000<br>(b) General Open Market Purchases over \$1,000                             | August 1<br>August 1 |
| 8. Items under \$1,000 received up to 7 days prior to September 30 will be processed on a first-come, first-served basis. |                      |

Requests for action after the applicable cut-off date must be justified and approved by the respective Administrator or Deputy Administrator.

EXCEPTION: Unanticipated emergency requisitions justified as exigent.

REQUISITIONS FOR SERVICES SHOULD BE SUBMITTED 4 MONTHS BEFORE THE SERVICE WILL BEGIN. REQUISITIONS FOR RENEWALS OF SERVICES SHOULD BE SUBMITTED 3 MONTHS BEFORE THE CONTRACT WILL BE TERMINATED.

CHAPTER 3

PURCHASING

- 3.1 Purpose This Chapter provides detailed information and procedures on the authority and limitations for purchasing. It also outlines basic purchasing procedures; i.e., how and where to purchase.
- 3.2 Purchasing Authority
- 3.2.1 General. In order to purchase needed goods and services on behalf of the Federal Government, you must determine the actual authority you possess in order to carry out various purchases. If you determine you do not have the authority to purchase a particular item, then you must go to the appropriate office having the authority to process the procurement action for you. Defining your own authority in given situations is extremely important when spending the Federal Government's money.
- 3.2.2 Delegated Procurement Authority - Contracting Officers. The authority and responsibility to contract or purchase authorized supplies and services is delegated to an appointed contracting officer. Contracting officers are appointed by the Director, Administrative Services Division (ASD), APHIS, who is the Acting Head of the Contracting Activity (HCA) for all agencies. The HCA will appoint contracting officers at locations where there is an apparent need; i.e., offices requiring frequent purchases, and perhaps, specialized purchases. Contracting officers have the authority to purchase within the limits stated on their Certificate of Appointment. Each contracting officer is delegated a certain threshold; items with a dollar value that exceeds this threshold cannot be purchased. The threshold is based on the need in the particular office, and the qualifications of the individual granted contracting authority. Contracting officers are issued "warrants" giving them authority to spend

up to the amount stated on their certificate per purchase. For further

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information on the Warrant System, see Departmental Regulation 5001-1, Contracting Officer Warrant System.

- 3.2.3 Offices Without Contracting Officers. If you are located in an office where there are no appointed contracting officers, there are several options available to you to obtain needed supplies: personal funds; imprest fund; Form AD-744, Purchase Order/Invoice/Voucher; and the Government credit card. These four options are explained in detail in Section 3.4. If you determine that the particular item needed cannot be obtained by one of the four options mentioned, then you must request that the purchase be made by one of the "contracting activities" defined in 3.2.4.

- 3.2.4 Contracting Activities. The term "contracting activity" means any office in which there are warranted contracting officers. These offices may include your regional office; Procurement and Realty Services (PRS) in the Field Servicing Office (FSO), APHIS; or the Contracting Section in the Procurement and Engineering Branch (PEB), ASD.

A. PRS will provide any type of purchasing support except for construction over \$2,000 and ADP resources to any field or headquarters office not having the appropriate authority. PRS does purchase ADP supplies such as floppy diskettes, computer paper, ribbons, cables, glare screens, surge protectors, data switches, and printer covers if the field or headquarters office does not have appropriate authority.

- B. PEB provides all construction and ADP purchasing support with the exception of the following:
- Construction jobs not exceeding \$2,000
  - Computer software not exceeding \$2,500
  - Items (not exceeding \$2,500) which will enhance or replace another item on a previously approved central processing unit (CPU)

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- Renewal of currently leased equipment
- Miscellaneous items such as cables, glare screens, surge protectors, data switches, and printer covers
- Maintenance or repair to terminals, microcomputers, or peripherals

### 3.3 Purchasing Options

The purchasing options available to you are divided into two categories--mandatory sources of supply, and non-mandatory sources of supply.

- 3.3.1 Mandatory Sources of Supply. When you are buying a particular item, you must first check the mandatory sources to see if it is available and, if so, purchase from that source. If the item is not available from any of the mandatory sources, then you are allowed to purchase the item from a non-mandatory source.

A. Lists of Mandatory Sources of Supply. The following lists the mandatory sources of supply in descending order of priority:

- Supplies/Equipment:
  - \* Agency inventories
  - \* Excess from other agencies
  - \* Federal Prison Industries, Inc. (UNICOR)
  - \* Procurement lists of products available from the Committee for Purchase from the Blind and Other Severely Handicapped
  - \* Wholesale supply sources such as stock programs of the General Services Administration (GSA) (items under \$1,000 are non-mandatory with justification)
  - \* Mandatory Federal Supply Schedules (FSS)
  - \* Optional use Federal Supply Schedules
  - \* Commercial sources (including educational and nonprofit institutions)

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- Services:
  - \* Procurement lists of services available from the Committee for Purchase from the Blind and Other Severely Handicapped
  - \* Mandatory Federal Supply Schedules and mandatory GSA term contracts for personal property rehabilitation
  - \* Optional use Federal Supply Schedules

- and optional use GSA term contracts for personal property rehabilitation
- \* Federal Prison Industries, Inc., or other commercial sources (including educational and nonprofit institutions)

B. Description of Mandatory Sources of Supply.

- GSA Stock Programs. The index in the FEDSTRIP and the Customer Supply Center Catalog, as well as the index in the Federal Supply Schedule (FSS) Program Guide, should be used to determine which items are stocked at GSA.

\* Fast Acquisition Terminal (FAST). Users with a FEDSTRIP code can place telephone orders through the FSO FAST. You can establish or change a FEDSTRIP code by submitting the request on Form AD-700 and forwarding it to PRS, FSO. FAST enables you to call in orders for the FEDSTRIP items found in GSAs Supply Catalog. The FAST terminal at FSO in Minneapolis uses a GSA computer file, updated quarterly, of supplies in the FEDSTRIP catalog. The file includes the National Stock Number (NSN), item name, unit of issue, and unit price. FAST is not intended to replace the services of the GSAs Customer Service Centers; rather, it is intended for ordering the supplies carried in the GSA catalog when the volume is not handled at the Customer Service Centers.

Making a FAST order only takes a few minutes and can be accomplished by:

1. Selecting needed items from the GSA Supply Catalog and making a

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note of the items stock number and quantity desired.

2. Calling the FAST terminal:  
 FTS: 777-2217, 2197  
 Commercial: (612) 370-2217, 2197
3. Giving the FAST operator the following information:
  - \* Agency, program, and location
  - \* Activity address code for delivery location
  - \* Number of accounting lines
  - \* NSN and quantity of each item
  - \* Accounting code(s)

Delivery is generally within 2 weeks after the order is placed.

Obligation and payment by NFC for a FAST order is the same as for a regular FEDSTRIP order.

- Customer Supply Center (CSC). CSC provides low cost office supplies and common janitorial and tool items for agency customers. The CSC offers telephone ordering service with delivery by small package carriers. Items are usually shipped within 2 days after receipt of request.

Offices must establish an account with CSC in order to conduct business with them. Offices should submit requests for establishment of, or changes to, a CSC account on Form AD-700, Procurement Request, to PRS, FSO. Users must have an established activity address code (FEDSTRIP code). GSA provides a CSC catalog and ordering instructions when an account is established.

- \* Verifying Receipt. Requisitioning offices shall ensure items requested from CSC and FAST are received and accounted for. Requisitioning offices shall:
  - a. Verify the quantity received with the quantity ordered as shown on the FAST biweekly report sent to each office by PRS, FSO.

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- b. Immediately notify the CSC or PRS, FSO, by telephone if shortages, losses, or damages exist.

- GSA Personal Property Rehabilitation Contracts. All field stations, including Washington, DC, and Hyattsville, MD, offices, are mandatory users of Personal Property Rehabilitation contracts that are available in the GSA region servicing their location for on-call service. Consult your FSS Guide for other term contract services available in your region.

Information on specific GSA term contracts may be obtained by contacting your respective GSA Regional Office, FSS, Property Rehabilitation Branch. Telephone numbers are provided in the GSA FSS Program Guide or contact PRS, FSO, for the specific information.

- FSS. GSA provides agencies with a simplified process to obtain commonly used items in varying quantities. Indefinite delivery contracts are established by GSA with commercial firms to provide supplies and nonpersonal services at stated prices for given periods of time. Most of these contracts are mandatory; however, several are non-mandatory. Copies of schedules containing contract identifications may be obtained from GSA Centralized Mailing List Service, 819 Taylor Street, P.O. Box 17077, Ft. Worth, TX 76102-0077.

\* Credit Returns. Offices shall coordinate items to be returned for credit with PRS, FSO, or PEB, ASD. Do not apply credits to future orders. The vendor should send a refund check to USDA for each returned transaction. Contact the Accounting and Property Services, FSO, for additional information on collection procedures for monies due to the Government.

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- Federal Prison Industries, Inc., and Committee for Purchase from the Blind and other Severely Handicapped. Articles available from the Federal Prison Industries, Inc., and those similar to "Blind Made" products shall not be purchased from commercial sources without prior approval, unless the cost is \$25 or less. Examples of such articles are brooms, brushes, mops, canvas goods, clothing, cotton textile products, some types of furniture, gloves, and doormats. Many common use items manufactured by the Federal Prison Industries, Inc., and Committee for Purchase from the Blind and Other Severely Handicapped are stocked by GSA Supply Programs and may be procured from that source without restriction.

- Source of Supply Contracts. FSO or PEB may issue Requirements Contracts for certain program related items frequently bought; i.e., backtags, backtag cement, and bleeding tubes. Activities with delegated procurement authority (contracting officers) may issue delivery orders against these contracts.

3.3.2 Non-Mandatory Sources of Supply. Once you have determined that the item you need to purchase is not available from any of the mandatory sources of supply, you may purchase it from a non-mandatory source; i.e., open market.

#### 3.4 Purchasing Options Available to Offices Without Contracting Officers

Offices that do not have contracting officers are encouraged to use the following procurement/purchasing methods/sources when applicable.

NOTE: Their use is subject to all small purchasing provisions established in the FAR including the requirement to obtain adequate competition. Documentation is required when using other than a mandatory source as prescribed in FAR, Part 8, Required Sources of Supplies and Services.

A. USDA Blanket Purchase Agreements. USDA Blanket Purchase Agreements applicable to obtain GSA FSS contracts will be furnished by separate mailings.

B. Open-market Purchases. The term "open market" means you are able to go to practically any source (a small business should be the first source) to obtain the desired good or service.

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The open market may be used only when research has shown that the required item is not available from the mandatory supply sources or if the identical item can be purchased at a lower price on the open market. Purchases on the open market must be kept within the limitations of ones delegated procurement authority (contracting officer authority, AD-744 authority, or credit card authority).

C. Blanket Purchase Agreements. When an office finds it is making numerous small purchases of

supplies or is requiring repetitive types of services (such as on-call repair services) from a single vendor, it may be appropriate to establish a Blanket Purchase Agreement (BPA)- BPA-s eliminate the need for separate requisitions and numerous AD-744-s. (See Chapter 4 for detailed information on BPA-s.)

D. Government Credit Card. The Government credit card is a new method of procurement for small purchases within the Federal Government. The objective of its use is to replace the AD-744, reduce the number and dollar amounts of imprest funds, and reduce AD-838, Purchase Order, purchases for supplies and services valued at \$25,000 or less. Cardholders may purchase supplies and services from the open market when the item is not available from the mandatory sources of supply or when the identical item can be purchased at a lower price on the open market. For specific information on obtaining the credit card and procedures for its use, contact PRS, FSO.

E. National Logistics Supply Center. APHIS and the Department of Commerce have established a National Logistics Supply Center (NLSC) in Kansas City, Missouri, to provide centralized distribution of supplies to operations throughout the world. NLSC does not stock administrative supplies such as paper and pencils; it carries a variety of supplies that are specific to program functions and will be used to carry out program activities. Examples of items NLSC carries are: diodes, backtags, glue, seals,

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draeger tubes, radar dishes, domes, etc. NLSC will accept telephone or written requests for supplies. The items are shipped within 12 working hours after receipt of the order. Standard orders are shipped by traceable transportation services. Emergency orders placed during working hours are shipped within 4 hours.

For further information on how to use NLSC, contact your program/activity manager or PRS, FSO.

F. AD-744 - Purchase Order/Invoice/Voucher. Use of the AD-744 is a convenient and economical way to make small, one-time, low volume, "over-the-counter" purchases of supplies and services available for immediate delivery. The AD-744 is both an Agency purchase order for obligation, and a vendor invoice/voucher for submission to NFC for payment. The sales receipt for the item purchased must be signed by the vendor at the time of sale.

The AD-744 may be used to purchase nonexpendable capitalized (NEC) personal property that is complete in itself, has an expected life of over 1 year, and has a unit purchase price of \$500 or less. There are numerous NEC items on the restricted list (see Chapter 7). You must be cautious when purchasing these types of items.

- AD-744 Limitations. General limitations on the use of the AD-744 are set by individual programs and divisions within each agency. There are, however, specific limitations governing its use. The AD-744 cannot be used:
  - \* For a purchase by mail;
  - \* For future delivery of an item ordered;
  - \* As an order under a BPA;
  - \* To reimburse an individual for a cash purchase;
  - \* As a confirming purchase order for a telephone order; and
  - \* For open-market purchases of items covered by mandatory Government contracts, except on an emergency basis.

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Offices with AD-744 authority may purchase supplies and services locally within the limits stated below:

- \* Supplies not stocked by GSA, up to \$500.
  - \* Services, including office and machine repairs, up to the program limit.
  - \* Repairs and maintenance for Agency-owned motor vehicles not to exceed \$500 per job. Field offices must receive approval from a procurement activity for estimates in excess of \$500.
- Accountability. PRS, FSO, has established

"approving officials" in all offices where use of the AD-744 is needed (contact PRS for information on your approving official). The approving official selects an "accountable official" who is issued the authority to purchase using the AD-744. The accountable official is responsible for ensuring the proper usage of each form. The AD-744 is an accountable form, and NFC issues each accountable official a unique control number that must appear on each AD-744 processed. Any AD-744 that is signed by other than the designated accountable official will be rejected by NFC for payment and returned for proper signature. The accountable official should submit the original AD-744 directly to NFC.

- Obtaining the AD-744. Because of the strict accountability controls placed on the use of the AD-744, the forms themselves must be obtained directly from NFC. The approving official must submit a completed Form AD-996, Request for AD-744 Action, to NFC when requesting AD-744 books. The accountable official is designated on the AD-996. When an accountable official separates, transfers, or retires, he/she must prepare an AD-996 to return all partially unused AD-744 books to the NFC for cancellation. Fully unused AD-744 books can be reassigned to a

3-10

new accountable official by preparing a separate AD-996 requesting Type Action B (change accountability). Each completed AD-996 must be forwarded to the responsible approving official for authorization of the return of the unused AD-744-s and/or the transfer action.

- Issuance Criteria. Approving officials should consider the following criteria when authorizing issuance of AD-744 books:
  - \* Bona fide need.
  - \* Availability of local procurement staff/contracting activities.
  - \* Number of daily purchases.
  - \* Frequency of emergency situations.
  - \* Savings in paperwork.
- Billing Information. All offices making purchases should ensure that not more than one payment document for the same purchase is submitted for payment. If a seller presents an invoice for payment after the original AD-744 for the same purchase has been sent to NFC for payment, return the invoice to the seller. Inform the seller that it is a duplicate billing and that a Government voucher has already been submitted for payment.

For further instructions concerning the AD-744, consult the NFC Procedures Manual.

G. Using-Personal Funds for Purchasing. Employees may use personal funds for purchasing needed supplies and services or for local travel. Reimbursement is obtained through an imprest fund or from Accounting and Property Services (APS), FSO. Outlined below are guidelines and information relating to reimbursement of personal funds.

- Form SF-1164, Claim for Reimbursement for Expenditures on Official Business, may be

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used by employees to claim reimbursement from the fund for:

- \* Local taxicab or subway fares;
- \* Local vehicle mileage;
- \* Parking fees; and
- \* Local and long-distance official telephone calls.

Employees must submit Form SF-1164 in order to be reimbursed from an imprest fund, or from APS, FSO. Obtain SF-1164 from Central Supply or FSO.

- Form AD-700, Procurement Request, may be used by employees to claim reimbursement

from the fund and also the Form SF-1165, Receipt for Cash

- Subvoucher, to obtain an advance of funds. These two forms may be used for:
  - \* Small purchases;
  - \* Miscellaneous supplies;
  - \* Equipment repairs; and
  - \* Goods and services.
- Supporting Documentation. All claims for the procurement of supplies or services to be reimbursed from an imprest fund or APS must be supported by an original sales slip, cash register ticket, vendors invoice marked paid, or cash receipt.
  - \* Purchases in excess of \$25. When purchases are in excess of \$25@ the receipt should be signed by the vendor or vendors agent as evidence of payment. The receipt should provide an itemized list of the articles or services purchased. If the signature of the vendor or the articles purchased cannot be noted on the receipt, then the name of the vendor and itemized list of the articles should be prepared and attached to the receipt.

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- \* Purchases less than \$25. When purchases are less than \$25, the vendors signature on the receipt is not required. If the vendors invoice, bill, etc., cannot be obtained, then the employee making the purchase will itemize the articles or services purchased on the SF-1164.
- Reimbursement By Travel Voucher. Expenses incurred during official travel requiring issuance of Form AD-202, Travel Authorization, must be claimed on Form AD-616, Travel Voucher. See your Agency's travel regulations.

H. Imprest Fund. An imprest fund is useful when vendors are reluctant to honor the AD-744 or when provisions for local credit arrangements and monthly billings are not practical. Although individual agency policy on the use of imprest funds varies, generally they may be used for purchase of such items as small repairs, cash-on-delivery orders, and small supply orders not to exceed \$500 per purchase. If an imprest fund is available in your area, contact the cashier to verify how it may be used. If an imprest fund is not available, and you believe there is a need for one, submit a request to your Agency's budget and accounting division.

### 3.5 Emergency Purchases

When a situation arises mandating an immediate purchase and exceeding the contracting officers authority, you should take the following steps:

- Call the appropriate procurement activity and explain the emergency situation.
- Transmit the AD-700 to a contracting activity via telemail, telecopy, file transfer utility (FTU), or any other expedited method of transmission.
- The contracting activity will research the request and issue a purchase order

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verbally, if necessary, as quickly as the situation requires.

### 3.6 Form AD-700, Procurement Request

Form AD-700, Procurement Request, is used when requisitioning materials, supplies, equipment, and services through the contracting activity (PEB, FSO, or regional office, etc.).

- 3.6.1 When completing the actual Form AD-700, the requisitioning office should:
  - A. Prepare the AD-700 according to instructions in Exhibit 1. (See Section 3.11 for instructions on placing the budget object class code on the requisition.)
  - B. Furnish complete information for each item.

- C. Attach adequate justification, if required.
- D. Have the requisition approved by the appropriate authority.
- E. Follow "special approval procedures" in Chapter 2, Section 2.5, if the item is one that should have been included on the appropriate Agency Advance Acquisition Plan but was not.
- F. Submit the AD-700 through channels to the appropriate contracting activity (i.e., PEB, FSO, or some regional offices).

The appropriate contracting activity will prepare and issue an appropriate procurement document (see Section 3.7), based on the information provided on the AD-700.

- 3.6.2 DISCUSS. Instead of manually filling out the AD-700, Procurement Request, the form can be electronically transmitted to PRS, FSO, through the use of Direct Customer Support Services (DISCUSS). DISCUSS is a management information and processing system which expedites delivery of services. The system provides for electronic

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processing of personnel requests, procurement requests, and other administrative actions. Data entry occurs at the field office by both on-line entry to FSO computer and local batch input for electronic transmission to FSO. Provisions for required action approvals are built into the system.

NOTE: Presently the use of DISCUSS is only open to some APHIS offices and Office of Transportation. However, FSO is expanding the DISCUSS system, which will include making this service available to more clients in the future.

For more information concerning DISCUSS, contact PRS, FSO.

3.7  
AD-838  
Purchase Order

Form AD-838 is used to purchase various items from Form commercial sources. The form is a multi-part carbon set which requires action to be taken by the issuing office and the receiving office (consignee). Therefore, regardless of who issues the AD-838, the receiving office is required to take part in the process.

Field offices may issue an AD-838 to purchase an item from a commercial source only if the office has warranted procurement personnel on staff and the item to be purchased is within the delegated procurement authority of the warranted individual. In all other cases, the AD-838 will be issued only by the procurement offices in FSO, ASD, or some regional offices if it is within their procurement authority.

- 3.7.1 When field offices issue an AD-838: Procurement personnel complete Form AD-838. The original white copy is sent to NFC, the second white copy (seller's original) is sent to the vendor, and the rest of the form is for agency use and receipting purposes. Section 3.9 explains the receipting process.
- 3.7.2 When PEB, PRS, or APHIS regional offices issue an AD-838: PEB, PRS, or the regional office will obtain the needed information for the AD-838 from the AD-700 that is submitted by the ordering office. The issuing office sends the original white copy to NFC and keeps the yellow

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copy. The remaining green receipt, goldenrod, and blue copies are sent to the ordering office/consignee for receipting procedures.

3.8  
Procurement Document  
Numbering

The purchase order numbers to be assigned by the contracting officer on various procurement documents provide the following information:

Example:

|   |              |   |
|---|--------------|---|
| 40  | 6395         | 5 |
| Type of Order/Issuing Office/ Fiscal Year |              |   |
| F   | 1818         |   |
| Agency                                    | Order Number |   |

- 3.8.1 Types of Orders.

A. Purchase Orders, AD-838.

- 40 This type is used for one-time, fixed price and quantity purchases of

supplies, equipment, or services. Notification of receipt is made directly to NFC for partial and complete deliveries. (See Section 3.9 for specific instructions on receipting.)

- 41 This type is used to purchase subscriptions and books which require payment in advance. No receipt is required.
- 42 This type is set up for regular cyclic, monthly, quarterly, or semiannual payments for rentals; e.g., parking spaces and other services where there is a fixed payment. No receipt is required.
- 43 This type is used for blanket purchase orders for supplies and services that contain a fixed or estimated price and fixed or estimated quantity with anticipated one-time or recurring vendor payments. See Chapter 4 for receipting instructions.

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- 45 This type is used for blanket purchase agreements when a wide variety of items will be purchased; however, the exact items, quantities, and delivery requirements are not known in advance. See Chapter 4 for receipting instructions.

#### B. Contracts.

- 50 This type is a construction contract. The contracting officer representative must certify that the work is complete and acceptable.
- 53 This type is a contract for services. Receipting is done on an APHIS Form 329, Contract Delivery Receipt. The original is sent to APS, FSO, the yellow copy is sent to the issuing office, and the pink copy is retained by the receiving office.
- 54 This type is a contract for supplies and equipment. Receipting is the same as explained above for 53's. (For requirement contracts with purchase orders issued against them, receipting is done according to the delivery order instructions.)
- 57 This type is for leases for real property. No receipt is required.

3.8.2 Issuing Office. Each procurement office has a unique 4-digit code which is the last 4 digits of your FEDSTRIP address code; e.g.:

6395 Indicates the order was issued by FSO, Minneapolis, MN.

3294 Indicates the order was issued by PEB, Hyattsville, MD.

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3.8.3 Agency Identification. An alpha character indicates which agency an order is being issued for as follows:

A Agricultural Cooperative Service  
 B Agricultural Marketing Service  
 C Animal and Plant Health Inspection Service  
 F Federal Grain Inspection Service  
 P Packers and Stockyards Administration  
 T Office of Transportation

NOTE: The alpha character identification is not included in the requisition number for type 50, 53, 54, and 57 orders.

3.8.4 Order Number. The control number can be up to 4 digits and should begin with I or 0001 each year. Each purchase order issued should be numbered consecutively.

NOTE: Generally by law the Federal Government is exempt from State and local taxes. If a vendor requests a tax exempt number, he/she must request this information in writing to NFC.

3.9 3.9.1 Receipt of Ordered Item. When an office

Receiving,  
Receipting, and  
Inspecting

receives an ordered item which costs \$1,000 or more, and is a Type 40 Purchase Order transaction (see 3.8.1, Types of Orders), the receiving office should take the following steps:

A. Inspect and accept the item (see Section 3.9.2 for procedures on receiving and inspecting). If the item is not acceptable, see Section 3.10 for appropriate action.

B. Complete blocks 32-35 on green Receipt Copy 1. See Exhibit 2 for specific instructions.

C. Sign green Receipt Copy 1 and send to NFC.

D. Notify the issuing office (office which processed the AD-838) when the order is received.

E. Return the property copy (goldenrod in color) to PRS, FSO, upon complete receipt of

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the order and when applicable, PRS will forward the receipt copy to APS.

Exhibit 2 provides completion instructions for Form AD-838, Receipt Copy.

Orders for less than \$1,000 generally will not require submission of a receipt copy to NFC, and no green receipt copies will be sent. The goldenrod of these orders still needs to be sent to FSO upon receipt of the items. However, if there is an "R" shown in the sub-block following the purchase order number, regular receipting procedures for Type 40 orders need to be followed and receipting copies will be provided. NOTE: NFC will periodically require receipting on an item under \$1,000--you will be notified.

NOTE: If the order has more than one receiving office, the issuing office will provide specific receipting instructions.

The following forms are to be used in the receipting process:

- Form AD-838A, Partial Receipt Notification. This form is used in lieu of the receipt copies of an AD-838. It is an optional form to use when the number of receipt copies is not sufficient.

On a Type 40 order, the original of the AD-838A (signed by the official responsible for receiving and accepting goods and services) is sent to NFC for each receipt.

Retain a copy for the file and note the date the original was forwarded to NFC. Instructions regarding the use of the AD-838A are contained on the back of the form.

- Form AD-838B, Invoice-Receipt Certification. This form is to be used only

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on Type 43 purchase order transactions (see 3.8.1, above). one copy (signed by the approving official) with the corresponding invoice attached will be sent to NFC. Instructions on the use and completion of the AD-838B are contained in Chapter 4.

- Form AD-838D, Invoice-Receipt Certification. This form is to be used only on Type 45 purchase order transactions (see 3.8.1, above). One copy (signed by the approving official) with the corresponding invoice will be sent to NFC. Instructions on the use and completion of the AD-838D are contained in Chapter 4.

3.9.2 Inspecting. When accepting shipments from commercial sources for orders placed on Form AD-838, it is the responsibility of the receiving office to:

A. Check the contents of all shipments received.

B. Note reports of losses, damages, or discrepancies as outlined in Section 3.10, Loss or Damage in Transit.

C. Submit receipt documents and any invoices received as follows:

- Follow instructions on the reverse of the Receipt Copy I of Form AD-838 and promptly

send receipt copy directly to NFC.

- Use one of the appropriate forms as indicated below. (Follow instructions outlined on the reverse side of the form.)

- \* Transaction Type 40 Order - Use a receipt copy of Form AD-838 or AD-838A.

- \* Transaction Type 43 order - Use AD-838B, Invoice-Receipt Certification.

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- \* Transaction Type 45 Order - Use AD-838D, Invoice-Receipt Certification.

- \* Transaction Type 53 or 54 Contract - Use APHIS 329, Contract Delivery Receipt (send white copy to APS, FSO; the yellow copy to PRS, FSO; and retain the pink copy for office file).

3.10  
Loss or Damage  
in Transit

3.10.1 Loss or Damage. When a loss or damage occurs to a shipment that is a result of a purchase order issued by a warranted procurement officer, take the following actions:

A. Shipments Made on a Free-on-Board (FOB) Destination Basis (Shipping Charges Paid or Payable by the Vendor). Note the loss or damage on the commercial bill of lading, waybill, or shipping document the carrier presents for signature. Notify the appropriate procurement office immediately. In such cases, the vendor is responsible for making satisfactory adjustment.

B. Shipment Made on a FOB Origin Basis (Shipping Charges Paid by Government). Note the loss or damage on the commercial bill of lading, waybill, or shipping document that the carrier presents for signature. Notify the appropriate procurement office immediately. The contracting officer will initiate a claim against the carrier and request an inspection be made. The receiving office should obtain a copy of the inspection report and await further instructions from the contracting officer. Receipt should be made to NFC--vendor is still due payment.

NOTE: ALL ORIGINAL PACKAGING MUST BE KEPT.

C. Shipments Made on a Government Bill Of Lading (GBL). Note on the original GBL the nature and extent of the loss or damage. See Chapter 5, Bills of Lading, for more information.

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3.10.2 Shipment or Latent Defects, Damages, or Losses. When concealed damages or losses are discovered after a package is opened or after the equipment is placed in use, the requisitioning office shall report all facts to the appropriate procurement office as soon as possible after discovery. (If there is damage due to the shipping material and/or the packaging material, do not throw it away. It may be needed to help the transportation company determine its liability.)

3.11  
Budget Object  
Class Code

The budget object class (BOC) code of the item being ordered must be placed on Form AD-700, Procurement Request, and the Form AD-838, Purchase Order. It is very important that the code be correct for each item that is being ordered because it is used not only for budget purposes, but also for property inventory purposes. Contact APS, FSO, if you have any questions regarding the BOC.

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EXHIBIT 1  
Chapter 3

INSTRUCTIONS FOR PREPARATION AND SUBMISSION OF FORM AD-700,  
PROCUREMENT REQUEST

An illustration of Form AD-700, Procurement Request, is attached. The numbered items below correspond to the circled numbers on the form. The requisitioning office shall prepare Form AD-700 in an original and two copies, showing the following information:

1. Enter the address of the procurement office which will be issuing the order; i.e., FSO, PEB, or a regional office.
2. Enter name and address of requisitioning office and the FEDSTRIP address code.

3. Enter FEDSTRIP address code for receiving office/consignee.
4. Enter requisition number of issuing office. This should be a sequential unique number identifying your office.
5. Enter date requisition is prepared.
6. Enter the complete office name, address, and telephone number to which items are to be sent.
7. Check only if inside delivery is required. (In most cases, an additional charge will be made for inside delivery; i.e., delivery directly to the office.)
8. An accurate description of the requirement is critical to an effective procurement. Include the following additional information, as required:
  - The model and/or stock number of the item desired.
  - Attach any descriptive literature you may have about the item or service.
  - A list of the characteristics the item/service must contain.
  - If the order is for supplies and/or accessories to a piece of equipment, specify the make and model of the equipment to ensure compatibility.
  - If applicable, any previous purchase order or contract numbers.
  - If the requisition is for a blanket purchase order or blanket purchase agreement, see Chapter 4.
9. Enter NFC-assigned BOC code (four positions), if known. (See Chapter 3 Section 3.11, for more information on BOC codes.)
10. Enter exact quantity, related unit of issue, estimated unit price, price extension, and total, if known.
11. Provide the delivery date needed.
12. Enter NFC accounting code chargeable for supplies, equipment, or services.
13. Enter percent of total costs chargeable to each accounting code, if more than one.
14. Officer in charge or other approving official shall enter his/her title and sign.
15. Enter name and FTS or commercial telephone number of the person who can answer technical questions regarding the request. Send original and one copy to the appropriate procurement office. Retain copy for office file.

NOTE: All suggested sources of supply shall be shown in the "Recommended Source(s)" block on the lower left of the requisition or, if necessary, on a separate sheet of paper.

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FOR A COPY OF A COMPLETED SAMPLE FORM AD-700, PLEASE CONTACT AMS, INFORMATION MANAGEMENT BRANCH.

EXHIBIT 2  
Chapter 3

COMPLETION INSTRUCTIONS - FORM AD-838, PURCHASE ORDER, RECEIPT COPY

The numbered items below correspond to the circled numbers on Form AD-838.

1. When partial shipment (P) is indicated in block 34, enter quantity received in column 13 next to the related line item (see 3, below). Up to three decimal places may be used. Always count the items received in the same unit of issue ordered; e.g., 3 dozen plants ordered but only 1 dozen received. Enter quantity received as 1 dozen.
2. Enter date goods or services were received, inspected, and accepted in MM-DD-YY (Month-Day-Year) format using the later date. If services are received and accepted for a specified time, enter the ending day of the covered period and not the beginning day of the service. The receipt date must not be prior to order date shown in block 4 of the AD-838.
3. Enter one of the following codes:
  - P = Partial - Used by a single receiving office to record receipt of less than the entire order (including amendments). A receiving office must always record receipt of goods or services by following the partial shipment instructions using "P" in this block.
  - C = Complete- Used by a single receiving office to record receipt of The total order or the last or remainder of the order when

partials were previously reported. The "C" is NOT used to record receipt of a shipment considered complete and received by multiple receiving offices (see agency provided instructions for multiple receiving offices). It is not necessary to complete block 13 when a "C" is entered in block 34 of the purchase order.

4. Enter FTS telephone number (or commercial, if not FTS) of the person to be contacted for receiving report information.
5. Enter signature and title of the official certifying receipt of items.

NOTE: When receipting for an amended order that is complete, forward to NFC only one receipt (from either the original or amended purchase order set) marked "C.- Partial receipts require annotation of quantity next to the line items; therefore, select the appropriate receipt copy.

FOR A COPY OF A COMPLETED SAMPLE FORM AD-838, PLEASE CONTACT THE INFORMATION MANAGEMENT BRANCH, AMS.

#### CHAPTER 4

##### BLANKET PURCHASE AGREEMENTS/ORDERS

- 4.1 Purpose This Chapter provides information and procedures for establishing Blanket Purchase Agreements (BPA's) and Blanket Purchase Orders (BPO's).
- 4.2 Blanket Purchase Agreements
- 4.2.1 Definition. A BPA is an agreement between the government and a contractor for a variety of supplies or services which the contractor regularly furnishes. BPA's should be established when the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. Purchase Order Form AD-838, Type 45, is used to establish the BPA. BPA Attachment 1 (see Exhibit 1), which spells out the terms and conditions of the agreement, must be completed with each BPA established.
- 4.2.2 General information.
- A. A BPA does not create an obligation of funds until an authorized employee places a telephone order against the BPA or picks up the item from the vendor.
- B. Generally, BPA's should be made with local vendors.
- C. BPA's may be used to cover the day-today purchases of a variety of expendable supplies.
- 4.2.3 Establishing a BPA. Offices desiring to establish or reestablish a BPA should submit an AD-700 through appropriate channels. Offices with delegated procurement authority should contact the vendor or contractor to set up the BPA and negotiate price, terms, and conditions. A special effort should be made with the vendor or contractor to prepare a summary invoice for all shipments and services on a monthly basis to reduce the number of receiving reports and to facilitate traceability. Contracting officers are reminded to utilize mandatory sources (see Chapter 3, Section 3.3) for supplies and services, and to limit the ordering period for these sources to the timeframe indicated in the agreement.
- A. Contracts. BPA's involving contracts, including Federal Supply Schedule contracts, may be issued for the life of the contract. When a BPA covers contract items, it may cover only the period shown in the contract. When a follow-up contract is
- 4-1
- awarded to the same contractor, the BPA may be amended to show the new contract and new period of time covered. BPA-s will automatically roll over each year. However, an AD-700 for renewals must be submitted.
- B. Requests for BPA-S. Offices with warranted procurement personnel may issue BPA-S. Offices not having authority to issue BPA-s should submit Form AD-700, Procurement Request, through normal channels. The AD-700 should contain the following information:
- Name and address of suggested vendor and names of two or three other vendors who can meet the minimum need.
  - Types of supplies or services to be furnished.
  - Period of time the agreement will cover.

- Estimated dollar amount to be spent under the agreement.
- Address where vendor is to submit its invoice.

The procurement office will prepare Form AD-838, Purchase Order, and forward a copy to the requesting office. When it is received, those authorized may start purchasing goods or services under the BPA.

C. Limitations.

- BPA-s may not be used to procure capitalized property or high-risk noncapitalized property of a sensitive nature.
- BPA-s may not be used to avoid limitations on procurement authority.
- Competition must be obtained for individual orders costing \$1,000 or more.

D. Receipts and Invoices for Supplies and Services. All goods and services received must be accompanied by the vendors itemized sales slip in duplicate. The employee who receives the goods or services should take the following steps:

- Ensure the receipted sales slip contains:
    - ? Name of vendor;
    - ? Purchase order number from the AD-838 issued by the authorized office;
- 4-2
- ? Date the order was placed;
  - ? Name of person who placed the order;
  - ? Itemized list of supplies ordered, including quantity and price of each;
  - ? Delivery point; and
  - ? Date of delivery.
- Sign and retain one copy of the receipted sales slip in the office files until the commercial invoice is received.
  - When the commercial invoice is received for the BPA, the certifying office should forward the invoice with Form AD-838D, Invoice, Receipt, Certification, to the National Finance Center. (Instructions on completion of the AD-838D are on the reverse side of the form.) The certifying office must ensure that the correct purchase order number is on the invoice.

4.3  
Blanket  
Purchase  
Orders

4.3.1 Definition. A BPO is an order between the Government and a contractor for repetitive type services that contain fixed or estimated price and fixed or estimated quantity with anticipated one time or recurring vendor payment. Purchase Order, Form AD-838, Type 43, is used to establish the BPO. Terms and conditions are spelled out in the BPO. Copier or equipment rental or equipment repairs are examples of when the Type 43 BPO should be issued.

4.3.2 General Information.

A. BPO-s may be established by individuals with delegated procurement authority. Those offices who do not have the appropriate authority should submit an AD-700, Procurement Request, through the appropriate channels to PRS, FSO. The AD-700 should contain the same information that is described in 4.2.3.B.

B. Unlike the BPA, a BPO does obligate funds and a BPO can only be issued for 1 year or less. The funds cannot cross between fiscal years. The BPO must be re-established each year.

C. When receipting for services obtained from a BPO, follow the same procedures as are described in 4.2.3.D. However, the receipt document to use is Form AD-838B, Invoice, Receipt, Certification. Invoices must be attached with the Form AD-838B.

4-3

EXHIBIT 1  
Chapter 4

BPA No. \_\_\_\_\_

## BLANKET PURCHASE AGREEMENT - ATTACHMENT NO. 1

1. The maximum dollar limit per fiscal year is as stated on purchase order.
2. The effective ordering period for this BPA is from the date of issuance. In the event of cancellation, delivery or performance of outstanding orders under the terms and conditions herein may continue for a period of 30 days, after which time any remaining items or quantities will be considered cancelled.
3. This contract is conditioned upon the passage of an appropriation by Congress each new fiscal year from which expenditures thereunder may be made and shall not obligate the United States upon failure of Congress so to appropriate.
4. The Government is obligated under this BPA only to the extent of call orders placed by authorized individuals. The contractor is cautioned that acceptance of calls from personnel other than those authorized herein, acting within the scope of their authority, may jeopardize payment.

The consignee will provide a list of individuals authorized to place calls under this BPA on an annual basis. If the individual calling is not on your authorized list, please phone the person listed in the billing instructions of the purchase order.

5. Delivery tickets or sales slips shall accompany all deliveries and contain the following information:
 

|   |  |
|---|--|
| <ol style="list-style-type: none"> <li>a. Name of supplier</li> <li>b. BPA number</li> <li>c. Call order number, if applicable</li> <li>d. Date of call</li> <li>e. Name of caller</li> <li>f. Itemized List of supplies</li> </ol> | <ol style="list-style-type: none"> <li>g. Quantity, unit price, and extension of each item less any applicable discount</li> <li>h. Date of delivery or shipment</li> <li>i. Exact location of delivery</li> <li>j. Signature of receiving official</li> </ol> |
|---|--|
6. An invoice shall be submitted in duplicate for all charges made during the billing period, and one copy of the delivery ticket shall be attached. Once the billing period is established (e.g., 10th of each month or 1st and 15th of each month), it shall remain constant. Each invoice shall show:
 

|  |  |
|--|--|
| <ol style="list-style-type: none"> <li>a. Supplier and remittance address</li> <li>b. BPA number</li> <li>c. Invoice number</li> <li>d. Delivery ticket number(s)</li> </ol> | <ol style="list-style-type: none"> <li>e. Total amount of invoice</li> <li>f. Applicable prompt payment discount</li> <li>g. Date of billing period</li> </ol> |
|--|--|
7. Marking of shipping containers shall clearly show the consignee, the BPA number, and the call order number, if applicable.
8. The prices to the Government for all purchases made under this Agreement shall be at least as low as those charged to the contractors most favored customer, including applicable trade or prompt payment discount.
9. Commercial Warranty - The contractor agrees that the supplies or services furnished under this BPA shall be covered by the most favorable commercial warranties the contractor gives to any customer for such supplies or services or as specified in any applicable Government contract.

## CONSIGNEE NOTE:

10. The GSA stock program is a mandatory source for materials, supplies, tools, etc., for items costing more than \$1,000 and available in the stock catalogs. Materials available from the Federal Supply Schedule must be procured from Federal Supply Schedule contractors.
11. The consignee should note on requisition: This order expires. Request to renew is the responsibility of the consignee. Please indicate order number on each new AD-700 renewal request.
12. The existence of a BPA is not justification for sole source procurements, or for favoring one company over others. Requirements over \$1,000 must be solicited competitively unless the order file is documented with a sufficient sole source justification. Competitive prices should be solicited for requirements under \$1,000 if there is any doubt that the first quoted price is fair and reasonable. Requirements shall not be split for the purpose of staying under the maximum dollar limit or any other limitation.
13. The BPA may not be utilized for purchase of capitalized equipment and/or accountable property.

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## CHAPTER 5

## BILLS OF LADING

- 5.1 Purpose This Chapter provides general guidelines and information on Form SF-1103, U.S. Government Bill of Lading (GBL).
- 5.2 U.S. Government Bills of Lading When the Government needs to procure for the shipment or transportation of property (e.g., moving excess furniture to a new office) and the cost of shipping is \$100 or more, a GBL must be issued. All shipments should be made by the most economical method, consistent with proper procurement requirements.
- Delegated procurement authority is not required to issue GBL'S; however, your Agency may have restrictions on who is authorized to issue them.
- 5.2.1 SF-1103. This form is a serially numbered, snapout accountable form. Because this form is accountable and must be serially numbered, the form can only be obtained from Central Supply in Landover, MD. Offices which need to issue GBL-s shall submit an AD-14, Request for Forms, requesting the accountable forms from Central Supply. The SF-1103 is made up of the following seven separate basic forms:
1. SF-1103, U.S. Government Bill of Lading Original packet (white) - Carriers Copies.
  2. SF-1104, U.S. Government Bill of Lading Shipping Order (pink).
  3. SF-1105, U.S. Government Freight Waybill - Original (white).
  4. SF-1106, U.S. Government Freight Waybill - Carriers Copy (white).
  5. SF-1103A, U.S. Government Bill of Lading - Memorandum Copy (yellow) - NFC Copy.
  6. SF-1103B, U.S. Government Bill of Lading - Memorandum Copy (blue) - Consignee.
  7. SF-1103A, U.S. Government Bill of Lading - Memorandum Copy (yellow) - Office Copy.
- NOTE: GBL-s for household moves can only be issued by PRS, FSO, for all offices.
- 5-1
- Those offices authorized to issue GBL's may obtain GBL forms by submitting requests on an AD-700 to PRS, FSO.
- 5.2.2 Accountability. Those offices issuing GBL's must maintain records of GBL's received and issued to issuing offices or designated employees. Employees responsible for the issuance and use of GBL forms will be held accountable for their disposition; the forms should be kept in a locked or secured area. GBL forms are serially numbered at the time of printing; no other numbering of forms is permitted.
- 5.2.3 Lost or Delayed GBL's. When the original SF-1103 is lost or delayed, the consignee may be required to issue Form SF-1107, Temporary Receipt in Lieu of U.S. GBL, or Form SF-1108, Certificate in Lieu of Lost U.S. GBL, or both.
- 5.3 Shipments Under \$100 For shipments where transportation charges ordinarily do not exceed \$100 per shipment (i.e., single-parcel shipments via express, small package, or similar carriers such as UPS or Airborne), the following procedures should be taken:
- APHIS Only: Submit an AD-700 to PRS, FSO, to request an account with UPS. For all other carriers, contact the carrier to set up an account. Upon receipt of invoice, certify for payment by signing and providing accounting classification information. Forward to Claims and Payments Section of AFS, FSO.
- All Other Agencies: Submit an AD-700 to PPS, FSO to request an account with UPS or any other carrier.

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## CHAPTER 6

## UNAUTHORIZED PROCUREMENT TRANSACTIONS

- 6.1 Purpose This Chapter provides general guidelines and procedures relating to unauthorized procurement transactions.
- 6.2 Definition An unauthorized transaction occurs when an individual makes a purchase on behalf of the Federal Government, but does not have the appropriate authority to do so.
- 6.3 Unauthorized Procuring The following are examples of typical Unauthorized transactions:
- A. Procuring items that have a dollar value exceeding the dollar limit authorized under an individual-s delegated authority.
  - B. Procuring an item when one does not have delegated procurement authority.
  - C. Procuring an item that the Federal Government is not authorized to buy.
  - D. Making a purchase from an improper source/vendor without prior approval from Purchasing Section, Procurement and Realty Services (PRS), Field Servicing Office (FSO), APHIS, or the Contracting Section, Procurement and Engineering Branch (PEB), Administrative Services Division (ASD), APHIS.
- 6.4 Ratifying Unauthorized Procurement Transactions
- 6.4.1 Head of the Contracting Activity (HCA). The Director, ASD, is the HCA for AMS, FGIS, OT, P&SA, APHIS, and ACS. Only the Director, ASD, can approve or "ratify" unauthorized procurement transactions, providing that the following conditions are met:
- A. The Government receives a benefit (tangible or intangible).
  - B. The price is fair and reasonable.
  - C. The purchase was otherwise legal.

6-1

6.4.2 Procedures for Ratifying Unauthorized Transactions. When a procurement transaction has been identified as unauthorized, the following steps should be taken:

- A. The procurement office (FSO or PEB) will:
  - Request that the employee who made the unauthorized purchase submit through proper channels the records and documents relating to the purchase with the following justification:
    - . An explanation for deviating from normal procurement procedures;
    - ? Reason why the particular vendor was selected;
    - ? A list of other sources/vendors considered;
    - ? A description of the requested item; and
    - ? The price quoted for the item.
  - Review records and documents submitted for adequacy.
  - Determine if the Government has received a benefit, if the price is fair and reasonable, and if the purchase was otherwise legal.

- Submit to the HCA a completed purchase order, including a recommendation for approval or disapproval based on a review of the case.
- B. The HCA, upon receipt of a recommendation, will either:
  - Ratify, sign, and release the purchase order; or
  - Disapprove the transaction and determine (1) if the unauthorized procurement should be sent to the Comptroller General for a decision, or (2) if other appropriate action should be taken, such as reimbursement by the employee.

6-2

6.5  
Violations

Unauthorized procurement transactions violate delegated procurement authority and must be dealt with appropriately. Each case will be handled on an individual basis.

- A. Single Violation. The HCA will send a letter to the employee and a copy to the employees immediate supervisor.
- B. Repeated or Flagrant Violations. This could result in disciplinary action against an employee and/or revocation of the employees delegated purchasing authority.

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## CHAPTER 7

## RESTRICTED ITEMS

7.1  
Purpose

This Chapter identifies items that can be purchased only by the contracting activities in the Procurement and Engineering Branch (PEB), Administrative Services Division (ASD), APHIS, or Procurement and Realty Services (PRS), Field Servicing Office (FSO), APHIS. In order for these items to be purchased, various approvals and justifications are required. This Chapter identifies each restricted item, what approvals are necessary, what is expected in tile justification, and how to process the request.

The items discussed in this Chapter cannot be purchased without the consent of the designated approving official in the Agency. Requesters, however, should first decide whether or not repair or rehabilitation of the restricted item will satisfy their minimum needs. If not, then the item should be acquired through excess, if available. As stated in Chapter 3, it is Agency policy to use excess property as the first source of supply, after approval for obtaining the item has been granted. There are several sources which should be screened when there is a need for excess property (see your agency personal property guidelines).

B. Employees located in the Washington, DC, metropolitan area should submit all of their requests for restricted items to Property and Safety Management Branch (PSMB), ASD, Hyattsville, MD. The property specialist will screen all sources to obtain the requested property. If the request cannot be filled through excess, and if it has adequate justification, the specialist will approve the request to be purchased and will forward requisition to the appropriate contracting activity for purchasing.

C. Employees located in the field may obtain restricted items by going through excess sources themselves (after obtaining approvals) or submitting requests to Accounting and Property Services (APS), FSO. If FSO cannot obtain the items through excess, they will approve the request to be purchased if it has adequate justification and forward it to the appropriate contracting activity.

7-1

7.3  
Categories of

- A. Listed below are the restricted items which have special instructions for obtaining each of them.

## Restricted Items

Note that these items are restricted due to specific regulations spelled out in the General Services Administrations Federal Property Management Regulations, with which all Federal agencies are expected to comply. The restricted items are:

- Air-conditioning and related equipment
- ADP equipment and software
- Typewriters
- Office furniture, furnishings, and furniture systems
- Telephones and services
- Copying and duplicating machines
- Microfilm equipment or services
- Audiovisual equipment
- Radio communications equipment
- Radioactive materials and radiation equipment
- Advertisements and notices in newspapers and trade journals
- Procurement/repair of incinerators, boilers, waste treatment equipment, and solid waste disposal systems

B. The following items may not be purchased under any circumstances. Note that these items are restricted from purchase due to specific regulations spelled out in the General Services Administrations Federal Property Management Regulations, with which all Federal agencies are expected to comply. These items are:

- Prepaid film processing mailers
- Calling cards
- Covers for reprints of scientific articles
- Twine made of foreign origin material
- Calendars from sources other than GSA
- Threshold heaters, portable space heaters, and portable electric fans.

C. Envelopes, stenographers notebooks, and blank notebooks cannot be purchased from commercial services. Such items must be ordered through GSA or, if not stocked, must be purchased through authorized channels.

D. If items covered by Federal Supply Schedule contracts will serve the required purpose, a similar item cannot be purchased on the open market except in emergency situations, or upon obtaining a waiver from GSA, or if the identical item is cheaper.

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## 7.3.1 Air-conditioning and Related Equipment.

A. Approving Office. Requests for new air-conditioning or other ventilating temperature and humidity-control equipment must be submitted to the Engineering Section, PEB, ASD, for approval prior to purchasing.

B. Justification. Submit Form AD-700, Procurement Request, to the Engineering Section, PEB, ASD, containing the following information:

- An explanation of need, including existing and desired temperature conditions;
- Capacity of the unit(s);
- Electrical and other requirements;
- Building ownership;
- The cooperative agreement number, if applicable to space use;
- If the item is to be rented, provide the period for which the equipment is needed; and
- Other pertinent information such as use, size, and location of space within the building, type of building, and, whether or not the unit requested will become permanently affixed to the structure or if it will be a window installation.

C. Processing. If the request is approved, the Engineering Section, PEB, ASD, will forward the AD-700 to the appropriate contracting activity (PEB, PRS, or regional office) for purchasing. If the request is disapproved, the AD-700 will be sent back to the requesting office with an explanation of the denial.

- 7.3.2 ADP Equipment and Software. This restricted item includes all initial purchases of central processing units (CPU), software which exceeds \$2,500, and any request for network telecommunications service. The following items do not require approval if they do not exceed \$2,500:

- Items which will enhance or replace another item on a previously approved CPU.
- Renewal of currently leased equipment; Miscellaneous items such as cables, glare screens, surge protectors, data switches, and printer covers; and
- Maintenance or repair to terminals, microcomputers, or peripherals.

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A. Each agency maintains its own approval procedures for evaluating and approving ADP items. Consult your Agency for special instructions. All agencies, however, are striving for the same basic ideals:

- To encourage and maintain "state-of-the-art" systems when they demonstrate distinct advantages in work force utilization, increased productivity, better communications, and cost reduction.
- To meet requirements as fully as possible while maintaining a high degree of hardware and software standardization.

B. All ADP procurements over \$25,000 must be reported on the annual Advance Acquisition Plan (see Chapter 2). This approval is in addition to your Agency's regular approval process.

C. Once the request for the ADP item is approved, it should be sent to PEB, ASD, for purchasing. PEB is responsible for purchasing all properly approved ADP items for all agencies.

- 7.3.3 Typewriters. Anyone needing a typewriter shall request an electric or electronic typewriter that will meet minimum needs and program requirements from PRS, FSO, or if an APHIS field office, your regional office. The basic electronic typewriter should be purchased instead of an electric typewriter. Electronic typewriters have additional features, contain memory, have fewer moving parts, and are competitively priced with electric typewriters.

The following criteria must be followed:

A. Replacement. Typewriters may be replaced only when one or more of the following criteria have been met:

- There is a documented history of breakdowns.
- The machine lacks essential features for a task that is continuing in nature, and other suitable machines are not readily available.
- The machine is at least 12 years old, if electric, and is consistently breaking down.
- The estimated cost of repair or overhead exceeds the percentage of replacement cost regardless of sale or trade-in value.

Age of Machine      Percent of Replacement Cost

- |               |    |
|---------------|----|
| Under 8 years | 50 |
| Over 8 years  | 25 |
- Repair parts are no longer available.

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B. Justification for Replacement. All typewriters with or without special features shall be justified by the requester. This justification should be attached to the AD-700 and include:

- The actual typing requirements of the requesting office.
- If the request is for replacing already owned equipment, show that the replacement criteria have been met and needs cannot be met through repair or rehabilitation.
- Current equipment used to perform the work.
- Availability of word processing machines.
- Description of the types of work the equipment will be used for (e.g., correspondence, publications, etc.).

C. Justification for Special Features. The justification for the special features must contain:

- Severity of the impact on the workload if the requested features are not available;
- Accessibility within the organizational unit to other equipment with similar capability;
- Projected usage against total typing workload.

The special features may be justified if they will be used at least 1 hour per day.

D. Processing. The request for a typewriter will be approved (i.e., either purchased or obtained through excess) after the approving office has reviewed the request. If the typewriter is to be obtained through excess, then the approving office will coordinate this transaction with the requestor. If the typewriter is approved for purchase, then the approving office will forward the AD-700 to PRS, FSO, or a regional office for purchasing. If the request is not approved, the requester will receive the AD-700 with an explanation of why the request was not granted.

7.3.4 Office Furniture and Furnishings. When currently owned furniture does not meet the needs of the

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office, new furniture may be acquired through excess or by purchasing. Furniture requests must be justified and approved.

A. Replacement. Furniture may be replaced when:

- It is obsolete.
- The cost of repair or rehabilitation is more than 75 percent of the new item.

B. Definition.

- Furniture System - A system of furniture components designed to provide a comprehensive office furniture environment, through the ability to create a variety of workstation configurations. The furniture system is based on interconnecting, structural panels as a central, integrating element. In addition to the panels, the system shall include panel supported storage, task management devices, electrical and wire management components and panel supported and/or freestanding worksurfaces.
- Conventional Furniture - Separate items of furniture which are used in creating workstations (i.e., desks, tables, file cabinets, bookcases, privacy panels, etc.). Privacy panels may be separate or interconnecting.

C. Approving Office.

- Approval to purchase furniture systems is delegated to:
  - ? Director, ASD, for Washington, DC, metropolitan area; or
  - ? Director, FSO, for field locations.
- Approval to purchase all other items of conventional office furniture is delegated to the Director, FSO.

These approvals are required to ensure that the purchases comply with Federal Property Management Regulations and that any required Departmental approvals are obtained.

NOTE: Remember that any request for furniture must be screened through excess (see Section 7.2.).

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D. Processing. Office furniture or furnishings will be acquired after the appropriate approvals are obtained. If the item is to be obtained through excess, then ASD or FSO will coordinate this transaction with the requester. If approval is denied, the requester will be notified by the approving office and an explanation for the denial will be provided.

7.3.5 Telephones and Services. Telephone services will be provided only for employees whose duties require them to place and receive official telephone calls. The services include local telephone service, the Federal Telecommunications System (FTS), Intercity Networks, record communication (teletype, facsimile and mailgrams), and teleconferencing.

Design line or decorator telephones and telephone monitoring or eavesdropping equipment cannot be purchased under any circumstances.

Agricultural Marketing Service (AMS) offices only

should first refer to AMS Directive 226.2, Voice Telecommunications, dated 8/1/88.

NOTE: Offices with delegated procurement authority may competitively purchase or lease the standard 6-button 1-A key sets, station A single-line sets, and digital systems such as Eagle and Condial from local sources. No special approval from GSA is required.

A. Obtaining Telephone Equipment. To obtain telephone equipment and/or services, the following procedures should be followed:

- All offices located in the Washington, DC, metropolitan area should submit all requests for telephone equipment and/or services to the Telephone Communication Specialist (TCS) in the Headquarters Operations Section, PSMB, ASD. The requests can be sent via an AD-700 or through telemail. The telemail box addresses are as follows:
  - ? For offices located in Washington, DC - ASD.SPACE
  - ? For offices located in Maryland - HYATTS.SPACE

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- The TCS will complete all requests in compliance with the existing Purchase of Telephones and Services (POTS) contract. Those requests that cannot be filled using the POTS contract will be returned to the requester. The requester has the option of submitting the request to PRS, FSO, for purchasing.

- All field locations will submit requests for telephone equipment or services to the TCS in the Information Systems Services, FSO (note exceptions stated above concerning offices with delegated procurement authority).

B. Justification. A justification for the following telephone equipment and services must be provided with the original request (submitted with the AD-700). The justification must include:

- Intended use of the equipment or service needed.
- A statement explaining the exact location where the equipment will be set up.
- Auxiliary telephone station equipment and features including, but not limited to, automatic dialing equipment, speaker phones, call diverters, automatic ring lines (hot lines), bell chimes, and music on hold, must be justified based on the mission goals and operational needs.
- A key station telephone (main extension station providing access to more than one line) will be provided only where call volume and type of work require access to more than one line. Call volume, rather than individual preference or grade level, will determine the number of telephone lines in an office.
- Call director instruments will be provided only when 6-button or approved 10-button instruments will meet operating requirements.
- Line status indicator, 10-button, and call director instruments are considered to be secretarial and will not be provided to professional/managerial personnel.
- Individual business lines (i.e., a direct connection to the telephone company's commercial system) will be provided only when

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the user makes and receives calls which are administratively confidential in nature.

- Dial intercommunicating lines (intercom) will not be used on systems with direct inward dialing capacity or in lieu of the less expensive buzzer signaling systems.

#### 7.3.6 Copying and Duplicating Machines.

A. Approving Office. The Mail and Reproduction

Management Division, Office of operations (00), approves the acquisition of copiers for all offices located in the Washington, DC, metropolitan area.

PRS, FSO, will approve all acquisitions and exchanges of copiers for all field locations.

B. Justification. Copying and duplicating machines may be acquired (purchased, transferred, replaced, or reassigned) only when requirements cannot be met through the joint use of existing or proposed facilities with other Department or Government agencies. Each request to acquire or replace office copiers or duplicating equipment must be supported by a justification statement which must include:

- The average type, variety, and maximum size of documents to be copied (e.g., general office correspondence, 8-1/2 x 11; forms; maps 11 x 14).
- Average number of copies made from each original.
- Estimated total copies to be made monthly.
- Minimum number and type of machines essential for daily needs.
- An explanation for replacement and proposed disposition, if a machine is being replaced.
- List of special characteristics or accessories needed (e.g., collator, features to reduce or enlarge, feeder, etc.).
- List of other copying equipment on hand at the location (include the make of the copiers).
- Explanation of joint use, if any, of equipment available in the proximity of the office location.

C. Selection of Equipment. PDMB or PRS, in conjunction with the requesting office, will select the copier equipment based on:

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- Overall copying costs, including supplies and energy consumption.
- Availability and cost of service or maintenance.

NOTE: Occasionally, offices may want to use, on a trial basis, a specific type/model of equipment; this can be arranged by PDMB or PRS- If an office wants to procure a particular type/model of equipment, the rationale for choosing this equipment (over other equipment with similar features) must be included in the justification. PDMB or PRS will work with the requesting office to develop required cost comparison data.

D. Processing.

Requesters located in the Washington, DC, metropolitan area will submit their request to PDMB. After preparation of required documentation, PDMB will forward the request to 00 for approval. If the request is approved, PDMB will provide a copy of the approval to the requesting office. The requesting office, in conjunction with PDMB, will then prepare the necessary paperwork for the request and send it to PRS for processing. If the request is not granted, PDMB will provide the requestor with the explanation provided by 00.

Requesters located in the field will submit their request with the justification to PRS for approval and processing. If the request is denied, PRS will notify the requester and provide a full explanation.

7.3.7 Microfilm Equipment or Services. Microfilm equipment may be acquired only in conjunction with an approved microfilm project.

A. Approving Office. Each agency maintains its own procedures to evaluate and approve/disapprove requisitions for microfilm equipment. The required approval is to be provided along with the Form AD-700.

B. Justification. The justification should include any required documentation as well as a completed Form AD-9, Application for Approval of Direct Microfilm Project or Equipment.

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7.3.8 Audiovisual Equipment. Planning and coordination for acquisition of audiovisual equipment is required in order to best use existing Agency resources.

A. Approving Office. All agencies will obtain approval through their own approval procedures.

B. Justification. AD-700-s for the acquisition of audiovisual equipment must include:

- Purpose of equipment.
- Requirements for specific equipment.
- Justification of special features not normally found on similar equipment.

NOTE: This does not apply to the purchase of tapes or other expendables, or to equipment rented on a short-term basis.

7.3.9 Radio Communications Equipment. It is Agency policy to maintain a radio communications management system which ensures use of current technology and systems compatibility and satisfies, without exceeding, Agency needs.

A. Approving Office. The Radio Communications Manager, PEB, ASD, must technically approve all requests before they are forwarded to FSO. PRS, FSO, is the office authorized to purchase radio equipment.

B. Justification. Request radio communications equipment in accordance with procedures outlined in APHS Directive 260.2, Radio Communications Management, and FGIS Instruction 228-1, Maintenance and Operation of Two-Way Radio Communication Equipment.

7.3.10 Radioactive Materials and Radiation Equipment. Radioactive materials and radiation equipment cannot be procured until their use is approved by the Departments Radiological Safety Officer. See your Agency directive for specific instructions.

7.3.11 Advertisements and Notices in Newspapers and Trade Journals. The procurement offices in FSO and ASD are responsible for the approval and control of the purchase of advertisements. No advertisement shall be published until one of those offices has indicated

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approval and issued a written order to the publisher, based on the AD-700. The laws governing the publication of Government advertisements are very strict, and post approval of published material is prohibited. Requisitions for publication of advertisements and notices in newspapers and trade journals must include the exact wording of the advertisement, the name and address of the newspaper or trade journal, and the specific day or days of publication.

Advertisements for personnel hiring must be approved by Field Personnel Services, FSO.

7.3.12 Procurement/Repair of Incinerators, Boilers, Waste Treatment Equipment, and Solid Waste Disposal Systems. It is Agency policy to procure for these types of items in accordance with Executive Order 11752 which directs Federal agencies to protect and enhance the quality of the environment. PEB, ASD, is responsible for approving and purchasing these types of items because engineering advice is needed prior to procuring, and also environmental advice may need to be obtained by the Safety, Health and Environmental Section, PSMB, ASD.

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## CHAPTER 8

## CONTRACTING FOR ADVISOR AND ASSISTANCE SERVICES

- 8.1 Purpose This Chapter provides Agency policy and procedures for offices that contract for advisory and assistance services.
- 8.2 Advisory and assistance services are defined as

- Definition services obtained to support or improve Agency policy development, decision making, management, and administration, or to support or improve the operation of management systems.
- There are various types of advisory and assistance services; e.g., information, advice, opinions, alternatives, conclusions, recommendations, training, or direct assistance. These services consist of:
- ? individual experts and consultants;
  - ? studies, analysis, and evaluations;
  - ? management and professional support services; and
  - ? engineering and technical services.
- 8.3 Policy It is Agency policy to contract for advisory and assistance services to aid managers in achieving maximum effectiveness or economy in their operations. Advisory and assistance services may be used at all organizational levels, and it is a legitimate way to improve Government services and operations.
- 8.3.1 Purpose for Contracting for Advisory and Assistance Services. The Agency may contract for advisory and assistance services when it is essential for the Agency's mission to:
1. Obtain outside points of view to avoid too limited judgment on critical issues;
  2. Obtain advice regarding developments in industry, university, or foundation research;
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3. Obtain the opinions, special knowledge, or skills of noted experts;
  4. Enhance the understanding of, and develop alternative solutions to, complex issues;
  5. Support and improve the operation of organizations; and
  6. Ensure the more efficient or effective operation of managerial or hardware systems.
- 8.3.2 Prohibitions. Advisory and assistance services should not be used:
1. In performing work of a policy, decisionmaking, or managerial nature which is the direct responsibility of Agency officials;
  2. To bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures;
  3. To contract for, on a preferential basis, to former Government employees;
  4. Specifically to aid in influencing or enacting legislation under any circumstances; and
  5. To obtain professional or technical advice which is readily available within the Agency or another Federal agency.
- 8.4 Responsibilities 8.4.1 Requesting Activity. The requesting activity is responsible for: (1) developing a justification document; (2) obtaining the appropriate approval; (3) submitting the approved request to the Procurement and Realty Services (PRS), Field Servicing Office (FSO); and (4) preparing a written report at the conclusion of the services (see Section 8.5, management Controls).
- A. Justification Document. Requests for advisory and assistance service regardless of cost or approval level, include:
- A complete description of the services to be performed including any deliverable results.
  - A total estimated cost for completion of the project even though it may be funded with different fiscal year funds; e.g., incrementally funded contracts or with options.

- The total amount of time and major milestone timeframes for completion of the entire project.
- If a sole-source procurement is being requested, a separate sole-source justification document should be included.
- The anticipated end results and benefits of the proposed contract as it relates to the overall Agency mission.
- A statement as to why the required services cannot be performed by Government personnel. (Whether personnel from other USDA agencies may be detailed to the requesting activity should be addressed.)
- Written justification of need and certification that such services do not unnecessarily duplicate any previously performed work or services. In the event that similar, related work has been performed previously, a description of any previous contract for the same general program and its relationship to the current request shall be included.
- A statement whether the requirement or program to which it is related has been specifically included into the Agency's budget cycle and advance acquisition plan for the fiscal year in which the services are to be performed and, if not, provide an explanation.
- A brief factual statement of any possible basis or appearance of a conflict of interest.
- A certification statement declaring that the requirement is for advisory and assistance services as defined in Section 8.2, Definition.

B. Approval Levels. Prior to submitting the requirement for procurement action, the requesting activity must obtain higher level approval, as described below. The same approval process shall be followed for any contract modification which either extends the original term of the contract

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for advisory and assistance services by more than 1 month or increases the total contract amount by more than 10 percent.

- For procurement actions of \$10,000 or less from a single source, and for all competitive actions within the small purchase limitation of FAR 13.101, the approving authority shall be at:
  - ? One organizational level above the requesting activity for requests submitted before the fourth quarter of the fiscal year.
  - ? Two organizational levels above the requesting activity for requests submitted during the fourth quarter of the fiscal year.
- For acquisitions over \$10,000 from a single source, but not over the Small purchase limitation, and for acquisitions over the small purchase limitation, but not over \$50,000 that are completed pursuant to FAR Subpart 6.1 (full and open competition) or Subpart 6.2 (full and open competition after exclusion of sources), the approving authority shall be at the Head of the Contracting Activity level.
- For acquisitions over the small purchase limitation completed pursuant to FAR Subpart 6.3 (other than full and open competition), and for those over \$50,000 completed pursuant to FAR Subpart 6.1, the approving authority shall be at the Assistant Secretary for Administration level.\*

\* For procurement requests requiring approval by the Assistant Secretary for Administration, the request along with the justification as described in Section 8.4.1 A. shall be submitted to the Division Director, Administrative Services Division (ASD). ASD will forward the request to the Office of Operations, Procurement Division, for review and recommendation for approval to the Assistant Secretary for Administration.

NOTE: If a request is being funded incrementally,

the total estimated cost for completion of the contract should be used to determine whether Departmental approval is required, even though it may be funded over different fiscal years.

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Once approval is obtained, the requesting activity shall submit the request to PRS, FSO, for processing.

- 8.4.2 Approving Official. The appropriate approving official (see Section 8.4.1 B., Approval Levels) is responsible for ensuring that:

- A. The services are needed in terms of Agency mission and established goals;
- B. The services do not unnecessarily duplicate any previously performed work or services;
- C. Advisory and assistance services are used only on an intermittent or temporary basis; repeated or extended arrangements are not to be entered into except under extraordinary circumstances;
- D. Every requirement is fully justified in writing, as prescribed in 8.4.1 A., and that work statements are specific, complete, and stipulate a fixed period of performance; and
- E. Circumstances of personal or organizational conflicts of interest are identified to the contracting officer.

- 8.4.3 PRS, FSO, Contract Specialist/Purchasing Agent. The contract specialist/purchasing agent is responsible for determining whether any requested procurement request, regardless of dollar value, constitutes advisory and assistance services as described in Section 8.2. Before processing any procurement request for these types of services, the specialist/agent shall verify that:

- A. Action is taken to avoid conflicts of interest;
- B. The applicable requirements outlined in Section 8.4.1 A., Justification Document, are met; and
- C. Written approval for the requirement has been obtained from the appropriate approval level(s).

8.5  
Management  
Controls

The requesting activity for which the advisory and assistance contract is awarded shall, at the contracts conclusion, prepare a written report assessing the use and effectiveness of the deliverable, as well the contractual and professional, performance of the contractor. The original of the report will be maintained by the Director, ASD. These reports are to be available for review by

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Government and private individuals. The report is intended for use in considering additional contracts and for reward survey information. A copy of the report is to be provided to the contracting specialist/purchasing agent for inclusion into the official contract file.

At a minimum, the report shall contain:

- ? A brief description of the results achieved and findings or recommendations;
- ? Agency actions resulting from the contract or reasons why no actions were taken;
- ? A summary of the contractors performance under the contract; and
- ? Any deviations from the original terms (cost, time, description of work, etc.) and reasons therefore.

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