DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
5450 CARLISLE PIKE
PO BOX 2050
MECHANICSBURG PA 17055-0791

NAVSUPINST 4200.81C
SUP 21

JUL - 8 2003

NAVSUPINST 4200.81C

Subj: NAVY FIELD CONTRACTING SYSTEM AUTHORITY AND RESPONSIBILITY

Ref: (a) Federal Acquisition Regulation (FAR) Part 1
(b) Defense Federal Acquisition Regulation Supplement (DFARS) Part 201
(c) Navy Acquisition Procedures Supplement (NAPS) Part 5201
(d) DOD Instruction 4105.71
(e) DOD Directive 4105.67
(f) SECNAVINST 7043.5B
(g) NAVSUPINST 4200.82 (series)
(h) DON EBUSOPSOFFINST 4200.1
(i) NAVSUPINST 4200.85 (series)
(j) NAVSUP Publication 570

Encl: (1) Definitions
(2) Contracting Authority and Responsibility
(3) Procedures for Requesting Contracting Authority
(4) Contracting Authority and Responsibility for Afloat Units
(5) Contracting Officer and Ordering Officer Appointments
(6) Ratification of Unauthorized Commitments

1. Purpose. To update guidance and procedures for the Navy Field Contracting System (NFCS) regarding contracting authority and responsibility, requests for contracting authority, delegation of contracting authority and ratification of unauthorized commitments.

2. Cancellation. NAVSUPINST 4200.81B. This instruction has been revised significantly and must be reviewed in its entirety.

3. Scope. This instruction applies to Navy field contracting activities with contracting authority delegated from Commander, Naval Supply Systems Command (NAVSUP) plus the Naval Inventory Control Point (NAVICP). These activities collectively comprise the NFCS.

4. Background. The FAR, DFARS and NAPS each contain direction/guidance regarding exercise of appropriated funds contracting authority applicable to the NFCS. References (a) through (c) contain specific information about delegation of appropriated funds contracting authority. References (d)

through (f) contain information regarding delegation of non-appropriated funds contracting authority. Reference (g) provides guidance on the oversight of the NFCS. Reference (h) sets forth DON Purchase Card policy. Reference (j) is the Ordering Officers Guide for Fixed Priced Orders. NAPS 5201.601(90)(c) assigns NAVSUP the responsibility for providing DON-wide policy and procedures for FAR Part 13/DFARS Part 213 simplified acquisitions, which is set forth in reference (i), and contracting for supplies and services throughout the DON for which no other contracting activity, office or command is delegated contracting authority.

5. Organization. DFARS 202.101 establishes NAVSUP as a Contracting Activity. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM) is the Head of the Contracting Activity (HCA) for the NFCS. As HCA, NAVSUP is empowered to delegate contracting authority to Navy field activities to accomplish specific procurements. Activities need not be NAVSUP claimant activities to receive delegated contracting authority from NAVSUP. NFCS activities include the NAVICP, the Fleet and Industrial Supply Centers (FISCs), the Naval Regional Contracting Centers (NRCCs), the Navy Exchange Service Command (NEXCOM), other field contracting activities and Navy fleet activities having contracting authority delegated by NAVSUP and all Navy activities with NAVSUP delegated micro purchase authority for use of the Governmentwide Commercial Purchase Card. Although the NAVICP is part of the NFCS, they are their own HCA per DFARS Part 2 and do not derived their contracting authority from COMNAVSUPSYSCOM as HCA. COMNAVSUPSYSCOM does provide contracting policy and oversight to the NAVICP.

6. Policy and Procedures. Enclosure (1) provides definitions relevant to this instruction. NAVSUP delegated contracting authority and responsibility is set forth in enclosures (2) through (4). Procedures for the appointment of contracting officers and ordering officers are contained in enclosure (5). Procedures for the ratification of unauthorized commitments are contained in enclosure (6).

7. Request for Changes. Submit suggestions for changes to this instruction in writing to NAVSUP Code 21. Requests for change shall be submitted via first level supervisor and should include a statement of the issue, the recommended solution and specific proposed change language to be implemented. Electronic mail submissions are acceptable.

8. Waivers or Deviations. The Chief of the Contracting Office (CCO) must sign requests for waivers or deviations to this instruction and forward such requests to NAVSUP Code 22. Electronic submissions are acceptable. Activities without a CCO shall submit such requests via their cognizant Procurement Performance Management Assessment Program (PPMAP) office.

9. Action. This instruction is effective upon receipt.

D.M. FITZGERALD
DEPUTY COMMANDER
CONTRACTING MANAGEMENT DIRECTORATE

Distribution:
Navy SUPARS

Copy to:
NAVSUP 32C2 (3 copies), 91, 93, 09PAM; NAVICP Mail Room (M0852)

Order from:
Naval Inventory Control Point
COG "I" Material
700 Robbins Avenue
Philadelphia PA 19111-5098

DEFINITIONS

1. Chief of the Contracting Office (CCO) - A warranted contracting officer who has responsibility for managing all technical contracting aspects of the contracting office. Due to the nature of this responsibility, CCOs for activities with contracting authority over the simplified acquisition threshold must be certified to Level III in contracting (DODI 5300.36) under the Defense Acquisition Workforce Improvement Act (DAWIA).

2. Contracting Officer (KO) - A warranted representative of the Federal Government who has express authority to enter into, administer and/or terminate contracts and make related determinations and findings. DOD KOs must meet education, experience and training requirements of DAWIA and DOD Publication 5000.52-M. The term includes Procuring Contracting Officers (PCOs) who may initiate acquisitions, award contracts and perform the full range of post-award KO functions; Administrative Contracting Officers (ACOs), who administer contracts per FAR Part 42 and their delegations of contract administration responsibilities by the PCO; and Termination Contracting Officers (TCOs) who settle terminated contracts as delegated by PCOs/ACOs. Non-appropriated fund contracting officers and foreign national contracting officers are not subject to DAWIA or DOD Publication 5000.52-M. Activities with non-appropriated fund contracting officers and foreign national contracting officers shall develop internal education, experience, and training requirements for appointment of non-appropriated fund and foreign national contracting officers.

3. Convenience Checks - Governmentwide commercial purchase card based checks issued by a Government purchase cardholder against the purchase card account.

4. Core Business Contracting Mission - The core business of activities deriving their contracting authority from COMNAVSUPSYSCOM as HCA is to deliver combat capability through logistics in support of Navy customers outside the cognizance of other Navy HCAs. Core business may include, when advantageous or necessary, support to DOD, other service and joint programs. Providing support to non-DOD agencies should be evaluated on a case-by-case basis and coordinated with NAVSUP 02 before such requirements are accepted.

5. Detachment - Subordinate activity of a parent command having an Officer in Charge (OIC) who reports directly to the commanding officer of the parent command. The commanding officer of the parent command has management discretion with regard to further delegation of the command's contracting authority to its detachments.

6. Governmentwide Commercial Purchase Card (PC) - A purchase card, similar in nature to a commercial credit card, issued to authorized agency officials for their use in acquiring commercial supplies and services. The DON eBusiness Operations Office is the Navy purchase card program manager. DON purchase card policy is set forth in reference (h).

7. Head of the Contracting Activity (HCA) – For DOD, the commander or commanding officer of an activity designated in DFARS 202.101 as a contracting activity. The HCA has overall responsibility for management and oversight of delegated contracting authority within the organization and at field activities whose authority is derived from the HCA. COMNAVSUPSYSCOM is the HCA for the NFCS.

8. Host Activities – Activities designated to provide SAP support to other Navy activities in geographic proximity to one another but are remote from the nearest FISC or NRCC. The cognizant PPMAP office provides oversight, coordination and assistance to designated host activities.

9. Lead FISC - FISC San Diego and Assistant Chief of Staff (ACOS) for Regional Commander Support.

10. Lead Contracting Executive (LCE) - The head in the Lead FISC responsible for providing contracting support, policy, and guidance to all FISCs. The LCE manages all FISC field contracting operations as one organization with multiple operating locations.

11. Letter of Agreement (LOA) – A form of blanket purchase agreement that allows Governmentwide Commercial Purchase Card cardholders to issue oral orders for commercial supply items between $2,500 and $25,000 with payment by purchase card. LOA orders must comply with applicable FAR Part 13 procedures such as competition, foreign item restrictions, etc. Additional guidance can be found in reference (h).

12. Micro-purchase – Acquisition of supplies or services that, in the aggregate, do not exceed $2,500 ($2,000 for construction). The Government purchase card is the mandated method for micro-purchases per DOD policy. In cases where a purchase card is not used to buy or pay for a micro-purchase, a written determination by a Senior Executive Service (SES) civilian, flag or general officer is required prior to accomplishing the purchase action. Commanding officers of field activities without a flag or general officer or SES civilian are delegated authority to make the written determination.

13. Navy Field Contracting System (NFCS) – Collectively, all Navy contracting activities exercising contracting authority derived from NAVSUP as HCA, plus the NAVICP.

14. Mission Funding - NAVSUP claimancy contracting activities are mission funded to provide contracting support to the Fleet, the regional commanders and their subordinate activities and other Navy customers outside the cognizance of other Navy HCAs. NAVSUP claimancy contracting activities are not mission funded to support other Navy system commands, other military services, DOD or joint activities except in cases where DON is designated to provide administrative support. When such support is deemed appropriate, it should be provided on a reimbursable basis unless there is direct benefit to mission funded customers. Reimbursement for provision of contracting support to DOD customers by non-NAVSUP claimancy activities should be resolved between the contracting activity and its resource sponsor.

15. Ordering Officer — A warranted agency official, other than the KO, authorized to place orders against and obligate associated funds under an established contract vehicle. Ordering officers' authority may be limited by the delegation of authority or by limitations set forth in the contract. Specific guidance on appointment of ordering officers is provided in enclosure (5).

16. Procurement Performance Management Assessment Program (PPMAP) Offices — The organization within FISC San Diego, FISC Norfolk, NRCC Naples and NRCC Singapore that provide oversight and guidance to activities, with limited NAVSUP delegated contracting authority, within their geographic areas of cognizance. (See reference (g)).

17. Regional Contracting Activities — The FISCs and the NRCCs have responsibility to provide regional contracting support for supplies and services under NAVSUP contracting authority to the regional commanders, Navy Fleet units, shore activities and as requested from joint DOD activities within their regions for requirements in excess of those activities' contracting authority.

18. Requirement Value - When determining whether the value of a requirement exceeds an activity's delegated contracting authority, the value of the requirement is defined as the estimated aggregated value of all resulting contract vehicles solicited under one solicitation including all options.

19. Simplified Acquisition Procedures (SAP) — Procedures and methods established in FAR Part 13 for making purchases of supplies or services under the simplified acquisition threshold. Pursuant to NAPS 5201.601(90)(c)(1), NAVSUP is responsible for DON SAP policy which is set forth in reference (i). SAP may be used up to $5,000,000 for commercial items for a limited time under a specific DOD test program per FAR 13.5. Although use of SAP may be authorized for certain acquisitions, activities must have the appropriate level of contracting authority to undertake an acquisition.

20. Simplified Acquisition Threshold (SAT) - The simplified acquisition threshold is $100,000. However, in the case of any contract to be awarded and performed, or purchase to be made outside the United States in support of contingency operations or a humanitarian or peacekeeping operations (see FAR Part 2 definitions), the term means $200,000.

CONTRACTING AUTHORITY AND RESPONSIBILITY

1. General. Pursuant to the Navy Acquisition Procedures Supplement (NAPS), NAVSUP has been assigned certain contracting responsibilities. This enclosure further defines these responsibilities and delegations of authority to NFCS activities consistent with those responsibilities.

2. NAVSUP Contracting Authority and Responsibility

a. COMNAVSUPCOM is the HCA for the NFCS. NAVSUP, through the NFCS, is responsible for contracting for supplies and services throughout the DON for which no other contracting activity, office or command is otherwise delegated contracting authority.

b. NAVSUP utilizes a system-wide concept of management of contracting operations through optimized contracting authority. A foundation of this concept is recognition that acquisition reform initiatives have led to more acquisition tools and streamlined procedures available to DON activities. These tools and procedures enhance an activity's ability to satisfy its procurement needs without requiring the specialized experience and expertise of contract specialists and purchasing agents. The ability of activities to satisfy their less complex needs themselves allows contracting activities to focus their resources where they provide the greatest added value to their customers. This also promotes consolidation of contracting support into regionalized support activities in order to reduce support infrastructure consistent with Navy-wide initiatives.

c. Delegations of NAVSUP contracting authority include authority for acquisition of Information Technology (IT) unless otherwise restricted.

3. Navy Field Contracting System (NFCS). The NFCS can be categorized into four major groups – activities with unlimited authority providing regional contracting support; activities with limited contracting authority above the micropurchase threshold; purchase card based activities; and activities with responsibility for certain commodity groups or specific mission support.

a. Regional Support Activities with Unlimited Authority

(1) The FISCs and NRCCs have unlimited contracting authority and will be primarily responsible for providing contracting support above the micro-purchase threshold. They are responsible for providing regional contracting support for supplies and services under NAVSUP's core business contracting mission. The FISCs and NRCCs are responsible for providing contracting support to the Fleet, the regional commanders and

their subordinate activities and other Navy customers outside the cognizance of other Navy HCAs and as requested from joint DOD activities within their regions for requirements in excess of those activities' contracting authority. This support includes establishing Indefinite Delivery Type Contracts (IDTC) contracts for common requirements and for specific activity mission support.

(2) FISC and NRCC geographic Areas of Responsibility (AORs) are as follows:

FISC Norfolk (w/PPMAP Office)	All CONUS east of the Mississippi River not otherwise assigned (includes Millington, TN); Europe and Middle East/ Southwest Asia requirements with U.S. vendors IAW para.4.b.
FISC San Diego (w/PPMAP Office)	All CONUS west of the Mississippi River not otherwise assigned
FISC Jacksonville	North Carolina, South Carolina, Georgia, Florida, Kentucky, Louisiana, Tennessee (except Millington), Alabama, Mississippi, Texas, Caribbean
FISC Puget Sound	Washington, Oregon, Idaho, Alaska; Guam, Japan and Western Pacific requirements with U.S. vendors IAW para.4.b.
FISC Pearl Harbor	Hawaii
FISC Yokosuka	Japan, Korea
NRCC Naples (w/PPMAP Office)	Iceland, Azores, Great Britain, Europe, Middle East/Southwest Asia and Africa
NRCC Singapore (w/PPMAP Office)	Asia/Pacific not otherwise assigned

(3) NFCS contracting activities shall comply with designated AORs except for assigned commodity group/mission support responsibilities denoted in paragraph 3.d. below. If a customer activity has a strong preference for obtaining contracting support from an NFCS activity other than its

cognizant FISC or NRCC, a customer initiated written request justifying the exception must be submitted to NAVSUP 02 or the LCE if the cognizant contracting activity is a FISC for consideration. An advance copy of the request shall be provided to the cognizant contracting activity.

(4) The lead FISC, FISC San Diego, as the NAVSUP Assistant Chief of Staff for Regional Commander Support, has stood-up the office of the LCE. The LCE manages all FISC field contracting operations as one organization with multiple operating locations. The LCE is responsible for determining, assigning and managing all internal delegations of contracting authority to FISC commanding officers.

b. Activities with Limited Authority

(1) A limited number of NFCS activities have contracting authority for other than purchase card based transactions above $2,500. The cognizant PPMAP office grants these activities their authority on behalf of NAVSUP HCA, establish the limits of their authority, oversee their exercise of authority and provide training and assistance. For most of these activities, authority is limited to no more than SAP authority to a specified dollar limit and, where appropriate, authority to issue firm fixed-priced delivery orders, and/or delivery orders with cost reimbursable aspects, under IDTC contracts, General Services Administration (GSA) Federal Supply Schedules, Government-wide Agency Contracts (GWACs) and other contracting vehicles established for Government-wide, DOD-wide or Navy-wide use. PPMAP offices shall consult with NAVSUP 02 prior to any delegation of new SAP authority or permanent increases in authority of an activity with existing SAP authority.

(2) In addition, the delegation of contracting authority for Outside Continental United States (OCONUS) activities, where appropriate, may include the use of SAP procedures up to $200,000 for contracts awarded and performed, for purchases made outside the Unites States in support of a contingency operation or a humanitarian or peacekeeping operation (see FAR Part 2 definitions).

(3) Where a group of NFCS activities are located in geographic proximity to one another but are remote from the cognizant FISC or NRCC, one activity will be designated a host activity to provide SAP support to the others. Additionally, in some Navy regions, regional consolidation of Base Operating Support (BOS) functions resulted in purchasing functions being consolidated directly under the regional commander. The following activities are designated as host activities or regional commanders with direct regional purchasing support responsibility:

Activity	Authority
NAS New Orleans, LA	$ 100,000
NAVSTA Roosevelt Roads, PR	$ 100,000
Commander, Naval Region Northeast, Groton CT	$ 100,000
NAS Pensacola, FL	$ 100,000
NSA Memphis Millington, TN	$ 100,000
NS Great Lakes, IL	$ 100,000
NAS Sigonella, Sicily, IT	$ 100,000
NSA Rota, SP	$ 100,000
NSA La Maddalena, Sardinia	$ 100,000
NSA Souda Bay, Crete	$ 100,000
NSA Keflavik, IC	$ 100,000
Commander, U.S. Naval Forces Marianas	$ 100,000

(4) The following Navy medical activities have purchase authority for medical equipment and consumable medical supplies, non-personal medical services and personal medical services for their own needs and in support of other Navy medical activities in their geographic regions in excess of those activities' authority up to the stated authority:

Activity	Authority
Naval Medical Center (NAVMEDCEN) Portsmouth, VA	$100,000
National Naval Medical Center Bethesda, MD	$100,000
NAVMEDCEN San Diego, CA	$100,000
Naval Hospital Bremerton, WA	$100,000
Naval Hospital Jacksonville, FL	$100,000
Naval Hospital Charleston, SC	$100,000
Naval Hospital Guam	$100,000
Naval Hospital Yokosuka	$ 25,000
Naval Hospital Okinawa	$100,000

(5) The following activities have contracting authority above the SAP threshold:

Activity	Authority
NAVMEDLOGCOM Ft. Detrick, MD	See para. d.(5)
NAVOCEANO Stennis Space Center, MS	$10,000,000
Naval Media Center Washington, DC	$ 500,000 (see para. d.(10)

c. Activities with Purchase Card Authority

NAVSUP may designate authority to establish a Governmentwide commercial purchase card program to Navy activities outside the cognizance of other Navy HCAs. Standard purchase card/ordering delegation packages are identified below. Purchase card programs may be authorized use of the purchase card, as needed.

(1) LEVEL 1 Authority Delegation (PC Only)

(a) For micro-purchases up to $2,500;

(b) To issue convenience checks.

(2) LEVEL 2 Authority Delegation (PC + Supply Ordering)

(a) For micro-purchases up to $2,500;

(b) To issue convenience checks; and

(c) To issue oral or electronic firm fixed-priced delivery orders for supplies up to $100,000 with payment by purchase card under contracting vehicles supporting Government-wide, DOD-wide or Navy-wide ordering on that basis. Examples are GSA Multiple Award Schedules/GSA Advantage; ITEC Direct; Federal Prison Industries; Blind and Other Severely Handicapped programs.

(d) Activities may also be granted oral or electronic firm fixed-priced ordering authority under IDTC contracts issued by FISCs/NRCCs for common supplies or in direct support of the ordering activity subject to limitations of the specific contracts, up to $100,000 (or the Maximum Ordering Limitation (MOL), whichever is lower) with payment by purchase card.

(3) LEVEL 3 Authority Delegation (PC + Supply/Service Ordering (w/LOA authority))

(a) For micro-purchases up to $2,500;

(b) To issue convenience checks;

(c) To issue and place orders under LOAs between $2,500 and $25,000 in strict accordance with reference (h); and

(d) To issue oral or electronic firm fixed-priced delivery orders for supplies and services up to $100,000 with payment by purchase card under contracting vehicles supporting Government-wide, DOD-wide or Navy-wide ordering on that basis. Examples are GSA Multiple Award Schedules/GSA Advantage; ITEC Direct; Federal Prison Industries; Blind and Other Severely Handicapped programs.

(e) Activities may also be granted oral or electronic firm fixed-priced ordering authority under IDTC contracts issued by FISCs/NRCCs for common supplies and services or in direct support of the ordering activity subject to limitations of the specific contracts, up to $100,000 (or the MOL, whichever is lower) with payment by purchase card.

The LEVEL 3 delegation package includes authority to place firm fixed-priced orders for services. This package shall only be authorized on a case-by-case basis and only after a thorough review and validation of an activity's requirements, experience and training. FAR, DFARS and GSA special ordering procedures shall be strictly complied with when ordering services.

The delegation of service ordering authority shall not include ordering authority under cost type contracts or contracts with cost reimbursable elements (e.g. labor hour, time and material) no matter the ordering vehicle. NAVSUP 02 must approve exceptions.

Most field activities whose authority is limited to purchase card based transactions can support the majority of their needs through use of the purchase card program. This NFCS group comprises the largest group of activities exercising authority under the NAVSUP HCA.

d. Activities Responsible for Commodity Group/Mission Support. The following activities assigned specific support responsibilities may not redelegate that responsibility outside the command. Exceptions to these assignments must be coordinated with the cognizant activity and approved by NAVSUP 02.

(1) Type Commanders (TYCOMs) have been delegated NAVSUP contracting authority that they may redelegate to commanding officers of ships per enclosure (4).

(2) Aviation activities, with pilots making extended flights who are authorized to use the flight packets under the authority of NAVSUP Publication I, Volume II, paragraph 22417, and/or NAVSUP Publication P-485, Volume I, paragraph 3333, are granted authority to make Standard Form 44 (SF 44)(Order-Invoice-Voucher) purchases. SF 44 purchases made under this authority for supplies and services shall not exceed $2,500, except aviation fuel and aviation lubricating oil that will not exceed the simplified acquisition threshold.

(3) The NAVICPs, NAVSUP Assistant Chiefs of Staff for acquisition community support, industrial support and international logistics support has procurement cognizance for items under centralized inventory control (items coded as acquisition advice code "C" or "D" by the Defense Logistics Service Center). Other contracting activities may buy material under NAVICP cognizance only to the extent authorized by applicable regulations or instructions or as coordinated with NAVICP. NAVICP also has post-award management responsibility for Navy-wide IT systems contracts as assigned by SPAWARSYSCOM and has lead administrative contracting officer responsibility for the Navy/Marine Corps intranet contract. Although the NAVICP is

part of the NFCS, they are their own HCA per DFARS Part 2 and do not derived their contracting authority from COMNAVSUPSYSCOM as HCA.

(4) NEXCOM, the NAVSUP Assistant Chief of Staff for Navy Family Support, is a Non-Appropriated Funds Instrumentality (NAFI) of the DON with unlimited Non-Appropriated Funds (NAF) contracting authority for supplies and services in support of the Navy Exchange System (NES) and associated programs, including Navy Lodges, Military Sealift Command (MSC) Exchange Program and the Navy Uniform Program. As a NAFI, NEXCOM is not subject to the FAR, DFARS or NAPS.

(5) The Navy Medical Logistics Command (NAVMEDLOGCOM), per Bureau of Medicine and Surgery (BUMED) requirements, has unlimited authority to purchase medical personal services, medical supplies and equipment and non-personal service contracts in support of TRICARE and DOD Tri-Service Drug Testing programs. Authority for other non-personal medical service contracts is limited to $100,000. Other BUMED activities have authority to purchase medical equipment and consumable medical supplies, non-personal medical services and personal medical services up to their overall delegated contracting authority level or $100,000, whichever is lower. Medical centers and Naval hospitals with regional responsibility may purchase medical equipment and consumable medical supplies, non-personal medical services and personal medical services for other BUMED activities with lesser authority.

(6) FISC San Diego is assigned the responsibility for husbanding contracts in Mexico, United States West Coast, and Canadian West Coast.

(7) FISC Norfolk is assigned responsibility for husbanding contracts in Central and South America, United States East Coast/Gulf Coast, Canadian East Coast and the Caribbean; non-personal medical services over $100,000; and Standardization of Shipboard Reprographic Equipment (SSRE).

(8) FISC Puget Sound is assigned responsibility for direct support of special classified programs and NAVSEA 08 sponsored nuclear programs.

(9) FISC Yokosuka, NRCC Naples and NRCC Singapore have authority to contract for medical equipment and supplies and personal and non-personal medical services outside the United States with technical coordination with NAVMEDLOGCOM.

(10) The Naval Media Center, per NAPS 5201.601(90)(c)(2), has cognizance for Naval visual information productions. The Naval Media Center's authority (above $25,000) is limited to audiovisual productions.

(11) Navy Marine Corps Intranet (NMCI) Administrative Contracting Officers (ACOs) - An exception to the matrix under 3.a.(2), FISC NMCI ACO responsibilities are aligned by customer not by region.

NOTE: The above FISC assignments are subject to change upon LCE review. The LCE is in charge of the consolidation and assignment of product line responsibilities among FISCs.

4. Point of Entry for Requisitions.

Note: On-going non-standard PACFLT IPT reviewing requirements flow. Recommendations may impact below Point of Entry policy.

a. Requisitions for supplies/services shall be submitted as appropriate to NAVICP, the cognizant FISC, NRCC or activity with assigned commodity responsibility. Activities with limited contracting authority shall submit requisitions above their contracting authority to the cognizant FISC or NRCC or to the cognizant host activity (up to $100,000).

b. Requisitions from OCONUS customers that can be procured from OCONUS sources should be procured locally. OCONUS requisitions that involve soliciting Continental United States (CONUS) sources will be sent to the cognizant CONUS FISC for processing unless:

(1) The requirement can be procured from an existing contract issued by any CONUS contracting activity which authorizes ordering by the specific OCONUS activity, or which authorizes Navy-wide, DOD-wide or Federal Government-wide ordering (e.g., GSA schedules/GSA Advantage, ITEC Direct) and for which payment is by the Government purchase card;

(2) The acquisition is exempt from synopsis requirements per FAR 5.202;

(3) The requisition has Priority Designator 1, 2 or 3 based on Force/Activity Designator (F/AD) I, II or III and Urgency of Need designator (UND) A per the Uniform Material Movement And Issue Procedures (UMMIPS); or

(4) NAVSUP 02 has granted an activity a specific exception to this policy.

Any other exceptions must be approved by NAVSUP 02. Except for purchase card transactions, documentation justifying local OCONUS procurement from CONUS sources must be retained in the purchase/contract file.

c. Pursuant to NAPS 5225.802(90), CONUS activities will normally forward requirements that can be satisfied only by European sources to NRCC, Naples or its London or Bahrain Detachments, as appropriate, for procurements in Europe, including the United Kingdom and Iceland, the Mediterranean, Africa and the Middle East.

d. CONUS activities will normally forward requirements that can be satisfied only by Pacific OCONUS sources to FISC Yoko (Japan and Korea) or NRCC Singapore (Australia and South East Asia (except Japan)), as appropriate.

5. Purchase Card Operations in Support of External Customers FISC contracting resources shall not make purchase card buys for external customers.

PROCEDURES FOR REQUESTING CONTRACTING AUTHORITY

1. An activity may request new contracting authority, a permanent increase in the monetary limitation or scope of its contracting authority, or a one-time increase in the monetary limitation or scope of its contracting authority. These requests can include authority to establish or expand a Government purchase card program and authority to place orders under contracts, schedules or agreements established by other contracting activities. A one-time increase in contracting authority may be appropriate when urgent and compelling circumstances exist which make it impractical to forward the requirement to the normally cognizant contracting activity.

2. Requests for authority up to the simplified acquisition threshold shall be submitted via command channels, signed by the commanding officer/activity head, to the cognizant PPMAP office for review and approval. Requests for authority over the SAP threshold shall be submitted via command channels, signed by the commanding officer/activity head, via the contracting activity currently providing contracting support and via the cognizant PPMAP office to NAVSUP 02 for approval.

3. Permanent increase requests shall provide:

a. The reasons for and factors supporting the request (e.g. increased volume, new customers, new commodity assignments, etc.). If applicable, include the factors that make execution of the acquisition(s) by the normally cognizant contracting activity impractical.

b. The approximate number and dollar value of contracting actions provided by other contracting activities within the past fiscal year and projected volume for future fiscal years, including the types of supplies and services that will be bought.

c. The number and nature of one-time increases granted within the past fiscal year.

d. Planned Office of General Counsel (OGC) legal support, if DON OGC counsel is not resident at the requesting activity.

e. For requests below the simplified acquisition threshold, the purchase methods for which there will be an anticipated need.

f. Identification of all individuals (to include position, grade, contracting experience and training) proposed to exercise contracting authority; and

g. Documentation of coordination with the normally cognizant contracting activity.

4. One-time requests shall provide:

a. A complete description of the circumstances justifying a one-time increase, including examination of alternate means of satisfying the requirements, including why execution by the normally cognizant contracting activity is impractical.

b. Detailed description of the supplies/services that will be procured including (1) the estimated value, (2) the proposed contract period, (3) proposed method of procurement, and (4) proposed contract type.

c. An acquisition schedule indicating planned milestones.

d. Identification of all individuals (to include position, grade, contracting experience and training) proposed to exercise the one-time contracting authority; and

e. Documentation of coordination with the normally cognizant contracting activity.

CONTRACTING AUTHORITY AND RESPONSIBILITY FOR AFLOAT UNITS

1. Type Commanders (TYCOMs). TYCOMs are responsible for establishing limits on, and monitoring use of the contracting authority granted to ships by this instruction. TYCOMs are responsible for ensuring actions are entered into the PMRS (DD Form 1057; DD Form 350) per DOD and DON reporting requirements. The PPMAP offices shall provide coordination, guidance and assistance to the TYCOMs in carrying out their oversight responsibilities.

2. Contracting Authority

a. All ship types are granted $2,500 authority, the micro-purchase threshold, unless further amplified or restricted by the TYCOMs.

b. Unless further restricted by the TYCOM, ships may use the Governmentwide commercial purchase card to acquire required supplies or services up to the micro-purchase threshold; issue orders under FISC/NRCC Firm Fixed-Priced (FFP) IDTCs up to the maximum ordering limitation of the contract; issue FFP orders up to $100,000 (or the maximum ordering limitations, whichever is lower) under Navy-wide, DOD-wide or Federal Government-wide ordering vehicles (e.g., GSA schedules/GSA Advantage, ITEC Direct) with payment by Governmentwide commercial purchase card; and use other simplified acquisition procedures up to the ship's open market contracting authority. Micropurchases under $2,500 using other than the Governmentwide commercial purchase card are subject to DOD and Navy policy as set forth in reference (g).

c. Master Agreements for Repair and Alteration of Vessels (MARAVs). Unless further restricted by the TYCOM and as permitted by the MARAV, ships overseas may place orders against MARAVs.

d. Standardization of Shipboard Reprographic Equipment (SSRE). Unless further restricted by the TYCOM, ships overseas may place orders against FISC Norfolk Detachment Philadelphia contracts up to the maximum order limitation set forth in the contract.

3. Expanded Contracting Authority

a. TYCOMs may grant ships contracting authority up to $25,000 (US) or $100,000 (Overseas). This authority is subject to the following limitations:

(1) The purchase of the supplies or services is authorized by current directives; and

(2) The ship's authorized contracting personnel can process the order and arrange for delivery within the time required for the ship's operating schedule or within 30 days, whichever is earlier; and either

(3) The requirement is critical for scheduled operations and is an emergency requirement (e.g., CASREP) or the ship's performance is impaired and may progress to a state in which the ship will not be able to perform its operational mission; or

(4) The supplies or services are not available at the local supply support activity or supporting shore contracting organizations are not available or cannot process the action in time to meet the ship's operational needs;

(5) All such purchases must be supported by the contracting officer's written determination setting forth the facts and circumstances justifying the exercise of such authority per the provisions of reference (i). The original determination will be maintained in the purchase file.

b. The TYCOM may also grant contracting authority overseas in excess of $100,000 subject to the following conditions:

(1) The requirement is for ship's fuel, subsistence or port services at overseas locations not having local contractual support or the requirement is under unusual and compelling urgency (i.e., for a genuine emergency such that the Government may be seriously injured, financially or otherwise, if the supplies or services are not furnished by a certain date) and cannot be processed through a supporting contracting office.

(2) For additional guidance and restrictions regarding the local purchase of bunker fuel overseas and in CONUS refer to NAVPETOFFINST 4290.1A (Series), "Commercial Contracts for Bunker Fuel", and NAVPETOFFINST 4026.1, "Fuel Management Afloat Manual", paragraph 2-1.33. These instructions are available via the internet at www.navpetoff.navy.mil.

NOTE: NAVPETOFF will be consolidated under NAVSUP's new Naval Operational Logistics Support Center (NOLSC) as part of NAVSUP's transformation initiative.

(3) All purchases over $100,000 (overseas) must be supported by the contracting officer's written determination (See paragraph 3.a. (5) above).

(4) Requirements over $100,000 not placed as an order under an IDTC or GSA schedule which cite "unusual and compelling urgency" must include the following statement in the schedule of the contract (see the required SF 26 or SF 1449 for buys over $100,000 found in reference (i)): "This purchase is made

pursuant to Title 10 U.S. Code 2304(c)(2). All contract clauses required by law or the FAR to be included in contracts of this class are hereby incorporated by reference." Such purchases must be supported by a Justification and Approval (J&A) per FAR Part 6, but the J&A may be completed after the purchase is made.

c. Navy Oiler Cargo Fuel and Ship's Bunker (Propulsion) Fuel. In all cases, except for bona fide emergencies, prior to initiating a local purchase, the fuel specifications must be submitted to NAVPETOFF for review. Under no circumstances will any shipboard aviation fuel be locally procured without first notifying NAVPETOFF. If it is determined that local procurement of aviation fuel is the only viable alternative, the supplier's fuel specifications will be reviewed and approved by NAVPETOFF and the Naval Air Systems Command (NAVAIR) prior to granting local procurement authority. Unless further restricted by the TYCOM, contracting officers can only locally procure cargo or bunker fuel, as follows:

(1) Navy Oiler Cargo Fuel. The purchase of cargo fuel on the commercial market by contracting officers is not authorized unless case-by-case approval has been granted by NAVPETOFF in coordination with the Defense Energy Support Center (DESC).

(2) Ship's Bunker (Propulsion) Fuel. When ship's bunker fuel cannot be obtained from U.S. Government owned stocks, Fuel Exchange Agreements, mutual support from allied Navies or DESC bunker contracts, local purchase (CONUS and OCONUS) by contracting officers is authorized when all of the following conditions are met:

(a) All other contracting conditions and requirements of current regulations and directives are met.

(b) Fuel specifications must be submitted to NAVPETOFF who will coordinate with the Naval Sea Systems Command (NAVSEA) to obtain a waiver for the use of commercial bunker fuel per Naval Ships' Technical Manual (NSTM) Chapter 541, Section 10. Additionally, prior to ordering fuel from a husbanding agent under a husbanding services contract, fuel specifications must be submitted to NAVPETOFF/NAVSEA for review. Minimum specification requirements for purchase of commercial bunker fuel are specified in enclosure (3) to NAVPETOFFINST 4290.1A.

(c) The purchase is for a one-time delivery, or DESC contract support is available but the delivery order is less than the DESC contract minimum quantity or advance notice of delivery would be less than 24 hours, regardless of quantity.

(3) Further information and updates on DESC and DESC bunker contracts is available from the DESC internet site www.desc.dla.mil/main/deschome.htm.

4. Supply Management Assessments (SMAs) Assistance. The TYCOMs are responsible for professional contracting guidance, technical advice, legal counsel and training programs (see paragraph 1011 of NAVSUP P-485). In addition, as deemed appropriate, the TYCOM may request the assistance of the cognizant PPMAP office in the performance of the regularly scheduled Supply Management Inspections (SMIs) of the purchase operation of each afloat unit exercising contracting authority. Any procurement questions requiring advice of legal counsel shall be directed to the Navy OGC at NAVSUP headquarters at 717-605-6745.

CONTRACTING OFFICER AND ORDERING OFFICER APPOINTMENTS

1. Contracting Officer and Ordering Officer Appointments. Appointment of appropriated funds contracting officers/ordering officers of NAVSUP must be in writing expressly stating the limitations of authority, if any, with regards to dollar limitation or acquisition type. NEXCOM shall establish and follow internal policies and procedures regarding appointment of non-appropriated funds contracting officers/ordering officers.

2. Appropriated funds contracting officers must meet the applicable requirements of DAWIA prior to receiving a grant of any contracting authority. Activities with non-appropriated fund contracting officers and foreign national contracting officers shall develop internal education, experience and training requirements for appointment of non-appropriated fund and foreign national contracting officers

3. HCA Appointment of Contracting Officers. The following individuals are appointed contracting officers of NAVSUP with authority to appoint additional contracting officers:

a. Deputy Commander, Contracting Management, NAVSUP;

b. Assistant Deputy Commander, Contracting Management, NAVSUP;

c. Commanding officers of NRCC Naples and NRCC Singapore.

4. HCA Appointment of Appointing Officials

NOTE: For the FISC organization, the LCE is responsible for determining, assigning and managing all internal delegations of contracting authority to FISC commanding officers.

a. The following individuals are designated as appointing officials for the purpose of redelegation of contracting authority:

(1) Commander, NEXCOM and NEXCOM Director, Corporate Contracts (Non-Appropriated Funds Contracting Authority);

(2) Commanding officers of NFCS activities granted contracting authority by NAVSUP or by the cognizant PPMAP offices;

(3) Commanding officers of U.S. Navy ships up to the limits set by enclosure (4) to this instruction unless otherwise limited by the TYCOM;

(4) Deputy Commander, Contracting Management, NAVSUP;

(5) Assistant Deputy Commander, Contracting Management, NAVSUP;

(6) Such other officers as may be specifically appointed by COMNAVSUPSYSCOM.

b. Delegation Authority. The appointing officials listed above may appoint the Chief of the Contracting Office (CCO) or other individual designated below as contracting officers and may delegate the CCO the authority to appoint qualified individuals as contracting officers within their organization. This delegation shall be included in the Certificate of Appointment issued per paragraph 5 of this enclosure. Such delegations shall only be made to individuals certified to the appropriate DAWIA certification level (for appropriated funds contracting officers) and shall be made per the following:

(1) Commander, NEXCOM or NEXCOM Director of Corporate Contracts may delegate per internal regulations.

(2) Commanding officers of FISCs may delegate no lower than the Chief of the Contracting Office or the officer in charge of a detachment exercising contracting authority. Commanding officers of FISCs may also delegate appointing authority to the agency program coordinators responsible for management of the organization's Governmentwide commercial purchase card program limited to appointment of purchase cardholders.

(3) Commanding officers of the NRCCs may delegate no lower than the Chief of the Contracting Office or the officer in charge of a detachment exercising contracting authority. Commanding officers of NRCCs may also delegate appointing authority to agency program coordinators responsible for management of the organization's Governmentwide commercial purchase card program limited to appointment of purchase cardholders.

(4) Commanding officers of ships may only delegate to the senior Navy supply officer.

(5) Commanding officers of activities granted contracting authority by the cognizant PPMAP office may only delegate this authority to the warranted DAWIA compliant Chief of the Contracting Office. Commanding officers may also delegate appointing authority to agency program coordinators responsible for management of the organization's Governmentwide commercial purchase card program limited to appointment of purchase cardholders within their organization.

5. Appointment of Additional Contracting Officers. Activities shall comply with the provisions of FAR 1.603 regarding the selection, appointment and termination of appointment of

appropriated funds contracting officers. Appointments shall be made on the SF 1402, Certificate of Appointment. Contracting officers limited to purchase card authority may be appointed on the SF 1402 or by letter per reference (h). NEXCOM shall appoint non-appropriated funds contracting officers per internal procedures.

a. Qualifications. In selecting contracting officers, the appointing official shall specifically consider experience, training, education, business acumen, judgment, character, reputation, ethics and the authority to be exercised. The appointing official shall strictly adhere to the requirements of DOD Publication 5000.52-M and SECNAVINST 5300.36 for training, education and experience requirements. Any waiver from the prescribed requirements must be obtained per the DOD publication 5000.52-M.

b. Supporting Documentation. The following supporting documentation should be provided to the appointing official to assist in the determination to appoint an individual as a contracting officer. Appointing officials for Governmentwide commercial purchase card cardholders may establish documentation requirements as appropriate.

(1) Name, position title and grade/rank of appointee;

(2) Name of activity;

(3) Limitations on contracting authority;

(4) Brief description of duties, including number, type and average dollar amounts of obligations;

(5) Brief resume of contracting experience;

(6) List of schools attended and degrees received;

(7) A copy of Defense Civilian Personnel Data System (DCPDS) printout showing DAWIA training and certification level or copies of the actual DAWIA certification and training certificates and (if applicable) a copy of Navy Acquisition Professional Community (or other DOD Acquisition Corps) Certification.

(8) List of other civil service, military, correspondence and formal training completed related to the contracting function and the dates of training.

(9) Statement that appointee has reviewed DOD Directive 5500/7R joint ethics regulation;

(10) Statement that appointee is/is not required to file the Confidential Statement of Affiliations and Financial Interests (SF 450);

(11) Typed name and title of appointee and signature of appointee and date;

(12) Typed name and title of appointing official and signature of appointing official and date; and

(13) Date of appointment.

c. Distribution of Warrants. Per DOD publication 5000.52-M, a copy of each Certificate of Appointment, SF 1402, or appointment letter, together with the supporting contracting/ ordering officer appointment documentation shall be furnished to the cognizant civilian or military personnel office. A copy of any modification to or revocation of an appointment shall also be provided.

6. Adverse Personnel Actions. If adverse personnel action is taken against personnel holding a contracting officer appointment (warrant), NFCS activities shall notify the cognizant PPMAP office, the LCE (for FISCs) or NAVSUP 02 (for those activities whose authority is granted by NAVSUP headquarters) of the adverse personnel action and whether or not the appointment is being revoked. Supporting rationale for the revocation decision shall be provided. The notification shall be provided within 10 days of the personnel action.

7. Limitation of Authority. The authority of a contracting officer of NAVSUP shall be limited by the terms of his/her appointment and by the contracting authority of the activity to which the contracting officer is assigned. Actions by contracting officers beyond the scope of their authority may result in disciplinary action and in personal liability.

8. Ordering Officers

a. General. Ordering officers are individuals whose authority is limited to placing orders under existing contractual vehicles (e.g., IDTCs, GSA Federal Supply Schedules, BPAs based on GSA Schedules, Federal Prison Industries and Blind and Other Severely Handicapped programs) at activities designated as authorized ordering activities. An ordering officer, within the limits of assigned authority, is authorized to sign/issue delivery orders and modifications to those delivery orders and thereby obligate funds. This authority entails commensurate responsibilities and the need for qualifications and training appropriate to the type(s) of ordering to be performed (see reference (j)).

b. Appointment of Additional Ordering Officers

(1) The contracting officers identified in paragraph 3 of this enclosure and the commanding officer or officer in charge of activities deriving contracting authority from enclosure (2) of this instruction are authorized to appoint any qualified individual as ordering officers. However, ordering officers need not be appointed if all ordering is to be performed by the contracting officer. Appointing officials should not appoint individuals outside their organization except for the purpose of issuing firm fixed-priced orders. Ordering officer appointments shall be in writing and shall set forth any limitations of ordering authority established by the appointing official.

(2) A designated appointing official of an activity that has delegated contracting authority that includes ordering authority may appoint ordering officers. An ordering officer appointed in this manner has authority to order under any contract vehicle that authorizes his/her agency to place orders under that contract.

(3) FISC and NRCC appointing officials may appoint ordering officers outside their organizations to place orders under IDTCs awarded by FISC/NRCC contracting officers for common supplies/services or in direct support of the ordering activity.

c. Qualifications of Ordering Officers. Indefinite delivery type contracts vary widely in dollar value and complexity. Thus, the qualifications, skills and training needed by ordering officers to satisfactorily carry out their responsibilities will also vary. In addition to applicable dollar limitations, ordering officers are also limited to placing the type of order specified in their letter of appointment. Accordingly, the appointment of ordering officers requires consideration of the type(s) of ordering to be performed.

d. Documentation Requirements for Ordering Officers. Ordering authority under cost type contracts, contracts with cost reimbursable elements (e.g., labor hour, time and material), or multiple-award task order contracts entails responsibility and complexity similar to that of a contracting officer. Therefore, appointment of ordering officers with authority to issue such orders must be supported by documentation addressing the items in paragraph 5.b. of this enclosure.

e. Oversight of Ordering Officers. The contracting officer who issued the contract under which the ordering authority has been granted is responsible for management and oversight of the ordering function. Contracting officers shall ensure ordering is being executed appropriately.

RATIFICATION OF UNAUTHORIZED COMMITMENTS

1. Regulatory Coverage. FAR 1.602-3 and NAPS 5201.602-3 address policy and procedures relative to ratifications of unauthorized commitments. NEXCOM shall ratify unauthorized commitments that involve non-appropriated funds per internal procedures.

2. Authority. NAPS 5201.602-3 provides that the HCA may ratify unauthorized commitments and may delegate this authority to no lower than the Chief of the Contracting Office (CCO). For those activities with NAVSUP delegated contracting authority, the CCO may ratify unauthorized commitments as follows:

Level of Activity's Procurement Authority	Maximum Authority to Ratify Unauthorized Commitments
Greater than $500,000	$100,000
Up to $500,000	NONE

3. Legal Review. Every ratification of an unauthorized commitment must be reviewed by legal counsel and approved as to form and legality. Legal counsel is defined as NAVSUP Headquarters or Field Counsel.

4. Conditions for Use. FAR 1.602-3(c) sets forth circumstances that must exist before an unauthorized commitment can be ratified.

5. Procedures. The officer or employee making the unauthorized commitment shall forward to his or her second level supervisor (shall be no lower than GS-15 or O-6) or commanding officer documentation concerning the transaction which shall include as a minimum:

a. A statement signed by the officer or employee describing the circumstances why normal procurement procedures were not followed, what bona fide Government requirement necessitated the commitment, whether any benefit was received, its value and any other pertinent facts; and

b. All orders, invoices or other documentary evidence of the transaction. The second level supervisor or commanding officer must concur that the commitment should be ratified. This responsibility may not be further delegated lower than the second level supervisor. After concurrence, the second level supervisor or commanding officer shall forward the documentation described above to the contracting officer of the ratifying activity with an endorsement that:

(1) Verifies the accuracy and completeness of the documentation;

(2) Describes the measures taken to prevent a recurrence of unauthorized commitments; and

(3) Provides a complete purchase description and funding for the ratifying contract.

c. The contracting officer shall:

(1) Review the documentation and endorsement provided;

(2) Ascertain whether there are any doubtful questions of fact;

(3) Prepare a determination and findings addressing the limitations in FAR 1.602-3(c)(1)-(6);

(4) Prepare a recommendation to the ratifying official;

(5) Prepare appropriate contractual documents; and

(6) Submit the contract and supporting documents to counsel for an opinion as to form and legality and for any additional pertinent comment or advice.

d. The ratifying official shall

(1) Review the file, and if ratification is proper;

(2) Make the appropriate determination and findings.

6. Ratifications under $100,000

a. Subject to the level of authority specified in paragraph 2, the CCO may ratify the commitment.

b. For unauthorized commitments at activities without ratification authority, the documentation and endorsement required by paragraph 5 shall be forwarded to the activity providing regional contracting support.

c. Commanding officers of afloat units shall forward the documentation and endorsement required by paragraph 5 to the nearest command providing contracting support. Enclosure (3) to reference (i) sets forth guidance for afloat units on unauthorized commitments.

7. Ratifications in excess of $100,000

a. The recommended ratification shall be forwarded to NAVSUP 02 (as the HCA) via the command providing contracting support.

b. Prior to forwarding the case file to NAVSUP, the command providing contracting support shall ensure the case file includes the documentation and endorsement required by paragraph 5.

8. Record of Ratification Actions. Activities authorized to ratify unauthorized commitments shall maintain a record of ratifications. This record shall include the identity of the contracting office performing the ratification, the dollar value of the ratification action and a copy of the determination and findings.