



**DOLLARS & SENSE
A PROCUREMENT PERSPECTIVE**

**FORT BRAGG, NORTH CAROLINA
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**LOCAL PURCHASE
AUTHORITY (LPA)**

MILSTRIP Requisitioning, Cannibalization, Defense Reutilization and Marketing Office (DRMO), Military Interdepartmental Purchase Request (MIPR), and Local Purchase are the different methods that can be utilized to obtain items (supplies and services) for DoD activities. Which method will be used depends on the commodity, the situation, or the cataloging and assignment status of the needed item.

Cataloged items, usually identified by a National Stock Number (NSN), are assigned an acquisition advice code (AAC) that is used to determine the initial method of obtaining items cataloged in the Federal Supply Catalog Management Data List or listed in the Army Master Data File (AMDF). (AR 710-2, DA PAM 708-2, DA PAM 710-2-2).

CAP items are assigned, under the Consolidated Acquisition Program (CAP), to a single service or agency to manage procurement of all DoD requirements for the assigned items. (DFARS 208.7000(a)).

IMM items "Integrated materiel management" means assignment of *acquisition management responsibility* to one department, agency, or the

General Service Administration for *all* DoD requirements for the assigned item. (DFARS 208.7000(b)).

CAP/IMM assigned commodities are listed at DFARS Appendix B, Parts 1-6. The U.S. Army Material Command (AMC) has acquisition management responsibility for all commodities assigned to the Army under DFARS Appendix B. (AFARS 5108.7002 (a)(1)).

Acquisition management includes computing requirements, funding, budgeting, storing, issuing, cataloging, standardizing, and *contracting* functions. (DFARS 208.7000(b)).

Local purchase is one *source of supply* available to a Supply Support Activity (SSA). It is the *purchase*, by a local (installation level) purchase order or contract, of authorized items requested by a SSA for its own use or for issue to a supported activity *in lieu of requisitioning* through the wholesale supply distribution system or the CAP/IMM acquisition manager.

Local Purchase Authority (LPA) is the section, paragraph, or table of the governing regulation (i.e. AR 710-2, DA PAM 710-2-2, CTA 50-970, CTA 909, etc.) that authorizes local purchase as the source of supply to obtain an item *in lieu of requisitioning* from the wholesale supply distribution or the CAP/IMM acquisition manager, withdrawal from DRMO, or cannibalization.

SSA Accountable Officer is the official who decides which requirements will be obtained by using local purchase as the source of supply. The SSA accountable officer is also responsible for ensuring that all requests for local purchase are processed under policies governing local purchase at retail level. Those policies include but are not limited to ensuring that

- The IMM (central manager) has assigned AAC "L" or has otherwise granted authority to local purchase.
- The item is not on the AMDF.
- The advantage of LP is documented for requirements over \$2,500.
- An IMM or NICP waiver is obtained *before* initiating a requirement exceeding \$100,000. (AR 710-2 paragraphs 6-4 & 4-20).

The Contracting Officer is also responsible for
- Documenting the contract file with a statement of the specific advantage of local purchase for an IMM assigned acquisition exceeding the micro-purchase threshold in FAR Part 2.

- Ensuring that a waiver is obtained from the IMM manager *before* initiating an acquisition exceeding the simplified acquisition threshold in FAR Part 2, *if* the IMM assignment is to the General Services Administration (GSA), the Defense Logistics Agency (DLA), or the Army Materiel Command (AMC). (DFARS 208.7003(b).

LPA DOCUMENTATION is the inclusion, on the purchase request (PR) document, of the regulation number and it's section, paragraph, or table that authorizes local purchase as the source of supply. The local purchase authority (LPA) applicable to the item requested **must be cited on all documents (to include AcquiLine documents) forwarded to the DOC to issue a purchase order, delivery order, or contract.**

WHY CAN'T I USE THE VENDOR I SELECTED?

Many times our customers come to us with a requirement and tells us it's urgent or sole source. In other words, "I want it now and I want you to purchase it from vendor ABC".

Federal laws require us to compete all actions above \$2,500 unless one of the following exceptions can be justified:

10 U.S.C. 2304(c)(1) or 41 U.S.C. 253(c)(1), Only one responsible source and no other supplies or services will satisfy agency requirements.

10 U.S.C. 2304(c)(2) or 41 U.S.C. 253(c)(2) Unusual and compelling urgency.

10 U.S.C. 2304(c)(3) or 41 U.S.C. 253(c)(3) Industrial mobilization; engineering, developmental, or research capability; or expert services.

10 U.S.C. 2304(c)(4) or 41 U.S.C. 253(c)(4) International agreement

10 U.S.C. 2304(c)(7) or 41 U.S.C. 253(c)(7) Public interest.

It is our intent to discuss each of these exceptions over the next several issues; however, this issue will focus on the two exceptions most frequently requested by Fort Bragg customers – Only one responsible source (commonly called *sole source*) and Unusual and Compelling Urgency (also called *Urgent and Compelling*).

WHAT IS MEANT BY "ONLY ONE RESPONSIBLE SOURCE"?

Basically it means that there is only one commercial source that can possibly satisfy the Government's minimum needs by providing the product or service requested. The two requirements that can fall under this exception are sole source and brand name.

Sole source simply means there is only one vendor who can satisfy the Government's requirement. Brand name means there is only one brand name product that may satisfy the requirement, although many vendors may market the brand name.

Both of these limit competition by restricting the purchase to one or a limited number of vendors.

Sometimes units identify their requirement and begin discussing it with a particular vendor. They work with the vendor to develop the specifications and then present the purchase request and specs to the DOC, stating this is a sole source action. But, is it truly sole source? Clearly one vendor has received pre-procurement information that others have not. Does this mean this is the only vendor who can provide our item? Furthermore, is it not in the vendor's best interest to develop specs that will disqualify other vendors?

Providing pre-procurement information to a vendor is against regulations and the contracting officer can disqualify a vendor with pre-procurement information from participating in the procurement action.

BUT I NEED IT NOW!! The other exception we see used often is urgency. This exception was established to support requirements of which we were just made aware to meet an immediate need. The Federal Acquisition Regulation (FAR) states, “When the agency’s need for the supplies or services is of such an unusual and compelling urgency that the Government would be seriously injured unless the agency is permitted to limit the number of sources from which it solicits bids or proposals” this exception becomes applicable.

The law states the urgency cannot be due to “poor prior planning” and delay in award would result in serious injury, financial or other, to the Government. Often we find a unit was aware of a requirement in plenty of time, and, in fact, may have even been working with a vendor to develop the specifications. Then, once the specifications are developed, the requirement is presented to the DOC as an urgent requirement because the unit will be deploying in a month. Waiting until a month before deployment to submit a requirement that the unit has known about does not meet the test for urgency.

Another justification units use for urgency is that it’s the end of the fiscal year and they are about to lose their money. Again, this is poor prior planning on the unit’s part and does not meet the test for urgency.

When justified to use this exception to the rule requiring the use of full and open competition, some of the procurement rules may be bypassed in order to speed up the process. However, when using this exception, some degree of competition is still required.

Any time a unit requests one of the exceptions identified above, they must provide a justification and approval (J&A) document with their PR. A boilerplate J&A can be found on our web site at <http://www.bragg.army.mil/www-doc/GovUser/Government.htm>.

MOVE TO PWBC

On 14 Jan 04, twelve contracting employees were physically relocate to the PWBC compound. This allows the DOC to provide our largest customer with on-site support of their requirements, regardless of the dollar value or acquisition phase. We believe this will be a win-win situation for both the DOC and PWBC.

For additional information concerning any issues, you may contact the DOC at 6-4362.



Director of Contracting