



Policies and Procedures for Proper Use of Non-DoD Contracts

Michael Canales/Domenic Cipicchio
Defense Procurement and Acquisition Policy
Office of the Under Secretary of Defense/AT&L

Proper Use of Non-DoD Contracts

DoD spends billions of dollars through non-DoD contract vehicles. This includes:

- Orders issued under these vehicles by DoD personnel
- Orders issued by non-DoD federal entities on DoD's behalf, using DoD funds

Examples:

- GSA Schedules
- Government-wide Acquisition Contracts

Recent Inspector General reviews have found that non-DoD contract vehicles are not always properly used

Legislation

- FY 2002 NDAA
 - Section 801-Management of Procurement of Services
 - Section 803- Competition Requirement for the purchase of services pursuant to multiple award contracts
- Pending FY 2005 NDAA Language
 - 802-Internal Controls for Department of Defense Procurements Through GSA Client Support Centers
 - 854-Defense Procurements Made Through Contracts of Other Agencies
- DPAP/Policy POC
 - Michael.Canales@osd.mil
 - 703-695-8571

DFARS Interim Rule & New Policies

- DFARS Interim Rule 2002-D024 (Issued 1 October 2003)
 - Applicable to acquisition of services
 - Review process and procedures established by each agency or department
- Establishing New Policies
 - Applicable to acquisition of both services and supplies
 - Applies above the simplified acquisition threshold (\$100,000)
 - Agencies and departments must establish a pre-award review process/procedures to ensure that using non-DoD vehicles are in the best interest of the Department of Defense
 - Provide DoD unique terms and conditions to assisting agencies
 - Develop post-award review processes/procedures to analyze data on non-DoD contract vehicle usage

Pre/Post Award Review Procedures

- Pre-Award Review Processes/Procedures
 - Procedures should include consultation with DoD Contracting Officers and Financial managers, and take into consideration the following:
 - Does this meet the customer's needs – quality, delivery, price
 - Whether the requirements are within scope of the intended vehicle
 - Cost effectiveness (including fees and discounts)
 - Schedule
 - Contract administration

- Post-Award Review Processes/Procedures
 - Coordinate with assisting agencies to analyze data on the number and value of transactions using non-DoD vehicles, as well as measuring the proper use and effectiveness of these vehicles

Assisting Agency Support of the DoD Customer “With Revenue Comes Responsibility”

- **Compliance with the FAR and DFARS**
 - Competition Requirements- 803 (2002)
 - PBSA
 - File Documentation
- **Support of DoD Policy on “Proper Use of Non-DoD Contracts”**
 - Verification of compliance with DoD policy
 - Commitment to Open and Timely Communication with DoD Customer
 - Contract availability
- **Training**
 - Internal- Providing assisting agency support to the DoD Customer
 - File documentation
 - DFARS unique requirements (Berry Amendment, UID, RFID)
 - TOP 100 Users-On-site training
 - On-Line Courses
 - Proper Marketing

Assisting Agency Support of the DoD Customer (cont.)

“With Revenue Comes Responsibility”

- Compliance reviews/ IG reviews – “802 Like” (2005)
- Reliable Data Capture
 - Operating Budget - Plan and Execution
 - Fee Structure/Fees Paid/”854 Like” (2005)
 - FPDS (Assisting Agency, Customer, Commodity, Value)
- Accurate advertising and marketing of contract vehicles and organization capabilities
 - Assisting Agency advertising in print, radio, etc. and marketing to individual customers
 - Contractor’s role and responsibility