



REPLY TO
ATTENTION OF

MCAA

DEPARTMENT OF THE ARMY
U.S. ARMY MEDICAL COMMAND
HEALTH CARE ACQUISITION ACTIVITY
2107 17TH STREET, SUITE 69
FORT SAM HOUSTON, TEXAS 78234-5069

30 October 2003

MEMORANDUM FOR CHIEFS, MEDCOM HCAA CONTRACTING OFFICES

SUBJECT: Procedures for Processing Contract Requirements,
Operating Instructions 04-02

1. Purpose. To establish procedures for processing contract requirements designed to maximize efficiencies and effectiveness among MEDCOM HCAA contracting offices. Thresholds stipulated in this operating instruction (OI) do not pertain to HCAA review thresholds.

2. The MEDCOM HCAA's seven contracting offices will work together as a team to effectively utilize existing acquisition resources. The objective is to function as a seamless organization that accomplishes its contracting mission by taking into consideration all HCAA assets available, and not viewing each office's physical location as a separate entity.

References to dollar amounts in the following paragraphs include options.

3. The HCAA contracting team consists of: one center, identified as the Center for Health Care Contracting, and six satellite offices, identified as Europe, Great Plains, North Atlantic, Pacific, Southeast, and Western Regional Contracting Offices (RCOs).

a. The center will process requirements: 1) resulting in the award of contract(s) for use by more than one HCAA contracting office regardless of dollar value; 2) resulting in the award of contract(s) for use by an agency or agencies, other than the Army regardless of the dollar value; 3) with an estimated value that exceeds \$5,000,000, except as outlined in paragraph 3b below; and 4) with an estimated value between \$500,000 and \$5,000,000, except as outlined in paragraph 3c below.

This Operating Instruction replaces PL 00-03 dated 8 May 2000.

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b. Regional contracting offices will not process requirements exceeding \$5,000,000 without the written concurrence of the Principal Assistant Responsible for Contracting (PARC). In this instance, the office chief will submit to the PARC a written memo regarding the requirement; i.e., description, dollar value, performance period, as well as rationale to support the RCO processing the requirement. **This does not apply to requirements added to existing contracts by delivery or task order.**

c. Each RCO is authorized to process requirements specific to their region that do not exceed \$5,000,000 if they are processed pursuant to FAR 13.5, Test Program for Certain Commercial Items. While RCOs are encouraged to process such requirements, if an RCO elects not to do so, the RCO may request the requirement be transferred to the CHCC. However, prior to transfer, the CHCC Chief's or her designated representative's concurrence is mandatory.

d. If the Chief, CHCC does not concur with an RCO's transfer request, the PARC will act as the arbitrator. It is the RCO's responsibility to provide a copy of CHCC's nonconcurrence to the PARC for a final decision.

e. The concurrence required in paragraph 3c may be requested telephonically, but will be followed up in writing (Enclosure). The Chief, CHCC will indicate concurrence or nonconcurrence, sign the request, and return a copy to the RCO. Upon receipt of the request, the CHCC should make a determination and return the request within a maximum of 3 working days, if possible. A copy of the signed request will be placed in the contract file. Concurrence or nonconcurrence may be accomplished by electronic signature or by email attached to the enclosure.

4. CHCC will maintain a list of transfer requests received and their final disposition. The list will be provided to HCAA upon request and may be used as a tool to conduct workload analysis and in selecting requirements appropriate for consolidation and potential master contracts.

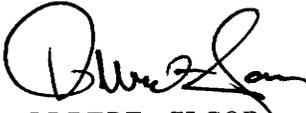
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5. The Center and RCOs will meet annually at a minimum to discuss consolidation of requirements and to select candidates for consolidation. The Center, in coordination with the RCOs, shall determine how, when and where to meet, and the information required to make an informed selection. All meetings should be based on a time frame that will facilitate acquisition planning and award by CHCC. The results of such meetings will be documented in writing; i.e., meeting minutes, and provided to the PARC NLT 6 working days after the meeting ends. A member of the HCAA staff will assist in organizing these meetings. If possible, conducting a meeting in conjunction with other events, such as the semiannual HCAA Leadership Conference, is recommended. Leadership Conferences will normally be conducted each May and November.

6. Contracts for recurring requirements awarded by any HCAA office will be written for a 5-year performance period, a base year and four 1-year options. When it is determined appropriate to award a contract for less than 5 years, the rationale to support this decision will be documented in writing. Both the contracting officer and the Chief of the office will sign the document and a copy will be placed in the contract file.

7. Our point of contact is Mrs. Sandy Gaddy, DSN 471-4095.


ALBERT JACOB
Chief of Staff

Encl