INTRODUCTION

The Health Care Acquisition Activity (HCAA) is a Field Operating Activity (FOA) under the United States Army Medical Command (USAMEDCOM). HCAA provides business advice and responsive contracting services to the USAMEDCOM, five Regional Medical Commands (RMCs), numerous Military Treatment Facilities (MTF) and our partners in the Military Health System (MHS). Our Mission and Vision are as follows:

HCAA Mission Statement: To provide responsive, affordable, and flexible health services contracting and business solutions to the Military Health System.

HCAA Vision Statement: To be the premier, cost effective health care contracting organization; your first choice for medical contracting.

HCAA is organized into a headquarters, located at Joint Base San Antonio Fort Sam Houston, a Center for Health Care Contracting (CHCC) also located at Joint Base San Antonio Fort Sam Houston, and five Regional Contracting Offices (RCOs). CHCC is responsible for writing global contracts for use by all HCAA contracting offices and our partners in the MHS. The five RCOs are Northern Region Contracting Office (NRCO) located with-in the Joint Task Force, National Capital Region; Southern Region Contracting Office (SRCO) located at Joint Base San Antonio Fort Sam Houston; Western Region Contracting Office (WRCO) located at Joint Base Lewis McCornd near Madigan Army Medical Center; Pacific Region Contracting Office (PRCO) located at Tripler Army Medical Center; and European Region Contracting Office (ERCO) located at Landstuhl, Germany. The HCAA RCOs, with their supporting contracting cells, provide medical contracting support, on a direct support basis, to their respective RMCs and the MTFs within their contracting area of responsibility. Contact information can be found in Chapter 13 of this handbook.

This handbook is designed to provide standard day-to-day acquisition guidance to our customers in preparing the necessary documentation to obtain contracted medical related services, supplies and equipment in a timely manner. This guide is not intended to replace the Federal Acquisition Regulation, Defense FAR Supplement, Army Federal Acquisition Regulation Supplement (AFARS), or Medical Command (MEDCOM) regulations. The procedures in this handbook apply to all customers requesting contracting support from HCAA contracting offices throughout USAMEDCOM. This handbook is designed to ensure that while the customer's needs are met, the Government pays a fair and reasonable price, contracts comply with laws and regulations, and the Government’s interests are protected.

This handbook will help outline and clarify required documents and processes when trying to obtain supplies and services through the contracting process. HCAA will strive to keep this document updated. However, current law, regulation and policy will take precedence over any item contained in this document. Check with your respective HCAA contracting office if you have any questions. (Contact Information is located in Chapter 13)

The HCAA website and your supporting contracting office will have information on end of fiscal year cut-off dates for submittal of purchase requests, purchase request package
templates/samples, government purchase card forms, Contracting Officer’s Representative (COR) information and other helpful contracting links. We also suggest the MEDCOM HCAA Acquisition Desk Reference for Commanders, Directors, Senior Leaders, Requiring Activities Program Managers, and Contracting Officer Representatives for additional information on the contracting process. These and other resources are available at our website. Please visit https://www.us.army.mil/suite/page/270531.

The contracting process is complex and sometimes cumbersome. This handbook should reduce some of the frustration often experienced when trying to obtain goods and services through local purchase or contract. Suggestions for improvement, comments, or questions about this handbook should be addressed to the HCAA Business Operations Division at usarmy.jbsa.medcom.list.hcaa-suggestions-owner@mail.mil

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CHAPTER 1 - GOVERNMENT PROCUREMENT

1. To conduct daily operations, the Government must buy equipment, supplies, services and construction from the private sector. Based on laws passed by Congress, the basic rules, policies, and procedures for Government procurement are set in the Federal Acquisition Regulation (FAR). The FAR governs Federal or Government procurement and contains procurement policies and detailed procedural and administrative requirements.

2. The FAR is supplemented by the Department of Defense (DoD) Supplement to the FAR known as the DFARS and by the Army Supplement to the FAR called the AFARS.

3. The USAMEDCOM Health Care Acquisition Activity is empowered by the FAR as a Contracting Activity, to procure medical supplies, equipment, and services for USAMEDCOM and MHS customers, facilities and units through use of HCAA’s Contracting Offices.

   a. Only contracting officers have the authority to enter into, administer or terminate contracts and make related determination and findings. Contracting officers (KOs) may bind the Government only to the extent of the authority delegated to them. The appointment authority clearly and specifically writes the limits of their authority in the delegation.

   b. No contract shall be entered into unless the contracting officer ensures all requirements of law, executive orders, regulations, and all other applicable procedures (including clearances and approvals) have been met.

4. Procurement Integrity. Integrity of the acquisition process means allowing private sector firms to compete for the Government’s business on a fair basis. Government personnel who are associated with the acquisition process have a responsibility to protect its integrity and maintain fairness in the treatment of all contractors or potential contractors. MEDCOM personnel must protect acquisition information from unauthorized disclosure. Care must be taken to ensure that contractor personnel are not involved in acquisition decisions or have access to acquisition sensitive information that would give their firm an unfair competitive advantage. In addition, vendors should never know how much money we have available for future contracts.

"Contractor proposal information" means any of the following information submitted to a Federal agency as part of or in connection with a proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly. Government personnel are prohibited from releasing or discussing this information to anyone outside of the acquisition team.

   a. Cost or pricing data (as defined by 10 U.S.C. 2306a(h)) with respect to procurements subject to that section, and section 304A(h) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h)), with respect to procurements subject to that section.

   b. Indirect costs and direct labor rates.
c. Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

d. Information marked by the contractor as "contractor proposal information" in accordance with applicable law or regulation.

e. Information marked in accordance with FAR 3.104-4 (i.e., information marked “Source Selection Information -- See FAR 2.101 and 3.104”).
CHAPTER 2 - ACQUISITION PLANNING

1. Acquisition planning is the process by which the efforts of all personnel responsible for the acquisition (you as the requiring activity, logistics, resource management, information management, legal, and the HCAA Contracting Office) are coordinated and integrated through a comprehensive plan for fulfilling agency needs in a timely manner and at a fair and reasonable price. It includes developing the overall strategy for managing the acquisition. This planning begins at the point of requirement/need (Government need) identification and goes through the entire acquisition process, to include receipt and acceptance of the requirement and completes when the contract expires and payment is confirmed.

2. The acquisition planning process is a coordinated team effort, from the point of conception of the requirement or need, to development of the strategy and acquisition of a required product or service. You should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules. Logistics should be involved to enable consolidation of acquisitions for similar or like items, allowing us to take advantage of quantity discounts. This will save you money that can then be allocated to other requirements.

3. When you have a requirement or Government need, you first need to decide how you will be able to procure that supply/equipment or service depending on the value of the requirement. Contact your HCAA contracting office (see chapter 13 for contact information) if you need business advice on the best method of procuring your requirement.

   a. If the requirement is under $2,000 for construction; $2,500 for services; or $3,000 for supplies you may use the Government Purchase Card for authorized purchases and order the item or service directly by contacting the vendor.

   b. If the requirement is over these thresholds you must have a formal contract awarded through your HCAA contracting office. You may contact the vendor for market research purposes only. Contracts are usually firm fixed price; however, if the quantities or delivery dates are unknown or vary greatly, then an Indefinite Delivery, Indefinite Quantity (IDIQ) type contract might be a better option for your requirement. If the requirement is over these thresholds and is for a recurring need, it may be best suited for a Blanket Purchase Agreement (BPA) instead of a contract. Your contracting officer will determine the best approach for your requirement.

4. The acquisition planning process should take into consideration the following elements during the acquisition planning process and/or market research:

   a. Acquisition background and objectives

   b. Cost

   c. Capability or performance

   d. Delivery or performance period requirements
e. Trade-offs

f. Risks

g. Possible sources

h. Budgeting and funding

i. Product or service descriptions

j. Management information requirements

k. Logistics considerations

l. Government furnished property

m. Government furnished information

n. Environmental/energy considerations

o. Security Considerations

p. Nomination of a Contracting Officer’s Representative (if required)

q. Other Considerations

5. To support timely acquisition of your required items and services, HCAA publishes acquisition planning guidance during the second quarter of each Fiscal Year (FY). The guidance will list cut off dates for the timely submission of requirements through the end of the subject FY. Only through compliance with these established dates can HCAA guarantee the successful acquisition of your required supply or service. Discuss your needs with your HCAA contracting office, plan accordingly, and submit requirements in a timely manner to meet individual mission requirements.
CHAPTER 3 - CONTRACTING ROLES AND RESPONSIBILITIES

1. GENERAL

a. For both routine and unique requirements, it is essential you confer with your HCAA contracting office as soon as your need is identified so we may offer advice and assistance as your contracting business advisors as you begin the acquisition planning process. It will aid us in planning our workload and in meeting your requirements in a timely manner.

b. To ensure receipt of the desired products and services, you need to provide your HCAA contracting office with a complete requirements package that includes:
   - Purchase Request (PR) with a clear description of the requirement, although GFEB funding PR not necessarily submitted with package,
   - funding authorization,
   - local purchase authority,
   - Independent Government Cost Estimate (IGCE) with market research included,
   - appropriately approved Anti-Terrorism/OPSEC review cover sheet,
   - appropriately approved Service Contract Approval (SCA) Requirements Package Cover Sheet,
   - Performance Work Statement (PWS) with exhibits and attachments if needed
   - Performance Requirements Summary (PRS), quality assurance surveillance plan (QASP),
   - technical evaluation factors and criteria,
   - justification and approval if required,
   - technical specifications for supplies/equipment,
   - non-DoD waiver for Government Services Administration (GSA)/Federal Supply Schedule (FSS) buys greater than $150K,
   - approved CEEP package for equipment less than $100K or approved MEDCASE package for equipment greater than $100K,
   - any other supporting documentation such as sole source justifications, GSA Best Value Item Comparison Form, identification of brand name or equal, if applicable, and
   - nomination of a COR through the Virtual Contracting Enterprise (VCE)-COR Module and relevant documentation submitted.

c. As you develop your requirements, ensure requirements are not split to overcome timing and/or funding restrictions in accordance to FAR 13.003(c)(2) which states: “Requirements aggregating more than the simplified acquisition threshold shall not be broken down into several purchases that are less than the threshold merely to permit use of simplified acquisition procedures.”

2. CONTRACTING OFFICER (KO) RESPONSIBILITIES. The KO will:

a. Promote and provide for full and open competition in soliciting offers and awarding Government contracts according to 10 U.S.C. 2304 and 41 U.S.C. 253 through the use of the competitive procedures.
b. Ensure coordination with Defense Finance and Accounting Service (DFAS), Chief of Logistics, Resource Management Division (RMD), Legal, Requesting Activity, small business specialist, and others as required.

c. Determine whether to use simplified acquisition procedures (FAR Part 13) or the formal contracting process (FAR Part 12 or FAR Part 15).

d. Determine whether to use Request for Quote (RFQ) or Request for Proposal (RFP).

e. Determine appropriate contract type.

f. Conduct post-award orientation, when required.

g. Provide performance monitoring training to the COR, Alternate Contracting Officers’ Representative (ACOR), and supervisor on the specific contract.

h. Comply with Electronic Commerce/Electronic Data Interchange (EC/EDI) requirements.

i. Comply with synopsis requirements.

j. Comply with Congressional Notification requirements.

k. Prepare and issue the solicitation.

l. Evaluate proposals.

m. Award the contract.

n. Perform contract administration.

o. Perform contract closeout.

3. CUSTOMER RESPONSIBILITIES

a. As the customer you are responsible to:

   (1) Begin advanced acquisition planning using contract administrative lead time provided by your Contracting Office and in the End-Of-Year Cut-Off Dates and in the PR Processing Times Chart.

   (2) Ensure coordination with Property Book, Material Branch, Medical Maintenance, Chief of Logistics, Information Management Division (IMD), Resource Management Division (RMD), and Contracting, as required.
(3) Provide input in solicitation development; to include: accomplishing an IGCE based on market research, development of the PWS, identify evaluation factors, special provisions, critical/technical performance factors (factors on which the contractor’s performance will be rated), supply equipment specifications/salient characteristics, and other documentation as requested by contracting.

(4) Depending on the complexity and/or dollar value of your requirement you may be required to participate in Multi-functional Integrated Process Teams (MFIPTs), Services Acquisition Workshops (SAWs), Solicitation Review Boards (SRBs) and Contract Review Boards (CRBs).

(5) Provide input as requested, to help KO determine the procurement process that will best suit your needs.

(6) Participate in technical proposal evaluations when required.

(7) Assist in contract administration phase (as an appointed COR, technical monitors, receipt, quality assurance, acceptance, monthly report to KO through VCE, etc.) when required.

b. When requesting contracting support:

(1) Submit your PR (see Chapter 5) through the General Fund Enterprise Business System (GFEBS) along with appropriate supporting documentation. For Priority 03 and 06 requirements, the required justification must be completed and submitted to the contracting office. A manual/hard copy DA Form 3953 Purchase Request and Commitment (PR&C) will only be submitted upon approval of the contracting office in extremely rare and urgent occasions.

(2) For supplies, prepare a detailed description including specifications, salient characteristics, and technical requirements. If product brochures or other descriptive documents are available, provide those as well.

(3) For services, prepare a PWS, PRS and a QASP.

(4) For both supplies and services, prepare and submit an IGCE signed by the COR and their supervisor, along with the supporting market research documentation that supports the estimate. In addition, the IGCE needs to have signed statement or certification that the IGCE was developed independently by the Government.

(5) Obtain appropriate approvals as required depending on whether it is services, supplies or equipment being procured; such as SCA, Medical Maintenance, Property Book, Information Management, and Facilities Management.

(6) Obtain appropriate funding for supplies and services.
(7) For services, nominate a candidate for a COR/Alternate Contracting Officer Representative (ACOR) to the contracting office through the Virtual Contracting Enterprise (VCE) COR Module by submitting appropriate nomination documentation with supervisor approval.

(8) After contract award, account for and maintain leased and purchased property, if required.

(9) After contract award, conduct contract surveillance, monthly performance reports and expenditure logs, and annual Contract Performance Assessment, if required.
## 4. SUMMARY OF RESPONSIBILITY CHART

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CHAPTER 4 - CONTRACTING BASICS

1. MANDATORY SOURCES OF SUPPLY

a. The Federal Government requires agencies to purchase supplies and services from certain Government supply sources PRIOR to purchasing supplies and services from the commercial marketplace. These sources and the priority of their use are detailed in FAR Part 8 (see paragraphs d and e below). Your HCAA contracting office, as your business advisor, is aware of the limitations these sources may pose on federal procurements and takes them into account when planning your acquisition.

b. What does this mean for you the customer? When contracting for medical supplies and services the contracting office must review these sources to determine if your requirement can be met through one of the mandatory sources of supply. If your HCAA contracting office determines your requirement is not available through one of these mandatory sources, we will proceed with the acquisition first through an appropriate existing contract vehicle or through a new commercial market procurement.

c. For purchases greater than $2,500 provide at least one source of supply or more if you know them. Unless an order is placed against an existing contract like General Services Administration (GSA), all actions greater than $25,000 will be competed and advertised online at www.fbo.gov.

d. FAR Part 8 stipulates that the priority for using Government supply sources when contracting for supplies is:

   (1) Agency inventories;

   (2) Other agency inventories (excess from other agencies);

   (3) Federal Prison Industries, Inc (FPI), also known as UNICOR;

   (4) Supplies which are on the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled, also known as National Industries for the Blind (NIB)/NISH which implements the AbilityOne Program;

   (5) Wholesale supply sources, such as General Services Administration (GSA) the Defense Logistics Agency (DLA), the Department of Veterans Affairs (VA), and military inventory control points;

   (6) Mandatory Federal Supply Schedules (FSS); note that DoD is only an optional user;

   (7) Commercial Sources (including educational and nonprofit institutions).

e. The FAR stipulates that the priority for utilization when contracting for services is:
(1) Services which are on the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled, also known as NIB/NISH, which implements the AbilityOne Program;

(2) Mandatory Federal Supply Schedules (FSS), note that (DoD is only an optional user of FSS;

(3) Federal Prison Industries, Inc (FPI), also known as UNICOR, or commercial sources (including educational and nonprofit institutions).

2. SIMPLIFIED ACQUISITION PROCEDURES

a. The FAR Part 13 states that Simplified Acquisition Procedures (SAP) shall be used to the maximum extent practicable for all purchases up to the Simplified Acquisition Threshold (SAT) currently $150,000.00, unless requirements can be met by using required sources of supply. Currently the test program for certain commercial items allows the use of simplified procedures for the acquisition of supplies and services in amounts greater than the SAT but not exceeding $6.5 million until 31 December 2014. Two important goals of the SAP are: 1) to promote efficiency and economy in Government contracting and 2) to improve opportunities for small, small disadvantaged, women-owned, veteran-owned, HUB Zone, and service-disabled veteran-owned small businesses.

b. The Government Purchase Card (GPC) is normally used for purchases at or below the micro-purchase threshold (MPT):

(1) If you are making purchases at or under the MPT, we encourage you to use the GPC if the requirement is a GPC authorized buy. Call the servicing Agency/Organization Program Coordinator (A/OPC) at your HCAA contracting office for help in setting up accounts, or for obtaining guidance or other information.

(2) Do not separate or split your requirements in order to reduce the costs or circumvent thresholds. Do not keep your requirement under the SAT or other threshold for the sole purpose of using GPC. It is considered splitting orders when you purchase on the same day or consecutive days, items from the same source in a manner to keep the purchases under your single purchase limit. Requirements greater than micro-purchase thresholds must be forwarded through the appropriate channels for contract processing by your HCAA contracting office.

(3) Purchases below the MPT do not have to be competed, one quote is sufficient; however, the price must be determined to be reasonable by the person making the purchase. Reasonableness can be verified through identification of the vendor and explanation of award decision. If more than one quote is obtained, and the award is made to other than the low bidder, then documentation must be completed to support the award. Your A/OPC can provide detailed guidance.

(4) It is the joint responsibility of the GPC cardholder and the approving official to ensure only authorized expenditures are purchased with the Government credit card and that
timely reconciliation is accomplished. Units/requesting activities will be accessed an interest charge when payments are not made on time and when the reconciliation paperwork is not timely. This charge will be placed against the approving official’s budget.

c. HCAA contracting offices will process purchases exceeding the MPT.

3. SMALL BUSINESS SET-ASIDE: It is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, veteran-owned small business, service-disabled veteran-owned small business, HUB Zone small business, small disadvantaged business, and women-owned small business concerns through the mandatory use of various socioeconomic programs per FAR Part 19.

4. COMPETITION AND PRICE REASONABLENESS FOR REQUIREMENTS EXCEEDING THE MPT.

a. FAR Part 6 requires contracting officers to promote and provide for full and open competition in soliciting offers and awarding all Government contracts. FAR Part 6.2 and 6.3 prescribe how this is accomplished and details the limited exceptions to full and open competition. For our customers most exceptions are related to set-asides for small business concerns and circumstances permitting other than full and open competition.

b. What does this mean to our customers?

(1) Procurements exceeding the MPT MUST be competed

(2) To achieve maximum competition, quotations for transactions exceeding $25,000.00 will be solicited on FEDBIZOPPS. Solicitations will be available for contractors to bid on for 30 days unless the KO determines that multiple offers will be received in a shorter period of time.

(3) Prior to award, price reasonableness must be determined by the KO. This may be based on competitive quotations, comparison of proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, value analysis, personal knowledge, or any other reasonable basis.

5. MARKET RESEARCH

a. Market research is the process by which information is collected, organized, and analyzed to determine the availability and capabilities within the market to satisfy the Government’s needs. For more information on market research see the DoD Market Research Guide.

b. FAR Part 10 requires agencies, both the requiring activity when defining their requirement, and the contracting activity, to perform market research to some degree on purchases exceeding the SAT and less than the SAT if adequate information is not available. The extent of market research varies, depending on factors such as urgency, estimated dollar value, complexity of the requirement, and past experience in purchasing the supply or service.
c. As part of the overall team of personnel responsible for acquiring a supply or service, the requiring activities and technical experts greatly influence the speed and accuracy of the procurement with the market research provided to the contracting office with the procurement package.


d. What can you (the requesting activity) do to expedite your purchase request?

(1) Provide at least one, preferably more, suggested sources for your requirement. The more sources you supply, the faster the contracting office can meet the competition requirement. Providing only one suggested source does not mean that your requirement will be purchased from the source you provide. The contracting office still needs to research comparable items with other vendors, so providing more than one source/vendor helps to streamline the process.

(2) Provide a complete, detailed description of the requirement, including information provided to potential sources/vendors if you have a current quote(s), meaning within the last 30 days.

(3) Review and validate your technical requirements and specifications. Ensure the correct system, item, part and model number, etc. are used to describe your requirement. Include salient characteristics (if applicable).

(4) Provide recent, not historical, pricing. Current quotes, internet pricing, recent catalogues, manufacturer, distributor, and dealer literature are acceptable, as long as the quote has not expired according to the date the vendor places on it.

(5) Identify “must have” customization, modification, warranty, etc.

6. COMPETITIVE VERSUS NON-COMPETITIVE SOLICITATIONS: The Competition in Contracting Act (CICA) of 1984, Public Law 98-369, requires that contracting officers, with limited exceptions, strive FIRST to promote and provide for full and open competition. 10 U.S.C. 2304 and 41 U.S.C. 253 require that contracting officers, with certain limited exceptions, strive FIRST, to promote and provide for full and open competition in soliciting offers and awarding Government contracts unless extreme circumstances dictate a process that utilizes less than full and open competition.

a. Soliciting for competing offers/proposals:

(1) Proper analysis of the requirement by requiring activity (see Chapter 5, Section 6.e.)

(2) Preparation and submission of a complete requirements package to contracting to include PR, IGCE, PWS, QASP, AT/OPSEC Coversheet, Lease vs. Buy analysis (if necessary), GSA/FSS Comparison Worksheet, properly approved SCA Contract Approval (see Chapter 5, Section 6.e.).

(3) Review by KO and subsequent determination of acquisition strategy.
(4) Preparation (by the contracting office) of a small business coordination record (DD2579) if required, acquisition plan if required, source selection evaluation plan, and solicitation.

(5) Internal and external reviews and approvals as required (HCAA, Legal, etc.).

(6) Synopsizing of solicitation on FEDBIZOPPS, government portal (generally 2 weeks to 30 days).

(7) Receipt and review of submitted proposals for responsiveness to solicitation; notice to unsuccessful offerors, if necessary.

(8) Evaluation of offers/proposals.

(9) Establishment of competitive range.

(10) Clarifications, communications, or negotiations with offerors, as necessary.

(11) Selection of awardee; responsibility determination.

(12) Completion and review of award documentation and notice to unsuccessful offerors.

(13) Synopsis of award, as required.

(14) Post-award orientation: COR/ACOR, supervisor, contractor, contracting officer and contract specialist review contract, performance requirements, etc.

(15) Contractor fills required positions by start date.

(16) Contractor begins performance.

b. Soliciting from sole source:

(1) Proper analysis of the requirement by requiring activity (see Chapter 5, Section 6.e.)

(2) Preparation and submission of a complete requirements package to contracting to include PR, IGCE, PWS, PRS, QASP, AT/OPSEC Coversheet, SCA approvals for services, J&A, Lease vs. Buy analysis (if necessary), etc.

(3) Review by KO and determination of acquisition strategy, i.e., sole source verification.

(4) Preparation (by the contracting office) of a small business coordination record (DD2579) if required, acquisition plan if required, source selection evaluation plan and solicitation.
(5) Internal and external reviews and approvals, as required (HCAA, Legal, etc.).

(6) Synopsizing of solicitation on FEDBIZOPPS, government portal (generally 30 days).

(7) Receipt and review of submitted offer/proposal for responsiveness to solicitation

(8) Negotiations with offerors, as necessary.

(9) Responsibility determination.

(10) Completion and review of award documentation.

(11) Synopsis of award, as required.

(12) Post-award orientation: COR/ACOR, supervisor, contractor, contracting officer and contract specialist review contract, performance requirements, etc.

(13) Contractor fills required positions by start date.

(14) Contractor begins performance.

c. Both methods contain many significant steps that require knowledge, experience, and prudence; and both methods require significant attention on part of both partners, you, the customer, and the HCAA contracting office. However, the competitive method requires more time, due mainly to the publication of the solicitation, which can range from 15 to 30 days. Hence, the significance of your scheduling and coordination efforts in a timely manner to ensure the HCAA contracting office is allowed adequate time to fulfill the legal requirements of the acquisition process. Again, refer to the PR Processing Times Chart in Chapter 5, Section 4.

7. SOLE SOURCE - OTHER THAN FULL AND OPEN COMPETITION

a. The intent in Federal procurement is to promote and provide for full and open competition in soliciting offers and awarding all Government contracts. FAR Part 6.3 specifically states under what circumstances other than full and open competition or “sole source” contracting may be authorized.

b. If your requirement is available from one and only one vendor and no other item will satisfy the requirement, then you, the requesting activity, are responsible for providing the Justification & Approval (J&A) with the PR&C. Appendix 5 (Instructions for Preparing a Justification and Approval gives instructions for developing your J&A.

c. The following examples do not constitute adequate sole source justification:

(1) Lack of adequate prior planning (not allowing enough time for proper procurement).

(2) Funds must be obligated prior to funds expiration.
(3) Needed for Joint Commission or other regulatory inspection.

(4) Superior (or preferred) service, supply, or equipment.

(5) Lowest price.

(6) The only source known (or provided) without performing proper market research.

(7) Demonstrated capability.

(8) Only domestic product.
CHAPTER 5 - INITIATING A PURCHASE REQUEST

1. GENERAL. All requests for local purchase of medical supplies, services, and equipment will be submitted electronically through GFEBS. The purchase requests must be complete in description, quantity, and price. All PRs must be submitted in accordance with the Procurement Action Lead Time (PALT) schedule in the processing times chart below, to allow the contracting office adequate time to process your request. Requests submitted late may not be processed by the delivery date you specify on the PR. HCAA releases an “End of Fiscal Year Cut-Off Dates” memo each year in March to remind activities to submit all requirements by the end of the 3rd quarter. Please adhere to these dates so that the HCAA contracting office can process your request before the end of the fiscal year. All non-medical requirements are handled by the installation contracting office. You may contact your HCAA contracting office if you have questions about who should process your request (see Chapter 13 for contracting office contact information.)

   a. It is the responsibility of the requesting activity acting in conjunction with technical and supply personnel, to prepare a complete acquisition package and submit the PR with all necessary supporting documentation attached to the PR in GFEBS. If information is missing from the PR, or if it does not include the necessary support documentation, the HCAA contracting office will notify the requesting activity. If the requested information is not provided by the date specified by the Contracting Officer (KO), Contract Specialist (KS), Purchasing Agent, or other HCAA personnel, the PR will be cancelled and returned to the requesting/initiating activity.

   b. What does “Right” look like? Purchase requests for supplies is found in Chapter 5, Section 5, and purchase requests for services is found in Chapter 5, Section 6. Additionally, Appendix 1 (Complete Purchase Request Package for Supplies) and Appendix 2 (Complete Purchase Request Package for Services) explain the components of a complete purchase request package. If you need a signed IGCE to go with that, Appendix 3 (Preparing an Independent Government Estimate) tells you exactly how to complete one.

2. PRIORITY DESIGNATOR. When submitting a purchase request, either through GFEBS or a DA 3953, the priority must be annotated in block 9. Routine acquisitions are a priority 13 as indicated on the Processing Times Chart in Section 4. Purchase requests submitted without a priority listed will automatically be handled as a priority 13 and processed accordingly.

   a. Requirements shall comply with priority designation standards outlined in AR 710-2 and DA PAM 710-2-1. According to the references cited, all very high Priority 03 (generally associated with a life or death request/urgent surgery) and high Priority 06 (generally associated with requests that have, or will have, a negative impact on your mission if a high priority is not granted) requirements shall be reviewed by the Commander or the designated representative (designated in writing) prior to submission to the HCAA contracting office.

      (1) To comply with Section 2.a. above, a Priority 03 (Very High Priority) requires a memorandum signed by the Commander or designated representative, stating the reason of urgency and the required delivery date. This is generally associated with a life or death
request/urgent surgery for a specific patient and the action will be processed within 24 hours. If
this is a weekend or after hours emergency the Administrative Officer of the Day (AOD) will
notify the KO on-call at your HCAA RCO who will process the urgent request.

(2) To comply with Section 2.a. above, a Priority 06 (High Priority) also requires a
memorandum signed by the Commander or designated representative, stating the reason of the
increased urgency (over Priority 13) and the required delivery date. Priority 06 requests are
generally associated with requests that have or will have a negative impact on your mission, such
as preventing patient treatment areas from shutting down, if a high priority is not granted. See
Processing Times Chart in Section 4 below.

b. Upgrading Priority. A request for priority upgrade can be submitted at any time;
however, the request must contain justification for new priority as outlined in Section 2.a. above.
Requests for a priority upgrade without a memorandum signed by the Commander will not be
upgraded.

3. PR PROCESSING TIMES. Various factors can impact your purchase request processing
time. Additional time may be required depending on dollar thresholds, contract type,
complexity, and additional review requirements. To assist with scheduling and planning, we
have included a summary of required processing times. Speak with the assigned KS or KO at
your HCAA contracting office to determine if your requirement will need additional time for
processing than that indicated below:

4. SUMMARY OF PROCESSING TIMES

<table>
<thead>
<tr>
<th>Requirement Type &amp; Dollar Threshold</th>
<th>Priority Designation *</th>
<th>HCAA Office Processing Times**</th>
<th>Contractor Processing Times***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies, Equipment And Services Up To $150,000</td>
<td>03</td>
<td>24 hours ASAP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>06</td>
<td>14 Days ASAP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>21 Days 30 Days</td>
<td></td>
</tr>
<tr>
<td>Supplies, Equipment And Services $150,000 - $650,000</td>
<td>13</td>
<td>45 Days 30 Days</td>
<td></td>
</tr>
<tr>
<td>Any Requirement Over $650,000</td>
<td>13</td>
<td>150 Days 30 Days</td>
<td></td>
</tr>
<tr>
<td>Exercise Option Regardless Of Dollar Threshold</td>
<td>13</td>
<td>90 Days 30 Days</td>
<td></td>
</tr>
<tr>
<td>Modification Requests To Include Deobligations****</td>
<td>13</td>
<td>15 Days 30 Days</td>
<td></td>
</tr>
<tr>
<td>Unfunded Requirements (UFRs) With High Probability Of Receiving Funds</td>
<td>13</td>
<td>See Annual Cut-Off Dates 30 Days</td>
<td></td>
</tr>
</tbody>
</table>
Note 1: Request for Service Contract Approval document must accompany all PRs for services and all modifications of existing service contracts.

Note 2: Service Contracts for less than one year in duration have an increasingly low probability of success. Contracts are generally not the preferred solution for short-term fills due to the required lead time and cost. History has shown there is no guarantee that once a contract is awarded, the contractor will successfully recruit a candidate that successfully navigates the credentialing process in time to completely fulfill the MTF’s needs. This is especially true for critical specialties and/or in difficult markets.

Note 3: FAR 7.503(e) Inherently Governmental Functions - Agency implementation shall include procedures requiring the agency head or designated requirements official to provide the contracting officer, concurrent with transmittal of the performance work statement (or any modification thereof), a written determination that none of the functions to be performed are inherently governmental. This assessment should place emphasis on the degree to which conditions and facts restrict the discretionary authority, decision-making responsibility, or accountability of Government officials using contractor services or work products. Disagreements regarding the determination will be resolved in accordance with agency procedures before issuance of a solicitation. Inherently Governmental Functions are an integral part of Army SCA Form required in Note 1 above.

* Requirements shall comply with priority designation standards outlined in AR 710-2 and DA PAM 710-2-1. All Priority 03 (life, limb or serious injury etc.) and Priority 06 (impacts mission accomplishment etc.) requirements shall be reviewed by the Commander/designated representative (in writing) prior to submission.

** All processing times begin on the date when the HCAA contracting office receives a complete PR package with all the required supporting documents; not on the date when the requesting office initiates the PR. The requesting activity should plan for the extra time in the acquisition cycle.

*** Contractor processing times are based on standard commercial practice but may be negotiated based on urgency of need. Contractor processing times do not include the time to credential providers. The credentialing and privileging process is unique to each MTF and is out of the control of the contracting office. Therefore, for acquisition planning, ADD the HCAA contracting office, Contractor, and Credentialing/Privileging processing times together, to determine how far in advance the date is that your requirement must be received by the HCAA contracting office to meet your desired start/delivery date. It is recommended that 75 to 90 days be used as the minimum from contract award to start of performance so the contractor will have adequate time to recruit and credential health care personnel.

**** Modifications to existing contracts must be within scope of the contract. Determinations of scope are extremely fact-dependent. However, as a general rule, if we modify
a contract that increases a contract amount or FTEs (Full-Time Equivalent equal to 1920 hours) by more than 20%, the risk of a protest significantly increases. The rule of thumb was established based on case law precedence. With this in mind, the HCAA contracting office will not attempt to modify a contract, unless the KO determines the modification to be “in scope” and 20% or less. Additionally, the majority of contract modifications must be agreed upon by both the contractor and the government.

5. PURCHASE REQUEST FOR SUPPLIES OR EQUIPMENT

a. COMMON OR GENERIC ACQUISITION: It is the responsibility of the requesting activity, acting in conjunction with technical and supply personnel, to prepare a purchase request that clearly and thoroughly describes the requirement including salient characteristics in the PR CLINs for each type of item. Description must clearly and completely identify the requirement.

   (1) Salient characteristics are those characteristics, either physical and/or functional, that will meet your needs. They will normally include the common nomenclature, kind of material, electrical data, dimensions, size or capacity, restrictive environmental conditions, intended use, equipment to be used with, and/or pertinent data which describes the item, material, or service. Salient characteristics should only state the Government’s minimum needs. Restrictive descriptions, e.g., “bells and whistles,” that unnecessarily limit the number of potential suppliers should be avoided.

   (2) All pertinent brochures, descriptive literature, or other data describing the requirement must accompany the purchase request. Failure to specify essential information such as color, size, weight, accessories, options, installation requirements, etc., delays the procurement process and often results in incorrect items being received. Purchase descriptions must also be written in a manner that permits a maximum degree of competition.

   (3) When describing your requirement, you should ask, “What do I need this item to do for me? What size/dimensions should it be in order to accomplish what I need it to accomplish? On whom will it be used or for what purpose will it be used?” When you describe your requirement, try to steer your thoughts away from vendor brochure product descriptions and try to describe your need in your own words. However, if you have brochures from a vendor, those should accompany your PR as supporting documentation so that upon review by contracting, we will have a better idea of your need. Keep in mind, suggesting a vendor does not mean the item will be purchased from that vendor.

   (4) If installation is required, state so. If it must be compatible with existing equipment, state so, and provide specifications of existing equipment or supplies. Failure to specify essential information such as color, size, weight, accessories, options, installation requirements, etc., delays the procurement process and often results in incorrect items being received. Supporting documentation is always helpful and saves time.

   (5) Examples of Restrictive and Unrestrictive descriptions with comparative language italicized are:
(a) RESTRICTIVE

Motor, electric 117VAC, 60Hz
Single phase, open drip proof; 5 ¼ HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1800 rpm.

Dimensions: 12 1/8” diameter of housing, length 15”.
Mounting: 4 screws centered on 3 13/32” radius circle, equally spaced.
Weight 24 pounds. With 32” connection wire sheathed in CRES 306 Bombay, Inc., protective flexible covering 1/16” thick.

(b) UNRESTRICTIVE

Motor, electric 117VAC, 60Hz
Single phase, open drip proof; minimum 5 HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1700-1900 rpm.

Maximum dimensions: 2’ by 2’ x 2’. Maximum weight 35 pounds. With at least 30” connection wire, flexible metal sheathed covering at least 1/16” thick.

b. BRAND NAME OR EQUAL: If using “brand name or equal”, you must enter the name of the manufacturer, the commercial name of product, model number or National Stock Number (NSN), and enter the phrase “brand name or equal.” Entering the phrase “brand name or equal” easily distinguishes your requirement from a “sole source” request which is described in 5.c. below. A description list of the salient physical and functional characteristics which are essential to the needs of the Government, must also be provided. Purchase requests that merely identify a characteristic or a sole source justification are unacceptable. Multiple brand name designations/examples should be supplied when more than one product is known to meet the Government’s needs.

(1) EXAMPLE OF INCORRECT:

Exam/Treatment Chair
Midmark Ritter Model 319 or similar.
Suggested Source: Midmark Corporation

(2) EXAMPLE OF CORRECT:

Exam/Treatment Chair
Midmark Ritter Model 319 or EQUAL.
Salient Characteristics: Motorized, includes standard knee crutches, base rails, plant installed, light bracket.

c. SOLE SOURCE. Single brand name or “sole source” purchase descriptions can be used when only one firm can reportedly satisfy the Government’s minimum need (see Chapter 4, Section 7 for more information on “sole source”). If you are recommending the use of a single
brand name or “sole source” based on unsuccessful market research efforts to find a vendor that can meet your requirements, then in addition to a description as shown in Chapter 5, Section 5.a.(5) and 5.b. above, also provide a justification and approval, or J&A. This is a written statement fully justifying the request for a “sole source” purchase. The J&A and complete supporting documentation to include detailed market research must accompany any purchase request for which only one source can satisfy the requirement. Again, keep in mind, submitting a request and justification for sole source, when a sole source is not needed or there are other vendors fully capable of fulfilling the requirement will, most likely, result in your item being procured through the most appropriate contracting method as determined by the KO. See the Justification and Approval Format for more information.

6. PURCHASE REQUESTS FOR SERVICES

a. Personal Versus Non-Personal Services: A service contract may be either non-personal or personal. It can cover services performed by either professional or non-professional personnel.

(1) A “non-personal services contract” means a contract under which the personnel rendering the services are not subject to the supervision and control the Government exercises over its employees. Simply stated, non-personal contract employees do not take direction from any Government personnel, regardless of rank. Even the COR has no authority over a contractor's employees. Maintenance and housekeeping are good examples of non-personal services contracts.

(2) As indicated in FAR 37.101, a “personal services contract” is characterized by the employer-employee relationship it creates between the Government and the contractor’s personnel. Contractor personnel are subject to the relatively continuous supervision and control of a Government officer or employee over their work, does not include approving time cards, leave etc. Direct health care providers (DHCPs) are the most common personal service contract for our customers. A key element of personal services contracts for direct health care providers is that under a personal services contract, health care providers are covered by the government for malpractice. Generally, personal service contracts are prohibited by the FAR Part 37; however, DoD has the statutory authority to enter into personal service contracts for direct health care providers. Personal services contracts for direct health care providers can be with either an individual health care provider or with a company (see Chapter 6).

b. For additional guidance on Government personnel and contractor relationships see Appendix 9, MEDCOM Reg 715-3, Contractor/Contractor’s Employees and MEDCOM Personal Relationships.

c. When requesting services make sure you are able to describe:

(1) What is to be accomplished?

(2) What performance standard the contractor must meet.

(3) How you intend to measure the performance standards.
(4) How you intend to monitor the contractor’s performance.

(5) Any unique qualities a contractor must have to perform the desired services such as training, licensure, certifications etc, keeping in mind these can be significant cost drivers.

d. Defense Acquisition University’s (DAU’s) Automated Requirements Roadmap Tool (ARRT).

(1) DAU’s Automated Requirements Roadmap Tool (ARRT) is a job assistance tool used to write performance-based requirements following the Requirements Roadmap process. The tool with training videos and assistance guides can be accessed at [DAU ARRT](#).

(2) Using ARRT, customers can create a PWS, QASP, and PRS. ARRT is developed in Microsoft Office applications and generates Microsoft Word documents for use in your acquisition. The ARRT step-by-step approach guides the user through questions, using the answers to create the documents.

c. STEPS FOR DEVELOPING THE SERVICES REQUIREMENT

(1) Basic Developmental Elements/Requirements Analysis. The PWS is the foundation of performance-based services. The PWS describes the effort in terms of measurable performance standards (outputs). These standards should include such elements as "what, when, where, how many, and how well" the work is to be performed. A Performance Assessment, which directly corresponds to the performance standards, and measures contractor performance, is needed to determine if contractor services meet contract PWS requirements. Positive and/or negative performance incentives, based on QASP measurements, should be included.

(2) Job analysis. Involves determining what the requiring activity's needs are and what kinds of services and outputs are to be provided by the contractor. This is of particular importance because the services or outputs identified form the basis for establishing performance requirements, developing performance standards and indicators, writing the PWS, and producing the QASP. If the job analysis is done properly, writing the PWS and QASP will be facilitated. In general, job analysis includes requiring activity or activity organization, work to be performed by the contractor, performance standards, directives, data gathering, and cost.

(3) Organization analysis: Involves reviewing the requiring activity's needs and identifying the services and outputs required from the contractor. It should emphasize the outputs the contractor will produce but should not dictate how to produce these outputs.

(4) Work analysis: Involves further analyzing the required outputs by breaking down the work into its lowest task level and linking tasks in a logical flow of activities. Requiring activities should start with the overall service or outputs required from the contractor, then divide the job into all its parts and subparts, and identify the relationships among all the parts.
(5) Performance analysis: Assigns a performance requirement to each task, which involves determining how a service can be measured and what performance standards and quality levels apply. The performance standard establishes the performance level required by the government. Correspondingly, the Acceptable Quality Level (AQL) establishes a maximum allowable error rate or variation from the standard. Requiring activities should insure that each standard is necessary, is carefully chosen, and not unduly burdensome. Failure to do so can result in unnecessarily increased contract costs. If there are a number of tasks and deliverables, requiring activities should summarize them in a PRS. A PRS usually lists tasks, deliverables, standards, and quality levels.

(6) Directives Analysis: All potentially relevant requiring activity directives should be screened to determine which should be utilized, either in whole or in part. Directives that are unnecessary, or that apply only in part, should not be referenced or included in their entirety.

(7) Data gathering: Requiring activities should estimate the workload to be performed and the items and services that the government will furnish to the contractor for the performance of the contract. In order to make the workload estimate, a determination of the historical workload by the major performance categories must be made.

(8) Independent Government Cost Estimate (IGCE): Estimated costs must be computed for each service or output based on available data. These costs are used in preparing the government estimate, evaluating proposals, and determining positive and negative performance incentives. For commercial services, the marketplace should provide a sufficient baseline for cost estimating. In the development of their independent government estimates, requiring activities should include consideration of commercial costs of performing work in the private sector. For more information see [IGCE Resources](#).

(9) Incentives: Should be used when they will induce better quality performance and may be either positive, negative, or a combination of both. They should be applied selectively to motivate contractor efforts that might not otherwise be emphasized and to discourage inefficiency. Incentives should apply to the most important aspects of the work, rather than every individual task.

(10) Performance Work Statement: The key elements of PWS are as follows: a statement of the required services in terms of output; a measurable performance standard for the output; and an acceptable quality level or allowable error rate. These will have been established during the job analysis phase discussed above. The PWS describes the specific requirements the contractor must meet in performance of the contract. It also specifies a standard of performance for the required tasks and the quality level the government expects the contractor to provide. Requiring activities should identify only those outputs that are essential and should be a part of the PRS. Requiring activities should express the outputs in clear, concise, commonly used, easily understood, measurable terms. Requiring activities should not repeat material in the PWS that will likely appear in other parts of the contract. Requiring activities also should not include detailed procedures in the PWS that dictate how work is to be accomplished. Instead, they should structure the PWS around the purpose of the work to be performed, i.e., what is to be...
performed, rather than how to perform it. For more information see the PWS Builder at http://hcaa-n.org/ or DAU ARRT at: http://sam.dau.mil/Content.aspx?currentContentID=arrt.

(11) Quality Assurance Surveillance Plan: The QASP defines what the government will do to ensure that the contractor has performed in accordance with the PWS performance standards. This can range from a one-time inspection of a product or service to periodic in-process inspections of on-going product or service delivery. It is needed to ensure the government receives the quality of services called for under the contract and pays only for the acceptable level of services received. Since the QASP is intended to measure performance against standards in the PWS, these interdependent documents must be coordinated. The QASP will contain a surveillance schedule and clearly state the surveillance method(s) to be used. The extent of surveillance is determined by the surveillance schedule established in the QASP. It should be systematic and sufficient to fairly evaluate the contractor's total performance throughout the performance period.

(a) Methods of Surveillance. Selecting the most appropriate surveillance method for the effort involved is important. Agencies should take into consideration task criticality, task lot size, surveillance period, performance requirements and standards, availability of Quality Assurance Evaluators (QAEs), surveillance value in relation to task cost/criticality, and available resources. Careful selection of appropriate surveillance methods enables the government to determine the amount of resources and associated costs needed to perform the surveillance task. Acceptable surveillance methods include:

1) 100 Percent Inspection: This is usually the most appropriate method for infrequent tasks or tasks with stringent performance requirements, e.g., where safety or health is a concern. With this method, performance is inspected/evaluated at each occurrence. One hundred percent inspection is too expensive to be used in most cases.

2) Random Sampling: This is usually the most appropriate method for recurring tasks. With random sampling, services are sampled to determine if the level of performance is acceptable. Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. Computer programs may be available to assist in establishing sampling procedures.

3) Periodic Inspection: This method, sometimes called "planned sampling," consists of the evaluation of tasks selected on other than a 100 percent or random basis. It may be appropriate for tasks that occur infrequently and when 100 percent inspection is neither required nor practicable. A predetermined plan for inspecting part of the work is established using subjective judgment and analysis of agency resources to decide what work to inspect and how frequently to inspect it.

4) Customer Input: Although usually not a primary method, this is a valuable supplement to more systematic methods. For example, in a case where random sampling indicates unsatisfactory service, customer complaints can be used as substantiating evidence. In certain situations where customers can be relied upon to complain consistently when the quality of performance is poor, (e.g., dining facilities, building services) customer surveys and customer
complaints may be a primary surveillance method and customer satisfaction an appropriate performance standard. In all cases, complaints should be documented, preferably on a standard form.

(b) Agencies should discuss the surveillance methods to be used with the contractor to confirm that they are fully understood. Whatever form of surveillance used, agencies should take care to ensure that no undue interference with contractor operations occurs. Agencies also should avoid relying on cumbersome and intrusive process-oriented inspection and oversight programs to assess contractor performance.

(12) Requirements Package Submission. The result of steps 1-11 above will be several key documents to include: PRS, PWS, QASP, IGE, Lease vs. Buy analysis (if required), SCA if required and the results of the market research performed during requirements analysis. These documents, along with the PR which should contain funding source and approvals, are submitted to contracting through GFEBS. For more information check out GFEBS resources.

7. INCOMPLETE PRs. If information is missing from a PR, or it does not include the necessary supporting documentation, the HCAA contracting office will notify the requesting activity. If the requested information is not provided by the suspense date specified by the contracting office, the PR will be cancelled and returned to the requesting activity. Again, purchase descriptions must be written in a manner that permits a maximum degree of competition and includes the salient characteristics that meet the Government's minimum needs. Supporting documentation or examples should be provided to the contracting office.

8. PURCHASE REQUEST STATUS: Once your requirement has been entered into GFEBS, you can track it from the requiring activity to resource management. You can access GFEBS and search by your requisition number.
CHAPTER 6 - DIRECT HEALTH CARE PROVIDERS

1. GENERAL. Title 10 U.S.C. 1091 authorizes the Secretary of Defense to enter into Personal Service Contracts (PSC) to carry out health care responsibilities in medical treatment facilities. This statute establishes the procedures that will be utilized when processing actions for Direct Health Care Providers (DHCP). Additionally the statute establishes the maximum compensation that can be provided to any individual under a PSC (See Chapter 5, Section 6.a.(2)).

   a. The acquisition procedures for these contracts are streamlined. However, a PWS is still required. If you have a requirement and no existing PWS, you can contact the HCAA contracting office and we will provide a sample PWS that may meet your needs. Please submit your tailored PWS with your purchase request.

   b. A personal service contract can be with an individual Health Care Provider (HCP) as an Individual Service Agreement (ISA) or with a company. A PSC is a contract under which the personnel rendering the services are subject, either by the contract’s terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees. It creates an employer-employee relationship between the Government and the individual HCP. Any personal injury claims alleging negligence by the individual HCP within the scope of their PSC shall be processed by DOD as claims alleging negligence by DOD military or civil services HCPs, which means that medical malpractice liability insurance is covered by the government. The PSC does not create an employer-employee relationship between the Government and any corporation, partnership, business association, or other party or legal entity with which the individual HCP may be associated. However, the employer-employee relationship still exists between the Government and the HCP. The following apply to personal service contracts.

      1) Licensure requirements: All personal services contract health care providers must maintain a current, active, valid and unrestricted license or authorizing document from any U.S. state, District of Columbia; or U.S. territory or jurisdiction to provide health care within the scope of practice for a specific health care discipline. In addition, contract health care providers who write prescriptions for controlled substances must have a current Drug Enforcement Agency (DEA) certificate or Controlled Drug Substance number as appropriate.

      2) Professional liability: Pursuant to 10 USC 1089(a), DoD shall process any personal injury claim alleging negligence by the HCP within the scope of the HCP’s performance under this contract as claims alleging negligence by DoD military or civil service HCP. The contractor or HCP is not required to maintain medical malpractice liability insurance, and the Government will not reimburse or otherwise pay for such insurance should any be purchased.

      3) Individual compensation: DoDI 6025.5 (para 4.7) limits total annual compensation to an individual under a personal services contract to $400K if paid on a full-time basis (1920 hours), or $208.33 per hour if working less than 1920 hours (3 U.S.C. 102 and 10 U.S.C. 1091). There are several specialties/subspecialties of physicians that have compensation rates in the commercial market exceeding cap for personal service providers. Market research on the prevailing market compensation rates should assist in determining whether a PSC can be used.
c. A Non-personal services contract (See chapter 5, paragraph 6.a.(1)) is a contract under which the personnel rendering the services are not subject, either by the contract’s terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees. Medical malpractice liability insurance is required to be provided by the contractor, as malpractice insurance is not covered by the government. The following apply to non-personal service contracts.

1) Licensure requirements: Non-personal services contracts require that the contract health care providers maintain a current, active, valid and unrestricted license to practice medicine in the state (or District of Columbia) where the MTF is located. In addition, health care providers who write prescriptions for controlled substances must have a current DEA certificate or Controlled Drug Substance number as appropriate.

2) Professional liability: The Government will not be liable for malpractice allegations against contract HCP’s based upon performance of this contract. The contractor shall be required to carry malpractice insurance for its contract HCPs, at a level stated in the solicitation and included in any resulting contract for subject acquisition in tailored FAR Clause 52.237-7.

3) Individual compensation: Total annual compensation to an individual is not capped. However the government should be paying a fair and reasonable price, market research on the prevailing market compensation rates will assist in making the fair and reasonable determination.

2. What do you need to consider when requesting DHCPs?

a. Is your PWS detailed and clearly stated? If you anticipate using a Multiple Award Task Order contract (MATO), have you included an addendum that identifies how your requirement differs from the basic contract (a supplemental PWS)? Is your requirement for personal or non-personal services?

b. Is your IGCE current and valid? Historical estimates often do not reflect the current marketplace and can hinder your procurement process. IGCE’s must be current.

c. Are there additional sources available? Provide the names of any potential sources you may know of.

d. Pay special attention to the unique qualities of your requirement and identify these to the HCAA contracting office.
CHAPTER 7 - MODIFICATIONS TO YOUR REQUIREMENT AFTER AWARD

1. GENERAL: During the life of your contract, unforeseen circumstances may precipitate changes to your contract. Only the KO can legally change a contractual arrangement. These changes or modifications can be made by the KO, either unilaterally or bilaterally. The COR and/or requesting office DO NOT have authority to discuss the change with the contractor.

2. TYPES OF CONTRACT MODIFICATIONS
   
   a. A unilateral modification is signed only by the KO and used to make administrative changes, issue change orders, issue termination notices, and make changes authorized by clauses such as the Options clause and the Suspension of Work clause.

   b. A bilateral modification or “supplemental agreement” is signed by the contractor and the KO. Bilateral modifications often address changes in scope, changes in the requirement (upward or downward) changes in price/contract costs. A bilateral modification can be used to reflect any agreement of the parties modifying the terms of a contract. Before your KO can sign any modification that causes or will cause an increase in contract price, funds must be certified.

3. If you need to change your requirement, the contracting office will want supporting documents. As you collect and prepare your modification request remember to include in your request package:
   
   a. Written correspondence requesting the change. This is generally a GFEBS PR with “MOD” in the PR Number block or MEDCOM Form 768-R. Specify the contract number and delivery or task order number. Indicate the contract line item (CLIN) that is affected. Indicate quantity increases or decreases.

   b. Documentation detailing any changes to technical requirements, PWS and QASP.


   d. Period of performance governed by modification (should reflect a future date to allow HCAA contracting office ample time to process the request).

   e. Appropriate funding for the proposed change. Include the appropriate SCA if the change is for an increase.

4. If your activity is anticipating or planning a change to your contract:
   
   a. Do not discuss Government estimates or funding with the contractor.

   b. Do not make verbal agreements with the contractor in anticipation of a proposed change.
c. Do not authorize or agree to changes in contract performance in anticipation of a proposed change (i.e. allowing the contractor to work hours not available under the current contract).

d. Do not agree to or direct changes to the delivery schedule as stated in the written contract.

e. Do not attempt to offset performance deficiencies or accept performance deficiencies in anticipation of a proposed change.

f. Do not promise consideration for future contracts or anticipated work.
CHAPTER 8 - CUSTOMER POST AWARD RESPONSIBILITIES

1. SUPPLIES - RECEIPT AND ACCEPTANCE

   a. GENERAL: The Central Receiving Point (CRP), generally Medical Material, Property Management, or Medical Maintenance is responsible for completing a receiving report after the receipt of supplies and/or completion of services (i.e., lease or repair of equipment). If a CRP does not receive a commodity or does not have oversight of the services being performed, then you, as the requiring activity, are responsible for conducting an inspection of supplies and/or services for all purchased items. If the items has been received but not accepted, the contractor can invoice 7 days after the date the government received the items and they collect interest under FAR 32.904 constructive acceptance.

   b. INSPECTION OF SUPPLIES. Supplies should be inspected at the time they are received. You should look for obvious damage and if the quantity ordered, shipped and received is the same. Additionally, you should validate that the item ordered is the item received. You should contact the KO to obtain timely assistance in correcting deficiencies/discrepancies. Discrepancies must be explained in sufficient detail in order to give the KO sufficient information to correct the problem with the vendor/contractor. For actions which you have been formally appointed as a COR and a formal QASP/PRS has been developed, utilize the checklist from the plan to annotate results of your inspection.

   c. INVOICING AND RECEIVING REPORTS.

      (1) Army and other DoD agencies utilize Wide Area Workflow-RA (WAWF-RA), a secure internet-based system for electronic invoicing, receipt and acceptance. Use of WAWF is mandatory for HCAA contracts. Only authorized users are able to access documents and records, with access controlled through the user registration process. Depending upon your organizational structure, Logistics or your department head appoints authorized users. Users may be inspectors or acceptors and are named in the “receiving report” section of the contract. Detailed information and training is available on-line at https://wawf.eb.mil/. Logistics may also provide local training for users.

      (2) Under the WAWF-RA process the contractor submits electronic 2-in-1 invoice which generates a receiving report instead of DD 250s. Once contractor receiving reports are submitted, authorized Government users (inspectors and acceptors) are notified electronically of pending actions. This gives the authorized Government user the ability to review the invoice and receiving documents and accept or reject the documents. If accepted, the contractor receives payment via electronic funds transfer. If rejected, the contractor is notified electronically and the contractor should correct the invoice and re-submit a revised invoice electronically.

   d. CONTRACTOR PAYMENT

      (1) Once the authorized Government user reviews and accepts documents in WAWF-RA documents are electronically matched and fed to a payment system such as GFEBS or the
legacy system Computerized Accounts Payable for Windows (CAPS-W). GFEBS reviews and certifies payment, then initiates contractor payment via electronic funds transfer.

(2) Delays in processing payments cost the Government money in the form of interest paid, discounts lost and additional personnel costs. Federal agencies are required by law to pay vendors in a timely manner.

2. SERVICES – INSPECTION AND ACCEPTANCE OF SERVICES

a. GENERAL. Inspection of services can vary tremendously. Your tasks could include simple inspection of services performed, inspection of workmanship, compliance with maintenance standards, identification of defects, or testing and inspection of material furnished or utilized in the performance of services. The primary question for the government inspector is….do the services you are inspecting conform to the standard of the contract?

b. INSPECTION OF SERVICES

(1) Services, such as leased equipment, will be inspected at the time they are received and at the completion of the lease. The intent is to ensure that existing damage is not assumed to be caused by the Government and later claimed by the vendor. You must in-process leased equipment with Medical Maintenance and Property Management. Submitted invoices and receiving reports must be reviewed in WAWF-RA in a timely manner to allow the contractor to be paid.

(2) Services, such as housekeeping, regulated medical waste, and medical technicians, will be inspected during the performance of the service according to the QASP/PRS. Additionally if the COR identifies deficiencies and the contract does not have a QASP/PRS, the KO must be notified by annotating problems in a Memorandum immediately. Submitted invoices and receiving reports must be reviewed in WAWF-RA.

(3) Services, such as DHCP, will be inspected throughout the life of the contract according to the performance measures detailed in the PWS. Timesheets, reports and other tangible documents shall be reviewed monthly (or other cycles as specified in the contract) by the COR to ensure authorized hours are not exceeded causing an unauthorized commitment (see Chapter 11). Again, submitted invoices and receiving reports must be reviewed in WAWF-RA.

c. CONTRACT PERFORMANCE

(1) Day-to-day monitoring of service contract and task order performance is conducted by the designated COR. The COR is the resident technical expert, the KO’s eyes and ears, and the Government’s first line of notification in the event of inadequate contract performance. As an appointed COR you have the authority to redirect your contractor to performance as stated in the contract. For successful contract performance, it is critical to notify the KO that the contractor’s performance is below the acceptable level described in the QASP/PRS.

(2) If you are having contract performance problems call and discuss the matter with your KO as soon as possible. If performance discrepancies are complex or ongoing:
(a) Provide written notification of the problem by memo or email to your KO.

(b) Provide copies (or forward by email) of any correspondence emails/memos with the contractor related to the discrepancy.

(c) Indicate the area of contractor non-compliance (PWS/QASP/PRS, local guidance, regulation, etc.)

(3) Remember, your contractor understands instructions and directives from the KO are binding and enforceable. Attempting to resolve performance discrepancies without KO involvement can result in additional costs to your contract, significant delays in resolution, unplanned cost to the Government such as termination and claims against the Government, as well as compromises in patient care.

d. CONTRACTOR PAYMENT AND PAYMENT PROBLEMS

(1) Delays in processing payments for services can be very visible because they often times involve payments to small businesses or individual providers. The negative impact can be immediate to a contractor’s ability to continue performance on your contract. Our reputation within the medical supplier and provider communities can affect the Government’s ability to obtain quotes on requirements and respondents to fill positions on future service contracts. Under the Prompt payment act the Government is required to make invoice payments 30 days after delivery (for supplies) or acceptance (for services) and pay additional interest if payment is made after the due date.

(2) Contractor payment inquiries should be directed to the person identified in the Receiving Reports section of the contract (inspectors, acceptors or CORs) first. These individuals can verify if submitted documents have been received and accepted. If a contractor cannot resolve payment problems within the payment cycle (approximately 30 days), the contract administrator (listed in block 16 of the contract) should be contacted. Never allow payment problems to continue more than two (2) payment cycles without notifying your KO.
CHAPTER 9 - CONTRACTING OFFICER'S REPRESENTATIVE (COR)
/ALTERNATE CONTRACTING OFFICER REPRESENTATIVE (ACOR)

1. GENERAL

a. The COR and ACOR are individuals that have been designated by a KO to assist in the technical monitoring or administration of a contract. If a service contract has a value that is at or exceeds $150,000, a COR/ACOR must be appointed for monitoring/administration purposes. HCAA policy requires a COR/ACOR be appointed for all service contracts. It is your responsibility, as the requesting activity, to nominate an individual for that position as part of your requirements package. The COR nomination is completed electronically in the Virtual Contracting Enterprise (VCE) Acquisition Resource Center (ARC) COR Module (https://arc.army.mil/COR/). This module allows a prospective COR to create a profile and process a nomination package for one or more contracts and/or orders, as well as provide contracting personnel a web-based portal for all relevant COR actions. The COR’s supervisor will review/approve the nomination and the KO will appoint the COR through the VCE COR Module.

b. The COR/ACOR must be a Government employee. The DoD COR Handbook provides the DOD standard with the minimum COR competencies, experience, and training according to the nature and complexity of the requirement and contract performance risk. The standard identified competencies, experience and minimum training needed for successful performance as a COR as follows:

(1) Type A: fixed price, low performance risk requirements;

(2) Type B: other than fixed-price, low performance risk requirements, and

(3) Type C: unique requirements that necessitate a professional license, higher education, or specialized training.

c. MEDCOM has further broken down the types of standards by Federal Procurement Data System Product System Product Service Codes (PSC). All PSC codes beginning with the letter “Q” or “R” will require Type C certification. Also, any information technology service, which requires a certification other than the Information Assurance (IA) certification to perform the services will require a Type C COR certification. Most CORs will require Type C certification because they monitor medical and dental services which have a “Q” or “R” PSC. A firm fixed price hospital housekeeping service contract will normally require a Type A COR designation.

d. The COR/ACOR must be qualified by training and experience commensurate with the responsibilities to be delegated. To qualify for COR/ACOR nomination, individuals are required to complete certified COR training offered by the Defense Acquisition University (DAU), Army Logistics Management College (ALMC), or as provided by an HCAA contracting office or other approved local sources. The DAU online continuous learning courses are available at https://learn.dau.mil.
(1) Type A COR designation requires:
   CLC 106: COR with a Mission Focus (required every 3 years)
   CLM 003 or agency provided Acquisition Ethics annually
   Combat Trafficking in Persons (required once prior to being appointed as a COR)

(2) Type C COR designation requires
   CLC 106: COR with a Mission Focus
   CLM 003 or agency provided Acquisition Ethics annually
   Combat Trafficking in Persons (required once prior to being appointed as a COR)
   DAU CLC 222: COR training required every 3 years

e. Any COR or ordering officer involved in decision-making expenditures, such as approving invoices over $2,500 per purchase, or greater than $20,000 annually, will complete an OGE 450, Confidential Financial Disclosure annually. The OGE 450 will be monitored through the requiring activity’s supporting legal office.

2. It is the KO’s responsibility to ensure your nominee satisfies the required qualifications to serve in the position. The KO will appoint the COR/ACOR electronically and the system will generate the appointment letter and furnish a copy of the designated duties and responsibilities specifying:

   a. The extent of the COR/ACOR’s authority to act on behalf of the KO.

   b. The limitations of the COR/ACOR’s authority.

   c. The period of the designation/appointment.

   d. The authority cannot be re-delegated.

   e. The COR/ACOR may be personally liable for unauthorized acts.

3. CORs are required to maintain a file for each contract assigned. The file must contain adequate records to sufficiently describe the performance of your duties as a COR during the life of this contract and to dispose of such records as directed by the KO. As a minimum, the COR file must contain the following:

   a. A copy of your letter of appointment from the KO, and any amendments thereto.

   b. A copy of the contract or the appropriate part of the contract and all contract modifications.

   c. A copy of the applicable QASP.

   d. All correspondence pertaining to the contract, including Memorandums of Record for meetings, contractor discussions, etc.
e. Records relating to the contractor's quality control system and plan, and the results of the quality control effort.

f. A copy of the surveillance schedule and surveillance conducted

g. Documentation pertaining to your acceptance of performance of services, including reports and other data to include expenditure reports, performance assessments, and Contract Performance Assessment Reports (CPARs), invoices or WAWF documents.

3. CORs are generally required to provide the KO with monthly reports (unless the appointment letter states otherwise). Some of the required reports are:

   a. a copy of the completed performance/surveillance report

   b. expenditures report

   c. fill status (for services as applicable)

   d. annual CPAR.

4. For more information see the DoD COR Handbook, the VCE COR Users Guide and OTSG/MEDCOM COR Appointment Policy.
CHAPTER 10 - SPECIAL TRANSACTIONS

1. BLANKET PURCHASE AGREEMENTS (BPAs): Another contract vehicle available to HCAA customers is the BPA. The BPA offers a simplified method of filing anticipated repetitive needs for supplies or services by establishing charge accounts with qualified sources. BPA’s are agreements to terms and conditions which, if not set forth under a basic agreement, would have to be negotiated each time the item is sought in the market place. BPA’s are agreements, not formal contracts. The advantage is the Government is not obligated to place any orders, and the vendor is not obligated to accept any orders. The BPA can be cancelled by either party at any time. A BPA is not enforceable against either party. An enforceable contract exists only when the Government places a call against the BPA and the vendor accepts that call.

   a. To establish a BPA, requiring activities must provide:

      (1) A memorandum stating the requirement, estimated annual dollars, call order limits for each individual purchase, and individual(s) to be appointed as BPA caller.

      (2) Market research for the requirement.

      (3) PR&C requisition number, your requirement must be entered in GFEBS, but for BPAs, funding is not required to establish the BPA. There may situations where the requiring activity submits a memo request to Resource Management with all the pertinent information to set up the BPA.

      (4) For supplies - list detailed item descriptions with catalogue numbers or part numbers if available.

      (5) For services - prepare a PWS for each category of service.

      (6) Sole Source Justification (if required).

   b. A contracting officer must still meet competition requirements and make a fair and reasonable determination for the prices quoted by the qualified source. When the BPA is established, the pricing is attached and the caller may begin to make orders against the BPA.

   c. Payments for orders placed against HCAA BPAs are made with WAWF or the GPC. Funding is provided by PR&C (DA Form 3953) through the GPC cardholder account. For many HCAA customers, the BPA caller and the GPC cardholder is the same person.

   d. When utilizing your BPA keep in mind:

      (1) All individuals appointed to purchase from a BPA are required to attend training on BPA ordering and provide all files for review when requested by the HCAA.
(2) BPA users will maintain all call order documentation according to the guidance provided by the GPC program coordinator. Documentation shall be available for inspections at any time and will be reviewed annually during the scheduled GPC surveillance visit.

2. NO COST LOAN AGREEMENTS (EQUIPMENT LOANS OR TESTS). There may be instances when you are not sure if a piece of equipment will accomplish the mission. The vendor(s) may be willing to allow you to test the equipment prior to deciding if you want to purchase it or a similar piece of equipment. In these instances, an agreement between the vendor and the Government can be initiated which allows the vendor to loan the equipment to the Government for a test period. Your HCAA contracting office may approve these agreements for periods of 30 days. For periods longer than 30 days, the request is processed through the HCAA contracting office to the HCAA HQ for approval. A sample format for the No Cost Loan Agreement memorandum can be found at https://www.us.army.mil/suite/doc/40137679.

a. Requests for loan agreements will be forwarded on a memorandum providing the following information:

(1) Item nomenclature

(2) Quantity

(3) Location where the item will be placed

(4) Period of loan (normally not more than 30 days)

(5) Name and telephone number of individual in activity that will be responsible for item.

(6) Name, address, and phone number of company

(7) Purpose of loan:

(a) Loans for demonstration and examinations require administrative approvals according to AR 40-61, which must accompany the request.

(b) Voluntary loans to replace items removed for repair will provide the purchase request number against which the repair is being performed.

b. Your HCAA contracting office will contact the vendor to obtain their signature on the necessary Paperwork. Upon signature of the vendor and the KO, you will be notified by the HCAA contracting office. You may then have the equipment delivered for the test period.

c. You must ensure that you coordinate the arrival of the equipment with both Property Management Branch and Medical Maintenance, who must maintain temporary accountability records.
d. Upon the expiration of the agreement (30 days) you must give the HCAA contracting office notification that the equipment has been returned to the vendor.

e. Exercise caution when initiating these types of agreements. Vendors may expect to get something in return for no-cost loan equipment. If they state that a piece of equipment is free or for only one dollar per annual lease, they are expecting that you will be purchasing something else from them, which is normally the supplies that operate the equipment. Generally the supplies have a marked up value, as the industry standard is to give or lease the equipment in exchange for the purchase of the equipment. It is a way of locking you into them for a source of supply. No-cost equipment or leased equipment should be evaluated on a total-cost basis or contingent liability basis (equipment and associated supplies).

4. GRATUITOUS AGREEMENTS. The Government can accept no-cost services from private industry for demonstration, training, or other purposes if the arrangement has been formalized. For training arrangements, the Chief of Graduate Education normally initiates the request. The agreement is reviewed for legal sufficiency then forwarded to the HCAA contracting office for signatures.

a. A gratuitous agreement must:

(1) Clearly define the status of all parties involved.

(2) State there is and will be no cost to the Government.

(3) State the legal liability of the Government.

(4) State timeframes and other limitations of the agreement.

b. If you are interested in securing services from a vendor or other private industry sources at no-cost to the Government, contact your HCAA contracting office for the minimum requirements and document format.

5. LEASE VERSUS PURCHASE OPTIONS.

a. The decision to lease/rent rather than purchase must be made on a case by case basis when clearly it is in the best interest of the Government. The following are the situations where lease/rentals are generally considered prudent:

(1) Item is not for sale.

(2) Item is needed for one-time, short-term requirement of 6 months or less.

(3) Item will become obsolete within 1 year due to substantial technological advancements.

(4) Lease/rental can be shown through economic analysis to be cheaper than purchase.
b. All purchase requests for items with an annual lease/rental cost of less than $3,000 must be accompanied by a narrative justification for the lease/rental and an economic analysis comparing the cost of rental vs. purchase. Analysis will consider all related expenses (maintenance, operating supplies, salvage, etc.) over the life of the item. Assistance in preparing this document can be obtained by contacting your appropriate controller or fiscal officer. The documentation must be approved by your comptroller or fiscal officer before forwarding along with your purchase request to your HCAA contracting office. A sample lease versus purchase analysis is available at: https://www.us.army.mil/suite/doc/40137681

c. All purchase requests for lease/rental with an annual cost of $3000 or more, must be accompanied with approval by MEDCOM. Procedures for requesting this approval is outlined in AR 310-34 and appropriate MEDCOM supplements.

6. EXCHANGE OF NONEXCESS PERSONAL PROPERTY: It is DOD policy to use exchange processing for replacing non-excess items. This allows for the exchange of personal property and application of the exchange allowance to the acquisition of similar property.

a. Exchange property is defined as non-excess property eligible for replacement because of obsolescence, un-serviceability, or other valid reason. It is exchanged and applied as whole or partial payment allowance toward the acquisition of similar items. Similar Items are for the purpose of exchange transactions, both the item being acquired and the item being replaced must fall within one of the single generic categories listed in DoD 4140.1-R, Chapter 6.2., and they must be used to meet the same requirements.

b. The purchase request for any procurement involving exchange must be accompanied by a certification that the property is eligible for exchange and complies with all conditions and limitations specified in DoD 4140.1-R, Chapter 6.2. This includes a written administrative determination of economic advantage, which must be done in coordination with Property Management and Medical Maintenance. The determination must include:

(1) A description of the property available for exchange (e.g., nomenclature, location, serial number, estimated travel value).

(2) The anticipated economic advantage to the Government resulting from the use of the exchange authority.

(3) That exchange allowances shall be applied toward or in partial payment for the items to be acquired.

(4) That if required the exchange property has been rendered safe or innocuous, or has been demilitarized.

7. MEDICAL BOOKS AND PERIODICALS. Requests for professional books, textbooks, journals, medical or technical subscriptions for all activities must be submitted through the administrative librarian /authority accountable officer and must bear the signature of the
appropriate authority. Accountable officers will initiate PRs. For purchases under $2,500 the GPC should be used. Requirements exceeding $2,500 must be entered into GFEBS.

8. GUEST SPEAKERS. This guidance applies to requests for guest speakers if the total cost exceeds $2,500. If the costs do not exceed $2,500, the GPC should be used.

   a. PRs for guest speakers are to be forwarded through the Chief, Medical Education or other locally designated authority. The purchase request should provide a breakout of cost as follows:

      (1) Honorarium

      (2) Air travel or mileage reimbursement

      (3) Local per diem costs (Hotel, taxi, etc.)

      (4) Other expenses.

   b. There is a regulatory limit on the amount that may be paid for honorariums and requirements to exceed that dollar threshold must be approved at the next higher command. This means that honorariums greater than $500 would have to be forwarded to MEDCOM for approval. In addition remember that travel costs are restricted to same authorizations as that of Government employees under the Joint Travel Regulations.

9. RECURRING REQUIREMENTS. Items for which you have a recurring demand or requirement should be purchased utilizing a contract action that will cover the total annual requirement. This allows you to reduce redundant Paperwork and to have the opportunity of obtaining price breaks for larger quantities. There are contract vehicles available that you can utilize even if you don’t know the exact quantity or the exact delivery date. When you think you may have a recurring requirement, contact your HCAA contracting office to discuss your needs. The KO will determine the most appropriate acquisition strategy to ensure your requirement is available when needed.
CHAPTER 11 - RATIFICATION OF UNAUTHORIZED COMMITMENTS

1. GENERAL. Refer to MEDCOM PAMPLET 715 - 2 for comprehensive information and instructions.

   a. An unauthorized commitment (UC) is any agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Only warranted KOs have the authority to enter into agreements on behalf of the Government. Ratification ("Rat") is the act of approving an unauthorized commitment by an official who has the authority to do so. This guidance does not apply to GPC/Purchase Card transactions. Please contact your Agency Program Coordinator (A/OPC) for detailed instructions concerning the GPC Ratification Process.

   b. The procedures for doing ratifications are paperwork intensive on the part of the individual who caused the unauthorized commitment. Processing the paperwork does not guarantee that it will be approved. If a ratification is not approved the individual who caused the commitment may find they are financially liable and must pay the vendor/contractor. The Commander may impose, based upon the circumstances, other disciplinary action as appropriate.

2. RATIFICATION PROCEDURES

   a. MEDCOM Pam 715-2 U.S. Army Medical Command Request for Approval of Unauthorized Commitment Process Ratification outlines details for processing ratifications. When you suspect an unauthorized commitment has occurred, immediately notify the HCAA contracting office’s Ratification Officer to begin the process. The individual who made the unauthorized commitment shall notify their Commander, Director, or Staff Chief as appropriate. Commanders, Directors, and Staff Chiefs shall complete MEDCOM Form 747-R after learning of the existence of the unauthorized commitment. The documentation shall include:

      (1) A signed statement describing the circumstances, the reason normal contracting procedures were not followed, what bona fide Government requirement necessitated the commitment, the benefit received and its value, and any other pertinent facts; and

      (2) All other relevant documents to include: orders, invoices, or other evidence of the transaction.

   b. The Commander will concur/non-concur with the ratification and

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

      (2) Describe the measures taken to prevent a recurrence of unauthorized commitments, including a description of any disciplinary action taken; and

      (3) Provide a complete purchase description and funding for the ratifying contract. All appropriate approval levels and fund certifying officers must sign the PR. Additionally, the
Resource Management Office must endorse the package with a statement that “Funds are available and were available at the time the unauthorized commitment was made.”

(4) Forward the documentation to the Hospital Commander for final concurrence/non-concurrence.

c. The Hospital Commander will concur/non-concur with the ratification and forward the documentation to the HCAA contracting office with an endorsement.

d. The HCAA contracting office will review the ratification package for adequacy of all facts, records, and documents furnished and will request any additional materiel necessary to process the ratification. When the file documentation is complete, the HCAA contracting office will either recommend ratification or not, and will provide documentation if not recommending ratification. The package is then forwarded to the MEDCOM HCAA Legal Office for concurrence and returned to the HCAA contracting office. If the HCAA contracting office determined non-ratification, then a further recommendation will be submitted as to whether or not it should be processed under FAR Part 50 as a Government Accountability Office (GAO) claim or some other way.

3. The ratification Authority Thresholds are:

a. HCAA Regional Contracting Office, Chief of Contracting - $10,000 or less

b. MEDCOM HCAA Principal Assistant Responsible for Contracting (PARC) - $10,000 - $100,000

c. Head of Contracting Activity (HCA) – Over $100,000
CHAPTER 12 - GLOSSARY AND ACRONYMS

1. GLOSSARY

Army Single Face to Industry (ASFI): website where Army activities post solicitations for review by vendors, enabling maximum competition and in support of the federal requirement to be paperless.

Bona Fide Need: fiscal year appropriation may be obligated only to meet a legitimate, or bona fide, need arising in, or in some cases arising prior to but continuing to exist in, the fiscal year for which the appropriation was made.

Bilateral modification or “supplemental agreement”: modification to the contract signed by the contractor and the KO. Bilateral modifications often address changes in scope, changes in the requirement (upward or downward) changes in price/contract costs. A bilateral modification can be used to reflect any agreement of the parties modifying the terms of a contract.

Blanket Purchase Agreement (BPA): simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.

Brand Name or Equal: acquisition that uses a brand name description or other purchase description to specify a particular brand name, product, or feature of a product, peculiar to one manufacturer.

Bulk Funding: system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum. The funds are reserved for the purpose of a specified period of time rather than obtaining individual obligation authority on each purchase document. Bulk funds are also used to establish for funding of the Government credit card accounts.

Commercial Item: any item evolving from or available in the commercial marketplace that will be available in time to satisfy the user requirement. They are a combination of items customarily combined and sold to the general public. Services (installation, maintenance, training and other) for these items may be procured for federal Government use. These services are offered and sold competitively, in substantial quantities, and are available in the commercial marketplace.

Consumable Supplies: supplies consumed in use, such as ammunition, fuel, cleaning and preserving materials, surgical dressings, drugs, or supplies that lose their separate identity in use such as repair parts and building materials. (AR 735-5)

Contracting Officer’s Representative (COR): any Government employee, military or civilian, selected and designated by a contracting officer to act as the on-site authorized representative in administering a contract. The appointment of the COR is made simultaneously with the contract award. Prior to contract formalization, the term ‘COR designee’ is technically correct. The authority and limitations of the COR are cited in the letter of appointment issued by the contracting officer through the VCE COR module.
**Contractor Manpower Reporting (CMR):** business process to collect information on funding source, contracting vehicle, organization supported, mission and function performed, and labor hours and costs for contracted efforts.

**Contractor Man-Year Equivalent (CME):** direct labor hours worked by a contractor over the period of one year. Typically represents 1,920 hours annually (2,080 hours – 160 hours (80 hours for ten federal holidays and 80 hours for sick/vacation time).

**Contractor Performance Assessment Reporting System (CPARs):** web based electronic system to record contractor past performance information.

**Contractor Verification System (CVS):** web based application that allows for the DoD Contractor personnel data to be added in DEERS for the issuance of a Common Access Card (CAC).

**Defense Accounting Officer:** staff officer or deputy assigned to perform the duties set forth in the prescribed regulations and charged with maintaining the system of accounts and financial procedures through which the commander’s responsibilities are stated and discharged in monetary terms. The Defense Accounting Officer may also be a disbursing officer if public funds are disbursed in connection with assigned duties.

**Defense Finance and Accounting Services (DFAS):** regional finance and accounting offices provide finance and accounting support to the Department of Defense.

**Delivery Order (DO)** an order for supplies (DO) placed against an established contract or with Government sources of supply.

**Direct Health Care Providers (DHCP):** an individual who provides direct hands on patient care, either medical or dental. Physicians, Dentists, Nurses, and Radiology Technicians are examples of direct health care providers.

**Electronic Commerce (EC):** paperless exchange of business information, using electronic data interchange, electronic mail, electronic bulletin boards, electronic fund transfer, and other similar technologies.

**Electronic Data Interchange (EDI):** computer to computer exchange of business data in a standardized format.

**Expendable Items:** items that require no formal accountability after issue from a stock record account. This category consists of items which are consumed during normal usage such as rations, gasoline, office supplies, or are merged into another entity when used for their intended purpose, such as nuts and bolts, construction materiel, repair parts and components and assemblies. (AR 710-2-2, DA Pam 710-2-1, DA Pam 710-2-2, and AR 735-5)
**Fiscal Year (FY):** accounting period of the federal Government. It begins on October 1 and ends on September 30 of the next calendar year. Each fiscal year is identified by the calendar year in which it ends and commonly is referred to as “FY.” For example, FY2011 began October 1, 2010 and ends September 30, 2012.

**Fund Cite:** accounting classification obtained from resource management.

**General Fund Enterprise Business System (GFEBS):** a commercial-off-the-shelf financial management system that replaced the Army’s legacy Standard Financial System (STANFINS) to serve as the Army’s enterprise resource planning (ERP) system.

**Government Purchase Card (GPC):** a purchase card, similar in nature to a commercial credit card, issued to authorized agency officials for their use in acquiring supplies and services. Specific dollar limits on purchases apply. At one time this card may have been referred to as an International Merchant Purchase Authorization Card (IMPAC).

**Micro-purchases:** those purchases which do not exceed $2500 for service, $3000 for supplies, $2000 for construction, and are not subject to the Small Business Act reservation requirement, the Buy American Act, or competitive procedures.

**Non-consumable supplies:** supplies not consumed in use and retain their original identity during the period of use, such as weapons, machines, tools, furniture, and fixtures. (AR 735-5)

**Non-expendable items:** items that require property book accountability after issue from the stock record account. This category consists of end items of equipment, which are separately identified. (AR 710-2, DA Pam 710-2, DA Pam 710-2-2, AR 735-5)

**Non-personal Services:** services being provided to the Government in which personnel rendering them are not subject, either by contract’s terms or by the manner of its administration, to the supervision and control of such as a Government employees. Simply stated, non-personal contract employees do not take direction from any Government personnel, regardless of rank. Even the COR has no authority over a contractor's employees. Maintenance and housekeeping are good examples of non-personal services contracts. (Physicians under non-personal services contracts are not covered by the government for malpractice and must have a certificate of insurance coverage).

**Option(s):** unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract.

**Ordering Officer:** representative of the Contracting Officer appointed by the Chief of the HCAA Contracting Office, under the provisions of the Army Federal Acquisition Regulation Supplement (AFARS) Part 213.505-3 for the purpose of procuring mission essential supplies and services in support of a contingency operation or training exercise.
**Performance Based Contracting:** structuring all aspects of an acquisition around the purpose of the work to be performed, opposed to the manner by which the work is to be performed or broad and imprecise statements of work.

**Performance Work Statement (PWS):** statement of the technical, functional and performance characteristics of the work to be performed, identifies essential functions to be performed, determines performance factors, including the location of the work, the units of work, the quantity of work units, and the quality and timeliness of the work units.

**Personal Services:** When services are performed by individuals, and by the express terms of a contract or the administration of the contract, the individual appears, in effect to be a Government employee. Generally, personal service contracts are prohibited by the FAR Part 37; however, DOD has the statutory authority to enter into personal service contracts for direct health care providers. Personal services contracts for direct health care providers can be with either an individual health care provider or with a company (see chapter 6). Physicians under personal services contracts are covered by the government for malpractice.

**Product Service Code:** four digit code used to describe products and services purchased by the Federal Government. Product codes begin with a number and service codes begin with a letter with medical services being assigned a “Q” code.

**Purchase Order (PO):** an offer by the Government to buy certain supplies, equipment or services from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the simplified acquisition threshold. Either a DD1155 (Order for Supplies or Services) or SF1449 (Solicitation/Contract/Order for Commercial Items) will be utilized to document these contractual actions.

**Purchase Request (PR):** document submitted to the contracting office to initiate the contracting process.

**Ratification:** the act of approving an unauthorized commitment by an official who has the authority to do so.

**Simplified Acquisition Procedures (SAP):** methods prescribed in FAR Part 13 for making purchases of supplies or services using purchase orders, blanket purchase agreements, Government purchase card, or any other appropriate method.

**Simplified Acquisition Threshold (SAT):** maximum dollar value of an acquisition that may use simplified acquisition procedures; $150,000.00 according to the FAR.

**Standard Form 44, Purchase Order-Invoice-Voucher:** pocket size purchase order form designed primarily for the on-the-spot, over-the-counter purchases of supplies and non-personal services while away from the purchasing office or at isolated activities. It is a multipurpose form that can be used as a purchase order, receiving report, invoice and public voucher. Used by appointed ordering officers or contracting officers during deployed contingency missions.

**Task Order:** an order for services issued under a Task Order Contract.
**Task Order Contract**: a contract for services that does not procure or specify a firm quantity, but provides for the issuance of orders for the performance of tasks during the period of the contract. These are usually referred to as Indefinite Delivery/Indefinite Quantity (IDIQ) contracts.

**Unauthorized Commitment (UC)**: any agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Only warranted KOs have the authority to enter into agreements on behalf of the Government.

**Unilateral modification**: modification to the contract signed only by the KO and used to make administrative changes, issue change orders, issue termination notices, and make changes authorized by clauses such as the Options clause and the Suspension of Work clause.

**Warrant**: specifies the authority a contracting officer has to obligate the Government. The warrant is issued based upon experience, education and business acumen. It will specify the dollar thresholds and types of contracts a contracting officer may obligate.

**Wide Area Work Flow (WAWF)**: DoD web based electronic system for creating and processing invoices and receiving reports.

### 2. **ACRONYMS**

ACOR | Alternate Contracting Officer’s Representative
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AFARS | Army Federal Acquisition Regulation Supplement
ALMC | Army Logistics Management College
AOD | Administrative Officer of the Day
A/OPC | Agency/Organization Program Coordinator, GPC
APO | Agency Program Coordinator
AQL | Acceptable Quality Level
ARC | Acquisition Resource Center
ARRT | Automated Requirements Roadmap Tool
ASFI | Army Single Face to Industry
AT | Anti-Terrorism
BPA | Blanket Purchase Agreement
CALT | Contract Administrative Lead Time
CAPS-W | Computerized Accounts Payable for Windows
COR | Contracting Officer’s Representative
CPARS | Contract Performance Assessment Reports
CRB | Contract Review Board
CRP | Central Receiving Point
DAU | Defense Acquisition University
DEA | Drug Enforcement Agency
DFARS | Department of Defense Federal Acquisition Regulation Supplement
DHCP  Direct Health Care Providers
DLA   Defense Logistics Agency
DOD   Department of Defense
DODI  Department of Defense Instruction
EC/EDI Electronic Commerce/Electronic Data Interchange
EDA   Electronic Document Access
FAR   Federal Acquisition Regulation
FEDBIZOPPS Federal Business Opportunities
FPI   Federal Prison Industries
FSS   Federal Supply Schedule
FTE   Full-time equivalent
FY    Fiscal Year
GPC   Government Purchase Card
GFEBS General Fund Enterprise Business System
GSA   Government Services Administration
HCAA  Health Care Acquisition Activity
HCAA-CHCC Health Care Acquisition Activity - Center for Health Care Contracting
HCAA-E Health Care Acquisition Activity - Europe
HCAA-N Health Care Acquisition Activity - North
HCAA-P Health Care Acquisition Activity - Pacific
HCAA-S Health Care Acquisition Activity - South
HCAA-W Health Care Acquisition Activity - West
HCP   Health Care Provider
IA    Information Assurance
ID/IQ Indefinite Delivery / Indefinite Quantity
IGCE  Independent Government Cost Estimate
IMD   Information Management Division
ISA   Individual Service Agreement
J&A   Justification and Approval
KO    Contracting Officer
KS    Contracting Specialist
MATO  Multiple Award Task Order
MEDCOM U.S. Army Medical Command
MFipt Multi-Functional Integrated Process Team
MHS   Military Health System
MPT   Micro-purchase Threshold
MTF   Military Treatment Facility
NIB   National Industry for the Blind
NISH  National Industry for the Severely Disabled
NSN   National Stock Number
OPC   Organization Program Coordinator
PARC  Principal Assistant Responsible for Contracting
PCF   Paperless Contracting File
PO    Purchase Order
PR    Purchase Request
PR&C  Purchase Request and Commitment
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<td>Regional Contracting Office</td>
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<td>RFQ</td>
<td>Request for Quote</td>
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<td>RFP</td>
<td>Request for Proposal</td>
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<td>RMC</td>
<td>Regional Medical Command</td>
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<td>RMD</td>
<td>Resource Management Division</td>
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<td>Subject to Availability of Funds</td>
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CHAPTER 13 – Summary and Contact Information

The Health Care Acquisition Activity - Customer Handbook describes the required processes and identifies the required steps for successful contracting of your requirements. The objective of this guidebook is to provide you, our valued customer, insight in the federally mandated processes and required steps.

The HCAA Customer Handbook provides information with regulatory references and instructions for each type of requirement and required methods of procurement. The guidebook also addresses solutions for problems and challenges we routinely face in procuring for your requirements. The recommended techniques, samples and tools were developed with these regulations in mind.

As you have read, successful acquisitions require a myriad of functional experts and key players. We all have vested interests and interrelated and interdependent tasks. Communication and information sharing is vital to timely procurements of your vital requirements.

Contact your HCAA Contracting Office for assistance during any phase of your requirement identification or development.

HCAA 210-221-3298

CHCC (Large MEDCOM-Wide Acquisitions) 210-221-5609

ERCO (supports European Regional Medical Command) 49-(0)6371-86-7964

NRCO (supports Northern Regional Medical Command) 703-806-4521

PRCO (supports Pacific Regional Medical Command) 808-433-2337

SRCO (supports Southern Regional Medical Command) 210-221-3141

WRCO (supports Western Regional Medical Command) 253-968-4919