

# **OPERATING PROCEDURES GUIDE**



**FOR THE CONSOLIDATED  
HEAD OF CONTRACTING ACTIVITY (HCA)  
FUNCTION  
AT  
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND**

**JUNE 1998**

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# **OPERATING PROCEDURES GUIDE for the Consolidated HCA Function at HQ AMC**

## **I. Philosophy and Background**

This Guide is intended to provide a standard, but minimal, set of procedures and instructions for the Army Materiel Command's (AMC's) Commodity Principal Assistants Responsible for Contracting (PARCs). The AMC Head of the Contracting Agency (HCA) desires a working relationship that is transparent to the customer, the workforce, and the system. All possible authority has been delegated to the PARCs and the local commander/activity director and we believe that the procedures established in this Guide will fulfill this philosophy. The current PARCs at ARL, AMCAC (formed Nov 97 from CBDCOM & TECOM), HQ and SSCOM are Commodity PARCs. There is no senior PARC at HQ AMC or elsewhere between the Commodity PARCs and the HCA.

Members of the Headquarters' staff serve on the HCA Support Team. This is an interdisciplinary Team, made up of members from Contract Operations (AMCRDA-AC), Contract Policy (AMCRDA-AP), Command Counsel (AMCCC), Small Business (AMCSB), and other areas, as the need arises. The Team was established at HQ AMC, in the summer of 1996, with primary and alternate advocates assigned for each activity. They are the points-of-contact for assistance and facilitating support. Each team member is familiar with the key personnel, mission, and procurement-related issues at the assigned organizations. Periodic staff assistance visits are performed.

This is an evolving business relationship and everything in this Guide will be routinely reviewed and subject to change and improvement. The current HCA organization is shown on the chart at Attachment 1.

Background and concept information on the establishment of this organization is contained in the Implementation Plan, dated August 1996.

## **II. HQ AMC Support Structure**

The HCA organization at HQ AMC is designed to provide each Commodity PARC direct access to the HCA, minimal staffing and oversight, and maximum support. The Support Team members function in a support role to the HCA, as single points of contact for the PARCs and their staffs, and as facilitators/advocates for the PARCs.

STAFF ASSISTANCE - A prime function of the Support Team is to provide direct assistance to the PARCs and their staffs. HQ personnel functioning as HCA support staff will normally be assigned as primary to one activity and alternate to another.

SUPPORT SERVICES - Support services include, but are not limited to: answering questions, researching information, providing assistance in preparing and coordinating documents for HCA approval, and otherwise facilitating the work being done by the field activity. A rapid turn-around on any documentation or approvals going through the HCA to higher headquarters is the goal. This level will not function as an added layer of approval.

An HCA Support Staff Directory showing each contracting activity and the assigned Prime/Alternate advocate is provided at Attachment 2. This list will be updated whenever there are personnel changes.

## **III. Document Review & Approval**

AMC intends to accept and provide electronic transmittal and signature of all actions requiring HCA approval. Any actions that require higher headquarters' approval shall be processed through the HCA and must be in hard copy. The PARC is responsible to insure that the HCA Support Team is involved in preparing any such documents so that important or controversial issues are dealt with early. All documents or actions for HCA approval should be e-mailed to both the primary and alternate advocate and the Support Team leader. One hard copy of actions should be mailed to the following address:

Headquarters, USAMC  
ATTN: AMCRDA-AC/ (Name of Primary & Alternate Advocates)  
5001 Eisenhower Avenue  
Alexandria, VA 22333-0001

#### **IV. Statistics & Information**

Each PARC should provide the Support Team with copies and regular updates of the management statistics that they routinely keep for their own use. Examples of the types of information include: organization charts, current TDA, list of points of contact and phone numbers, contract workload at different dollar thresholds, and projected workload or forecast. This will familiarize the support staff with information on activities at the MSCs and provide a ready reference of current statistics. Suggested report format is available at Attachment 3.

#### **V. Standard Formats & Document Numbering**

While standard format creation has been considered, none have been created or deemed necessary at this time. Commodity PARC offices should continue to use local formats.

Any guidance affecting two or more organizations, or common processes that affect all members, will carry an identification number from the HCA Support Team. Numbers will identify the year and number of the document, i.e., HCA97 - 01. Guidance that affects only part of the group will be copy furnished to the rest of the PARCs.

#### **VI. Delegation and Authority**

All letters of delegation were reissued, within 60 days of HQ assumption of HCA authority. Except as otherwise stated herein, the HCA retains approval authority only on those items which, by law or higher-level regulation, cannot be further delegated. The HCA reviews any waivers, determinations, or other documents which must be approved at higher levels. A list of HCA authorities is shown in a matrix containing additional information, provided at Attachment 5.

WARRANTS: PARCs and the Superintendent, U.S. Military Academy, retain status quo on issuing warrants.

#### **VII. Competition**

Local Competition Advocates have been appointed, except at ARO. They will continue to provide the same support and perform the same functions. The AMC Special Competition Advocate will support ARO. The

Task/Delivery Order Contract Ombudsman for each location has also been appointed.

Justifications and Approvals: will be processed as mentioned above.

### **VIII. Source Selection**

The HCA's authority to appoint the source selection authority (SSA) is hereby delegated to the MSC Commanders/Directors. Each activity should continue to follow local procedures for conducting source selections. The PARCs should consider recommending the AMC Support Team Primary or Alternate for the Source Selection Advisory Committee - if the SSA decides to have one.

### **IX. Small Business**

The small business program will continue to be managed locally. The MSC commander/director at each location has been delegated the authority of the HCA for small business issues and will be responsible for the continuation and integrity of the small business programs.

### **X. Grants and Cooperative Agreements**

SARDA delegated grant and cooperative agreement authority to the AMC HCA which was re-delegated to ARL and ARO under AMC Delegation of Authority 3-97, dated 14 Feb 97. This delegation expires 30 Sep 98.

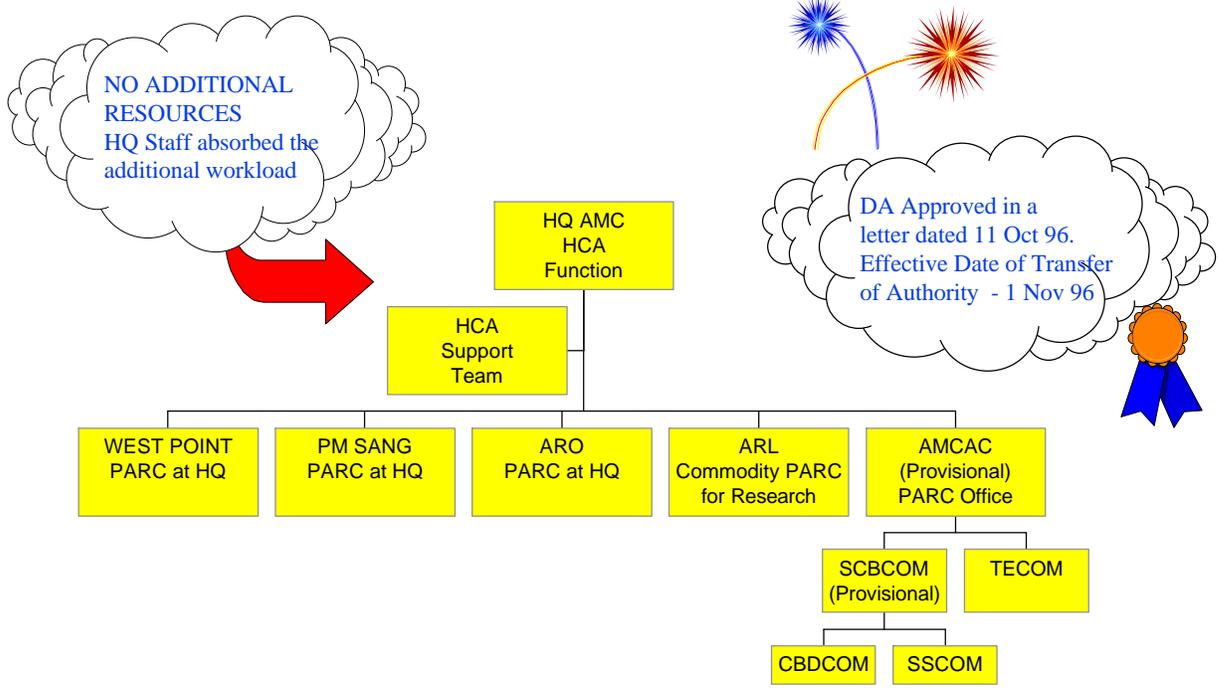
### **XI. Other Issues**

PIIN NUMBERS - All affected contracting offices retained their unique procurement instrument identification numbers (PIIN) during FY97. A potential change in subsequent years is planned. Any changes will be effective on 1 October of the next year.

REVIEW THRESHOLDS - For those contracting activities for which HQ, AMC serves as HCA, the review thresholds identified at Attachment 4 shall apply.



# HCA FUNCTION at HQ AMC



Slide date: June 98  
Attachment #1

**AMC - RELEVANT, RESPONSIVE & READY**

## HQ Army Materiel Command

### HCA SUPPORT STAFF DIRECTORY

**I. The Head of the Contracting Activity (HCA)** is the senior contracting executive (SES position) at HQ, AMC, who is the Assistant Deputy Chief of Staff for Research, Development and Acquisition - Acquisition, Contracting and Production Management:

Mr. Kevin Carroll, (703) 617-8168,  
DSN 767-8168  
FAX (703) 617 - 3198  
e-mail: kcarroll@hqamc.army.mil

**II. The Members of the Support Staff** who will serve as HQ liaison and support the field activities will be as follows.

<b>ACTIVITY</b>	<b>PARC</b>	<b>PRIME</b>	<b>PHONE</b>	<b>ALTERNATE</b>	<b>PHONE</b>
AMCAC	Morrison	Karen Moser	617-9405	Jim West	617-1907
ARL	Tomko	Emily Clarke	617-9404	Kathy Peat	617-8299
ARO	White	Vick White	617-2798	Mike Hutchinson	617-3574
PM SANG	White	Vick White	617-2798	Mike Hutchinson	617-3574
USMA	White	Vick White	617-2798	Mike Hutchinson	617-3574
SSCOM	DeLuca	Karen Moser	617-8299	Jim West	617-9404

DSN is 767, area code is (703), FAX DSN 767-8973

E-mail for HQ staff is first name initial & last name followed by @HQAMC.ARMY.MIL, example vwhite@hqamc.army.mil.

### **III. Other Support Team Members:**

Command Counsel (AMCCC-PA) - Dave Harrington, 617- 7570

MEMORANDUM FOR

SUBJECT: \_\_\_\_\_ Quarter (\_\_\_\_\_) FY                      Actions in U.S. Dollars

**1. Summary of Simplified Acquisition Procedure Actions; DD1057 Report for Actions Less than \$25,000.00:**

	<i>Actions</i>	<i>Amount</i>
Total Purchase Orders	_____	\$ _____
Total Purchase Order Modifications	_____	\$ _____
Total Contract Orders	_____	\$ _____
Total Contract Modifications	_____	\$ _____
Total Delivery Orders	GSA _____	\$ _____
	Other _____	\$ _____
Total Delivery Order Modifications	GSA _____	\$ _____
	Other _____	\$ _____
Total BPA Call	_____	\$ _____
<b>Total:</b>	_____	\$ _____

**2. Summary of DD350 Actions (Actions Greater than \$25,000):**

Total Contracts	_____	\$ _____
Total Contract Modifications	_____	\$ _____
Total Purchase Orders	_____	\$ _____
Total GSA Orders	_____	\$ _____
<b>Total:</b>	_____	\$ _____

**3. Total Actions to Date (SAP & DD350 Actions):**

1 <sup>st</sup> Quarter	(DD1057)	(Current Qtr.)	_____	\$ _____
	(DD350)		_____	\$ _____
		<b>Total:</b>	_____	\$ _____
2 <sup>nd</sup> Quarter	(DD1057)		_____	\$ _____
	(DD350)		_____	\$ _____
		<b>Total:</b>	_____	\$ _____
3 <sup>rd</sup> Quarter	(DD1057)		_____	\$ _____
	(DD350)		_____	\$ _____
		<b>Total:</b>	_____	\$ _____
4 <sup>th</sup> Quarter	(DD1057)		_____	\$ _____
	(DD350)		_____	\$ _____
		<b>Total:</b>	_____	\$ _____
<b>YEAR TO DATE TOTAL:</b>				\$ _____

## **REVIEW THRESHOLDS**

### **I. LEGAL REVIEW**

A. In accordance with AFARS 1-602-2(c)(ii), the following thresholds are established for legal review of proposed contractual actions:

ARL	\$ 200,000.00
ARO	\$ 100,000.00
CBDCOM	\$1,000,000.00
PMSANG	\$ 100,000.00
SSCOM	\$ 100,000.00
TECOM	\$ 100,000.00
USMA	\$ 100,000.00

B. PARCs may impose lower thresholds within their activities, consistent with the availability of legal counsel.

C. All actions related to the settlement of claims and all termination actions shall undergo legal review prior to execution, regardless of dollar value.

### **II. BUSINESS CLEARANCE REVIEWS**

In accordance with AFARS 1-602-1(b), the activities with commodity PARCs shall submit the largest planned competitive, negotiated contract action each fiscal year for HCA review. All other actions shall be reviewed in accordance with PARC instructions.

### **III. APPROVAL OF AWARDS OF CONTRACTS AND MODIFICATIONS**

In accordance with AFARS 1-602-1-90, the thresholds listed below are established for combined Business Clearance Reviews and Award Approvals. Each submittal shall consist of the Price Negotiation Memorandum (PNM) and a copy of the solicitation. It should be noted that the only mandatory review is at the point of award. Activities are strongly advised to contact the PARC early in the contracting process for major actions which will require HCA approval. Early coordination will permit continuous participation by the PARC staff and preclude disapprovals near the end of the contracting process. The value of a modification for the purposes of this requirement is the net value, not the additive value of increases and decreases.

ARO	\$1,000,000.00*
PMSANG	\$5,000,000.00
USMA	\$2,000,000.00

\* For grants, the threshold for ARO is established for actions having a value greater than \$2,000,000.00 per year or \$5,000,000.00 for all years.



### HCA AUTHORITIES

For information only - In the event of conflict between this matrix and regulation (i.e., FAR, DFARS, AFARS), the regulation will take precedence

CITE	DESCRIPTION	REMARKS	LIMITS
<b>NON-DELEGATABLE HCA AUTHORITIES</b>			
AFARS 3.602	HCA authorizes exceptions to policy not to contract with government employees or organizations owned or controlled by them.	May not redelegate	
AFARS 6.501	HCA appoints Special Competition Advocates and alternates at Army procuring activities.	May not redelegate	
DFARS 215-611(c)(i)(B) AFARS 15.611(c)(i)(A)	HCA approves additional BAFOs.	All acquisitions other than ASARC/MAISRC programs or where authority is specifically withheld by SPE May not redelegate	
FAR 15.403-1(c)(4)	HCA waives requirement for submission of cost or pricing data.	May not redelegate	
FAR 15.403-4(a)(2)	HCA authorizes KO to get cost and pricing data <\$500K.	May not redelegate	
DFARS 25.102(b)(ii)(D) AFARS 25.102(b)(ii)(D)	HCA approves non-availability determination for items of supply >\$2M under Buy America Act.	May not redelegate	
FAR 33.104(b)(1) and (c)(2)	HCA authority to award or commence performance of a contract that has a GAO protest pending	Nondelegable	See AFARS 33.104(b) and (c) for additional requirements in AMC.
AFARS 45.407(a)(i)	HCA approves non-government use of plant equipment.	May not redelegate	
AFARS 46.770-7(c)(ii)	HCA approves award of contract with warranty that may be deleted if contracting officer is uncertain that cost effective warranty can be obtained.	May not redelegate	

### HCA AUTHORITIES

For information only - In the event of conflict between this matrix and regulation (i.e., FAR, DFARS, AFARS), the regulation will take precedence

CITE	DESCRIPTION	REMARKS	LIMITS
<b>HCA AUTHORITY WITH LIMITS</b>			
FAR 1.602-3(b)(2)&(3) AFARS 1.602-3(b)(3)	HCA ratifies unauthorized commitments.	All actions > \$100K May delegate actions < \$100K to specific positions	May delegate w/o power of redelegation for amounts: \$100K or less - to PARC \$10K or less to Chief of Contracting Office
AFARS 1.603-1(2)	HCA may select, appoint, and terminate the appointment of contracting officers	Redelegate only to the PARC	
AFARS 3.104-5(d)(1)(A)(7)	HCA <b>and persons they designate</b> are authorized access to source selection info when necessary to perform official duties.	May designate authorized persons	PEOs, SSAs, and other higher officials given same authorization.
AFARS 5.404-1(a)	HCA authorized to release long range estimates.	Delegable	May delegate to no lower than chief of the contracting office
DFARS 206.302-1(a)(2)(i)(1)	HCA <b>or designee</b> makes determination on making sole source award for CAS based on unsolicited proposal.	May designate	Designee may be no lower than chief of the contracting office
FAR 6.304(a)(3)	HCA <b>or designee</b> approves J&A between \$10M and \$50M.	May designate	Designee must be GO or GS-16/SES or above
DFARS 215.607(c)(3) (FAR Part 15 deletes this entire concept (a vestige of sealed bidding))	HCA makes determination permitting correction of a mistake in proposal before award w/o discussions.	Delegable	May delegate to the chief of the contracting office
DFARS 225.102(a)(D)(2)	HCA determines public interest exemption under Buy America Act for acquisitions ≥\$100K and <\$1M.	Silent on redelegation Contracting officer has authority up to \$100K	
FAR 25.102(b)(2) DFARS 225.102(b)(ii)(C)	HCA or immediate deputy makes non-availability determination for items of supply <\$2M under Buy America Act.	Other authorities: KO - <\$25K C/Contracting Office- <\$250K	

### HCA AUTHORITIES

For information only - In the event of conflict between this matrix and regulation (i.e., FAR, DFARS, AFARS), the regulation will take precedence

CITE	DESCRIPTION	REMARKS	LIMITS
<b>HCA AUTHORITY WITH LIMITS (CONT'D)</b>			
FAR 25.202(a)(2)	HCA <b>or designee</b> makes non-availability determination for construction materials under Buy America Act.		
DFARS 225.872-4(c)(1)(iii)	HCA approves exemption to Buy America Act or Balance of Payments Program for award after application of 50% evaluation factor.		Acquisitions ≤ \$2M
AFARS 25.7002-2(a)	HCA approves exception to restriction on specialty metals.	Partially delegable	May redelegate down to KO level <b>only</b> for NDI containing specialty metals
AFARS 33.102(b)(i)	HCA may make agency head determinations and act for the agency head regarding actions described in FAR 33.102(b)(1) and (b)(2)	Can be delegated	No lower than PARC, Chief Counsel, or independent review authority (see FAR 33.103(d)(4))
AFARS 36.209	HCA may approve award of construction contract to the design firm	Can be delegated	May delegate to the PARC
AFARS 36.271(i)	HCA approves use of CPFF K for environmental work.	Delegable	May delegate no lower than chief of contracting office
AFARS 50.201-70	ASA(RDA) has delegated to HCAs the authority for certain extraordinary contractual actions	Delegable	May be delegated no lower than PARC