



UNITED STATES MARINE CORPS

MARINE FORCES RESERVE
4400 DAUPHINE STREET
NEW ORLEANS, LOUISIANA 70146-5400

IN REPLY TO
4200

RCO
TAPR 7 2006

Force Policy Letter 04-06

From: Commander
To: Distribution List

Subj: PROPER USE NON-MARINE CORPS CONTRACTS

- Ref: (a) National Defense Authorization Act for FY 2005, Section 854
(b) OSD Memorandum of 29 Oct 04, Subj: Proper Use of Non-DoD Contracts
(c) DoN Memo of 20 Dec 04, Subj: Proper Use of Non-DoD Contracts
(d) UnderSecDef Memo of 28Jan 2005, Subj: Use of Federal Supply Schedules and Market Research
(e) Under SecDef Memo of 24 Mar 2005, Subj: Proper Use of Interagency Agreements for Non-DoD Contracts Under Authorities Other Than the Economy Act
(f) CMC Ltr LB/PR 4200 of 6 Apr 2005
(g) Federal Acquisition Regulation (FAR)

- Encl: (1) Sample Determinations and Findings
(2) Sample Contracting Officer's Memorandum for the Record

1. Purpose. To comply with the references by establishing MARFORRES procedures and approvals for acquiring supplies and services through non-Marine Corps contracts.

2. Definitions.

a. "Assisted Acquisition" means a contract awarded or a task or delivery order placed on behalf of the Marine Corps by an official of the United States outside the Marine Corps.

b. "Direct Acquisition" means a task or delivery order placed by a Marine Corps Contracting Officer/Ordering Officer against a contract vehicle established outside the Marine Corps.

3. Background.

a. Reference (a) prohibited DoD procurement of goods or services through a contract entered into by an agency outside DoD for an amount greater than the simplified acquisition threshold unless done in accordance with procedures prescribed by the head

Subj: PROPER USE NON-DOD CONTRACTS

of the agency for reviewing and approving the use of such contracts.

b. Reference (b) requires Military Departments to establish procedures for reviewing and approving the use of non-DoD contracts when procuring supplies and services after January 1, 2005.

c. Reference (c) establishes guidelines for assisted and direct acquisitions and reporting data.

d. Reference (d) sets forth guidance for use of Federal Supply Schedules (FSS) and Market Research. Reference (e) addresses use of Interagency Agreements for non-DoD contracts.

e. Reference (f) implements references (a) through (e) in the Marine Corps by instituting a Corps-wide oversight process of assisted and direct acquisitions to ensure funds are transferred outside the Marine Corps only when specified documented reviews are accomplished. It also requires additional documentation for FSS orders.

4. Policy. MARFORRES can acquire supplies and services by using contracting capabilities either internal or external to MARFORRES. This Policy Letter establishes MARFORRES procedures and approvals for directed and assisted acquisitions to comply with the references.

a. Assisted and direct acquisitions must be in the best interest of DoD in terms of meeting requirements, delivery schedule, cost effectiveness, contract oversight and administration, and the availability/non-availability of a suitable contract vehicle within DoD. DoD/DoN unique terms and conditions that are provided to the assisting activity must be included in the contract award. Supplies and services to be provided must be within the scope of the contract.

b. MARFORRES shall not utilize contracting services other than the MARFORRES Regional Contracting Office for the award of any supplies or services without prior approval.

c. No funds are to be transferred by Military Interdepartmental Purchase Request (MIPR) or otherwise transferred from or on behalf of Marine Forces Reserve to agencies outside the Marine Corps for acquisition of supplies or services without a specific documented review by the MARFORRES Contracting Officer and Comptroller. The chart below summarizes the approval and documentation requirements for assisted and direct acquisitions.

Subj: PROPER USE NON-DOD CONTRACTS

	Assisting Agency	Contract Value	Approval Authority	Documentation
Assisted Acquisition (placed on behalf of MFR by some outside USMC)	DoD Agency	< \$1 Million	Chief of Contracting Office	Contracting Officers Memo For the Record
	DoD Agency	>\$1 Million	HQMC (I&L) Contracts	Determinations and Findings
	Non-DoD Agency	All	HQMC (I&L) Contracts	Determinations and Findings

	Contract Value	Approval Authority	Documentation
Direct Acquisition (order placed by MFR against contract established outside USMC)	<\$100,000	Contracting Officer	None
	>\$100,000 and <\$1 Million	Chief of Contracting Office	Contracting Officers Memo For the Record
	>1\$Million	HQMC (I&L) Contracts	Determinations and Findings

d. In those cases in which funds are transferred to other Marine Corps contracting offices for assisted and direct acquisitions, the required Contracting Officer's Memo or Determinations and Findings shall be prepared and signed by the requiring individual; reviewed by MARFORRES Contracting Office, Comptroller and Counsel; and submitted to the Marine Corps contracting office making the acquisition for signature.

e. Exemption. MOBCOM may utilize the Midwest Regional Contracting Office and MOBCOM Comptroller. MOBCOM shall otherwise comply with the procedures in this Policy.

f. This Policy does not apply to

(1) micropurchases using the Government-wide Commercial Purchase Cards;

(2) supplies and services procured under mandatory supply sources;

(3) construction, and facility support contracts performed by NAVFACENCOM; and

(4) mobile phone services and mobile data services utilizing the procedures in ASN RD&A Memo of 7 Mar 2005.

5. Responsibilities.

Subj: PROPER USE NON-DOD CONTRACTS

a. Requiring Individual. Requiring individuals must seek early involvement of legal, financial management, and contracting personnel to ensure that the acquisition strategy complies with paragraph 4 above. The MARFORRES Section/Office identifying and seeking to fulfill a requirement shall:

(1) enter the requirement into the PR Builder with appropriate funding approvals,

(2) submit a signed Determinations and Findings or Memorandum for the Record, enclosure (1) or (2) as appropriate, to the MARFORRES RCO with salient characteristics to fully describe what is to be purchased. The Requiring Office must complete all paragraphs after early consultation with RCO, Comptroller and Counsel.

(3) submit a statement of work for services.

b. Contracting Officer shall:

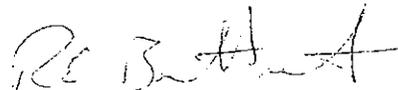
(1) make assisted and direct acquisitions only which comply with the references and this policy.

(2) review the Determinations and Findings or Memorandum for the Record for compliance with the references and this policy and staff the Determinations and Findings or Memorandum for the Record to MFR Comptroller and Counsel as provided in this policy.

(3) retain a copy of the Determinations and Findings or Memorandum for the Record in the contract file.

c. Comptroller shall ensure funding is available and appropriate for the acquisition. Comptroller shall review and sign all assisted acquisitions and all direct acquisitions valued at over \$1 million. Certification by the comptroller's office that funds are available is sufficient Comptroller concurrence for direct acquisitions valued at less than \$1 million and all open market purchases.

d. Legal Counsel shall review all assisted acquisitions and all other acquisitions valued at over \$100,000 for compliance with the references.



R. E. BRAITHWAITE
Executive Director

DISTRIBUTION STATEMENT A: Approved for public release;
Distribution List: A distribution is unlimited.



UNITED STATES MARINE CORPS

MARINE FORCES RESERVE
4400 DAUPHINE STREET
NEW ORLEANS, LOUISIANA 70146-5400

IN REPLY TO:
MFR 05-001
RCO
Date

Economy Act Order

Determination and Findings

(31 U.S.C. 1535; FAR 17.5; DFARS 217.5; MAPS 17.503)

FINDINGS

1. Requiring Office. Identify the requiring office, including the Requiring Individual for the requirement.
2. Assisting Activity. Identify the office that will be sent the funds and asked to provide or procure the required goods or services.
3. Procurement Description. Identify the type of goods or services to be provided or procured. Identify the amount and type (appropriation and year) of funds that will be provided.
4. Competition. Identify the nature and extent of competition that the assisting activity will use to satisfy the requirement. Explain any noncompetitive actions.
5. Small Business. Explain the extent to which the small business, small disadvantaged business, woman-owned small business, Historically-Underutilized Business Zone small business, and/or service-disabled veteran-owned small business programs could be utilized.

Explain the acquisition history of the requirement, including contract number(s) of any small businesses, which have performed on the requirement during the previous 24 months. Identify if the requirement involves bundling or consolidation and provide information for incumbent contractors and the contracts affected by the bundling (See FAR 7.107) or consolidation (see DFARS 207.170).
6. Performance-based statements of work. Describe the extent to which a performance-based statement of work is used to identify the requirement. Attach a copy of the statement of work to the D&F.
7. Services. If the requirement is for services, document that the approvals required by the Navy-Marine Corps Acquisition Regulation Supplement 5237.170-3(b) have been obtained.
8. Personal vs. non-personal services. Include a statement that the requirement is for non-personal services only. If for "personal services" provide the statutory authority permitting the transaction.

ENCLOSURE (1)

9. Advisory and Assistance Services. Identify if the requirement includes any advisory and assistance services. If they are required, obtain appropriate high-level endorsement.

10. Rationale. Explain why use of an interagency acquisition is in the best interest of the DoD in terms of satisfying customer requirements, cost effectiveness, delivery schedule, non-availability of suitable contracts within DoD, contract administration and any other applicable considerations. If the assisting activity will be providing the supplies or services in-house, discuss why the requirement cannot be obtained as conveniently or economically by contracting directly with a private source. If the assisting activity will contract for the requirement, address whether: (a) The acquisition will be made under an existing contract the assisting activity has in place to meet its own requirements; (b) The assisting activity has capabilities or expertise to enter into a contract for the requirement the Marine Corps does not have; or (c) If the assisting activity is specifically authorized by law or regulation to purchase the requirement on behalf of other agencies.

11. Cost/Fees Charged. Identify fees, if any, charged by assisting activity to process/administer order. Include fee percentage and estimated dollars.

DETERMINATION

- A. The use of an interagency acquisition is in the best interest of the Government.
- B. This requirement cannot be obtained as conveniently or economically by contracting directly with a private source.
- C. DoD/DoN unique terms and conditions were provided to the assisting activity and will be included in the contract award.
- D. Funding is available and appropriate for the acquisition.

If the assisting activity will be contracting for the goods and services, choose at least one of the following and insert as paragraph E in the determinations section of the D&F:

- E. The acquisition will appropriately be made under an existing contract of the assisting activity, entered into before placement of this Economy Act/Franchise Fund Order, to meet its own requirements for the same or similar services. Goods or services being ordered are within the scope of the basic contract.
- F. The assisting activity has capabilities or expertise to enter into a contract for this requirement that is not available within the Marine Corps.
- G. The assisting activity is specifically authorized by law or regulation to purchase this requirement on behalf of other agencies.

APPROVALS

Approved: _____ Date _____
Requirements/Program Management Official

Approved: _____ Date _____
Caroline Register
Marine Forces Reserve Chief of the Contracting Office

Approved: _____ Date _____
Lieutenant Colonel Dennis Stegall, U.S. Marine Corps
Marine Forces Reserve Comptroller

Legally Sufficient: _____ Date _____
Orval Nangle
Counsel, Marine Forces Reserve

Approved: _____ Date _____
Assistant Deputy Commandant, I&L (Contracts)



UNITED STATES MARINE CORPS

MARINE FORCES RESERVE
4400 DAUPHINE STREET
NEW ORLEANS, LOUISIANA 70146-5400

IN REPLY TO:
MFR 10001
RCO
Date

Contracting Officer's Memorandum For The Record
(31 U.S.C. 1535; FAR 17.5; DFARS 217.5; MAPS 17.503)

FINDINGS

1. Requiring Office. Identify the requiring office, including the Requiring Individual for the requirement.
2. Assisting Activity. Identify the office that will be sent the funds and asked to provide or procure the required goods or services.
3. Procurement Description. Identify the type of goods or services to be provided or procured. Identify the amount and type (appropriation and year) of funds that will be provided.
4. Competition. Identify the nature and extent of competition that the assisting activity will use to satisfy the requirement. Explain any noncompetitive actions.
5. Determination.
 - A. The use of an interagency acquisition is in the best interests of the Government.
 - B. This requirement cannot be obtained as conveniently or economically by contracting directly with a private source.

If the assisting activity will be contracting for the goods and services, choose at least one of the following and insert as paragraph 5.C. of the MFR:

- C. The acquisition will appropriately be made under an existing contract of the assisting activity, entered into before placement of this Economy Act Order, to meet its own requirements for the same or similar services.
- D. The assisting activity has capabilities or expertise to enter into a contract for this requirement that is not available within the Marine Corps.
- E. The assisting activity is specifically authorized by law or regulation to purchase this requirement on behalf of other agencies.

ENCLOSURE (2)

5. (Alternate Paragraph) Determination for Direct Acquisitions.

A. The use of an interagency acquisition is in the best interests of the DoD in terms of satisfying customer requirements, cost effectiveness, delivery schedule, non-availability of a suitable contract(s) within DoD, contract administration and any other applicable considerations.

B. This requirement cannot be obtained as conveniently or economically by contracting directly with a private source.

C. Funding is available and appropriate for the acquisition.

D. Terms, conditions and/or requirements unique to DoD or DoN are incorporated into the action to comply with applicable statutes, regulations and directives.

E. Supplies/Services being ordered are within the scope of the basic contract(s).

F. Compliance with the approval requirements at NMCARS 5237.170-3 (if for direct acquisition of services).

If the assisting activity will be contracting for the goods and services, choose at least one of the following and insert as paragraph 5.G. of the MFR:

G. The acquisition will appropriately be made under an existing contract of the assisting activity to meet its own requirements for the same or similar services.

H. The assisting activity has capabilities or expertise to enter into a contract for this requirement that is not available within the Marine Corps.

I. The assisting activity is specifically authorized by law or regulation to purchase this requirement on behalf of other agencies.

6. Small Business. Explain the extent to which the small business, small disadvantaged business, woman-owned small business, Historically-Underutilized Business Zone small business, and/or service-disabled veteran-owned small business programs could be utilized.

Explain the acquisition history of the requirement, including contract number(s) of any small businesses, which have performed on the requirement during the previous 24 months. Identify if the requirement involves bundling or consolidation and provide information for incumbent contractors and the contracts affected by the bundling (See FAR 7.107) or consolidation (see DFARS 207.170).

7. Performance-based statements of work. Describe the extent to which a performance-based statement of work is used to identify the requirement. Attach a copy of the statement of work to the MFR.

8. Personal vs. non-personal services. Include a statement that the requirement is for non-personal services only. If for "personal services" provide the statutory authority permitting the transaction.

APPROVALS

Approved: _____ Date
Requirements/Program Management Official

Approved: _____ Date
Caroline Register
Marine Forces Reserve Chief of the Contracting Office

Approved: _____ Date
Lieutenant Colonel Dennis Stegall, U.S. Marine Corps
Marine Forces Reserve Comptroller

Legally Sufficient: _____ Date
Orval Nangle
Counsel, Marine Forces Reserve

Approved: _____ Date
Assistant Deputy Commandant, I&L (Contracts)