



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
U.S. ARMY CORPS OF ENGINEERS  
441 G STREET, NW  
WASHINGTON, DC 20314-1000

CECT-Z/CECW-CO

MEMORANDUM FOR COMMANDERS, CONTRACTING CHIEFS, AND OPERATIONS CHIEFS, MAJOR SUBORDINATE COMMANDS AND DISTRICT COMMANDS

SUBJECT: Transition of Contracting Workload in Support of Operations Project Managers

1. CECT-ZA memorandum dated 20 May 2011, subject: Termination of Operations Project Manager (OPM) Warrants (Enclosure 1) terminates OPM warrants effective 1 October 2011 and calls for each Regional Contracting Chief and MSC Operations Chief to establish a transition plan for ensuring a seamless and orderly transition of OPM contracting workload to the cognizant Contracting office.
2. Previous practice allowed the warranting of personnel (OPMs) within a requiring activity and subsequently permitting them to make their own purchases for their project specific needs. In this environment, the OPM offices owned the requirement, drafted the requirement, prepared the cost estimate, solicited the requirement, funded the requirement, awarded the contract and accepted the goods/services. The termination of OPM warrants was necessitated because this practice does not comport with current Department of Defense policy.
3. Transitioning the contracting workload and contracting officer authority for Operations Division into the National Contracting Organization (NCO) comports with current policy; provides the necessary checks and balances as mandated in the USACE NCO's Implementation Plan (April 2007); and, establishes appropriate use of contracting authority at USACE as addressed in the Corrective Action Plan (September 2010) in response to concerns raised by the DAIG, DASA (P) Procurement Management Reviews, Army Audit Agency, Government Accountability Office relating to Arlington National Cemetery.
4. To ensure that transition plans are established within appropriate guidelines, Regional Contracting Chiefs and MSC Operations Chiefs will comply with the following parameters:
  - a. All contracting actions will be performed by contracting personnel (i.e., contract specialists, procurement analysts, procurement technicians, and purchasing agents) listed on the Contracting Integrated Manning Document (IMD).
  - b. Operations personnel who are classified on the Operations IMD as contract specialists, procurement analysts, procurement technicians or purchasing agents must either be re-classified within Operations or reassigned to the Contracting office.

CECT-Z/CECW-CO

SUBJECT: Transition of Contracting Workload in Support of Operations Project Managers

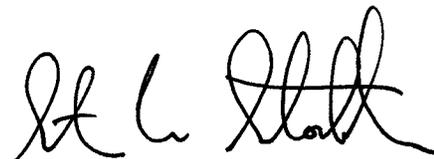
c. Transition plans should be completed no later than 15 September 2011. Within those plans, a distinct separation of duties and functions must be reflected between Operations Division and the Contracting Division. Additionally, plans must comport with "Operation and Contracting Division Roles and Responsibilities" (Enclosure 2) and "Simplified Acquisition" USACE QMS Process 18018 (Enclosure 3).

5. Contracting and Operations personnel at all levels are firmly dedicated to successful mission accomplishment using the proper regulatory guidelines and procedures. The NCO has committed to fully support Operations in mission accomplishment, in particular during critical year-end closeout. Upon full transition of the Operations workload to Contracting, business processes will continue to be refined and adjusted to ensure that best practices and lessons learned from across USACE are being incorporated. Within the spirit of collaboration and teamwork, USACE should easily achieve the goal of a seamless transition.

FOR THE COMMANDER:



THEODORE C. HARRISON  
Brigadier General, USA  
Director, National Contracting Organization



STEVEN L. STOCKTON, P.E.  
Director of Civil Works



**DEPARTMENT OF THE ARMY**  
U.S. ARMY CORPS OF ENGINEERS  
WASHINGTON, D.C. 20314-1000

CECT-ZA

20 MAY 2011

**MEMORANDUM FOR: PRINCIPAL ASSISTANTS RESPONSIBLE FOR CONTRACTING - ATLANTA AND DALLAS, REGIONAL CONTRACTING CHIEFS, DISTRICT CONTRACTING CHIEFS**

**SUBJECT: Termination of Operation Project Manager (OPM) Warrants**

Reference: Memo, CECT-DAL, 27 April 2009, endorsed by the Director, National Contracting Organization on 29 April 2009, subject: Request for Authority to Deviate from PIL 2007-05 to Create NWD Pilot Program for OPM Warrant Increase.

1. The above referenced pilot program was implemented with the purpose of reviewing current contracting practices supporting USACE Operations missions. The results of the pilot program not only indicate systemic deficiencies in contracting processes, but also validate that USACE is in direct conflict of DoD Policy 5000.66, addressing oversight, accountability, and performance of individuals holding warrants. The condition of warranting an individual who is also the requiring authority creates a lack of checks and balances with unacceptable risk of fraud, waste and abuse. In recent years the level of scrutiny of DoD's contracting operations at all levels has increased and will remain high. The Operations Project Managers Warrant Program does not comport with sound business practices or with Defense Procurement's current operating guidance for warranting contracting officers.
2. After much deliberation and analysis of the needs of USACE, I hereby terminate all OPM warrants effective 1 October 2011. By making this change, USACE will be brought into full compliance with DoD warranting guidelines and will in effect correct a systemic weakness within the OPM warranting program regarding the lack of separation of duties and functions between requiring authority and purchasing authority. By terminating the warrants effective 1 October, USACE will be able to plan for an orderly transition of workload while ensuring that current year mission requirements will remain unaffected.
3. I direct PARCs to issue letters to existing OPM contracting officers within 20 calendar days of this memorandum advising them of the date of termination. Regional Contracting Chiefs are directed to begin working with their respective MSC Operations Chiefs immediately to develop a Workload Transition Plan that reflects best practices and innovative contracting approaches/tools and addresses the feasibility of /increasing Indefinite Delivery Contracts (IDCs), maximizing the use of purchase card transactions, establishing blanket purchase agreements, and appointing ordering officers where practicable. Through early identification of requirements and successful execution of USACE District and Regional Acquisition Strategy Boards, I expect workload transition and mission execution to be seamless.

ENC 1-1

CECT-ZA

SUBJECT: Termination of Operation Project Manager (OPM) Warrants

4. The decision and the successful execution of the transition plan outlined above assures proper separation of execution and oversight responsibilities, preserves and protects the contracting authority USACE is privileged to hold and ensures that mission accomplishment will remain strong.

A handwritten signature in black ink, appearing to read 'Kim D. Denver', with a long horizontal flourish extending to the right.

KIM D. DENVER  
Director, National Contracting Organization  
U.S. Army Corps of Engineers

CF:  
Division Commanders  
Chief Operations (M. Enschede)

# **OPERATION AND CONTRACTING ROLES AND RESPONSIBILITIES For actions less than \$25K**

## **I. Operation Division Responsibilities:**

- Identify the procurement requirement.
- Prepare the scope of work (SOW); performance work statement (PWS) or procurement specifications.
- Conduct Market Research
- Obtain quotes from local vendors
- Obtain any special approvals required such as authority to contract for services
- Prepare Purchase Request and Commitment (PR&C) for requirement and PR&C for labor funds for submission to the Contracting Office.
- Contact the vendor if requirement is for supply purchases under \$3,000, services less than \$2,500 and construction under \$2,000, (Government Purchase Card Purchase Only).
- Identify individual to be appointed by the Contracting Officer as Contracting Officer's Representative.
- Identify individuals to be appointed and/carry out the responsibilities as Order Officers.
- Prepare the Receiving Report in Corps of Engineers Financial Management System (CEFMS) for acceptance and payment.
- Provide all support documentation to the Contracting Officer in order to close out the contract action.
- Provide input to contracting officer on contractor performance/delivery acceptability

## **Contracting Division Responsibilities**

### Contract Specialist:

- Determine best method of procurement following the guidance in ES-18015, "Acquisitions."
- Prepare the DD 2579 in accordance with DFARS Part 219.2 if the procurement is over \$10,000, except those less than \$100,000 that are totally set aside for small businesses.
- Solicit and/or validate quotes submitted from the requiring activity to obtain competition if the procurement is over \$3,000 for supplies and \$2,500 for services and prepare Request for Quotation (RFQ) as applicable.
- Post to Army Single Face to Industry Acquisition Website (ASFI)/EDI and/or FedBizOpps as appropriate.
- Receive quotes, prepare abstract, and determine price reasonableness.
- Prepare purchase order for award and create and approve obligation in CEFMS.
- Prepare Contract Action Report (CAR) before contracting officer signs contract, and distributes award.
- Ensure copy of contract/ purchase order is provided to Operation Project Manager.

### Contracting Officer (KO):

- Maintain dialog and open communication with Operation Project Manager throughout procurement process with weekly/monthly reports/updates/status
- Ensure all regulatory and agency requirements are met prior to the issuance of an award.
- Monitor Standard Procurement System (SPS)/Procurement Desktop-Defense (PD2) to ensure obligation information is properly reported in CEFMS.
- Issue error-free Contract Action Report.
- Award contract.

- Appoint COR as appropriate.
- Appoint Ordering Officers as appropriate.
- Ensure timely closeout of contract/purchase order.

Business Oversight Branch (BOB):

- Conduct training of CORs and Ordering Officers at least annually.
- Monitor, review and inspect COR files IAW NCO established guidelines.
- Monitor customer satisfaction ratings, maintain lessons learned and implement best practices.
- Determine potential better buying power practices to reduce overall procurement costs



**US Army Corps  
of Engineers**

## **Enterprise Standard (ES)-18018 Simplified Acquisition**

### **Table of Contents**

- 1.0 Purpose
- 2.0 Applicability
- 3.0 References
- 4.0 Related Procedures
- 5.0 Definitions
- 6.0 Responsibilities
- 7.0 Procedures
- 8.0 Records & Measurements
- 9.0 Attachments
- 10.0 Flow Chart

---

**1.0 Purpose.** This Enterprise Standard (ES) defines the processes that U.S. Army Corps of Engineers (USACE) organizations shall use to procure supplies or services in which the value is within the Simplified Acquisition Threshold (SAT) or are made in accordance the requirements of the test program for certain commercial items Use of a simplified acquisition procedures (SAP) in these circumstances reduces administrative costs; improves opportunities for small businesses; and promotes overall efficiency and economy in contracting.

**2.0 Applicability.** This procedure applies to all purchasing actions conducted by USACE contracting activities, including procurements of supplies, construction and other services, and commercial items that utilize the simplified acquisition procedures (SAP). Acquisition within the micro-purchase threshold shall be made by using the Government Purchase Card (GPC) which are addressed separately in ES-18019, "Micro Purchases Using Government Purchase Cards (GPCs).

### **3.0 References.**

Federal Acquisition Regulation (FAR) Parts 12, 13 and 19

Defense Federal Acquisition Regulation Supplement (DFARS) Part 219 (Small Business Programs)

ER 5-1-11, U.S. Army Corps of Engineers Business Process (HQUSACE)

**Current Approved Version: 6/10/2011. Printed copies are for "Information Only." The controlled version resides on the National QMS SharePoint Portal.**

ENC13

Federal Business Opportunities (FedBizOpps)

Army Single Face to Industry (ASFI)

DD 2579 – Small Business Coordination Record

#### **4.0 Related Procedures.**

ES-18015, “Acquisitions”

ES-18019, “Micro Purchases Using Government Purchase Cards (GPCs)”

#### **5.0 Definitions.**

**Commercial Items.** Any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes, and that has been sold, leased, or licensed to the general public or has been offered for sale, lease, or license to the general public.

**Contract Action Reports.** A Contract Action Report track dollars awarded, types of contracts, types of businesses, and other information.

**Corps of Engineers Financial Management System (CEFMS).** CEFMS is the automated financial system employed by USACE

**Department of Defense (DD) Form 2579.** The DD 2579 form (“Small Business Coordination Record”) is required for any procurement action over \$10,000, except those less than \$100,000 that are totally set-aside for small businesses.

**Army Single Face to Industry Acquisition Website (ASFI)/EDI.** ASFI is a Government system that provides universal user access, employs nationally and internationally recognized data formats, and allows electronic data interchange (EDI) of acquisition information between the private sector and the Federal Government.

**Purchase Request and Commitment (PR&C).** The primary electronic funding document prepared, approved and certified within the Corps of Engineers Financial Management System (CEFMS) to acquire goods and services.

**Simplified acquisition procedures (SAP)** The methods prescribed in Part 13 for making purchases of supplies or services. [from FAR Part 2.101]

See Glossary for further definitions and acronyms.

## 6.0 Responsibilities.

**Requiring Activity.** The Requiring Activity [e.g., Engineering (EN), Real Estate (RE), Logistics Management (LM), Program and Project Management (PPMD), Information Management (IM), or Construction Division (CT)] shall:

- Identify the procurement requirement.
- Prepare the scope of work (SOW); performance work statement (PWS) or procurement specifications.
- Contact the vendor if requirement is for supply purchases under \$3,000, services less than \$2,500, and construction under \$2,000. (credit card purchase method).
- Prepare the PR&C for acquisition and PR&C for labor funds for submission to CT.
- Prepare the Receiving Report in CEFMS for acceptance and payment.

**Contract Specialist.** The Contract Specialist shall:

- Determine best method of procurement following the guidance in ES-18015, "Acquisitions."
- Prepare the DD 2579 in accordance with DFARS Part 219.2 if the procurement is over \$10,000, except those less than \$100,000 that are totally set aside for small businesses.
- Solicit competition if the procurement is over \$3,000 for supplies and \$2,500 for services and prepare Request for Quotation (RFQ) as applicable.
- Post to ASFI and/or FedBizOpps as appropriate.
- Receive quotes, prepare abstract, and determine price reasonableness.
- Prepare purchase order for award and create and approve obligation in CEFMS.
- Prepare Contract Action Report (CAR) before contracting officer signs contract, and distributes award.

**Contracting Officer (KO)** The KO is responsible for ensuring that all regulatory and agency requirements have been met prior to the issuance of an award in the Standard Procurement System (SPS)/Procurement Desktop-Defense (PD2), and ensures obligation is reported in CEFMS.

## 7.0 Procedures.

### 7.1 Identification of Requirements and Preparation of Procurement Documentation

The Project Manager (PM) will ensure that the proper type of funding and amount are available for acquisition. This includes ensuring that sufficient funding is available to support the labor requirements. The PM coordinates with the contracting personnel to determine the applicability of the simplified acquisition process.

Depending on the requirement, the requirements package, to include the SOW/PWS may be prepared by various offices within an individual organization. The requirements package shall describe all minimum requirements and include all supporting approvals and justifications for acquisition. Such requirements shall include any specific quality assurance (QA) or inspection

provisions in a Quality Assurance Surveillance Plan (QASP) and define the type and extent of control to be exercised by USACE over the contractor.

The PM will prepare the Contractual PR&C in CEFMS for CT labor support and forward to the Contracting Office along with CT labor support, if necessary.

## **7.2 Procurement Document Review/Request for Quotation (RFQ) Preparation and Evaluation of Quotations**

The Contract Specialist will receive the contractual PR&C and will review the SOW/PWS or specifications to ensure that it adequately describes the requirements of the Government. If the requirements package is incomplete, it is returned to the PM to coordinate corrections. The Contract Specialist will prepare Form DD 2579 and obtain approval from the Deputy for Small Business, KO, and Small Business Administration Procurement Representative for items over \$10,000 except those less than \$100,000 that are totally set-aside for small businesses, in accordance with FAR Part 19 and DFARS Part 219 (revise accordingly if disapproved).

Wage rates for service and construction are obtained from the Internet in accordance with the Memorandum of Agreement (MOA) between the Department of Labor (DOL) and the USACE.

The Contract Specialist will solicit competition (i.e., request multiple offers) if the procurement is above the micro purchase threshold. The Contract Specialist may contact Federal Supply Schedule contractors if item is under the Federal Supply Schedule.

The Contract Specialist will prepare and issue the Requests For Quotations (RFQs). Vendor quotes will be evaluated by the PM and Contract Specialist to determine acceptability and price reasonableness. The Contract Specialist will initiate discussions or clarifications either in writing or verbally if required. The PM or other personnel, will participate if required for technical or engineering support.

## **7.3 Purchase Order Preparation and Issue**

The Contract Specialist will prepare:

- A Purchase Order (DD 1155) or SF 1449 for commercial items, and transmit to the KO for review and approval. If KO disapproves, Contract Specialist will address comments and resubmit for approval.
- A Contract Action Report is prepared for all purchase actions, except Micro purchases made using the Government Purchase Card program per ES-18019.

After completion of work or delivery of purchased materials, supplies, or equipment, the requesting office will prepare the receiving report in CEFMS to allow for payment of invoices.

**7.4 Administration and Closeout**

The PM and Contract Specialist coordinate efforts to ensure SAP actions are properly administered and identified for closeout as soon as possible. This includes monitoring contractor performance and or delivery and proper and timely issuance of invoices. The end user and PM should provide timely notification of government acceptance of supplies or services to the contracting office to ensure actions are closed in a timely manner.

**8.0 Records & Measurements.**

All records will be filed in accordance with ES-QMS140, "Records Management." Required records are listed in the following table.

Type	Description	Responsible Office	Location	Record Media	Retention	Disposition
R	<ul style="list-style-type: none"> <li>• Purchase Order file,</li> <li>• funding document,</li> <li>• Purchase Order, with wage rates, abstract, and clauses</li> <li>• Contract Action Reports</li> <li>• DD 2579</li> </ul>	Contracts	LR	E or P	LR	LR
M	Not Applicable (N/A)	N/A	N/A	N/A	N/A	N/A

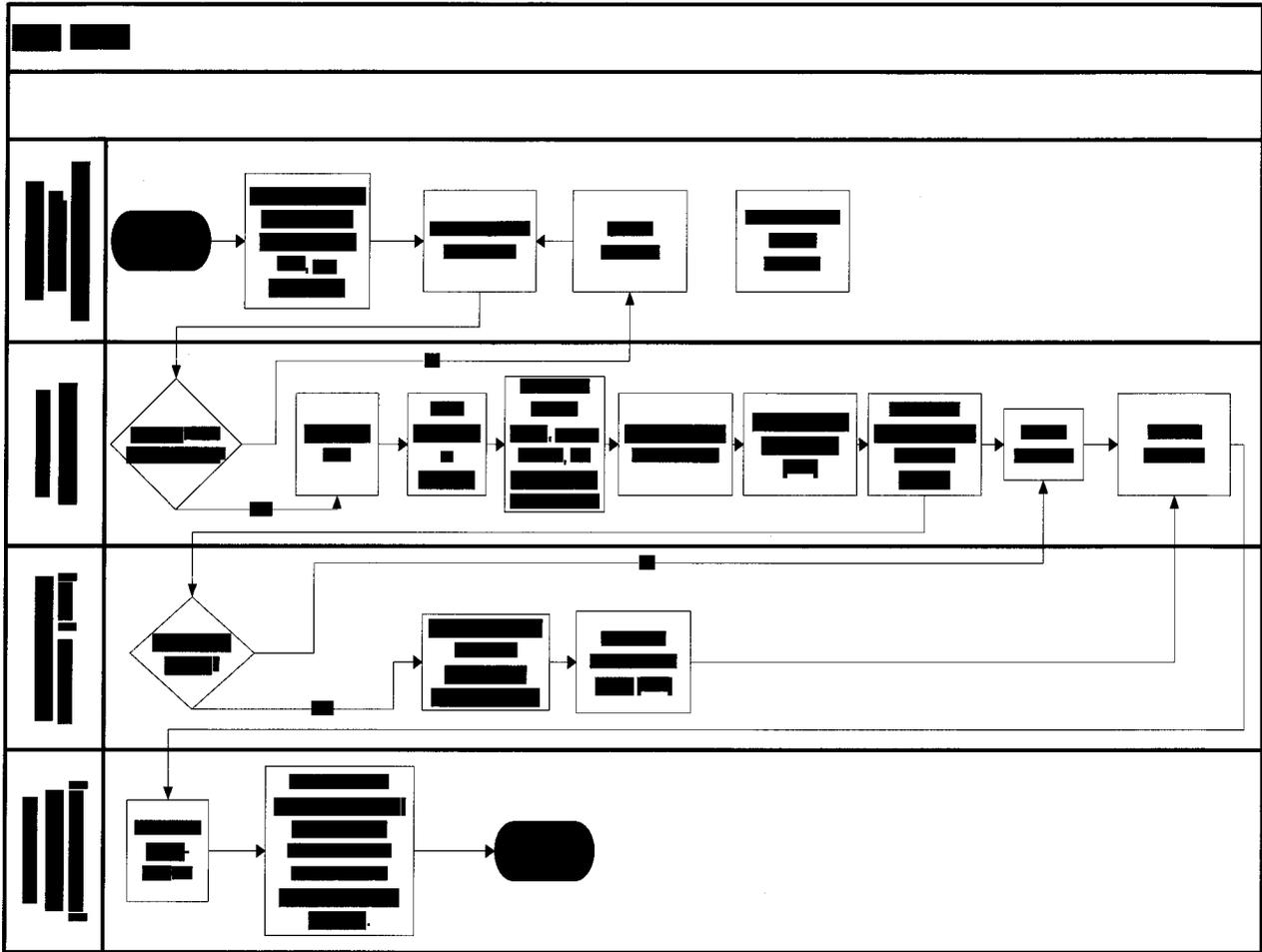
**Description of Terms**

<u>Type:</u>	<u>Location/Retention/Disposition</u>	<u>Record Media</u>
R Record	LR Local Requirement	E Electronic
M Measurement		P Paper

**9.0 Attachments.**

None

# 10.0 Flow Chart



*Current Approved Version: 6/10/2011. Printed copies are for "Information Only." The controlled version resides on the National QMS SharePoint Portal.*