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	U·S·DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT DIRECTIVES SYSTEM	Subject Number: PRC-3 Transmittal Number: 361 Date: 7/24/87

Subject: Use of Mandatory Government Supply Sources, Nonmandatory Government Supply Sources, and Small Purchases Procedures

Approval: Title: Acting Director

1. Purpose. This directive establishes policies and procedures for the acquisition of supplies and nonpersonal services from or through Government supply sources and the acquisition of supplies, nonpersonal services, and construction from commercial sources.

2. Definitions.

a. Acquisition - the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.

b. Contracting - purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources.

c. Appointment of Contracting Officers - a "Certificate of Appointment," SF 1402, issued by the Head of the Contracting Activity (HCA) which authorizes an individual to: (1) enter into and administer contracts for personal property and nonpersonal services (including construction) on behalf of the Federal Government and (2) make related determinations and findings. Each Contracting Officer's Appointment shall be subject to the limitations set forth on the Certificate and in accordance with Department of the Interior Acquisition Policy Release (DIAPR) 84-4, dated April 1, 1984.

d. Contracting Officer - an individual who has been delegated the authority to enter into, administer, and/or terminate contracts, and make related determinations and findings, subject to the limitations set forth on the Certificate of Appointment.

e. Mandatory Government Supply Sources - those Government supply sources required by applicable laws and regulations for use by all Federal agencies seeking supplies or services. Mandatory Government supply source lists are identified in descending order of priority later in this directive.

f. Optional (Nonmandatory) Government Supply Sources - the acquiring and use of information resources activities and the acquisition of supplies and nonpersonal services from or through the Government, as prescribed in Part 201 of the Federal Information Resources Management Regulation (FIRMR) and the Federal Property Management Regulations (FPMR).

g. Small Purchases - the acquiring of supplies, nonpersonal services, and construction from commercial sources when the aggregate amount involved in any one transaction does not exceed $25,000.

3. Policy/Procedure

a. Policy - it is the policy of Office of Surface Mining Reclamation and Enforcement (OSMRE) that, to the maximum extent practical, each acquisition of supplies, nonpersonal services, and construction from commercial sources shall be accomplished on a competitive basis.

b. Responsibilities

(1) The Assistant Director, Budget and Administration, - is designated as the Head of the Contracting Activity (HCA); is delegated broad authority regarding the acquisition functions; has overall responsibility for managing the contracting activity; appointing Contracting Officers and terminating their appointments; and, for insuring overall compliance with this directive.

(2) The Chief, Division of Management Services - is responsible for:

(a) administrative management of the Agency acquisition system;

(b) establishment of Agency acquisition policies and procedures;

(c) performance of periodic acquisition reviews, in conjunction with the program evaluation unit, of Administrative Service Centers, Field Offices, Headquarters; and,

(d) management of Headquarters Branch of Procurement.

(3) Assistant Directors and Field Office Directors - are responsible for insuring compliance with this directive.

c. Functional Responsibilities

(1) Administrative Service Centers, Field Offices, and Headquarters - Nominations for Contracting Officers shall be made in writing by the Assistant Directors, Eastern and Western Field Operations, and the Chief, Branch of Procurement for Headquarters, and forwarded to the Chief, Management Services Division, Headquarters, for review and recommendation. The nomination memorandum must be accompanied by the nominee's Personal Qualification Statement (Standard Form 171) and proof, at a minimum, of completion of a Small Purchases course.

Delegations of Contracting Officers' authority shall be made to individuals who meet the standards in DIAPR 84-4 for a Level I or Level II Contracting Officer. Generally, these warrants shall contain the following delegations and limitations:

a Mandatory Procurement Sources

Limited to purchases up to individual warranted authority ($10K Field Office, $25K ASCs and Headquarters).

b Non-Federal Sources

1 Order for Supplies or Services (Optional Form 347)

Mandatory use of OF 347 is effective with the issuance of Fiscal Year 1988 Blanket Purchase Agreements and Purchase or Delivery Orders effective October 1, 1987.

Limited to purchases up to individual warranted authority ($10K Field Offices, $25K ASCs and Headquarters).

2 Oral Order OSMRE 12, formerly (OSMRE 1511-1)

Limited to purchases up to individual warranted authority ($10K Field Offices, $25K ACSs and Headquarters).

3 Standard Form 44, Purchase Order-Invoice-Voucher

Limited to non-emergency purchases up to $500

Limited to emergency Abandoned Mine Lands purchases up to $2000.

Contracting Officers may solicit oral or written quotations for procurement actions which exceed their warrants. However, Administrative Service Centers will issue appropriate procedures, to Field Offices within their jurisdiction, for processing these procurement actions.

(2) Headquarters Division of Management Services -

The Division of Management Services shall perform the following functions:

(a) develop OSMRE contracting policies and procedures;

(b) evaluate contracting activities compliance with OSMRE contracting policies and procedures;

(c) perform periodic reviews of all contracting activities; and,

(d) provide technical assistance to ASCs and Headquarters.

d. Procedures

Processing Requisitions: The prenumbered requisition form OSMRE-122 shall be the form utilized by all OSMRE employees for supplies and services when the aggregate amount involved in any one transaction does not exceed $25,000.

Each requisition shall, as a minimum, provide the following information: date items required, delivery information, telephone number of requisitioner, office account number, description of items or services, a written justification to support purchase of items. The written justification must clearly articulate why supplies or services are needed to implement authorized programs and must be signed/approved by an official delegated requisitioning authority as set forth in the OSMRE Directive, Delegation of Authority (OPM-5), dated October 1,1986.

A further written justification is required when specific brand names are requested or a single source (noncompetitive) vendor is recommended. This justification shall clearly set forth and define the reasons for the specific brand name along with the salient characteristics and the single source recommendation.

All requisitions prepared in the Administrative Service Centers and Field Offices shall be submitted to the Contracting Officer who shall assign a purchase order number and accomplish the procurement. Requisitions initiated by Headquarters employees shall be transmitted directly to the Branch of Procurement.

e. Methods of Procurement

(1) Purchases of supplies and services can be obtained through the use of various methods of procurement utilizing the small purchases procedures.

(a) Solicitation - Generally, solicitation of quotations may be effected orally except that a written solicitation must be used for construction contracts over $2,000. Records of vendors contacted and quotes received shall be documented on Small Purchases Data Sheet. This shall serve as an informal record which should clearly reflect the propriety of placing the orders at the prices paid the suppliers.

(b) Competition - Competition is required for all purchases in excess of $1,000. Those not in excess of $1,000 may be accomplished without securing competitive quotations, if a determination can be made that prices are considered to be fair and reasonable. In this regard, administrative costs involved in verifying reasonableness or prices shall be considered. All actions requiring competition shall be documented and maintained as part of the small purchases files.

(c) Mandatory Use of Federal Supply Schedules

Prior to soliciting a commercial source, the Contracting Officer shall determine if the required supplies or services, or similar supplies or services, fulfilling the same purpose, are available from Federal Supply Schedules as identified below. The Contracting Officer shall follow procedures prescribed in FPMR Subpart 101-26.4 for exceptions to mandatory use.

(i) Single-Award Schedule

This schedule shall be used as a primary source. Each schedule contains a statement identifying specific agencies in designated geographic areas required to use established contracts as "Primary Sources of Supply" in lieu of procuring similar items from any other source. Agencies required to use a Federal Supply Schedule SHALL procure available items from a competitive contract (single award) listed in that Schedule as a primary source.

(ii) Multiple-Award Schedule

This schedule shall be used only as a secondary source and covers contracts made with more than one supplier for comparable items at either the same or different prices for delivery to same geographic area. Contracting officers shall adhere to the lowest price concept per line item made from a multiple award schedule as prescribed in Federal Property Management Regulations (FPMR) Subpart 101-26.408.

(iii) Exceptions to Mandatory Use

(a) Urgent requirements;

(b) Small requirements below the dollar or quantity minimums specified in the schedule;

(c) Maximum order limitations;

(d) Geographic location; and,

(e) Lower prices for identical items than the prices provided by multiple-award schedules.

(iv) Mandatory Source Lists

The mandatory sources to be used in the procurement of supplies and services are listed below in order of precedence as follows:

Supplies

1. Agency Inventories. (A list of surplus property will be maintained by the Headquarters Division of Management Services and will be periodically distributed to ASCs and Field activities.)

2. Excess Property of Other Agencies or Departments, as listed in GSA bulletins and catalogs.

3. UNICOR (Federal Prison Industries) Catalog, Schedule of Products Made in Federal Penal and Correctional Institutions.

4. Procurement Lists of the Committee for Purchase from the Blind and Other Severely Handicapped.

5. GSA Stock Program and other wholesale suppliers such as Defense Logistics Agency (and its Defense Supply Centers) and the Veterans Administration.

6. Mandatory Federal Supply Schedules.

7. Optional Use Federal Supply Schedules.

8. Commercial Suppliers (including educational and non-profit institutions).

Services

1. Procurement Lists of the Committee for Purchases from the Blind and Other Serverely Handicapped.

2. Mandatory Federal Supply Schedules and Mandatory GSA Term Contracts for Personal Property Rehabilitation.

3. Optional Federal Supply Schedules and Optional GSA Term Contracts for Personal Property Rehabilitation.

4. UNICOR (Federal Prison Industries) Catalog, Schedule of Products Made in Federal Penal and Correctional Institutions or Other Commercial Sources (including educational and nonprofit institutions)

5. Commercial Suppliers (including educational and non-profit institutions).

(2) Reservation of Federal Contracts Under $25,000 for Small Business Concerns:

Public Law 95-507, Section 221, dated October 25, 1978, as implemented by FAR Subpart 13.105 (a), requires each acquisition for supplies, nonpersonal services and construction from commercial sources that has an anticipated dollar value of $25,000 or less and is subject to the small purchases procedures shall be reserved exclusively for small business concerns.

If the Contracting Officer makes a determination that two or more offers from small business concerns cannot reasonably be expected to be competitive in terms of market price, quality, and delivery, the Contracting Officer need not proceed with the small purchases set-aside and may compete the procurement on an unrestricted basis. All unrestricted small purchases must have sufficient documentation in file to support the above determination.

Awards shall be made under small purchases procedures after consideration of mandatory sources and awarded in accordance with small business preferences enumerated below:

(a) Small Business concerns which are also labor surplus area concerns;

(b) Other small business concerns; and

(c) Other concerns which are also labor surplus area concerns.

(3) Imprest Funds (petty cash) - These funds are utilized for quick and simplified procurement and payment of local purchases not in excess of $500 for non-emergencies and $500 for emergencies. Imprest fund purchases may be made without soliciting competition when prices are considered fair and reasonable. However, every effort shall be made to equitably distribute purchases to qualified vendors.

(4) Oral Solicitations or "L" Orders - Solicitation of quotations may be effected orally, using ONLY OSMRE requisition form, OSMRE 12, (formerly OSMRE 1511-1). Cross out the word "REQUISITION", and insert the words "ORAL ORDER."

An oral solicitation or "L" Order must contain the following: names of suppliers contacted, prices, other terms and conditions quoted by each supplier, and handwritten or other informal records enumerating the basis for making the purchase.

(5) Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) Orders

Items that may be stocked by GSA and listed in their supply catalogs (tools, office products, industrial products, furniture) may be ordered from the Federal Supply Service through the FEDSTRIP System.

The following actions shall be taken:

(a) Ordering Office prepares the order on a Requisition Form (OSMRE 12) formerly (OSMRE 1511-1). This order need not be typed but can be submitted in longhand. The requisition is prepared in the same manner as described above except a code number must be supplied.

(b) Ordering Office mails the requisition/FEDSTRIP order to the Branch of General Services (BGS) or the Administrative Service Center that services its Division or Field Office. This function may be delegated by ASCs to Field Offices.

(c) The Branch of General Services, ASC, or Field Office submits SF-344 to the appropriate GSA Commodity Center.

(d) The copies of the SF-344 order are returned to the ordering office. One copy shall serve as the receiving report; the other is for the ordering office procurement file.

(e) GSA will deliver the items to the ordering office and send the billing notice to the Division of Financial Management (DFM). Payment to GSA will be made by means of the Simplified Interagency Billing and Collecting System (SIBAC).

(f) As the items are received, the ordering office shall check them off on the receiving report. After all items are received or otherwise accounted for, the receiving report is forwarded to DFM to substantiate the GSA billings.

(6) Telephone Orders, Printing and Binding Orders - Orders for these goods and services are made on special forms and require specialized procedures and approvals.

Before preparing any order for these items, consult with ASCs, Headquarters Branch of General Services, and/or appropriate contracting activity to obtain information on format, routing, justifications, mandatory supply sources, and approvals required.

(7) Blanket Purchase Agreements - A blanket purchase agreement may be used when it has been clearly established that one of three situations exist: (1) a wide variety of items are required, but the exact items, quantities and delivery requirements are not known in advance and may vary considerably; (2) there is a need to provide local commercial sources for one or more offices or projects; and, (3) where the writing of numerous purchase orders can be avoided through the use of this procedure. Purchases under BPAs must be reviewed at least semiannually to ensure that authorized procedures are being followed. Note: Individual purchases under blanket purchase agreements shall not be in excess of $25,000.

(8) Purchase Orders - The Order for Supplies or Services (Optional Form 347) shall be used for the acquisition of supplies and nonpersonal services from commercial sources when the aggregate amount involved in any one transaction does not exceed $25,000.

(9) Modifications - Effective October 1, 1987, OSMRE 1511-3, Change Order, is deleted and Standard Form 30, Amendment of Solicitation/Modification of Contract, is mandatory.

(10) Contract Award Report (MB-212)

The MB-212 must be completed for all transactions in excess of $10,000 and forwarded to the OSMRE Procurement Data System Quality Control Point.

Effective October 1, 1987, MB-212 will not be required for transactions $25,000 or less. All transactions $25,000 or less shall be reported on the Standard Form 281.

f. Distribution

(1) Purchase Orders

The completed Purchase Order (Optional Form 347) shall be distributed as follows:

Copy 1	Vendor
Copy 2	Procurement File
Copy 3	Division of Financial Management (DFM) Office of Surface Mining P.O. Box 25065 Denver Federal Center Denver, CO 80225
Copy 4	OSMRE Procurement Data System Quality Control Point - Headquarters
Copy 5	Receiving Report - Partial Submit Receiving Report, OSMRE Form 67 to DFM. Receiving Report - Final Submit Receiving Report, Copy 5, of Optional Form 347, to DFM. Complete all boxes on reverse of form under "Receiving Report."
Copy 6	Return to requisitioner

(2) Modifications

The completed Standard Form 30 (see instructions on back of form) shall be distributed as follows:

1 Original (with Contracting Officer's affixed signature)	Vendor
1 Original (with Contracting Officer's affixed signature)	Procurement File
1 Original (with Contracting Officer's affixed signature)	Division of Financial Management Office of Surface Mining Reclamation and Enforcement Denver Federal Center P. O. Box 25065 Denver, CO 80225
1 Facsimile	Requisitioner

(3) Blanket Agreements - shall follow the same distribution above for Purchase Orders.

(4) Oral Orders (OSMRE Form 12) - are distributed as follows:

Copy 1	ORIGINAL - Retain in Procurement files. DO NOT FORWARD TO VENDOR.
Copy (2) and (3)	Hold until vendor's invoice has been received; then forward accounting Copy 2 (yellow) and receiving report Copy 3 (pink), and vendor's invoice to: Division of Financial Management Office of Surface Mining Reclamation and Enforcement P.O. Box 25065 Denver Federal Center Denver, CO 80225
Copy 4	Return to Requisitioner

(5) Explanation of Numbering System

(a) Contracting activity identification symbol and 2-digit location code

(b) Alpha Prefix -

PO-Regular purchase orders including all SF-44 transactions
BP-Blanket purchase orders
LO-Oral purchase orders
DO-Delivery orders

(c) (1) The first 2-digit number represents the location code
(2) The second 2-digit number represents the fiscal year (e.g. HQ 51-PO87-)

(d) The five digit number represents the assigned number from the Advanced Budget/Accounting Control and Information System (ABACIS), (e.g., HQ 51-PO87 = 10,001)

6. Reporting Requirements.

   a. Monthly - Individual Small Purchases Transaction Reports
   b. Quarterly - Summary of Contract Actions (SF-281) $25,000
   c. Weekly - Contract Award Report (MB-212)

7. References.

   a. Department of the Interior Acquisition Regulation (DIAR) Part 1413
   b. Federal Information Resources Management Regulation (FIRMR)
   c. Federal Property Management Regulations (FPMR)
   d. Interior Property Management Regulations (IPMR)
   e. Federal Acquisition Regulation (FAR) Part 13
   f. U.S. Department of The Interior "Sources of Supply and Small Purchases Handbook"
   g. Code of Federal Regulations 41, Chapter 101
   h. OSMRE Directives: OPM-5 "Delegations of Authority"
   i. Interior Procurement Bulletin No. 22
   j. Public Law 95-507
   k. U.S. Government Printing & Binding Regulations and (FAR) Subpart 8.8

8. Effect on Other Documents. Supersedes Directive PRC-3 dated July 19, 1982.

9. Effective Date. Date of Issuance.

10. Contact. Division of Management Services, Branch of Policy and Evaluation, (202) 343-5447.

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Subject: Use of Mandatory Government Supply Sources, Nonmandatory Government Supply Sources, and Small Purchases Procedures

Approval: Title: Acting Director

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2. Definitions.

a. Acquisition - the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.

b. Contracting - purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources.

c. Appointment of Contracting Officers - a "Certificate of Appointment," SF 1402, issued by the Head of the Contracting Activity (HCA) which authorizes an individual to: (1) enter into and administer contracts for personal property and nonpersonal services (including construction) on behalf of the Federal Government and (2) make related determinations and findings. Each Contracting Officer's Appointment shall be subject to the limitations set forth on the Certificate and in accordance with Department of the Interior Acquisition Policy Release (DIAPR) 84-4, dated April 1, 1984.

d. Contracting Officer - an individual who has been delegated the authority to enter into, administer, and/or terminate contracts, and make related determinations and findings, subject to the limitations set forth on the Certificate of Appointment.

e. Mandatory Government Supply Sources - those Government supply sources required by applicable laws and regulations for use by all Federal agencies seeking supplies or services. Mandatory Government supply source lists are identified in descending order of priority later in this directive.

f. Optional (Nonmandatory) Government Supply Sources - the acquiring and use of information resources activities and the acquisition of supplies and nonpersonal services from or through the Government, as prescribed in Part 201 of the Federal Information Resources Management Regulation (FIRMR) and the Federal Property Management Regulations (FPMR).

g. Small Purchases - the acquiring of supplies, nonpersonal services, and construction from commercial sources when the aggregate amount involved in any one transaction does not exceed $25,000.

3. Policy/Procedure

a. Policy - it is the policy of Office of Surface Mining Reclamation and Enforcement (OSMRE) that, to the maximum extent practical, each acquisition of supplies, nonpersonal services, and construction from commercial sources shall be accomplished on a competitive basis.

b. Responsibilities

(1) The Assistant Director, Budget and Administration, - is designated as the Head of the Contracting Activity (HCA); is delegated broad authority regarding the acquisition functions; has overall responsibility for managing the contracting activity; appointing Contracting Officers and terminating their appointments; and, for insuring overall compliance with this directive.

(2) The Chief, Division of Management Services - is responsible for:

(a) administrative management of the Agency acquisition system;

(b) establishment of Agency acquisition policies and procedures;

(c) performance of periodic acquisition reviews, in conjunction with the program evaluation unit, of Administrative Service Centers, Field Offices, Headquarters; and,

(d) management of Headquarters Branch of Procurement.

(3) Assistant Directors and Field Office Directors - are responsible for insuring compliance with this directive.

c. Functional Responsibilities

(1) Administrative Service Centers, Field Offices, and Headquarters - Nominations for Contracting Officers shall be made in writing by the Assistant Directors, Eastern and Western Field Operations, and the Chief, Branch of Procurement for Headquarters, and forwarded to the Chief, Management Services Division, Headquarters, for review and recommendation. The nomination memorandum must be accompanied by the nominee's Personal Qualification Statement (Standard Form 171) and proof, at a minimum, of completion of a Small Purchases course.

Delegations of Contracting Officers' authority shall be made to individuals who meet the standards in DIAPR 84-4 for a Level I or Level II Contracting Officer. Generally, these warrants shall contain the following delegations and limitations:

a Mandatory Procurement Sources

Limited to purchases up to individual warranted authority ($10K Field Office, $25K ASCs and Headquarters).

b Non-Federal Sources

1 Order for Supplies or Services (Optional Form 347)

Mandatory use of OF 347 is effective with the issuance of Fiscal Year 1988 Blanket Purchase Agreements and Purchase or Delivery Orders effective October 1, 1987.

Limited to purchases up to individual warranted authority ($10K Field Offices, $25K ASCs and Headquarters).

2 Oral Order OSMRE 12, formerly (OSMRE 1511-1)

Limited to purchases up to individual warranted authority ($10K Field Offices, $25K ACSs and Headquarters).

3 Standard Form 44, Purchase Order-Invoice-Voucher

Limited to non-emergency purchases up to $500

Limited to emergency Abandoned Mine Lands purchases up to $2000.

Contracting Officers may solicit oral or written quotations for procurement actions which exceed their warrants. However, Administrative Service Centers will issue appropriate procedures, to Field Offices within their jurisdiction, for processing these procurement actions.

(2) Headquarters Division of Management Services -

The Division of Management Services shall perform the following functions:

(a) develop OSMRE contracting policies and procedures;

(b) evaluate contracting activities compliance with OSMRE contracting policies and procedures;

(c) perform periodic reviews of all contracting activities; and,

(d) provide technical assistance to ASCs and Headquarters.

d. Procedures

Processing Requisitions: The prenumbered requisition form OSMRE-122 shall be the form utilized by all OSMRE employees for supplies and services when the aggregate amount involved in any one transaction does not exceed $25,000.

Each requisition shall, as a minimum, provide the following information: date items required, delivery information, telephone number of requisitioner, office account number, description of items or services, a written justification to support purchase of items. The written justification must clearly articulate why supplies or services are needed to implement authorized programs and must be signed/approved by an official delegated requisitioning authority as set forth in the OSMRE Directive, Delegation of Authority (OPM-5), dated October 1,1986.

A further written justification is required when specific brand names are requested or a single source (noncompetitive) vendor is recommended. This justification shall clearly set forth and define the reasons for the specific brand name along with the salient characteristics and the single source recommendation.

All requisitions prepared in the Administrative Service Centers and Field Offices shall be submitted to the Contracting Officer who shall assign a purchase order number and accomplish the procurement. Requisitions initiated by Headquarters employees shall be transmitted directly to the Branch of Procurement.

e. Methods of Procurement

(1) Purchases of supplies and services can be obtained through the use of various methods of procurement utilizing the small purchases procedures.

(a) Solicitation - Generally, solicitation of quotations may be effected orally except that a written solicitation must be used for construction contracts over $2,000. Records of vendors contacted and quotes received shall be documented on Small Purchases Data Sheet. This shall serve as an informal record which should clearly reflect the propriety of placing the orders at the prices paid the suppliers.

(b) Competition - Competition is required for all purchases in excess of $1,000. Those not in excess of $1,000 may be accomplished without securing competitive quotations, if a determination can be made that prices are considered to be fair and reasonable. In this regard, administrative costs involved in verifying reasonableness or prices shall be considered. All actions requiring competition shall be documented and maintained as part of the small purchases files.

(c) Mandatory Use of Federal Supply Schedules

Prior to soliciting a commercial source, the Contracting Officer shall determine if the required supplies or services, or similar supplies or services, fulfilling the same purpose, are available from Federal Supply Schedules as identified below. The Contracting Officer shall follow procedures prescribed in FPMR Subpart 101-26.4 for exceptions to mandatory use.

(i) Single-Award Schedule

This schedule shall be used as a primary source. Each schedule contains a statement identifying specific agencies in designated geographic areas required to use established contracts as "Primary Sources of Supply" in lieu of procuring similar items from any other source. Agencies required to use a Federal Supply Schedule SHALL procure available items from a competitive contract (single award) listed in that Schedule as a primary source.

(ii) Multiple-Award Schedule

This schedule shall be used only as a secondary source and covers contracts made with more than one supplier for comparable items at either the same or different prices for delivery to same geographic area. Contracting officers shall adhere to the lowest price concept per line item made from a multiple award schedule as prescribed in Federal Property Management Regulations (FPMR) Subpart 101-26.408.

(iii) Exceptions to Mandatory Use

(a) Urgent requirements;

(b) Small requirements below the dollar or quantity minimums specified in the schedule;

(c) Maximum order limitations;

(d) Geographic location; and,

(e) Lower prices for identical items than the prices provided by multiple-award schedules.

(iv) Mandatory Source Lists

The mandatory sources to be used in the procurement of supplies and services are listed below in order of precedence as follows:

Supplies

1. Agency Inventories. (A list of surplus property will be maintained by the Headquarters Division of Management Services and will be periodically distributed to ASCs and Field activities.)

2. Excess Property of Other Agencies or Departments, as listed in GSA bulletins and catalogs.

3. UNICOR (Federal Prison Industries) Catalog, Schedule of Products Made in Federal Penal and Correctional Institutions.

4. Procurement Lists of the Committee for Purchase from the Blind and Other Severely Handicapped.

5. GSA Stock Program and other wholesale suppliers such as Defense Logistics Agency (and its Defense Supply Centers) and the Veterans Administration.

6. Mandatory Federal Supply Schedules.

7. Optional Use Federal Supply Schedules.

8. Commercial Suppliers (including educational and non-profit institutions).

Services

1. Procurement Lists of the Committee for Purchases from the Blind and Other Serverely Handicapped.

2. Mandatory Federal Supply Schedules and Mandatory GSA Term Contracts for Personal Property Rehabilitation.

3. Optional Federal Supply Schedules and Optional GSA Term Contracts for Personal Property Rehabilitation.

4. UNICOR (Federal Prison Industries) Catalog, Schedule of Products Made in Federal Penal and Correctional Institutions or Other Commercial Sources (including educational and nonprofit institutions)

5. Commercial Suppliers (including educational and non-profit institutions).

(2) Reservation of Federal Contracts Under $25,000 for Small Business Concerns:

Public Law 95-507, Section 221, dated October 25, 1978, as implemented by FAR Subpart 13.105 (a), requires each acquisition for supplies, nonpersonal services and construction from commercial sources that has an anticipated dollar value of $25,000 or less and is subject to the small purchases procedures shall be reserved exclusively for small business concerns.

If the Contracting Officer makes a determination that two or more offers from small business concerns cannot reasonably be expected to be competitive in terms of market price, quality, and delivery, the Contracting Officer need not proceed with the small purchases set-aside and may compete the procurement on an unrestricted basis. All unrestricted small purchases must have sufficient documentation in file to support the above determination.

Awards shall be made under small purchases procedures after consideration of mandatory sources and awarded in accordance with small business preferences enumerated below:

(a) Small Business concerns which are also labor surplus area concerns;

(b) Other small business concerns; and

(c) Other concerns which are also labor surplus area concerns.

(3) Imprest Funds (petty cash) - These funds are utilized for quick and simplified procurement and payment of local purchases not in excess of $500 for non-emergencies and $500 for emergencies. Imprest fund purchases may be made without soliciting competition when prices are considered fair and reasonable. However, every effort shall be made to equitably distribute purchases to qualified vendors.

(4) Oral Solicitations or "L" Orders - Solicitation of quotations may be effected orally, using ONLY OSMRE requisition form, OSMRE 12, (formerly OSMRE 1511-1). Cross out the word "REQUISITION", and insert the words "ORAL ORDER."

An oral solicitation or "L" Order must contain the following: names of suppliers contacted, prices, other terms and conditions quoted by each supplier, and handwritten or other informal records enumerating the basis for making the purchase.

(5) Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) Orders

Items that may be stocked by GSA and listed in their supply catalogs (tools, office products, industrial products, furniture) may be ordered from the Federal Supply Service through the FEDSTRIP System.

The following actions shall be taken:

(a) Ordering Office prepares the order on a Requisition Form (OSMRE 12) formerly (OSMRE 1511-1). This order need not be typed but can be submitted in longhand. The requisition is prepared in the same manner as described above except a code number must be supplied.

(b) Ordering Office mails the requisition/FEDSTRIP order to the Branch of General Services (BGS) or the Administrative Service Center that services its Division or Field Office. This function may be delegated by ASCs to Field Offices.

(c) The Branch of General Services, ASC, or Field Office submits SF-344 to the appropriate GSA Commodity Center.

(d) The copies of the SF-344 order are returned to the ordering office. One copy shall serve as the receiving report; the other is for the ordering office procurement file.

(e) GSA will deliver the items to the ordering office and send the billing notice to the Division of Financial Management (DFM). Payment to GSA will be made by means of the Simplified Interagency Billing and Collecting System (SIBAC).

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(6) Telephone Orders, Printing and Binding Orders - Orders for these goods and services are made on special forms and require specialized procedures and approvals.

Before preparing any order for these items, consult with ASCs, Headquarters Branch of General Services, and/or appropriate contracting activity to obtain information on format, routing, justifications, mandatory supply sources, and approvals required.

(7) Blanket Purchase Agreements - A blanket purchase agreement may be used when it has been clearly established that one of three situations exist: (1) a wide variety of items are required, but the exact items, quantities and delivery requirements are not known in advance and may vary considerably; (2) there is a need to provide local commercial sources for one or more offices or projects; and, (3) where the writing of numerous purchase orders can be avoided through the use of this procedure. Purchases under BPAs must be reviewed at least semiannually to ensure that authorized procedures are being followed. Note: Individual purchases under blanket purchase agreements shall not be in excess of $25,000.

(8) Purchase Orders - The Order for Supplies or Services (Optional Form 347) shall be used for the acquisition of supplies and nonpersonal services from commercial sources when the aggregate amount involved in any one transaction does not exceed $25,000.

(9) Modifications - Effective October 1, 1987, OSMRE 1511-3, Change Order, is deleted and Standard Form 30, Amendment of Solicitation/Modification of Contract, is mandatory.

(10) Contract Award Report (MB-212)

The MB-212 must be completed for all transactions in excess of $10,000 and forwarded to the OSMRE Procurement Data System Quality Control Point.

Effective October 1, 1987, MB-212 will not be required for transactions $25,000 or less. All transactions $25,000 or less shall be reported on the Standard Form 281.

f. Distribution

(1) Purchase Orders

The completed Purchase Order (Optional Form 347) shall be distributed as follows:

Copy 1	Vendor
Copy 2	Procurement File
Copy 3	Division of Financial Management (DFM) Office of Surface Mining P.O. Box 25065 Denver Federal Center Denver, CO 80225
Copy 4	OSMRE Procurement Data System Quality Control Point - Headquarters
Copy 5	Receiving Report - Partial Submit Receiving Report, OSMRE Form 67 to DFM. Receiving Report - Final Submit Receiving Report, Copy 5, of Optional Form 347, to DFM. Complete all boxes on reverse of form under "Receiving Report."
Copy 6	Return to requisitioner

(2) Modifications

The completed Standard Form 30 (see instructions on back of form) shall be distributed as follows:

1 Original (with Contracting Officer's affixed signature)	Vendor
1 Original (with Contracting Officer's affixed signature)	Procurement File
1 Original (with Contracting Officer's affixed signature)	Division of Financial Management Office of Surface Mining Reclamation and Enforcement Denver Federal Center P. O. Box 25065 Denver, CO 80225
1 Facsimile	Requisitioner

(3) Blanket Agreements - shall follow the same distribution above for Purchase Orders.

(4) Oral Orders (OSMRE Form 12) - are distributed as follows:

Copy 1	ORIGINAL - Retain in Procurement files. DO NOT FORWARD TO VENDOR.
Copy (2) and (3)	Hold until vendor's invoice has been received; then forward accounting Copy 2 (yellow) and receiving report Copy 3 (pink), and vendor's invoice to: Division of Financial Management Office of Surface Mining Reclamation and Enforcement P.O. Box 25065 Denver Federal Center Denver, CO 80225
Copy 4	Return to Requisitioner

(5) Explanation of Numbering System

(a) Contracting activity identification symbol and 2-digit location code

(b) Alpha Prefix -

PO-Regular purchase orders including all SF-44 transactions
BP-Blanket purchase orders
LO-Oral purchase orders
DO-Delivery orders

(c) (1) The first 2-digit number represents the location code
(2) The second 2-digit number represents the fiscal year (e.g. HQ 51-PO87-)

(d) The five digit number represents the assigned number from the Advanced Budget/Accounting Control and Information System (ABACIS), (e.g., HQ 51-PO87 = 10,001)

6. Reporting Requirements.

   a. Monthly - Individual Small Purchases Transaction Reports
   b. Quarterly - Summary of Contract Actions (SF-281) $25,000
   c. Weekly - Contract Award Report (MB-212)

7. References.

   a. Department of the Interior Acquisition Regulation (DIAR) Part 1413
   b. Federal Information Resources Management Regulation (FIRMR)
   c. Federal Property Management Regulations (FPMR)
   d. Interior Property Management Regulations (IPMR)
   e. Federal Acquisition Regulation (FAR) Part 13
   f. U.S. Department of The Interior "Sources of Supply and Small Purchases Handbook"
   g. Code of Federal Regulations 41, Chapter 101
   h. OSMRE Directives: OPM-5 "Delegations of Authority"
   i. Interior Procurement Bulletin No. 22
   j. Public Law 95-507
   k. U.S. Government Printing & Binding Regulations and (FAR) Subpart 8.8

8. Effect on Other Documents. Supersedes Directive PRC-3 dated July 19, 1982.

9. Effective Date. Date of Issuance.

10. Contact. Division of Management Services, Branch of Policy and Evaluation, (202) 343-5447.