

CARE FUNCTIONAL REVIEW
ACQUISITION OF SUPPLIES, SERVICES, AND EQUIPMENT

For information on the interpretation or clarification on the functional questions in this section, please contact Linda Wilson on 301-504-1733.

2 Acquisition

- Select 10 percent of orders from the purchase order log book for review. Look carefully at orders placed during the last two weeks of the fiscal year and at orders over \$2,500.

2.01 Requisitions

Reference Field Acquisition Manual (FAM) 213.2M, updated 2002, and FAR Part 13, REE Purchase Card Program Manual 213.3M, Departmental Regulation 5013-6, APC/LAPC Purchase Card Program Guide.

- AD-700 Procurement Request: Ensure the file includes an AD-700 Procurement Request complete with required sub-account, specifications, funding, estimates, justifications, and approval.
- Verify that the AD-700 is signed by an authorized individual. Verify that the AD-700 has a procurement request number and is properly dated.
- Verify that a tracking system is in place to handle the administration of procurement requests, contracts, purchase orders, assignments of requests for action. An example would be to have a manual or automated log. Verify that an action is traceable through the system. Is there a management information system in place to report on status of sensitive actions?
- If the AD-700 has been entered in FFIS for commitment accounting, the FFIS RQ print screen must be with the AD-700.

2.02 Procurement

- Verify that current P&P's, Bulletins, etc., are readily available.
- Document the kind of random review and supervision of the purchasing function at the Location to insure efficiency and compliance with regulations. What is the Area's involvement in this regard?

2.02-1.01 Blanket Purchase Agreements (BPA's)

- Ensure that BPA's are replaced by using the purchase card when appropriate.
- Ensure that BPA's are documented on an AD-838 Type 45 and contain all the necessary terms and conditions, including individuals authorized to place orders and extent of their authority, and securing maximum discounts. (FAM 213.2M and FAR Part 13.303).

- Ensure BPA orders are only used by those individuals authorized on the agreement (FAR Part 13.303).
- Check to see that whenever possible, contractors invoice monthly rather than invoicing for each call order (FAR Part 13.303 and FAM). This is to reduce paperwork and cost to the Government.
- Ensure BPA's are reviewed annually to reaffirm the need and proper usage (FAM 213.2M and FAR Part 13.303).
- Ensure that call orders over \$2,500 are documented to show that competition was obtained or notation for sole-source (FAR Part 13.303 and FAM).
- Ensure that individual call orders do not exceed the maximum call order limit (FAM 213.2M and FAR Part 13.303).
- Ensure that BPA's do not exceed the total dollar limitation or its stated time period.

2.02-1.02 Purchase/Delivery Orders

- Check logbooks for orders just under \$100,000 representing split requirements that were broken down into several purchases merely to permit the use of simplified acquisition procedures. Look for open market purchase orders that exceed the \$100,000.
- Check logbooks for multiple orders to same vendor/merchant broken down to remain under warrant authority.
- Check purchase orders for best value and/or price reasonableness determinations.
- Ensure there is an awareness of the procedures for ratification of unauthorized obligations (P&P 212.16).
- Ensure that confirming orders are documented to show need for a confirming order and who placed it (FAR Part 13 and FAM).
- Ensure that the total value of the order is within the delegated authority of the contracting officer.
- Check to see if the purchasing agents are using required sources properly, particularly, Javits-Wagner-O-Day (JWOD) Act program sources (FAR 8).
- Check to see if procurement outreach efforts are being accomplished. Is there an awareness of the procurement preference program in terms of need to locate small businesses, small disadvantaged businesses, women-owned businesses, HUBZones, and service disabled veterans? (FAR13 and 19, DR 5090-002, DR5090-003).

Are there established procedures for accepting capability statements and/or market literature from small businesses? Are these small businesses being added to source lists? For open-market projects between \$25,000 and \$100,000 are there at least one each of the following small business concerns identified on the source list: small business, woman-owned small business, small disadvantaged business, and service-disabled veteran?

- Ensure that Small Business - Small Purchase Set-Aside regulations are adhered to: Purchases over \$2,500 must be set-aside for small businesses. The file should be documented as stated in FAR 19.506(c) should dissolution of the set-aside be necessary. Note: Orders under \$2,500 (micro-purchases) do not have to be set aside for participation by small business.
- Very Small Business Set-Aside (open market only). Applies if the dollar value is between \$2,500 and \$50,000 and the contracting office is located within the geographical area served by a designated SBA district; or the service will be performed in the geographical area, then check to see if the project was set aside for Very Small Business Concerns (FAR 19.9): Albuquerque, NM; Los Angeles, CA; Boston, MA; Louisville, KY; Columbus, OH; New Orleans, LA; Detroit, MI; Philadelphia, PA; El Paso, TX; or Santa Ana, CA. (This excludes the Small Business Competitiveness Demonstration Program).
- Check log book for multiple orders less than \$25,000 that may have been broken down into several purchases merely to circumvent synopsis requirements.
- Ensure that the Small Business Competitiveness Demonstration Program regulations are adhered to: Requirements such as construction, A-E, and refuse services should be acquired according to the Small Business Competitive Demonstration Act. (FAR 19.10, Policy Memorandums 19-04 and 19-08, APD ALERT No. 2004-08. The ALERT covers the authority for FY 2004, however, it should continue to be used until FY 2005 has been established and published in a new ALERT).
- Verify that all open-market requirements of \$25,000 or greater were posted on FEDBizOpps. (FAR 4 and 13). Note that AGAR Advisory 37A waives posting of service requirements between \$25,000 and \$100,000 through March 31, 2005. Supply requirements between \$25,000 and \$100,000 must be posted.
- Ensure that competition is obtained for requirements over \$2,500. If not, the file should document why competition was not feasible or not obtained. For non-competitive purchases exceeding \$2,500, ensure price reasonableness is included in the file (FAR Part 13 and FAM).
- Services over \$2,500: If subject to the Service Contract Act, wage rates should be obtained through Wage Determinations On Line and incorporated in the order. (FAR 13, APD ALERT 2004-04)
- Actions under the Small Business Competitiveness Demonstration Program: Verify that it was entered in FPDS-NG in accordance with FPDS procedures, in the specified time from the FPDS Reporting Manual, and a printout of the FPDS-NG action is in the file. Note: The Small Business Competitiveness Demonstration Program actions for FY 2004 and FY 2005 (construction, refuse, services, etc.) of any dollar value must be entered in FPDS-NG. Verify the SF-281 Code "22" is used on purchase orders to ensure the action is not counted twice.
- Construction over \$2,000: Ensure Davis-Bacon Wage Rates are incorporated in the order (FAR Part 22 and FAM).

- Request for quotes: The file should be documented to show the method of solicitation, either orally or in writing. Written competition is required for construction over \$2,000 (FAR Part 13 and FAM).
- Ensure that source lists are maintained and used to select sources for simplified acquisitions. This includes GSA (FAR Part 8, FAR 13, and FAM).
- Defaults - In case of Termination for Default, did the office charge the excess costs of any reprourement action to the defaulted contractor?
- Ceiling price: Are ceilings established for all estimated orders?
- Delivery date: Does the order contain a definitive or determinable date for delivery of supplies or performance of services.
- Are AD-838's, Purchase Orders, prepared in accordance with the instructions on IRS Form 1099 reporting requirements (NFC Manual Title II, Chapter 5, Section)?
- Check to see if procurement files are well maintained and organized. All pertinent data should be kept in the contracting officer's file.
- FFIS print screen of the VEND Table Record for the vendor's remittance address must be in the file with the purchase order.
- Ensure that as stated in FAR Part 4.805, the Location retains records as follows: 1) Construction contracts over \$2,000 and all other contracts over \$25,000 for 6 years and 3 months after final payment; 2) Signed construction contract of \$2,000 or less and all other contracts of \$25,000 or less 3 years after final payment; 3) Records pertaining to contracts using simplified acquisition procedures 1 year after final payment. Refer to Part 4 for detailed information.
- Verify that all proposed contract actions between \$10,000 and \$25,000 are displayed in a public place or placed on FEDBizOpps (FAR 5)
- Confirm that purchasing agents are aware of the CCR requirements prior to issuance of purchase orders.

2.02-1.03 Purchase Cards

- Qualification and Training of LAPC
 - Verify that the LAPC is in the 1102 or 1105 series. For those not in the 1102 or 1105 series, check to see what procurement training have they received to qualify them as a Level 1B Contracting Officer. This does not mean that the LAPC has to be warranted (APC/LAPC Program Guide and Departmental Regulation 5001-1).

- Reference Tools
 - Check to see what tools the LAPC is using to manage and provide oversight of the purchase card program (i.e., Discoverer, PCMS, PCMS Newsletters, etc).
- Reports
 - Check to see if LAPC has submitted any monthly or quarterly reports on Purchase Card/Check Use and Reconciliation to the Area.
- Management and Oversight
 - Check to see if the LAPC is performing any reviews of cardholder transactions for compliance with existing procurement policies, i.e., random review of cardholder transactions.
- Ensure that cardholder keeps a log for recording purchase card transactions (REE Purchase Card Program Manual 213.3M).
- Disputes
 - Ensure the cardholder maintains a separate file of disputed purchase card transactions with required documents to ensure credits are received in a timely manner and to ensure items are credited appropriately when resolved. (REE Purchase Card Manual 213.3M)
- What kind of random review is done on the purchases made by the purchase card?

2.02-1.04 Training

- Verify warrants are posted (FAR Part 1.602-1).
- Verify training plans are in place to maintain and enhance purchasing/contracting skills (FAR Part 1.603 and DR5001-1).

2.02-1.05 Federal Supply Schedule (FSS)

- Ensure that delivery orders used to purchase from the FSS have (per FAR Part 13 and FAM):
 - The "Delivery Order" block checked on the AD-838.
 - The special item number shown for each item.
- Ensure there is a printout of confirmation from FPDS-NG in the file for delivery orders and delivery order modifications over \$25,000 (FAR 13)
- Ensure that quotes have been obtained from at least 3 schedule contracts before placing an order with FSS contractor. (FAR 8.404(b)(2))

2.03 Administration

2.03-1 Simplified Acquisitions

- Ensure there is an effective tracking system and procedure for determining contract and order completion and final payment for closeout purposes.
- Scope of Order: If a modification increased the supplies or services ordered, it should be within the scope of the original order. If not, it should be justified as a "new procurement" action (FAR Part 13 and FAM).
- Supplemental agreement: Ensure that if a modification increased the total over \$100,000 and it was by supplemental agreement, it incorporated the mandatory contract clauses.

2.03-2 Receiving Reports

- Receiving reports over \$1,000 must be signed and dated and promptly released to NFC (FAM 213.2 and NFC Policy and Procedures for Purchase Orders, Title II, Chapter 5, NFC Manual).

2.03-3 Invoice/Payments/Closeout

- Verify there is evidence of record of invoice/payment in the file and evidence of final payment. (FAR 4.804-3)
- Verify there is evidence of closeout in the file. (FAR 4.804-5)

PERSONAL PROPERTY

For information on the interpretation or clarification on the functional questions in this section, please contact Cheryl Brumback on 202-270-2359.

2.04 Personal Property

2.04-1 Organizational Structure

- Determine who has delegated authority as the location's property management officer (PMO) and who performs the PMO's duties and responsibilities. Determine if the Area PMO provides any operational support for the location's property functions.
- How many designated Accountable Property Officers (APO's) does the location have?
- Determine how the PMO ensures that new APO's are aware of their duties and responsibilities. (See REE Manual 221.1M, Section 2, Property Management Authority, Subsection "Accountable Property Officers.")

2.04-1.01 Training

- Verify whether the property staff has the support and training to perform property management functions. Determine whether they need additional training or support to perform property management functions.

2.04-1.02 Reference Material

- Ensure that the location's property staff has the latest versions of the following personal property references:
 - REE Manual 221.1M, Personal Property, Motor Vehicle, & Aircraft Management, dated 8/3/99.
 - NFC Procedures Manual, Personal Property System (PROP), dated March 1998.
 - Property Management Quick Guide (dated 2004).

2.04-2 Property Control, Accountability, and Inventory

- Review property management files. Determine whether the location maintains consolidated files for each APO or a separate files for inventories, excess, transfers, etc. Confirm that the files contain copies of physical inventories, purchase documents for inventory items, excess and unserviceable property reports, and completed disposal documents.
- Review inventory records to ensure that the location performs physical inventories every 2 years and whenever there is an APO change. Verify that the files contain a copy of the current physical inventory, signed by the APO. (See REE Manual 221.1M, Section 4, Physical Inventories and Agriculture Property Management Regulations, AGPMR 104-

51.106. Note: The PROP28 Report in PMIS/PROP will list the APO name, address, and latest inventory date to help CARE Team confirm current/delinquent inventories.)

- Determine who performs the physical inventory, certifies its accuracy, and reconciles the official property records.
- Verify whether the APO receives a copy of the reconciled inventory as stated in REE Manual 221.1M, Section 4, Physical Inventories, Subsection “Reconciling Physical Inventories”.
- Explain any problems that occur when conducting and completing physical inventories.
- Confirm that appropriate managers authorize property passes (i.e., memoranda, forms AD-873, OF-7, Property Pass, AD-107, etc.) to employees when removing Government property from the location.
- Determine how the location ensures departing employees return Government property.

2.04-2.01 Property Receipt and Identification

- Determine whether the property staff receives copies of purchase documents (AD-838, Purchase Order, AD-700 for Purchase Card, etc.) from the purchasing agent/contracting officer at the time of the purchase.
- Explain how the property staff requests serial number information from the APO, assigns the barcode/NFC-ID (AG number), and updates new accountable property in PMIS/PROP. (See REE Manual 221.1M, Section 3, Accountability and Control, Subsection “Receipt Documents for Accountable Property.”)

2.04-2.02 Personal Property Suspense Reports

- Determine how often the location receives Suspense Reports from the Area and how they reconcile transactions to within 60 days of receipt and within 30 days of appearing on Suspense. (See REE Manual 221.1M, Section 5, Suspense Listings, and APD Policy Memorandum 221.1-04, Reconciling Area Suspense Reports, dated 3/9/00. At a **minimum**, locations should receive monthly reports. However, reconciling every two weeks reduces administrative burdens.)
- Explain any problems that occur when reconciling Suspense Reports.

2.04-2.03 Sensitive Property

- Verify whether the location has any sensitive property (firearms and law enforcement badges). Ensure firearms are properly secured, bar coded, and listed on the location’s official inventory. (REE Manual 221.1M, Section 2, Accountability and Control, subsection “Sensitive Property”, all firearms and law enforcement badges are considered sensitive and are accountable property).
- Determine whether the location or Area has declared other types of Government property as sensitive.

2.04-2.04 Reporting Property Theft, Loss, or Damage

- Determine if the location has experienced any property theft, loss, or damage. Ensure the location documents incidents (form AD-112, Report of Unserviceable, Lost, Stolen, or Damaged Property), including obtaining statements from the custodian, supervisor, APO and appropriate law enforcement officials (for thefts). Confirm documentation contains appropriate signatures from the APO and that the PMO properly removes accountable property records from PMIS/PROP. (See REE Manual 221.1M, Section 9, Reporting Lost, Stolen, or Damaged Property.)

2.04-3 Property Exchange

- Determine whether the location evaluates property that is no longer needed for possible reassignment or exchange potential.
- Ensure that the location follows exchange sale procedures, including the list of ineligible property categories, follows the definition of similar items (within the same Federal Supply Classification Group), and applies the one for one rule. (See REE Manual 221.1M, Section 13, Exchange/Sale of Property and Federal Management Regulations, FMR 102-39 for the ineligible list.)
- Confirm that the location documents the trade-in/exchange process on the purchase document, lists the item description, serial number, AG number if accountable, and the trade-in amount. Ensure the PMO accurately removes the item in PROP when the trade-in involves accountable property.

2.04-4 Acceptance of Gifts

- Determine whether the location has accepted any Unconditional Gifts and who has the authority to accept Gifts on behalf of ARS. (See REE Manual 221.1M, Section 18, Acceptance of Gifts, Subsection “ARS Field”.)
- Confirm that the location ensures that the Gift meets the acceptance criteria (not from a prohibited source), documents the receipt, and updates PROP if the gift meets the accountability criteria. (See REE Manual 221.1M, Section 18, Acceptance of Gifts, Subsection “Unconditional Gifts”.)

2.04-5 Excess Property

- Confirm the process the location uses to determine whether excess property is available before acquiring new acquisitions (first source of supply as applicable). Determine the methods that the location uses to view available excess property.
- Explain the procedures APO’s use to report excess property. What type of documentation (memorandum, forms SF-120 or AD-107) does the location require? Review property files to ensure the documentation contains the APO’s signature or approval (if E-mail) and lists the excess condition code.

- Review files to ensure that the PMO reports excess property through PMIS/PROP, for both accountable and non-accountable property. (According to FMR 102-36, Federal regulations require agencies to report most all excess property.) Confirm that the files contain documentation of required screening (such as screen prints from PROP or file notations).
- Ensure that the PMO is aware of the required screening for excess property pending disposal action. (The required screening time frames are revised from 30-day departmental screening for reportable property/15-day screening for non-reportable property to 15-day departmental screening for all USDA excess, from a 21-day Federal utilization screening and 21-day donation screening to a combined 21-day screening for GSA screening. See REE Manual 221.1M, Section 10, Reporting Excess Property and FMR-102-36 for revised time frames.)
- Explain how the location maintains accountability and control of excess pending disposal. Does the location have a storage area for pending excess, how is excess labeled or identified? (See REE Manual 221.1M, Section 10, Reporting Excess Property, Subsection “Procedures”.)
- Explain circumstances when the PMO bypasses required screening and authorizes abandonment or destruction using form AD-112. Review files to ensure documentation contains written determinations for abandonment or destruction (property has no commercial value, cost of continued care and handlings exceeds sales, proceeds, etc), appropriate signatures, and condition codes.
- Ensure the location properly documents property disposal and confirm that if the location donates excess in lieu of abandonment or destruction, they donate to “public bodies”, which are organizations that receive Federal, state, or local funding, not non-profit organizations. (See REE Manual 221.1M, Section 16, Abandonment and Destruction, Subsection “Donation to Public Bodies” and FMR 102-36.)
- Confirm that the location posts the “Public Notice of Abandonment or Destruction” when disposing of excess with an acquisition cost of \$500 or more. (See REE Manual 221.1M, Section 16, Abandonment and Destruction, Subsection “Public Notice” and FMR 102-36.)
- Determine whether the location has procedures in place to clear hazardous materials from excess property before disposal.
- Explain any problems that occur when reporting excess.

2.04-5.01 Transfers under Specific USDA Donation Programs

- Determine whether the location has donated excess property under the following USDA’s Donation Programs, Stevenson-Wydler Technology Act, Executive Order 12999 Computers for Education, 1862 (Land Grant) Institutions, and FAIR-1890 (Historically Black), 1994 (Native American), and HIS (Hispanic Serving) Institutions.
- Review files to ensure the PMO first reports available property as excess in PMIS/PROP for required USDA screening. Ensure the location receives a justification statement from

the eligible donee. Ensure the transfer document, form SF-122, Transfer of Excess Property, contains the appropriate signatures. (Refer to REE Manual 221.1M, Section 17, USDA Donation Programs. Also refer to APD Policy Memorandum, 104-01, Revised Guidelines for Excess Research Equipment under the Stevenson/Wydler Technology Act, Including Executive Order 12999, Computers for Education, dated 5/14/99. Note: USDA no longer requires donation agreements.)

- Confirm that the location reports transfers under the Donation Program to their APMO for inclusion in the required annual report.

2.04-6 Agency Administered Sales

- Verify that files contain appropriate sales documentation, including form OF-15, Sale of Government Property, and form OF-16, Sales Slip. Ensure the location deposits sale proceeds into the appropriate suspense account fund if sale is exchange sale property, or US Treasury for sale of surplus property.
- Ensure that the location is aware that USDA prohibits selling property to employees who are or were accountable for the property, used the property, or connected with its declaration as excess or sale. (See REE Manual 221.1M, Section 14, Agency Administered Sales, Subsection “Exemptions” and AGPMR 104-45.302.)

2.04-7 Motor Vehicles

- Confirm that the location is aware of the Area’s limits on passenger vehicles (sedans/station wagons) and that the location justifies any fleet additions.
- Ensure that the location acquires vehicles that meet the Federal fuel average fleet economy standard, meet replacement standards, and are the minimum size necessary to accomplish the mission. Ensure the location includes justifications when ordering vehicles other than standard vehicles. (This may be accomplished at the Area level. However, locations are responsible for requesting replacement vehicles according to requirements listed in REE Manual 221.1M, Section 19, Motor Vehicle Management, Subsection “Replacement Standards” and FMR 102-34.)
- Verify whether the location has purchased alternative fueled vehicles (AFV’s). Determine if the location is required to purchase AFV’s. (See APD Policy Memorandum 221.1-07, Preference for Using Alternative Fuels and Alternative Fueled Vehicles, dated 1/22/02. **Federal regulations require agencies in specific geographic locations, based on the county and zip code, to purchase AFV’s**). If the location is required to purchase AFV’s, confirm that the location/Area maintains justifications for when AFV’s will not meet their needs.
- Verify whether the location maintains any vehicles that are exempt from Federal markings and identification. If so, confirm that the location has requested proper approval. (See REE Manual 221.1M, Section 23, Vehicle Operations, Subsection Vehicle Registration/Identification Exemption.)
- Ensure the location properly identifies Government vehicles with Government tags, decal AD-792, For Official Use Only, USDA (if the location uses the newer version of USDA tags that are imprinted with “For Official Use”, they no longer need decal AD-792), AD-

185, Penalty for Unofficial Use, form AD-651, Accident Reporting Kit, and form ARS-715, Operational and Maintenance Record, or other method for recording and tracking vehicle operational data. (The location may use the ARS-715 or use any other method to record and track vehicle operational data that is not captured through the Voyager Fleet Card.) The location should receive tags and decals from the Area before vehicle receipt.

- Ensure that the location maintains motor vehicle dispatch records/logs that provide reasonable audit trails to verify official use. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, Subsection “Supervisory Responsibilities” and AGPMR 104-38.301(c)(3).
- Ensure that the location secures vehicle keys and fleet cards when they are not in use.
- Determine how the location mechanically inspects Government vehicles according to State/local requirements. If there are no State or local requirements, the location should follow the manufacturer’s recommendations.
- Determine how the location performs and documents annual visual safety inspections. Verify that they promptly repair any noted repairs or problems. (See REE Manual 221.1M, Section 23, Vehicle Operations, Subsection “Visual Safety Inspections” and APD Policy Memorandum 221.1-06, Motor Vehicle Visual Safety Inspections, dated 11/29/00.)
- Explain how the location tracks quarterly vehicle operational and maintenance data and updates information to PROP for all transactions that occur using any other payment method other than the Voyager fleet card. This includes Government provided fuel and maintenance from an on-site facility. The Voyager fleet card automatically captures transaction data (odometer reading, number of gallons and cost of fuel, maintenance costs,) through PCMS-Fleet and feeds the information to PMIS/PROP. (See APD Policy Memorandum 221.1-05, Motor Vehicle Reporting Requirements, dated 10/11/00, and REE Manual 221.1M, Section 23, Vehicle Operations, Subsection “Reporting Operational and Maintenance Data”.)
- Verify whether the location has employees that use Government vehicles for Official Home-to- Work Transportation Authority”. Verify that the employee is in a job series authorized for Home-to-Work. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, subsection “Home to Work Transportation”, and Department Regulation 5400-5, Use of Government Vehicle for Home-to-Work Transportation, Appendix A, for the list of authorized job series.)
- Explain circumstances for allowing home to work transportation for employee outside the authorized job series. Ensure the Location receives Departmental approval for any other occurrence. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, subsection “Home to Work Transportation”.)
- Employees, who are in “official travel status” and are entitled to per diem and use the Government vehicle in lieu of short-term rental, may be authorized for temporary overnight home to work because they must arrive/depart at an unusually early or late time frame. However, this is determined on a case-by-case basis. (See REE Manual 221.1M,

Section 22, Use of Government Vehicle, subsection “Temporary Home to Work Transportation While in Travel Status.)