



DEPARTMENT OF THE NAVY
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MCO 7010.20A
M&RA (MR)
26 Jul 2024

MARINE CORPS ORDER 7010.20A

From: Commandant of the Marine Corps
To: Distribution List

Subj: NONAPPROPRIATED FUND (NAF) PROCUREMENT POLICY

Ref: See enclosure (1)

Encl: (1) References
(2) Nonappropriated Fund (NAF) Procurement Policy

1. Situation. To publish updated policy for Marine Corps Nonappropriated Fund (NAF) purchasing and contracting operations. This Order is in accordance with references (a) through (ae).

2. Cancellation. MCO 7010.20.

3. Mission. NAF procurement activities will obtain the best value products and services on a timely basis, and in accordance with applicable laws, regulations, and references (a) through (ae).

a. References (a) and (b) establish Department of Defense (DoD) and Department of the Navy (DON) NAF procurement policy for Nonappropriated Fund Instrumentalities (NAFIs).

b. This Order promulgates Marine Corps NAF procurement policy.

c. Per reference (b), NAFIs not having contracting authority will seek procurement and purchase card support from an established NAF Procurement Office in a fee for services arrangement. If a NAF Procurement Office is not accessible, the services of an Appropriated Fund (APF) Procurement Office may be used.

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. Marine Corps NAFIs will have a uniform system for conducting NAF procurement.

(2) Concept of Operations. The goal of NAF procurement is to obtain supplies and services in a fair, equitable, and impartial manner, and to the best advantage of NAFIs, while complying with applicable laws and regulations.

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b. Subordinate Element Missions

(1) Deputy Commandant for Manpower and Reserve Affairs (DC M&RA) is responsible for setting Marine Corps NAFI policy, overall program oversight, and serving as the principal advocate for Marine Corps quality of life.

(2) Deputy Commandant for Manpower and Reserve Affairs, Director, Business and Support Services Division, (DC M&RA (MR)) is responsible for effective and efficient NAFI management and financial sustainability of all Marine Corps NAFIs.

(3) Deputy Commandant for Manpower and Reserve Affairs, Branch Head, Nonappropriated Fund Procurement, Business and Support Services Division (DC M&RA (MRB)) is responsible for providing plans, policies, and procedures for implementing Marine Corps NAF procurement policy.

(4) Regional Procurement Directors are responsible for providing procurement support to installation NAFIs in accordance with this Order and DC M&RA (MRB) published procedures.

(5) Regional and installation commanders are responsible for ensuring local NAFIs comply with this Order and DC M&RA (MRB)- published NAF Procurement Standard Operating Procedures (SOP).

(6) NAFI Activity Program Managers are responsible for identifying requirements and verifying receipt and acceptance of procured items. Contracting Officers are responsible for soliciting, evaluating, negotiating, awarding, and administering contracts. NAFI Activity Program Managers and Contracting Officers are jointly responsible to ensure that contracts represent a business arrangement that meets program requirements and applicable laws and regulations.

5. Administration and Logistics

a. Records Management. Records created as a result of this Order shall be managed according to National Archives and Records Administration (NARA)- approved dispositions in reference (h), SECNAV M-5210.1 w/CH-1, to ensure proper maintenance, use, accessibility, and preservation, regardless of format or medium. Records disposition schedules are located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at: <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>. Refer to reference (z), MCO 5210.11F, for Marine Corps records management policy and procedures.

b. Privacy Act. Any misuse or unauthorized disclosure of Personally Identifiable Information (PII) may result in both civil and criminal penalties. The Department of the Navy (DON) recognizes that the privacy of an individual is a personal and fundamental right that shall be respected and protected. The DON's need to collect, use, maintain, or disseminate PII about individuals for purposes of discharging its statutory responsibilities shall be balanced against the individuals' right to be protected against unwarranted invasion of privacy. All collection, use, maintenance, or dissemination of PII shall be in accordance with the Privacy Act of 1974, as amended [reference (aa)] and implemented per reference (n).

c. Forms. There are no forms used in this Order.

d. Records Dispositions.

(1) This Order is assigned record schedule 5000-8.

e. Updates. Updates made to this Order must be done in accordance with the current iteration of reference (ab).


f. Recommendations. Recommendations concerning the contents of this Order are welcomed and may be forwarded to Director, Business and Support Services Division (MR) via the appropriate chain of command.

g. Standard Operating Procedures (SOP). Detailed NAF procurement procedures are in references (w) and (x), which can be found on the Marine Corps Community Services (MCCS) Crossroads SharePoint Site in the NAF Procurement Section.

6. Command and Signal

a. Command. This Order is applicable to the Marine Corps Total Force.

b. Signal. This Order is effective the date signed.


JAMES F. GLYNN
Deputy Commandant for
Manpower and Reserve Affairs

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References

- (a) DoDI 4105.67 w/CH-2, "Nonappropriated Fund (NAF) Procurement Policy and Procedure," December 1, 2017
- (b) SECNAVINST 7043.5C
- (c) MCO P1700.27B w/CH-1
- (d) MCO 7010.19 w/CH-1
- (e) DoD 7000.14-R, "Department of Defense Financial Management Regulation (DoD FMR)"
- (f) DoD 5500.7-R, "Joint Ethics Regulation (JER)," August 30, 1993
- (g) DoDD 5500.07, "Standards of Conduct," November 29, 2007
- (h) SECNAV M-5210.1 w/CH-1
- (i) MCO P10110.31H
- (j) NAVMED P-5010-1
- (k) DoDI 1015.13, "DoD Procedures for Implementing Public-Private Ventures (PPVs) for Morale, Welfare and Recreation (MWR), and Armed Services Exchange Category C Revenue-Generating Activities," March 11, 2004
- (l) DoDI 1330.21, "Armed Services Exchange Regulations," July 14, 2005
- (m) MCO 1754.9B
- (n) SECNAVINST 5211.5F
- (o) MCO 5530.13
- (p) MCO 5380.2
- (q) Federal Acquisition Regulation (FAR)
- (r) Public Law 103-465, "Uruguay Round Agreements Act," December 8, 1994
- (s) MEDCOM Circular 40-1, "Worldwide Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement," November 1, 2018
- (t) 48 CFR 52.222-50, "Combating Trafficking in Persons"
- (u) 41 CFR 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor"
- (v) DoDI 1015.10 w/CH-1, "Military Morale, Welfare, and Recreation (MWR) Programs," May 6, 2011
- (w) MCCS NAF Procurement Standard Operating Procedures
- (x) MCCS NAF Purchase Card Standard Operating Procedures
- (y) DoDI 4000.19, "Support Agreements," December 16, 2020
- (z) MCO 5210.11F
- (aa) 5 U.S.C. § 552a
- (ab) MCO 5215.1K w/Admin CH-1
- (ac) DoD Issuance Style Guide, April 3, 2024
- (ad) 10 U.S.C. § 2492
- (ae) 15 U.S.C. § 631 et seq.

Nonappropriated Fund (NAF) Procurement Policy

Chapter 1

Procurement Authority and Responsibility

1. Purpose

a. This Order establishes policies governing procurements with NAF within the United States Marine Corps (USMC). Unless stated otherwise, references to MCCS within this document apply to all procurement activities using NAF. Detailed procurement and purchase card procedures are set out in the most current versions of references (w) and (x).

b. In accordance with reference (ac), within this Order, the following helping verbs clarify the actor's level of obligation. "Must" is used to denote a mandatory action. "Will" is used to denote a required action in the future. "May" or "can" is used to denote an optional action that the actor is authorized to perform (a right, privilege, or power that the actor may exercise at their discretion. "Shall" is not used because it does not clearly define the actor's level of obligation.

c. Marine Corps NAF procurements will:

- (1) Be conducted with integrity and fairness.
- (2) Be performed in a timely, high quality, and cost-effective manner.
- (3) Solicit team commitment and employ planning as an integral part of the overall process of acquiring products or services.
- (4) Promote competition in the procurement process.
- (5) Comply with applicable laws and regulations.

2. Exceptions and Clarifications. Written requests for waivers, exceptions, and clarifications will be sent through the chain of command to DC M&RA (MR). Request format can be found in reference (w).

3. Delegation of Procurement Authority. Per reference (c), procurement authority may be delegated by position title, letter of appointment, or warrant which is further clarified as follows:

a. "Position title" for individuals with a Retail Buyer Position Description at Deputy Commandant for Manpower and Reserve Affairs, Business Operations Directorate, Retail Merchandising Branch (DC M&RA (MRM)), to the extent that funds are approved and available in the Marine Corps Exchange (MCX) "open to buy" budget. Retail buyers are authorized to sign Purchase Orders (POs), open POs for replenishment, Direct Delivery Agreements (DDAs) and consignment agreements for resale merchandise sold to MCCS patrons through MCX activities. Retail buyers do not have authority to sign Blanket Purchase Agreements (BPAs), short- and long-term concessionaire agreements, services contracts, or revenue-generating services contracts.

b. "Letter of Appointment" for NAF purchase card holders to the single and monthly purchase limits designated and to the extent funds are approved and available.

c. "Warrant" for Contracting Officers to the limits specified in the warrant and to the extent funds are approved and available. DC M&RA (MR) establishes personnel warrant and training requirements and appoints NAF Contracting Officers via warrant per reference (w).

(1) The Installation Commander has the responsibility to:

(a) Nominate Contracting Officers.

(b) Ensure Contracting Officers receive the required training.

(c) Exercise fiduciary responsibility by reviewing contractual instruments.

(2) In accordance with their warrants, NAF Contracting Officers are delegated the authority to obligate MCCS to the extent funds have been approved and made available by the requesting activity.

(3) NAF Contracting Officers may not obligate APFs unless separately authorized under APF procurement regulations.

d. Limited Authority. Unless otherwise stated below or provided herein, only a warranted MCCS NAF Contracting Officer acting in accordance with this Order has authority to sign agreements or contracts for equipment, supplies, and services, including but not limited to: concessionaires (short-term or long-term commodity sales), revenue-generating services, support services, construction and Architect/Engineer (A/E), maintenance and repair, professional services (consultants), Public-Private Ventures (PPVs), vending machine stocking (including removal or replacement of machines), entertainment (including bands and DJs), sports professionals (paid instructors, coaches, or referees), and Information Technology (IT) hardware, software and support.

(1) Local Direct Delivery Agreements (DDAs) and Consignment Agreements for Retail and Resale Merchandise. Although the majority of retail merchandise is purchased at DC M&RA (MR), Central Buying Office (CBO), there is still a need for some local DDAs and consignment agreements. Local agreements must be signed by a warranted Contracting Officer or a DC M&RA (MR) buyer. If both a DC M&RA (MR) contract and a local MCX contract exist for the same merchandise, the DC M&RA (MR) contract takes priority; the local contract will be terminated based upon the expiration/termination clause and will be coordinated between DC M&RA (MR) and the local Contracting Officer to prevent a lapse in coverage and to address agreement termination fees (if any). The local MCCS or other NAF activity may not negotiate separate contracts where a DC M&RA (MR) contract exists. The local MCCS must notify the DC M&RA (MR) buyer if aware of better pricing than what is available on the DC M&RA (MR) contract.

(2) Nonappropriated Fund (NAF) Purchase Cards. Appointed cardholders may use the NAF purchase card when acting in accordance with this Order, the applicable DC M&RA (MR) SOP, and within the cardholder's specified dollar limits. Cardholders who are Contracting Officers may use the NAF Purchase Card when acting in accordance with this Order, the applicable DC M&RA (MR)

SOP, and the limits of their warrants. Unless otherwise allowed by policy, cardholders may not purchase fixed assets, sign a bi-lateral (two-party) contract, or sign vendor agreements listing terms and conditions (e.g., equipment rental agreements). Cardholders may not purchase resale merchandise from General Services Administration (GSA) contracts unless GSA and the contractor specifically authorize use. The cardholder's authority is restricted to the purchase of services in the dollar amount set out in their appointment letter or a single purchase limit of \$2,500, whichever is lower; and to the purchase of construction in the dollar amount set out in their appointment letter or the single purchase limit of \$2,000, whichever is lower.

(3) Petty Cash. If unable to use a NAF Purchase Card, petty cash is authorized for use per references (d) and (e).

(4) Call Orders. Call orders placed by designated/authorized ordering agents against BPAs or DDAs where the master BPA or DDA was signed by a warranted Contracting Officer or a DC M&RA (MRM) buyer.

(5) Subsistence Food. Call orders for food and food service items placed by the Food and Hospitality Manager or designee against the Joint Services Prime Vendor Program Contract or against a BPA signed by a warranted Contracting Officer. NAF Purchase Cards may be used within designated limits and as allowed by policy. Purchase requests for all other food and supply requirements (including food or support to be provided from a catering company) must be submitted to the supporting NAF Procurement Office. See reference (s).

(6) Pro Shop Merchandise. Pro shop personnel (golf, bowling, etc.) may make purchases for pro shop resale merchandise using their NAF Purchase Cards within designated limits or against a BPA issued by a warranted Contracting Officer. All other POs or contracts for pro shop merchandise must be signed by a DC M&RA (MRM) buyer (for resale merchandise only) or a warranted Contracting Officer (for equipment, supplies, services, or resale merchandise).

(7) Recreation and Tour Tickets. As designated within the Joint Service Agreement or within the BPA Ordering Agent Appointment Letter, the Recreation/Information, Tickets and Tours Manager or designee may place calls for recreation and tour tickets to entertainment venues against existing Joint Services Agreements (Military Ticket Program or Military Ticket Voucher Program) or a BPA signed by a warranted Contracting Officer. All other POs, BPAs, DDAs, or contracts with entertainment venues (e.g., theme parks, ski resorts) must be signed by a warranted Contracting Officer.

e. Exceptions. The following are not covered by this policy:

(1) Patron Agreements. The MCCS Activity Manager or designee is authorized to sign agreements between the MCCS activity and an authorized patron (hereafter referred to as "patron") which is defined in reference (c). Patron agreements include but are not limited to: catering agreements between a patron and the Food and Hospitality or Catering Manager; golf event agreements between a patron and the Golf Course Manager; marina slip rentals between a patron and the Marina Manager; and recreation, tickets, or tours between a patron and a Recreation/Information, Tickets and Tours Manager. MCCS activities must ensure new or revised patron agreement formats and standard terms are coordinated with Counsel and their local Forms Management

Officer (FMO) / Command Designated Records Manager (CDRM) and privacy point of contact. Purchase or rental of supplies or services from a vendor to support a patron agreement (e.g., canopy or chair rentals, or food concessions) must follow regular NAF procurement procedures. See also references (i) and (j).

(2) Commercial Sponsorship Agreements. Retail buyers and officials responsible for procurement or contracting are not authorized to solicit or sign sponsorship agreements. This does not preclude normal NAF contracting in support of commercially sponsored MCCS Morale, Welfare and Recreation (MWR) activities and/or events.

(3) Volunteer Services. Contracts signed by a warranted Contracting Officer are not necessary for volunteer services, (e.g., coaches), except in accordance with Marine Corps policy outlined in reference (p).

(4) Memorandums of Agreement (MOAs) and Memorandums of Understanding (MOUs). Memorandums of Agreement (MOAs) and Memorandums of Understanding (MOUs) with another government entity do not require signature by a warranted Contracting Officer and may be signed by the Installation Commanding Officer, MCCS Director, or other designee.

4. Appointment as Contracting Officer. A warrant is the instrument by which DC M&RA (MR) grants individuals the authority to enter the MCCS into legally binding contracts. This authority recognizes an employee's qualifications for appointment as an MCCS (NAF) Contracting Officer. Warrant authority is automatically rescinded upon termination of employment or transfer outside of a procurement position.

5. Authority of Contracting Officer

a. MCCS Contracting Officers have authority to enter into, administer, or terminate NAF contractual actions and to make NAF contract-related decisions. NAF contracts are contracts of the U.S. Government, but they do not obligate APF. MCCS Contracting Officers may bind the MCCS only to the extent of the authority delegated to them. The Contracting Officer's appointing authority establishes the limits of authority.

b. A contract action is defined as an award or modification of a PO, delivery order, or contract. Dollar value authority is applicable to each contract action. Contracting Officers will not modify a contract that has a dollar value over the dollar limitations authorized by their warrants.

c. Guidance in deciding the dollar value in various contractual actions is provided below:

(1) Fixed dollar contracts: the amount of contract award, including option periods.

(2) Indefinite delivery contracts, DDAs, and open POs: the value of the total estimated procurement for the current contract period including option periods (even if it is known that items and prices for later periods may be changed). The total estimated dollar amount must include orders expected to be placed by other authorized NAFIs, if known.

(3) Concession, vending, and agency contracts: the estimated total gross sales for the term of the contract, including option periods.

(4) Contract or order modification: the value of the contract or order as modified, even if the modification amount is within the dollar limitation of the warrant.

(5) POs, task orders, and delivery orders: the amount of the award.

d. No contract will be entered into unless the Contracting Officer ensures that all requirements of law, executive orders, regulations, and other applicable procedures, including clearances and approvals, have been met.

e. To meet the goals of MCCA, Contracting Officers have wide latitude to exercise business judgment. Contracting Officers will:

(1) Verify that the purchase request is complete, including all required signatures, certification of funds availability, and contains sufficient descriptive data to make the purchase.

(2) Be responsible for managing contractor relationships by overseeing the integrity and effectiveness of the procurement process, ensuring that contractors are treated fairly and objectively, and maintaining effective communications with contractors throughout contract performance.

(3) Take into consideration the advice of specialists in audit, law, finance, engineering, transportation, and other fields, as appropriate.

f. NAF Contracting Officers will be guided by the Standards of Conduct as prescribed by references (f) and (g) and address areas of conflicts of interest, favoritism, gifts and gratuities, and post-Government employment. Questions will be directed to local Ethics Counselors.

g. DoD NAF civilian employees are subject to the same fiduciary responsibilities as APF civilian employees. Penalties for violations include administrative actions, monetary fines, or imprisonment. Questions will be directed to MCCA Counsel.

6. Qualifications of Nonappropriated Fund (NAF) Contracting Officers

a. With the exception noted below, only General Schedule or NAF pay-banded positions, or military personnel assigned to MCCA may be appointed as NAF Contracting Officers.

b. At the request of the installation commander and with the concurrence of Counsel, DC M&RA (MR) may grant NAF Contracting Officer warrant authority up to \$50,000 to local national employees in overseas locations.

7. Letter of Appointment. Upon DC M&RA (MR) issuance of a warrant, the Installation Commander (or Assistant Chief of Staff (AC/S)) or MCCA Director, if designated) must issue a letter of appointment to the Contracting Officer containing command-specific guidance and applicability, as appropriate. Letters of appointment will follow the procedures in reference (w).

8. Legal Support and Reviews. The Office of Counsel for the Commandant, and its field offices are component offices of the Department of the Navy Office of General Counsel and will provide legal support and assistance to MCCA and NAF contracting activities worldwide. NAF procurement personnel are strongly

encouraged to submit all questions of a legal, policy, or business nature on any subject that is of concern to their respective regional MCCA Council or supporting command counsel. If no regional MCCA Council or command counsel is available, inquiries should be made to DC M&RA (MRB). Each request for legal review and assistance should include a statement of the issue, supporting documentation (including solicitation documents, contract files, etc.), and any other information needed to assist in resolving the matter. Requests for legal support and reviews will follow the procedures in reference (w).

9. Separation of Functions

a. Distinct procurement functions, set out below, will be performed sequentially by different personnel in order to preserve the integrity of the procurement process. Additional required procedures are set out in reference (w).

(1) Preparation of the purchase request and certification of funding availability by requesting activity personnel.

(2) Award of the order or contract by procurement personnel.

(3) Receipt of goods or services by receiving or warehouse personnel, or by requesting activity personnel.

(4) Payment by accounts payable personnel.

b. Small activities may not be able to assign separate personnel for each function; however, these duties must be separated to the maximum extent practicable to preserve checks and balances needed to preclude fraud, waste, and abuse. In no event will all of the above functions be performed by the same individual. Procurement personnel will not engage in receiving and/or invoice payment functions, or report to personnel responsible for those functions.

c. A limited exception to the separation of functions requirement is granted to individuals making purchases with a purchase card and individuals entering purchase requests and orders into an electronic procurement system.

10. Procurement Integrity. MCCA personnel involved in the procurement process, and in a position to influence the contract award decision, must comply with procurement integrity guidelines. Personnel includes but is not limited to: Contracting Officers, legal counsel, requesting activity personnel, technical evaluation panel members, and Contracting Officers' Representatives (CORs). In addition, the Contracting Officer, by awarding a contract delivery order, PO, and taking other actions relative to such contract actions, is making a procurement integrity certification. See the Procurement Integrity Section of reference (w) for additional guidance.

11. Procurement Support. In addition to the assigned responsibilities, MCCA Procurement Offices may support other MCCA activities or other NAF activities outside MCCA organizational responsibility. If support of other activities is to be handled on a continual basis, a written MOA under reference (ad) between the activities is recommended. See reference (w) for further detail and requirements.

12. Ratification of Unauthorized Procurement Actions. An unauthorized procurement action is an agreement (either verbal or written) that commits NAF and/or resources to a concern that is not binding solely because the MCCS representative who made it lacked the authority to enter into that agreement on behalf of the NAFI. The ratification of an unauthorized procurement action is an after-the-fact approval of the commitment of NAF. An unauthorized procurement action purportedly on behalf of the MCCS may result in a void or voidable contract and, in some circumstances, may result in the personal liability of the individual making the unauthorized commitment. Requests to ratify an unauthorized procurement action will follow the procedures set out in reference (w).

13. Release of Advance Procurement Information. MCCS personnel will not provide potential contractors with advance information concerning proposed procurements. Such information will be released only by duly appointed Contracting Officers acting within the scope of their authority.

14. Standards of Conduct. MCCS procurement personnel will act in a fair and impartial manner and abide by references (f) and (g).

15. Procurement Responsibilities

a. DC M&RA (MR) will:

(1) Contract for equipment, supplies, support services, retail merchandise, and revenue-generating services, construction and A/E Services for internal and for system-wide or regional requirements that support several or all MCCS locations. Regional MCCS Procurement Offices have limited authority to enter into cooperative effort contracts per Chapter 4 of this Order.

(2) Provide procurement support for MCCS activities when a procurement action exceeds local warrant authority and support is not available from another MCCS Procurement Office as allowed by Chapter 1 of this Order.

(3) Contract for organization-wide support agreements, including but not limited to: banking services, credit card processing services, employee and MCCS enterprise organization services (e.g., insurance, health maintenance, and employee benefit plans). See reference (y).

(4) Designate mandatory-use contracts. MCCS locations must seek a written waiver from DC M&RA (MR) prior to contracting for products or services that are available from mandatory-use contracts. See Chapter 4 of this Order and reference (w) for further detail and requirements.

(5) Assist MCCS Procurement Offices with procurement policy guidance and interpretation to include dissemination of changes to MCCS NAF Procurement SOP and applicable thresholds.

b. RPO Directors review requirements; determine appropriate methods of procurement; assign, review and approve procurement work at any installation within their respective region; and monitor and mentor the performance of RPO and installation procurement staff.

Chapter 2

Administrative Policy and Taxes

1. Uniform Procurement Instrument Identification Numbering (PIIN) System.

MCCS solicitations and contracts (including POs, delivery/task orders, agreements, and other contractual instruments) will be numbered in a standardized format as set out in reference (w).

2. Contract Forms Provided by the Contractor. Signing contractor-provided contract forms on behalf of the MCCS is not authorized unless prior concurrence has been obtained by Counsel.

3. Contract Period. Generally, MCCS contracts may be for any length of time up to five years. Contracts for major systems or that involve capital investment may be for longer periods in accordance with reference (w). When contract requirements are repetitive, multi-year or multiple year contracting is recommended.

4. Execution of Contract Actions. Contracting Officers will sign and execute NAF contract actions on behalf of the MCCS. The Contracting Officer will personally sign all contracts, POs, and supporting documents that require the signature of the Contracting Officer. Additional required procedures concerning the execution of contract actions and the distribution of contract instruments are set out in reference (w).

5. Official Purchase File. MCCS must maintain an official purchase file. Additional required procedures concerning maintenance of the official purchase file are set out in reference (w).

6. Official Contract File. MCCS must maintain an official contract file. Additional required procedures concerning maintenance of the official contract file are set out in reference (w).

7. Advance Payments. Advance payments are disfavored but may be provided on any type of contract. The Contracting Officer will authorize advance payments sparingly. Advance payment is the least preferred method of contract financing and will not be authorized if other standard payment procedures (partial, progress, and payment on receipt) are available.

8. Fixed Assets. Fixed assets are defined in reference (d). MCCS may purchase fixed assets.

9. Retiring Official Purchase Files and Contract Files. When a contract instrument (including POs, delivery orders, and agreements) expires through termination or otherwise, the file will be maintained in accordance with reference (h).

10. Marine Corps Community Services (MCCS) Procurement Workshops. DC M&RA (MR) may schedule procurement workshops in compliance with current DON guidance. The AC/S or MCCS Director at each installation will budget travel, lodging, and per diem funds for at least one or two MCCS procurement representatives to attend annually.

11. Procurement Management Reviews and Assistance Visits. DC M&RA (MRB) will conduct procurement management reviews of contracting and purchasing activities, and conduct informal assistance visits to provide training,

mentoring, or support. Reviews will be documented with written reports that reflect significant observations, recommendations, and areas of commendable performance or of serious deficiencies.

12. General Tax Rules for Nonappropriated Fund Instrumentalities (NAFIs).

As an instrumentality of the U.S., an MCCS NAFI is entitled to the same immunity accorded the U.S. Government from the taxes of states, the District of Columbia, and territories and possessions of the U.S.

13. State and Local Taxes in the United States (U.S.). Contracting Officers will analyze each purchase action to ensure that MCCS does not pay inapplicable taxes.

14. Manufacturer's Excise Tax. Items purchased for overseas MCCS activities, other than activities in Alaska and Hawaii, are exempt from the Federal Manufacturer's Excise Tax by virtue of exportation.

15. Foreign Taxes. MCCS is precluded from paying or collecting foreign taxes. By virtue of international agreements, MCCS is exempt from most foreign customs, duties, and taxes; see reference (r). Specific advice will be obtained from MCCS Counsel.

16. Contractor Taxes. MCCS contractors are responsible for payment of all federal, state, host country, and local taxes applicable to the property, income, and transactions of the contractor.

17. Thresholds. Contracting Officers are required to know the dollar thresholds used to determine applicable clauses, (e.g., to apply the Buy American Act, Service Contract Act, and other clauses). As needed, DC M&RA (MRB) will update the amounts in the relevant SOP.

18. Congressional and Other Notifications and Approvals. The requesting activity must coordinate congressional and other notifications and/or obtain approvals as required; however, copies of notification or approval documentation must be retained in the official contract file. All congressional notifications must be routed officially through the chain of command, including coordination with DC M&RA (MR). As part of the procurement planning process, Contracting Officers must be familiar with the requirements for all congressional and other notifications and approvals.

Chapter 3

Procurement Planning

1. General

a. Procurement planning is the key to successful development of a requirement and subsequent execution of the procurement. Requesting activity personnel will coordinate with the Contracting Officer early in the initial requirement development phase, preferably well in advance of the fiscal year in which contract award is requested.

b. As part of the procurement planning process, requesting activity personnel will determine the activity's requirements and research the market as a means of getting information on sources of supply and current state-of-the-art products and services. Determining requirements is not a responsibility of procurement personnel. Requests for information by the requesting activity are for research purposes only.

c. Requesting activities conducting market research will ensure such research is not construed as a representation that a contract will be awarded. Requesting activities may inquire in general terms about supplier pricing to determine a budget but must not request official quotes or proposals. Information received from vendors for this purpose must not be considered a quote even though the vendor may use the word "quote" in responding to market research.

2. Responsibility of the Requesting Activity. Requesting activity personnel determine which supplies or services most adequately meet the activity's needs, clearly define those supplies or services, and provide an Independent Government Estimate (IGE) on the purchase request. See reference (w).

3. Purchase Request. The requesting activity will forward its requirements to the Procurement Office on a purchase request, also known as a procurement request or requisition.

4. Availability and Certification of Funds. Funds will be made available using the electronic procurement system approval process. In the event the electronic procurement system is unavailable for an extended period, funds may be made available through certification on a paper purchase request (including requests for contract extension or modification).

5. Lead Time. Requesting activities must make every effort to establish a realistic delivery date to allow the purchase to be properly accomplished. Purchase requests will be submitted to the Procurement Office in sufficient time to allow for the procurement process to be completed, production time, and delivery of the supplies or services by the required delivery date.

6. Contracts Versus Purchase Orders (POs). The administrative cost of establishing and administering two-party (bilateral) contracts is not warranted for much of the equipment, supplies, and merchandise purchased by MCCS. The preferred method of procurement will be by PO, delivery order, or purchase card. See reference (w).

7. Specifications

a. Specifications, including statements of work and purchase descriptions, will not be so restrictive as to improperly eliminate competition. Industry-developed specifications are encouraged when available.

b. Specifications must be clearly written, and all sections of a contract must be consistent with each other in order to effect timely and economical procurements.

8. Insurance Requirements. In compliance with DC M&RA (MR) insurance guidelines, contractors are required to carry insurance in amounts sufficient to protect the interest of the MCCS and the U.S. Unless otherwise allowed by policy or other guidance, the Contracting Officer will use the standard insurance clauses issued by DC M&RA (MR). When deviation is required, the Contracting Officer will forward to MR Composite Insurance Program Manager for review and approval.

9. Bonds. MCCS may use performance bonds to protect the MCCS's interest. See reference (w) for further detail and requirements.

10. Director, Business and Support Services Division (DC M&RA (MR)) Contracting Office. Contracting and purchasing personnel at DC M&RA (MR) are available to assist MCCS Procurement Offices with procurement policy guidance, sample specifications/work statements, evaluation criteria, etc.

11. Appropriated Fund (APF) Contracting Office. MCCS procurement personnel are encouraged to request the assistance of installation/regional APF contracting personnel on source list development, local vendor information, etc.

Chapter 4

Procurement Sources

1. Mandatory Sources. DC M&RA (MRB) designates mandatory-use contracts for equipment, supplies, and services and posts ordering instructions to <http://crossroads/MRB/default.aspx>. MCCA Procurement Offices are required to use mandatory-use contracts unless granted a waiver, or a written determination is made that the product or service is not comparable. See reference (w) for further detail and requirements.

2. Small Business Act. The provisions of the Small Business Act (reference (ae)) do not apply to NAF procurements. However, small business, small disadvantaged business, and minority business concerns are not excluded from competing for MCCA requirements.

3. United States (U.S.) Government Sources. MCCA may use other government activities, both APF and NAF, as sources for goods and services.

4. Department of Defense (DoD) Nonappropriated Fund (NAF) Cooperative Efforts. MCCA will participate in DoD NAF cooperative efforts contracts that are designated as mandatory-use and is encouraged to participate in contracts designated as available for system-wide use.

5. Marine Corps Community Services (MCCA) Cooperative Efforts. MCCA activities will participate in regional or system-wide MCCA contracts designated as mandatory-use.

6. Commercial Sources. MCCA will purchase standard commercial products readily available in commercial trade whenever feasible.

7. Purchasing Alcoholic Beverages. MCCA may purchase alcoholic beverages subject to federal and state laws and regulations.

8. Purchasing from Other than the Prime Source. MCCA activities will purchase from the prime source when possible unless industry practice deems it more appropriate to purchase from vendor representative firms.

9. Federally Mandated Purchase Programs. As applicable, MCCA NAF procurements should apply federally mandated purchase programs as set out in reference (w). These include, but are not limited to, the Buy American Act, the Berry Amendment, the DoD International Balance of Payments Program, Trade Agreements, and other agreements such as Status of Forces Agreements (SOFAs), Host Nation Agreements (HNAs), and relevant treaties. Questions on applicability should be directed to Counsel.

10. Foreign Sources

a. Contracting Officers will not purchase any items that cannot be lawfully imported into the U.S. because of governmental restrictions, such as counterfeit trademarked items or copyright limitations on trade names.

b. Services and construction requirements at locations outside the U.S. may be negotiated with eligible sources consistent with host-country laws, treaties, or SOFAs.

c. MCCS activities located outside the U.S. will, within the limits of sound business practice, stock merchandise of U.S. origin in preference to equivalent merchandise from foreign sources.

d. Questions concerning purchasing jurisdiction in foreign areas will be forwarded to MCCS Counsel.

11. Purchases of Foreign Goods in the United States (U.S.)

a. Purchases in the U.S. of duty-paid foreign goods physically located in the U.S. are authorized. Importers having an exclusive franchise for distribution in the U.S. of foreign items are considered the prime source for these items.

b. Contracting Officers will apply for a tax "drawback" when applicable. Drawback is a refund of U.S. customs duty paid on goods imported and later exported; (e.g., when a contractor imports sugar for a product that is later exported to overseas activities, the contract should include a tax drawback provision). In such cases, the contractor agrees to process claims for drawback of customs duty or refund federal excise tax and to remit proceeds, less the cost of processing the claim, to MCCS. Contracting Officers may use drawback information (amount of duty paid) to compute the cost of an item excluding duty.

12. Trademark Items. U.S. registered trademarked items will be bought directly from trademark owners or from authorized, designated, licensed, or franchised distributors. MCCS will not buy and sell counterfeit items bearing registered trademark logos.

13. Source Files. Source files may be paper or electronic. See reference (w) for further detail and requirements.

14. Source Lists. A source list is required for each competitive solicitation. It is developed prior to each solicitation from the source files or from market research and is retained in the solicitation file.

15. Ineligible Sources. MCCS requirements will not be purchased from ineligible individuals or firms. Firms or individuals listed in a source file or on a source list who are later found to be debarred or suspended, or who are otherwise determined to be ineligible, will be removed from source files and lists to the extent required by such debarment, suspension, or other determination of ineligibility.

16. Organizations and Clubs. Unless otherwise prohibited, the MCCS may issue an order or contract with a private organization when the total amount is under the competition threshold and when the service is infrequent. MCCS is not authorized to provide procurement services to private organizations or clubs authorized to operate on the installation. Contact MCCS Counsel with questions.

17. Warehouse Club Membership Cards. The MCCS may use a PO or petty cash to purchase a warehouse club membership. The membership card must be issued in the MCCS name versus an individual's name.

Chapter 5

Contract Types

1. General. A contract defines the legal rights and obligations of the contracting parties. Contracts may, under specified conditions, be established on simple documents such as POs, or they may be complex in nature, containing detailed specifications and performance standards. The following must be present for a valid contract: competent parties, legal subject matter, legal consideration, mutual agreement, and mutual obligation. MCCS will use a variety of contract vehicles to meet customer requirements.

2. Contract Types

a. MCCS will enter into fixed-price type contracts; MCCS will not enter into cost-reimbursement contracts without the prior approval of DC M&RA (MR). MCCS fixed price contracts will be established by written PO, delivery order, or contract. The selection of the type of contract and the purchasing procedure to be used in a particular situation will be determined by the Contracting Officer.

b. MCCS contracts may also be described as either Exchange or non-Exchange contracts. This distinction is important for legal jurisdiction over contract disputes. The Contract Disputes Act applies to Exchange contracts and to the jurisdiction of Armed Services Board of Contract Appeals (ASBCA), and if ASBCA decision is appealed, the U.S. Court of Appeals for the Federal Circuit during contract disputes. Non-exchange contracts are not subject to the Contract Disputes Act and should not be drafted in such a manner as to imply such jurisdiction.

3. Service Contracting, in General. A service contract is a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service contract can cover services performed by either professional or nonprofessional personnel and can be performed by an individual or an organization. Service operations may sell ancillary products similar to those sold by commercial firms. If product sales are permitted, the contract will include this requirement (or option) and address product pricing. MCCS is to acquire services in accordance with law and regulation.

4. Equipment, Supply, and Merchandise Contracts, in General. MCCS will purchase off-the-shelf commercial equipment, supplies, and merchandise for use or resale of the MCCS. An off-the-shelf item is produced and placed in stock by a supplier before orders are received.

5. Consumables and Subsistence Contracts, in General

a. Consumable items are products that lose their identity during use or are consumed during the course of daily business. These are classified as non-edible items. Consumable items include, but are not limited to, paper products, fuel, postage stamps, and airline tickets.

b. Subsistence includes all food and beverage items. These are classified as edible or drinkable items.

c. Procurement of consumable and subsistence items will be in accordance with law and regulation. Greater detail is set out in reference (w).

6. Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts. Indefinite delivery contracts are used when the exact times and/or exact quantities of future deliveries are not known at the time of award. There are three types of Indefinite Delivery, Indefinite Quantity (IDIQ) contracts: indefinite quantity, definite quantity, and requirements. These contracts are often referred to as IDIQ contracts. Delivery orders placed against these contracts must be within the scope, issued within the period of performance, and be within the maximum value of the contract. See reference (w) for additional guidance.

7. Construction and Architect/Engineer (A/E) Contracts, in General

a. Construction is defined as the erection, installation, or assembly of a new facility; the addition, alteration, expansion, usable conversion, relocation, replacement, or extension of an existing facility; the relocation of facilities and equipment; the adjustment of interior arrangements or other physical characteristics of a facility; the installation of utilities and equipment made a part of a facility; and related site preparation, excavation, filling, landscaping, land improvements, and other improvements. It includes pouring, dredging, excavating, and painting. It does not include installation of carpet, wall covering, or draperies.

b. A/E Services are professional services of an architectural or engineering nature that are associated with research, planning, development, design, construction, alteration, or repair of real property. A/E Services do not include interior design services or project validation assessments. These services will use standard service contract procedures.

Chapter 6

Negotiated Procurement

1. Policy Overview

a. DoD policy encourages the use of competitive procurement procedures to procure goods and services to the maximum extent practicable. Negotiation with contractors is intended to meet the requiring activity's needs and obtain the best possible prices, terms and conditions while complying with law and regulation.

b. Contracting Officers must obtain required competition or approve justifications for non-competitive procurement, conduct evaluations and negotiations, determine price reasonableness, determine responsibility, and make the award decision based on best value to meet the needs of the requesting activity.

2. Responsibility

a. Responsibility refers to an offeror's ability to perform a contract. No MCCS contract or PO may be awarded to any person or firm unless the Contracting Officer determines that the prospective contractor is responsible. See reference (w) for additional detail.

b. A contract award, to include issuances of delivery orders, exercise of options and making award by any contract process, cannot be made without the Contracting Officer's determination of the contractor's responsibility.

3. Fair and Reasonable Price Determination. MCCS contracts and POs for each non-resale procurement over the competition threshold will include a fair and reasonable price determination.

4. Competitive Negotiation. MCCS must engage in competitive negotiation to the maximum extent practicable.

a. Competition is the preferred method of MCCS procurement. Competition encourages multiple sources to seek NAF contracts. Competition helps lower contract costs or prices and helps drive up the quality of the goods and services provided. There are occasions when the advantages of competition are outweighed by the administrative costs and time needed to conduct competition; however, expediency is not a valid basis for not obtaining competition for a requirement. Limiting competition is authorized when supported by law or as provided in this Order. Contracting Officers are encouraged to seek advice and guidance from DC M&RA (MRB) and Counsel.

b. Requirements may be solicited from only one source if the price is determined fair and reasonable, the potential contractor is determined responsible, and one or more of the following apply (see reference (w) for process):

(1) The requirement is for a brand-name resale item.

(2) The purchase is for packaged beverages to be obtained from the franchised distributor in the area.

(3) The estimated cost of equipment, supplies, or services is below the competition threshold. Refer to applicable requirements in Chapter 4 for the Buy American Act and Trade Agreements Act, Chapter 5, Service Contract Labor Standards, and Chapter 9 of this Order, and Construction Wage Rate Requirements statute (formerly Davis-Bacon Act).

(4) When no competitive interest is apparent in contracts for services, including revenue-generating services, having average monthly sales of \$2,500 or less. The contract file will be documented to reflect attempts to generate competitive interest.

(5) When contracting for short-term commodity sales concessions (refer to Chapter 5 of this Order).

(6) When the purchase is made from a prescribed mandatory source such as Federal Prison Industries (FPI) or AbilityOne (refer to Chapter 4 of this Order).

(7) When the purchase is made from a DoD NAFI cooperative effort contract. DoD NAFIs include Navy Exchange Command (NEXCOM); The Exchange (previously known as Army and Air Force Exchange Services (AAFES)); Commander, Navy Installations Command (CNIC), Fleet and Family Readiness (F&FR); Army Family and Morale, Welfare and Recreation (Army MWR); Air Force Nonappropriated Fund Purchasing Office (AFNAFPO); and Coast Guard Exchange System (CGES). MCCA need not seek further competition or make a separate determination of fair and reasonable pricing for supplies, material or equipment when using these sources because the Contracting Officer who awarded the original contract has already justified the competition requirement and determined the prices to be fair and reasonable. A fair and reasonable determination must be made for services awarded as a level of effort taking into consideration the hourly rates and hours anticipated to conduct the work.

(8) When the purchase is made from a competitively awarded GSA contract. GSA contracts that are referred to as "Schedule" contracts but are also known as "Multiple Award Schedule (MAS)" or "Federal Supply Schedule" contracts, require the Contracting Officer to review, compare, and award based on best value. GSA Schedule contracts are IDIQ, multiple award type of contracts, meaning they provide for an indeterminate number of orders and can be awarded to multiple contractors at once. GSA Schedule contracts do not qualify as a valid justification for single or sole source procurement based solely on designation as a GSA contract. It is the Contracting Officer's decision whether to issue a solicitation or to use GSA Schedule contracts. If issuing a solicitation, the Contracting Officer may include GSA contractors on the source list and advise all offerors to propose their best pricing, either GSA or open market. If the requirement exceeds the simplified acquisition threshold, then the Contracting Officer must issue a competitive solicitation. See reference (w).

(9) When purchasing training requirements up to \$50,000, excluding travel and lodging expenses, provided that the training courses are commercially available through a regular dealer. See reference (w).

(10) When the purchase is made from a nonprofit institution or federally funded research and development center.

(11) When the purchase is for a Marine Corps Ball venue, it may be reasonable to justify a single source contract award based on unique features regarding performance, technical, functional, or aesthetic characteristics offered by the venue that are not available from another source. See reference (w).

c. Under no circumstance will a requirement be split to avoid contracting procedures or competition requirements.

5. Noncompetitive Procurement

a. Noncompetitive procurements will be discouraged and generally should not be used for MCCS procurements involving commercial off-the-shelf equipment and supplies.

b. A noncompetitive procurement is a contract for the purchase of supplies or services that resulted after negotiating with only one source. Requirements may be solicited by MCCS from one or a limited number of sources under certain circumstances. The Contracting Officer will determine that the prerequisites for a one source or a limited source purchase have been met. Requirements will not be split to avoid contracting procedures, competition requirements or any other threshold. Noncompetitive procurement actions may be appropriate in the following circumstances:

(1) Sole Source. Competition is not required when the supplies or services are only available from a sole source, the source is determined responsible, and no other type of supplies or services will satisfy MCCS requirements. See reference (w) for additional guidance.

(2) Single Source. Supplies or services are also exempt from competition when there is reasonable justification to conclude that MCCS minimum needs can only be satisfied by one single source. See reference (w) for additional guidance.

c. Justification for Noncompetitive Procurement Actions

(1) Contracting Officers will not commence negotiations for noncompetitive procurements, unless they:

(a) Ensure technical personnel and requesting activities provide documentation to support their recommendation for noncompetitive procurement.

(b) Ensure the justification contains sufficient facts and rationale to justify noncompetitive procurement.

6. Follow-On Noncompetitive Procurement Requirements

a. Equipment and supplies may be deemed to be available only from the original source in the case of a follow-on contract for continued development or production (e.g., additional units, replacement items, license or maintenance fees related to a software package, or for integration with existing systems) when it is likely that award to any other source would result in:

(1) Substantial duplication of cost to MCCS that is not expected to be recovered through competition.

(2) Unacceptable delays in fulfilling MCCS requirements.

b. Services may be deemed to be available only from the original source in the case of follow-on contracts for the continued provision of highly specialized services, to include professional services (e.g., highly specialized services provided by a research analysis contractor that has a patent on research tools used to collect USMC data in past years where MCCS would have to pay additional money to reconstruct the data used in the past as well as the current timeframe in order to obtain a comparative analysis), when it is likely that award to any other source would result in:

(1) Substantial duplication of cost to MCCS that is not expected to be recovered through competition.

(2) Unacceptable delays in fulfilling MCCS requirements.

c. In addition to the above, follow-on contracts for equipment, supplies, or services may be deemed available only from the original source when multiple quotations are not reasonably obtainable or when competitive negotiation is otherwise impractical.

7. Contract Clauses

a. All MCCS contracts and POs, despite the format used, require specific clauses be included. MCCS contracts will include the following mandatory clauses per reference (a): Changes, Examination of Records, Claims (Disputes), and Terminations.

b. All MCCS NAF contracts will identify the responsible NAFI and will state that no APFs of the U.S. will be obligated, due or payable to the contractor.

c. Each MCCS contract will include contract clauses required by applicable statutes, regulations, or DoD issuances.

8. Solicitation and Request for Proposal (RFP). Requests for Proposals (RFPs) may be used at the discretion of the Contracting Officer for any procurement; however, they will be used when:

a. Complex requirements, drawings and/or detailed specifications are involved.

b. Contracts will be awarded based on best value with consideration given to price and non-price technical evaluation factors. Two methods most used for best value procurement include the Trade-Off Process and the Lowest Price Technically Acceptable (LPTA) Process. Refer to Appendix A of reference (w), for definitions.

9. Invitation for Bid (IFB). An IFB, using sealed bid procedures, furnishes a requirement and potential contractors generally provide only prices. With an IFB, there is no opportunity for the bidder to negotiate the terms of the contract and no deviations from the terms of the IFB are allowed. IFBs are an APF procurement method and will not be used by MCCS activities.

10. Evaluation Factors. The solicitation will set out evaluation factors. Factors considered in evaluating offers will be tailored to each procurement and include only those factors that will have an impact on selecting the source. Contracting Officers will use, at minimum, price, or fee as a factor in all MCCA procurements. Poor past performance ratings may disqualify an offeror from receiving an award.

a. Other non-cost evaluation factors, such as compliance with solicitation requirements, technical excellence, management capability or personnel qualifications and present ability to meet the performance schedule, may be considered.

b. Offerors should meet all solicitation requirements, such as terms and conditions, representations and certifications, and technical requirements, in addition to those identified as evaluation factors or subfactors. Failure to meet a requirement may result in an offer being ineligible for award.

c. Prior experience may be an additional evaluation factor and is considered more directed at the specific MCCA procurement than past performance.

d. Solicitations using complex evaluation techniques, such as best value or weighted factors, will receive legal review and concurrence prior to issuance. See reference (w) for further guidance.

11. Solicitation Distribution. Solicitation distribution will be made in accordance with reference (w).

12. Solicitation Amendments. The Contracting Officer may make changes to solicitations. Such changes may include changes in quantity, specifications, or delivery schedule; correcting defects or ambiguities; or changing the closing date for receipt of proposals. See reference (w) for further detail and requirements.

13. Solicitation Protests and Appeals Before Award. MCCA will seek to resolve solicitation protests and appeals before award in an amicable manner.

14. Two-Step Negotiation. MCCA may use two-step procurement procedures. See reference (w) for requirements and procedures.

15. Pre-Proposal Conferences. MCCA may use pre-proposal conferences as a means of briefing prospective offerors after a solicitation has been issued, but before offers are prepared.

16. Receipt, Opening, and Safeguarding of Proposals. MCCA will safeguard proposals so that properly submitted proposals are received, maintained, and used in a manner consistent with the terms of the solicitation and in a manner conforming to applicable law and regulation. See reference (w) for further detail and requirements.

17. Late Proposals. MCCA will not solicit or encourage late proposals. See reference (w) for further detail and requirements.

18. Cancellation of Solicitations. MCCA may cancel a solicitation at any time before award when the Contracting Officer determines it is in the best interest of MCCA.

19. Evaluation of Proposals. MCCA will evaluate proposals in accordance with law, regulation, and the terms of the solicitation.
20. Responsiveness. MCCA will treat a proposal as responsive when it fulfills all substantive requirements set out in the solicitation.
21. Disclosure of Pre-Award Proposal Information. MCCA will not normally disclose information contained in any proposal until after contract award except under special circumstances and with the concurrence of MCCA Counsel.
22. Technical and Price Evaluation Panels. MCCA may use such panels to assist the Contracting Officer in evaluating offeror proposals.
23. Oral Presentations. MCCA may use oral presentations to supplement written information.
24. Price/Fee Analysis. MCCA may conduct price/fee analysis to determine whether a proposed price or fee is fair and reasonable.
25. Conducting Negotiations. MCCA may conduct negotiations in accordance with the processes set forth in the reference (w).
26. Making the Award. In negotiated procurements, MCCA will award contracts by having the Contracting Officer sign, date and furnish the contract to the successful offeror. MCCA may use other contract vehicles to make award.
27. Post-Award Notification to Offerors. The MCCA Contracting Officer will give notice to unsuccessful offerors.
28. Debriefings. MCCA may conduct debriefings to offerors. See reference (w) for further detail and requirements.
29. Mistakes Alleged or Discovered After Contract Award. MCCA will address mistakes alleged or discovered after contract award in accordance with processes set forth in reference (w).
30. Purchasing General. MCCA will make procurements through the use of a PO, delivery order, Basic Ordering Agreements (BOAs), blanket purchasing agreements or other documents. See reference (w) for further detail and requirements.
31. Purchase Card Program Participation. MCCA will participate in the designated NAF Purchase Card Program.
32. Purchase Card Use Limitation. MCCA activities may not enter into local purchase card programs without prior approval of DC M&RA (MR). See reference (x) for additional guidance.
33. Nonappropriated Fund (NAF) Purchase Card Program. The NAF Purchase Card Program provides a streamlined method of purchasing commercially available supplies and services. DC M&RA (MRB) is the NAF Purchase Card Program Manager (PCPM) for the MCCA NAF Purchase Card Program.
 - a. Agency Program Coordinator (APC). RPOs must have Agency Program Coordinators (APCs) for the Purchase Card Program in accordance with reference (x).

b. Delegation of Authority. Cardholders and approving officials will be appointed in writing. See references (w) and (x) for further detail and requirements.

34. Debit Card Use. Per reference (m), a Deployment Readiness Coordinator (DRC) or Uniformed Readiness Coordinator (URC) may be assigned the responsibility for executing NAF intended to support unit, personal, and family readiness needs including unit recreational, social, and family readiness activities. To accomplish this responsibility, the local MCCS and unit commander may establish a debit card account for use by the DRC/URC within designated dollar limits. See reference (m) for further guidance.

Chapter 7

Retail Buying

1. Retail Buying General

a. The selection of resale items should be comparable to practices and procedures in the commercial retail trade. Commercial terms and conditions must be reviewed by MCCS Counsel prior to execution by a Contracting Officer or Buyer.

b. Consistent with law and regulation, the NAFI stocks items and brands in high demand by customers. Broad consumer acceptance of an item in the commercial sector is adequate evidence of customer demand for the item to be stocked.

c. Merchandise for U.S. resale in MCCS activities will be limited to the items or categories and cost limitations authorized in the Armed Services Exchange Policy per references (k) and (l).

2. Purchasing. MCCS may make procurements through the use of a PO, delivery order, BOA, or similar document.

3. Item Selection

a. Market research includes but is not limited to, attendance at trade shows, and vendor product presentations per reference (l).

b. MCCS' objective is to stock items and brands most in demand by customers.

c. Products will be evaluated based on selection factors such as quality, price, consumer trends, customer acceptance, and past sales experience.

d. Eligible sources may present products for purchase consideration. Buyers will record visits by vendors and contractors to include a summary of matters discussed in the interview. Products will be evaluated on a fair and impartial basis along with all others.

e. Merchandise for U.S. resale in MCCS activities will be limited to the items or categories and cost limitations authorized in reference (l).

4. Brand-Name Merchandise. Because of the nature of the MCCS mission, most resale items will be purchased on a noncompetitive basis from the prime sources of brand-name products. Identification of brand-name items in the stock assortment justifies noncompetitive purchase from the prime source.

5. Non-Brand-Name Merchandise. Unless otherwise justified, competitive procedures will be used when buying non-brand-name items. The resale items will be standard commercial products readily available in the retail trade.

6. Social Responsibility and Labor Standards. Suppliers and manufacturers of private label merchandise, or manufacturers of merchandise imported directly by MCCS or MCCS subcontractors, will comply with Social Responsibility and Labor Standards requirements; see reference (t).

Chapter 8

Contract Administration

1. General. Contract administration is the management of a contract from the time of award through its expiration or termination and final retirement of records. See reference (a). The purpose of contract administration is to ensure that the contractor performs according to the contract provisions and that MCCS receives the quantity and quality of the goods or services for which it contracted.
2. Designation of Contracting Officer's Representative (COR). An MCCS Contracting Officer may designate a COR to assist in contract administration functions. Final responsibility for contract administration rests with the Contracting Officer.
3. Equal Employment Opportunity and Minimum Wage Notices. The Contracting Officer will provide Equal Employment Opportunity and Minimum Wage notices to the contractor at the time of award; see reference (u).
4. Contract Modifications. Contracts may be modified in accordance with procedures in reference (w).
5. Option Clauses. An option clause may allow MCCS to purchase additional supplies or services, or extend the period of the contract, if the action is taken within the time specified in the contract's option clause and when determined to be in the best interest of the MCCS.
6. Change Orders. Change orders should not be used if a mutually agreeable modification can be negotiated. The Changes Clause of the contract permits the Contracting Officer to make unilateral changes in those areas identified in the clause and provides an equitable adjustment to the contractor if the change causes an increase or decrease in the cost of the work or in the time required for performance.
7. Constructive Changes. In general, constructive changes are not recognized as part of the Changes Clause. Constructive changes are defined as any conduct by a Contracting Officer or other authorized representative, other than a formal change order or supplemental agreement, which has the effect of requiring the contractor to perform new work or different work from that required by the contract. Such changes entitle the contractor to relief under the Changes Clause and will be avoided.
8. Novation Agreement. A Novation Agreement is used to transfer the operation or performance of a contract to another party, when requested by a contractor, and when in the best interest of MCCS. In the novation, the NAF Contracting Officer agrees to recognize the third party as a successor in interest to the MCCS contract. Coordinate all novations with MCCS Counsel. See reference (w) for additional information.
9. Contract Protests, Claims, Disputes, and Appeals. It is MCCS policy to review and resolve contract protests, claims, disputes, and appeals that are brought forth in a timely manner in accordance with reference (w).
10. Contract Termination. Contracting Officers will terminate contracts in accordance with contract terms, law, and regulation.

Chapter 9

Construction Contracting and Architect/Engineer (A/E)

1. Policy Overview. MCCA must engage in construction contracting to meet customer requirements. MCCA personnel must follow the procedures and requirements of reference (w).

2. Background. NAF construction projects are critical as they directly affect the quality of life of Marines and their families. DC M&RA (MR) issues NAF construction and A/E warrants as necessary to support the Marine Corps NAF Construction Program.

3. Warrants. MCCA personnel requesting NAF construction/A/E warrants must have completed the applicable training and have the requisite contracting experience to be eligible. The request for a construction/A/E warrant will be processed through DC M&RA (MRB). Warrants may be issued at less than the requested amount if the contract volume or dollar value of contract actions does not justify the full requested warrant authority.

a. MCCA NAF construction and A/E requirements above the \$2,000 construction acquisition threshold may be accomplished only by an MCCA Contracting Officer appointed with construction warrant authority.

b. If a delegation of construction contracting/A/E authority has not been issued, MCCA requirements exceeding the construction acquisition threshold will be forwarded to DC M&RA (MRB) for procurement action.

c. Contracting Officers with construction/A/E warrants are limited to the threshold amount specified on the warrant for each individual contract, including all contract modifications. For example, a Contracting Officer with a \$100,000 warrant who has awarded a contract for \$90,000 may issue a modification or modifications, but the total cannot be more than \$10,000. The Contracting Officer has no contracting authority beyond that amount. Contracts and/or modifications which exceed the Contracting Officer's authority must be forwarded to DC M&RA (MRB) for execution.

4. Architect/Engineer (A/E). Architect/Engineer (A/E) contracting will use Qualifications Based Selection (QBS). Additional details are in reference (w).

Appendix A

Glossary of Acronyms and Abbreviations

A/E	Architect/Engineer
AAFES	Army and Air Force Exchange Services
AFNAFPO	Air Force Nonappropriated Fund Purchasing Office
AC/S	Assistant Chief of Staff
APC	Agency Program Coordinator
APF	Appropriated Fund
Army MWR	Army Family and Morale, Welfare and Recreation
ASBCA	Armed Services Board of Contract Appeals
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement
CBO	Central Buying Office
CDRM	Command Designated Records Manager
CGES	Coast Guard Exchange System
CNIC	Commander, Navy Installations Command
COR	Contracting Officer's Representative
DC M&RA	Deputy Commandant for Manpower and Reserve Affairs
DC M&RA (MR)	Business and Support Services Division
DC M&RA (MRB)	Nonappropriated Fund Procurement, Business and Support Services Division
DC M&RA (MRM)	Business Operations Directorate, Retail Merchandising Branch
DDA	Direct Delivery Agreement
DoD	Department of Defense
DoD FMR	Department of Defense Financial Management Regulation
DoDI	Department of Defense Instruction
DON	Department of the Navy
DON/AA	Department of the Navy/Assistant for Administration
DRC	Deployment Readiness Coordinator
DRMD	Directives and Records Management Division
F&FR	Fleet and Family Readiness
FAR	Federal Acquisition Regulation
FMO	Forms Management Officer
FPI	Federal Prison Industries
GSA	General Services Administration
HNA	Host Nation Agreement
IDDQ	Indefinite Delivery, Definite Quantity
IDIQ	Indefinite Delivery, Indefinite Quantity
IFB	Invitation for Bid
IGE	Independent Government Estimate
ISC	Individual Service Contract
IT	Information Technology
LPTA	Lowest Price Technically Acceptable
M&RA	Manpower and Reserve Affairs
MAS	Multiple Award Schedule
MCCS	Marine Corps Community Services
MCO	Marine Corps Order
MCX	Marine Corps Exchange
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MR	Business and Support Services Division

MWR	Morale, Welfare and Recreation
NAF	Nonappropriated Fund
NAFI	Nonappropriated Fund Instrumentality
NARA	National Archives and Records Administration
NEXCOM	Navy Exchange Command
PCPM	Purchase Card Program Manager
PII	Personally Identifiable Information
PIIN	Procurement Instrument Identification Numbering
PO	Purchase Order
PPV	Public-Private Venture
QBS	Qualifications Based Selection
RFP	Request for Proposal
RFQ	Request for Quote
ROICC	Resident Officer in Charge of Construction
SECNAVINST	Secretary of the Navy Instruction
SOFA	Status of Forces Agreement
SOP	Standard Operating Procedures
U.S.	United States
URC	Uniformed Readiness Coordinator
USMC	United States Marine Corps

Appendix B

Glossary of Terms and Definitions

NOTE: When a solicitation provision or contract clause uses a word or term that is not defined by the provision or clause or is not defined below, then, if there is a Federal Acquisition Regulation (FAR) definition, the definition provided in the FAR must be used. See reference (q) at <https://www.acquisition.gov/far/2.101>.

1. Agency Contract. A contract where MCCS acts for or represents the contractor in a transaction with the customer. Refer to Chapter 5 of this Order.
2. Basic Ordering Agreement (BOA). A written instrument of understanding negotiated between the MCCS and contractor that contains terms and clauses applying to future contracts between the parties, a description of items or services, and methods for pricing, issuing, and delivering future orders against the agreement. The BOA itself is not a contract.
3. Best Value. The expected outcome of a procurement that, in the NAFI's estimation, provides the greatest overall benefit in response to the requirement.
4. Best Value Procurement. A negotiated procurement using one or a combination of source selection approaches with a "best value continuum" where the relative importance of cost or price may vary. Two specific techniques are (1) Tradeoff Process and (2) LPTA. The term "Best Value" was previously used synonymously with Tradeoff Process.
5. Tradeoff Process. A source selection process that is appropriate when it is in the interest of the MCCS to consider award to other than the lowest price offeror or the highest technically rated offeror. All evaluation factors and significant sub-factors that will affect contract award and their relative importance must be clearly stated in the solicitation, and the solicitation must state whether all evaluation factors other than cost or price, when combined, are significantly more important than, approximately equal to, or significantly less important than cost or price. This process permits tradeoffs among cost or price and technical (non-cost) factors and allows the MCCS to accept other than the lowest priced proposal. The perceived benefits of the higher priced proposal must merit the additional cost, and the rationale for tradeoffs must be documented in the Justification for Award Memorandum.
6. Lowest Price Technically Acceptable (LPTA). A source selection process that is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. The evaluation factors and significant sub-factors that establish the requirements of acceptability will be stated in the solicitation. Solicitations will specify that award will be made on the basis of the lowest evaluated price of proposals meeting or exceeding the acceptability standards for technical (non-cost) factors. Past performance may be included as an evaluation factor. In making the award decision, tradeoffs are not permitted; proposals are evaluated for acceptability but not ranked using the non-cost/price factors.

7. Blanket Purchase Agreement (BPA). A bilateral agreement establishing terms and conditions that apply to future orders placed against the BPA. The BPA may be priced or unpriced and may either spell out specific items to be purchased or identify broad categories of items or services. Billing is usually monthly versus after each call. The BPA is not a contract and does not obligate the MCCS to purchase. BPAs are used when there are regular, recurring actions with a vendor. This reduces the amount of paperwork, and thereby costs, to the Procurement Office. Calls against BPAs exceeding the competition threshold that were not competed at BPA award, must be competed, or have justification for non-competitive procedures.

8. Competition Threshold. The dollar amount that requires MCCS NAF competition currently set out in reference (w).

9. Concession Contract. Grants the concessionaire the right to sell a particular type of item or to provide a specific service in a designated location for a specific period of time.

10. Consignment. Contractor retains title to purchased merchandise until it is sold. Title first passes to MCCS and then to the customer at the time of sale. MCCS pays the contractor for the quantities sold. Applicable to resale contracts.

11. Construction Contract. A contract with a commercial concern for the design, construction, or renovation of facilities. MCCS NAF construction requirements above \$2,000 may be accomplished by the MCCS Contracting Officer only as appointed with construction warrant authority.

12. Delivery Order. An order for items placed against an established contract (e.g., GSA contract, AFNAFPO contract) or with a government source. When placing a delivery order against an existing contract, reference that contract number on the order. The terms and conditions/clauses of the established contract are applicable to the delivery order.

13. Direct Delivery Agreement (DDA). A bilateral agreement that establishes pricing for a designated period of time on specific products and services to be delivered according to a delivery frequency that may be designated in the agreement. No specific quantity or dollar limits are established in the agreement as the vendor will automatically send their delivery truck to an activity to replenish product. Contractor invoices monthly. Primarily applies to consumable retail or resale merchandise.

14. Guaranteed Sales. MCCS receives the merchandise into inventory and the contractor agrees to accept returns for credit all unsold quantities after a set period. Applicable to resale contracts.

15. Imprest Fund. Also called petty cash fund. A cash fund of a fixed amount, controlled by a designated custodian, used as needed to make payments in cash for relatively small amounts.

16. Indefinite Delivery Contracts. Contracts that allow MCCS stock to be maintained at minimum levels with direct shipments upon placement of delivery orders. Three different types: definite quantity, indefinite quantity, and requirements.

17. Indefinite Delivery, Definite Quantity (IDDQ). A contract that provides for delivery of a definite quantity for a fixed period of time, with established prices, and with deliveries or performance upon issuance of an order.

18. Indefinite Delivery, Indefinite Quantity (IDIQ). A contract that provides for an indefinite quantity for a fixed period of time, with fixed prices, and with deliveries or performance upon placement of orders against the contract. A minimum quantity is usually specified which obligates the MCCS.

19. Requirements. A contract where MCCS promises to purchase all requirements for a specified supply or service from the designated contractor at established prices, for a specified period of time, with deliveries or performance upon issuance of orders against the contract.

20. Individual Service Contract (ISC). A non-personal services contract where payment is made on a per-job or per-student/patron basis. Individual Service Contracts (ISCs) are generally used for aerobic or other types of instruction. Term of the contract should not exceed three years.

21. Memorandum of Agreement (MOA). Memorandums that define general areas of conditional agreement between government agencies or between NAIFI activities where what one party does depend on what the other party does (e.g., one party agrees to provide support if the other party provides the material or funds). MOAs should define the support, basis for reimbursement, billing and payment process, and other terms and conditions of the agreement.

22. Memorandum of Understanding (MOU). Memorandums that define general areas of understanding between government agencies or between NAIFI activities that explain what each party plans to do; however, what each party does is not dependent on what the other party does (e.g., does not require reimbursement or other support).

23. Micro-Purchase Threshold. For NAF procurement administrative purposes, the dollar amount threshold defined in reference (w) which is currently \$10,000.

24. Military Morale, Welfare and Recreation (MWR) Programs. Military programs, as defined per reference (v), located on DoD installations or on property controlled (by lease or other means) by a military department or furnished by a DoD contractor, that provide for the mission sustainment, community support, and revenue-generating programs for authorized personnel.

25. Nonappropriated Fund (NAF) Purchase Card. A purchase card issued to authorized personnel to use to acquire items and services within stated limits.

26. Options. A unilateral right by which, for a specified period of time, the Contracting Officer may elect to purchase additional items or services or extend the term of the contract. Options must not be used to circumvent the competition requirement.

27. Purchase Order (PO). An offer by the government to purchase, which, if accepted by the contractor, becomes a contract. Normally unilateral but can also be bilateral if required. Clauses are attached to, or printed on reverse of, order.

28. Request for Proposal (RFP). A formal solicitation issued when there is an intention to award and the need dictates the use of detailed specifications or statement of work, clauses, and evaluation criteria. A proposal in response to an RFP can be accepted by MCCS to form a contract.
29. Request for Quote (RFQ). A simplified way to obtain competition. Can be a form, letter, issued by mail, facsimile or e-mail, or obtained verbally. The RFQ is not an offer to purchase and does not bind the party making the quote to perform.
30. Requesting Activity. The activity, office, branch, or division that has a need for supplies or services. Other terms for requesting activity: requesting branch, requestor, requiring activity, requisitioner, program office, program point of contact, etc.
31. Revenue-Generating Contract. A contract where the contractor pays a fee (dollar amount or percentage of sales) to MCCS.
32. Service Contract. A non-personal contract that engages the time and effort of a contractor to perform an identifiable task rather than to furnish an end item of supply. Used to obtain services from either professional or nonprofessional personnel on either an individual or an organizational basis.
33. Short Term Commodity Contract. A noncompetitive concession contract for the display and sale of merchandise from temporarily assigned space.
34. Simplified Acquisition Threshold. For NAF procurement administrative purposes, the dollar amount threshold defined per reference (w) which is currently \$250,000.
35. Single Source Procurement. Procurement when multiple sources could provide the goods or services but the requiring activity has a justified need for obtaining the goods or services from a particular single source.
36. Sole Source Procurement. Procurement when goods or services are available from only one sole source.
37. Task Order. An order for services placed against an established contract (e.g., GSA contract, AFNAFPO contract) or with a government or NAFFI source. The terms and conditions/clauses of the established contract are applicable to the task order.
38. Unpriced Purchase Order (PO). An order where price is not established at time of award. Used when not practical to obtain pricing in advance (e.g., repairs). A monetary limit is used which cannot be exceeded without approval. The monetary limit is an obligation subject to readjustment when price is established.
39. Vending Contract. Revenue-generating contracts where the contractor stocks the items to be vended and MCCS may rent or own the machines.