

Tips for New Contracting Officers

Contractors play a significant role in Army operations. This article provides operational contracting officers with guidance for managing contracting duties.

■ By Lt. Col. Thomas M. Magee

Contractors have been a force multiplier for the Army for the past 12 years. They now do many jobs that Soldiers did just a few years ago, such as cook meals, man guard posts, drive trucks, and fly aircraft.

At one time in Iraq, contractors were the second largest classification of people in country, behind the U.S. armed forces and ahead of the other nations' military forces involved there. Their numbers were in the thousands.

Contracting is both simple and complicated. The simple part is that the core task is the U.S. government's act of contracting for goods and services with some person or entity. The complicated part is applying all of the laws, regulations, and policies around that act. These rules are all listed in the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation (DFAR).

Because the FAR and DFAR often change, the only reliable place to find up-to-date versions of these reference documents is on government websites.

Contracting Officer Warrant

To act as a contracting officer, you must have a warrant, which is a certificate that identifies the holder as having the power to make contracts valued at up to a certain amount. The warrant makes you the only person who can legally bind the unit to a contract. If you do not have a warrant, you should not make contracts. Any dollar amount you contract for without a warrant can come out of your pocket.

A warrant comes after you complete a degree of training. You can

become a contracting officer's representative without a warrant. This person gets the paperwork in line, does the research, and then gets a contracting officer to finalize the deal by signing the paperwork.

What Now?

If you are assigned as a contracting officer, the first thing to do is take a big breath and think.

Once you receive a purchase request, you must first determine what is being requested. Is the request for goods or a service? What is the contract amount? Has the user lined up funding? What exactly does the customer want, and does the paperwork match what the customer has told you over the phone? These are simple questions, but without their answers, your job will be much more difficult.

The next step is to plan to integrate this new purchase into your logistics plan. For example, if you are buying an electronic item, will it work with your unit's electrical system (U.S. alternating current of 120 or 240 volts)? Or if you are overseas, will the generators support it? Can the item be delivered easily, or will it require special coordination?

If the purchase requires unit support, will the unit be able to provide the vendors with what they need to accomplish that support? Although the user is supposed to figure out those things, frequently in the rush of operations, they do not consider them. Without answers to those questions, your job as the unit contracting officer will be much harder than it needs to be.

Competition

The basic principle of contracting is competition, which the government wants you to seek as much as possible. The theory is that competition will lower price and increase quality. Competition is usually accomplished through online solicitation.

The government also sets aside a certain amount of contracts for special types of vendors, such as small businesses, women-owned businesses, or veteran-owned businesses. You need to determine if the action you are working on fits into that category.

Common Contract Categories

The government had several purchase categories, which have spending limits. Figure 1 (on page 44) lists the different contract categories. These categories offer different advantages to the government. Almost 80 percent of contracts for Army units fall into the micropurchase and the simplified acquisition procedures categories. Thus, they are the most likely types of contracts that an average new contracting officer will handle.

Most micropurchases (those under \$2,500) are made with a credit card. You can make micropurchases without soliciting competitive quotes if the buyer considers the price reasonable. The FAR says that, to the extent practicable, micropurchases should be distributed equally among qualified suppliers. This purchasing capability is a reprieve from the traditional procurement, which could bring in scores of bids that all require time to process.

When using simplified acqui-

Government Purchasing Categories and Limits

Purchasing Category	Spending Limit
Micropurchases	Up to \$3,000
Simplified acquisition procedures	\$3,001 to \$150,000
Simplified commercial	\$150,000 to \$5,000,000
Commercial off-the-shelf (COTS)	None
Commercial items	Over \$3,000
Sealed bids and negotiations	\$100,000 and up (Federal Acquisition Regulation parts 14 and 15 apply)

Figure 1. Each purchasing category has a specific spending limit, which changes often. Purchase price determines the category.

sition procedures, contracting officers must gather a minimum of three potential sources or vendors.

Statement of Work

One requirement that often challenges the contracting officer is the statement of work (SOW). The SOW is a document that describes what the user wants, and it has to be written in a manner that makes it company neutral. For example, the document has to say you want a car and not a Ford Mustang. For large purchases, this document will go out to a large number of vendors, possibly all over the world. You must ensure that the document accurately states what the user wants.

The SOW is a potential minefield that can create frustration and anger within the ranks. All too often, the SOW is drawn up quickly or is a copy of a similar procurement from years ago, and no one reads the fine details. The users do not realize that the SOW does not say they need X, Y, and Z attributes on an important piece of equipment until the item, lacking these attributes, is delivered to their area. Then they come running into the contracting officer's office complaining about this oversight.

Once everyone agrees to the wording of the SOW, the contracting officer must put it out for bid. This

usually is done online using www.fbo.gov. Another place to advertise for competition may be a bulletin board at the forward operating base, depending on the situation.

Contract Constraints

Another important item in procurement is time. Often the user wants something delivered next week; however, the vendor that wins the contract does not have the item in stock and cannot produce it by then.

Another problem is delivery. If you are overseas, it could be an issue getting the item to your front door. This might require a rider on the contract demanding delivery or a second contract to procure delivery.

Sole Source Procurement

There will be times when you have to get the job done immediately. You might not have time to wait for the procurement process to work. The FAR and DFAR have clauses that allow you to move faster by purchasing from a sole source. The situations in which you can use a sole source are specific:

- The source is the only one that offers the product or service (FAR 6.302-1).
- Unusual and compelling urgency require expedited procurement on

large purchases (FAR 6.302-2).

- Rare experimental work may require sole source procurement (FAR 6.302-3).
- Procurements in the name of national security can require a sole source (FAR 6.302-6).

Contracting is not the monster it seems to be. It is an important part of the logistics mission. I hope this is enough information to help you at least formulate your questions. Good luck in your new world—the exciting field of procurement.

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