

CHANGE REQUEST COVER SHEET

Change Request Number: 10-37

Date Received: 3/15/2010

Title: Gifts and Non-monetary Awards

Name: Larry Wyborski

Phone: 202-493-4638

Policy OR Guidance: Guidance

Section/Text Location Affected: T3.2.1.5, T3.2.2.5 and T3.2.6

Summary of Change: Update Guidance for Purchase Cards, Simplified Acquisition Procedures and Emergency Contracting Procedures.

Reason for Change: To clarify the distinction between gifts and non-monetary awards and to reflect a statutory prohibition on FAA making certain types of purchases with the purchase card.

Development, Review, and/or Concurrence: AGC and FAA Contracting Offices.

Target Audience: FAA contracting offices.

Potential Links within FAST for the Change: None.

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None.

Links for New/Modified Forms (or) Documents (LINK 1) [null](#)

Links for New/Modified Forms (or) Documents (LINK 2) [null](#)

Links for New/Modified Forms (or) Documents (LINK 3) [null](#)

SECTIONS EDITED:

Procurement Guidance:

T3.2.2.5 - Simplified Purchase Method

Simplified Purchasing

Section 4 : Prohibited and Restricted Purchases [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

Procurement Guidance:

T3.2.6 - Purchase Card Program

Appendix

Section 5 : APC Checklist Guide [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

Procurement Guidance:

T3.2.1.5 - Disaster or Emergency Preparedness and Response

Appendix

Section 1 : Appendix 1- Emergency Procurement Guide [\[Old Content\]](#)[\[New Content\]](#)
[\[RedLine Content\]](#)

SECTIONS EDITED:

Section 4 : Prohibited and Restricted Purchases

Old Content: Procurement Guidance:

T3.2.2.5 - Simplified Purchase Method

Simplified Purchasing

Section 4 : Prohibited and Restricted Purchases

a. This guidance is intended to assist FAA personnel determine whether a particular item or service would be a permissible purchase using appropriated funds. There is no ironclad rule or readily available list that describes in every case whether a particular purchase using appropriated funding is permissible. FAA personnel should use common sense and sound judgment, based on appropriations law and related decisions of the Comptroller General.

b. The Government Accountability Office (GAO) established a "*necessary expense*" doctrine. This doctrine is described fully in Volume I, Third Edition, of "Principles of Federal Appropriations Law," (GAO Red Book) issued by GAO, Office of the General Counsel. This publication states, in part, that for an expenditure to be justified under the necessary expense theory, it must meet certain tests, including: "The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available" (GAO Red Book, Volume I, Chapter 4, Section B.1.)). By projection, the necessary expense doctrine does not allow use of appropriated funds to purchase items or services that can be reasonably interpreted to meet personal convenience and are not for a necessary Governmental function. The CO or cardholder in consultation with budget officials and legal counsel should make determinations in this area about questioned or questionable items or services. Almost any listing of prohibited items of purchase is subject to exceptions. To quote the GAO Red Book "The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among agencies, any formula would almost certainly be unworkable. Rather, the determination must be made essentially on a case-by-case basis."

c. For FAA, the following are prohibited or restricted items of purchase (this is not a complete list):

(1) *Drinking water*, except when:

(a) A duly constituted public health authority pronounces ordinary drinking water to be unsafe for human consumption at the site;

(b) A viable and safe water source for FAA personnel is not available on or within a reasonable distance of the worksite;

(c) FAA personnel reasonably foresee a disaster or emergency, such as imminent landfall of a hurricane, and all of the following conditions are present:

(i) FAA personnel reasonably anticipate that drinking water at the site will be unsafe for human consumption;

(ii) The drinking water is for FAA personnel responding to or at the emergency or disaster site;

(iii) The amount of drinking water is commensurate with the anticipated response time at the site or the estimated time for the local drinking water to be considered safe for human consumption, whichever is shorter;

(iv) The drinking water is purchased in a reasonable time-frame in advance of an imminent emergency or disaster, and the time-frame does not exceed the time required to purchase, stage, and properly distribute the drinking water; or

(d) The drinking water is provided in a controlled environment as may be necessary to enable collections for drug use analysis for safety sensitive positions.

(2) *Food and beverage items* for meetings and conventions, except as detailed in AMS Procurement Guidance T3.2.2.5 A.5., FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops.

(3) *Gifts, including gift cards/certificates for office retirements* (note that authorized office retirement plaques are not gifts and fall under the non-cash award section below).

(4) *Membership fees* for individual employees (FAA may purchase membership in a society or association in its own name).

(5) *Subscriptions to publications or magazines* not relating to official duties.

(6) *Clothing (or personal apparel of any description).*

(a) Special type clothing required by FAA requires written justification from the requestor's supervisor and should be coordinated with legal counsel.

(b) Clothing and equipment classified as personal protective equipment (PPE) requires justification from the requestor's supervisor, but does not need coordination with legal counsel when the value of the procurement is below \$100,000. All PPE must:

(i) Have proper controls established to ensure that PPE is appropriate; and

(ii) Be maintained and used in accordance with standards established by the Occupational Safety and Health Administration (OSHA). (More information can be found at <http://www.osha.gov/SLTC/personalprotectiveequipment/index.html>)

(7) *Rental of aircraft* by persons not in aircraft related positions.

(8) *Fans, air conditioning and cooling equipment, space heaters and heating equipment*, except as properly installed for general use in connection with the maintenance and operations requirements for the site.

(9) *Water coolers, or vacuum cleaners and other household appliances (i.e. refrigerators, microwaves, etc)*, except as requisitioned for general use by the authorities charged with building maintenance and equipment.

(10) *Cellular or communication devices and services* covered by the National Wireless Program Office (NWPO). Devices provided through this program include:

(a) Cellular Phones;

(b) One and two-way pager devices;

(c) Multi-functional server-based devices (e.g. Blackberries); and

(d) Satellite phones.

d. *Non-Cash Awards.*

(1) When procuring non-cash awards (gifts remain a prohibited item), the requirements in the HRPM, Recognizing Employees, PM-9.2, must be followed. Each office is responsible for maintaining records on all recognition and awards purchased and given. These records must contain the following:

(a) The justification for granting the award;

(b) The item(s) purchased;

(c) The cost of the item(s); and

(d) The award recipient.

(2) Plaques, trophies, or other types of awards given to employees for high quality work or special projects must not exceed \$75.00. IRS considers merchandise with a value exceeding \$75.00 given to FAA employees taxable.

(3) Reasonable purchases (i.e., decorations and related supplied) used to enhance an awards ceremony and foster public recognition of employees' accomplishments are allowable. This does not apply to food and beverage, which is addressed in AMS Procurement Guidance T3.2.2.5.A.5.

e. *Purchasing or Renting Portable Storage Units or Procuring Short-term Storage Services.*

(1) Before purchasing or renting storage units or procuring storage services, a determination must be made that existing storage space is not available from other sources within FAA or elsewhere in Government. Contracting Officers (CO) or cardholders must coordinate storage requirements with a warranted Real Estate Contracting Officer (RECO). This coordination is intended to ensure:

(a) That no in-house storage capabilities are available; and

(b) No real estate or facility factors exist that may affect the procurement, such as applicable real estate regulations or unique site requirements.

(2) Storage units or services for purposes of this guidance are limited to portable storage units or containers designed for temporary (less than six months) on-site use or temporary storage in a secured centralized storage center owned by the vendor. The storage units or containers must be classified as personal property and not affixed or attached in a permanent means to the land (real property) upon which they may be situated for temporary use. If the portable storage unit or

container is to be placed on land owned or leased by FAA, the CO or cardholder must ensure FAA has legally established rights to use the land before staging or storing a third party item of property (storage unit or container) procured under service agreement.

(3) When possible, storage requirements for a construction project should be incorporated into the Statement of Work (SOW) or specification under the associated construction contract.

(4) Purchase cards cannot be used:

(a) For the purchase, rental, or lease of land or buildings;

(b) To purchase real property, which is defined as land, buildings, structures or rights over or under the land, or things that are permanently affixed or attached to the land such as improvements to make it more productive or to make it serve a more beneficial end than the land itself; and

(c) For long-term storage unit rental or services (long-term is defined as six months or more), unless the purchase card is being used as a payment vehicle against a contract or lease signed by a CO/RECO and:

(i) The total cost of the rental or purchase of storage services does not exceed the cardholder's delegated authority;

(ii) The portable units are not classified as real property (as defined above); and

(iii) The terms and conditions of the rental or storage services (i.e. termination authority) are set forth in writing and signed by both parties.

New Content: Procurement Guidance:

T3.2.2.5 - Simplified Purchase Method

Simplified Purchasing

Section 4 : Prohibited and Restricted Purchases

a. This guidance is intended to assist FAA personnel determine whether a particular item or service would be a permissible purchase using appropriated funds. There is no ironclad rule or readily available list that describes in every case whether a particular purchase using appropriated funding is permissible. FAA personnel should use common sense and sound judgment, based on appropriations law and related decisions of the Comptroller General.

b. The Government Accountability Office (GAO) established a "*necessary expense*" doctrine. This doctrine is described fully in Volume I, Third Edition, of "Principles of Federal Appropriations Law," (GAO Red Book) issued by GAO, Office of the General Counsel. This publication states, in part, that for an expenditure to be justified under the necessary expense theory, it must meet certain tests, including: "The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available" (GAO Red Book, Volume I, Chapter 4, Section B.1.). By projection, the necessary expense doctrine does not allow use of appropriated funds to purchase items or services that can be reasonably interpreted to meet personal convenience and are not for a necessary Governmental function. The CO or cardholder in consultation with budget officials and legal counsel should make determinations in this area about questioned or questionable items or services. Almost any listing of prohibited items of purchase is subject to exceptions. To quote the GAO Red Book "The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among agencies, any formula would almost certainly be unworkable. Rather, the determination must be made essentially on a case-by-case basis."

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Section 5 : APC Checklist Guide

Old Content: Procurement Guidance:

T3.2.6 - Purchase Card Program

Appendix

Section 5 : APC Checklist Guide

Number		Comply	Non Comply	Not Applicable
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FAST Version 07/2010

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	Government Purchase Card and Check Evaluation Report			
	Check List			
1	PRIOR APPROVAL			
	Purchase card – The cardholder obtains and documents the approval of the approving official and checks the funds available balance before purchase is made. The cardholder will obtain written confirmation of any verbal approval within 10 days of receiving the verbal approval. AMS Procurement Guidance [T3.2.6]			
	Credit card check – Purchases using credit card checks must be approved in advance by the second line manager who approves purchase card purchases. [AMS Procurement Guidance T3.2.6]			
	If the approving official is not located at the same site as the person authorized to issue the check (check writer), verbal approval followed by written documentation is satisfactory. The check writer must complete the credit card check approval form when verbal approval has been granted in advance of a purchase by the second level supervisor [AMS Procurement Guidance T3.2.6 and Appendix 2]			
2	AUTHORIZED USE			
	Purchase card – The purchase cardholder must safeguard the purchase card and card number. Only the individual whose name appears on the purchase card is authorized to use it. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Checks shall only be used by the individual whose name appears on the check. [AMS Procurement Guidance T3.2.6] Check writers shall safeguard checks and keep in a secured area (i.e. locked safe cabinet or another secured environment) AMS Procurement Guidance T3.2.6]			
3	DOCUMENTATION			
	Purchase Card – All purchase card transactions made by a cardholder must be supported by a purchase approval, a certification of funds availability, documents such as a sales slip or invoice, check for availability from mandatory source, and a receiving report or independent receipt of goods. Cardholders must retain purchase card documentation for six years and three months from date of purchase. Cardholders must notify and provide all card documentation to approving official before cardholder transfers to another office or leaves FAA [AMS Procurement Guidance T3.2.6]			
	Credit card check – The credit card check writer must obtain the initials of the approving official on the check register to verify that the payee does not accept the purchase card. [AMS Procurement Guidance T3.2.6.]			
	Check writer should maintain a record of each check transaction in the check register [AMS Procurement Guidance T3.2.6]			
	Check writer must turn in carbon copy of check, merchandise receipt and invoice and match against credit card check register. Credit card check records should be retained in credit card check writer's office [AMS Procurement Guidance T3.2.6]			

4	PROHIBITED PURCHASES			
	Purchase Card – The GSA contract stipulates that the purchase card may not be used for the following: [AMS Procurement Guidance T3.2.6]			
	a. Rental or lease of land or buildings (except short-term commercial conference and meeting room space may be purchased			
	b. Cash advances, including money orders			
	c. Telephone services controlled by the GSA or the local Office of Information Services or Regional Communications Office (except telephone equipment may be purchased)			
	The use of the purchase card for personal purchases or as identification when writing personal checks is prohibited. [AMS Procurement Guidance T3.2.6]			
	The use of appropriated funds for the following purposes is prohibited: [AMS Procurement Guidance T3.2.2.5A:2]			
	a. Food items for meetings and conventions (except that the purchase card can be used to purchase light refreshments, e.g. coffee, tea, donuts, etc. for award ceremonies)			
	b. Gifts to include store gift cards/certificates, office retirements			
	c. Membership fees for individual employees (except the Agency may purchase membership in a society or association in its own name);			
	d. Personal expenses and furnishings, including clothing, decorations and food for personal use or consumption (except as authorized by HRP 9.2. The purchase card may be used to purchase clothing that is required to perform job duties			
	e. Drinking water (except as identified in AMS Procurement Guidance T3.2.2.5A:2)			
	f. Subscriptions to publications or magazines, not relating to official duties			
	g. Rental of aircraft by persons not in aircraft related positions			
	h. Fans, air conditioning and cooling equipment, space heaters and heating equipment, except as properly installed for general use in connection with the maintenance and operations requirements for the site			
	i. Water coolers, or vacuum cleaners and other household appliances (except as requisitioned for general use by the authorities charged with building maintenance and equipment)			
	The purchase card cannot be used to purchase real property (land, buildings, or other structures) [AMS Procurement Guidance T3.2.2.5A:2]			
	Use of the purchase card, in lieu of the travel charge card, for travel-related expenses is prohibited [AMS Procurement Guidance T3.2.6]			
	Use of the purchase card to obtain Government owned or leased vehicles is prohibited [AMS Procurement Guidance T3.2.6]			
	Credit card checks – credit card checks may not be used for the following: [AMS Procurement Guidance T3.2.6]			
	a. The issuance of travel advances when the Government-issued travel charge card is revoked or cancelled due to delinquent payment or for personal reasons			
	b. Cash			

5	RESTRICTED PURCHASES			
	Purchase card – Federal funds used to purchase, lease or rent plasma displays or personal data assistants (PDAs) including Blackberries, require written justification from the affected associate or assistant administrator. The acquisition of high cost, high quantity items (e.g. computer equipment, hand-held radios, snowmobiles or any item over the amount of \$500) or sensitive items should be centrally purchased within the service center, center or Headquarters LOB to take advantage of the economies of scale and equipment standardization [AMS Procurement Guidance T3.2.6]			
	Credit card checks – Credit card checks may only be issued in “exceptional situations” when the use of payment mechanisms such as automated clearinghouse, a Government purchase card, or a Government issued travel credit card are not feasible [AMS Procurement Guidance T3.2.6]			
	Credit card checks may only be used: [AMS Procurement Guidance T3.2.6]			
	a. Where the political, financial, or communications infrastructure does not support payment by EFT in a foreign country			
	b. Where the payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area			
	c. Where paying by EFT would jeopardize military or law enforcement operations or national security interests			
	d. Where a cost-benefit analysis shows that making non-recurring payments by EFT are not justified			
	e. Where an agency’s need for goods and services is of such an unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT			
	f. When there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT			
6	THIRD PARTY PAYMENTS			
	Purchase card – Cardholders are required to immediately notify the approving official when they become aware that a purchase card purchase will be processed by a third party on-line payment company. Cardholders must provide the approving official a copy of all documentation that supports the on-line payment transaction within five days of item receipt. [AMS Procurement Guidance T3.2.6]			
7	USE OF MANDATORY AND STRATEGIC SOURCES			
	Purchase card – Cardholder must determine if a product or service is available from the mandatory sources of supply (NIB, NISH)), or through a strategic sourcing contract (such as SAVES, Dell Blanket Purchase Agreement and Oracle Enterprise Licensing), before making a purchase from the open market [AMS Procurement Guidance T3.2.2.5A:1]			
8	ADDITIONAL SOURCES OF SUPPLY			
	Purchase card – Cardholders should purchase products and services from small businesses and small businesses owned and controlled by socially and economically disadvantaged whenever possible after mandatory source [AMS Procurement Guidance T3.2.2.5A:1]			

9	USE OF COMMERCIAL SOURCES			
	Purchase card – If a product or service is not available from a mandatory source, then cardholder must document according to the standards established in AMS Procurement Guidance T3.2.2.5A:1			
10	FISCAL RESPONSIBILITY			
	Purchase card – Cardholders must not split purchase card purchases in order to exceed the authorized single purchase limit or to avoid other established spending limitations. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Credit card checks cannot be written for more than \$2500 each			
	Purchase card fund availability – Cardholders are responsible for maintaining a revolving balance of available funds as each item is purchased. [AMS Procurement Guidance T3.2.6]			
	Credit card check fund availability – Check writers are responsible for tracking their individual available balance and reconciling cleared credit card checks. [AMS Procurement Guidance T3.2.6]			
	Purchase card validation – Cardholders are responsible for validating all purchase card purchases and credit transaction items on the monthly statement to the accountable documents (sales slip, credit slip, and phone order form) and submit receipts to approving official, and correct object class code when necessary [AMS Procurement Guidance T3.2.6]			
	Credit card check validation – The monthly statement must be cross-checked with the check writer's check register, carbon copy of the check, receipt, and invoice to ensure that the register and statement amounts are the same [AMS Procurement Guidance T3.2.6]			
	Purchase card deficiencies/disputes/damaged equipment – Cardholder should seek resolution with vendor when item shortages, receipt of defective items or receipt of wrong items occur. Cardholder must return defective, damaged or erroneous item to vendor within 60 days of receipt. [AMS Procurement Guidance T3.2.6]			
	Purchase cardholder must file a dispute form with the bank if they cannot reach a resolution with the vendor for any discrepancies. [AMS Procurement Guidance T3.2.6]			
	Credit card check deficiencies/disputes/damaged equipment – Discrepancies must be resolved immediately with the financial institution. [AMS Procurement Guidance T3.2.6]			
	Credit card check writers cannot accept cash or store credits made out to check writer for returned items. [AMS Procurement Guidance T3.2.6]			
	Check refunds received by the check writer must be forwarded to the servicing accounting office for deposit within one business day. [AMS Procurement Guidance T3.2.6]			
11	THEFT OR LOSS			
	Purchase card – The cardholder must immediately report the loss or theft of the purchase card to the card-issuing bank, the APC, and the approving official to avoid liability for unauthorized purchases on the card. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Check writer must report lost or stolen checks to the financial institution. [AMS Procurement Guidance T3.2.6]			

12	NON-MONETARY AWARDS			
	<p>Purchase card – If the purchase card is used for non-cash awards (gifts remain a prohibited item), the requirement in the HRPM, Recognizing Employees, PM-9.2, must be followed. Each office is responsible for maintaining records on all recognition and awards purchased and given.</p> <p>These records must contain the following:</p> <p>(a) The justification for granting the award;</p> <p>(b) The item(s) purchased;</p> <p>(c) The cost of the item(s); and</p> <p>(d) The award recipient.</p> <p>[AMS Procurement Guidance T3.2.6]</p> <p>It must be emphasized that plaques, trophies, etc. given to employees for high quality work or special projects must not exceed \$75.00. Merchandise that is given to FAA employees is considered non-taxable by the IRS, if its cost does not exceed \$75.00. [AMS Procurement Guidance T3.2.6]]</p>			

New Content: Procurement Guidance:

T3.2.6 - Purchase Card Program

Appendix

Section 5 : APC Checklist Guide

Government Purchase Card and Check Evaluation Report				
Number	Check List	Comply	Non Comply	Not Applicable
1	PRIOR APPROVAL			
	<p>Purchase card – The cardholder obtains and documents the approval of the approving official and checks the funds available balance before purchase is made. The cardholder will obtain written confirmation of any verbal approval within 10 days of receiving the verbal approval.</p> <p>AMS Procurement Guidance [T3.2.6]</p>			
	<p>Credit card check – Purchases using credit card checks must be approved in advance by the second line manager who approves purchase card purchases. [AMS Procurement Guidance T3.2.6]</p>			
	<p>If the approving official is not located at the same site as the person authorized to issue the check (check writer), verbal approval followed by written documentation is satisfactory. The check writer must complete the credit card check approval form when verbal approval has been granted in advance of a purchase by the second level supervisor [AMS Procurement Guidance T3.2.6 and Appendix 2]</p>			
2	AUTHORIZED USE			

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	Purchase card – The purchase cardholder must safeguard the purchase card and card number. Only the individual whose name appears on the purchase card is authorized to use it. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Checks shall only be used by the individual whose name appears on the check. [AMS Procurement Guidance T3.2.6] Check writers shall safeguard checks and keep in a secured area (i.e. locked safe cabinet or another secured environment) AMS Procurement Guidance T3.2.6]			
3	DOCUMENTATION			
	Purchase Card – All purchase card transactions made by a cardholder must be supported by a purchase approval, a certification of funds availability, documents such as a sales slip or invoice, check for availability from mandatory source, and a receiving report or independent receipt of goods. Cardholders must retain purchase card documentation for six years and three months from date of purchase. Cardholders must notify and provide all card documentation to approving official before cardholder transfers to another office or leaves FAA [AMS Procurement Guidance T3.2.6]			
	Credit card check – The credit card check writer must obtain the initials of the approving official on the check register to verify that the payee does not accept the purchase card. [AMS Procurement Guidance T3.2.6.]			
	Check writer should maintain a record of each check transaction in the check register [AMS Procurement Guidance T3.2.6]			
	Check writer must turn in carbon copy of check, merchandise receipt and invoice and match against credit card check register. Credit card check records should be retained in credit card check writer's office [AMS Procurement Guidance T3.2.6]			
4	PROHIBITED PURCHASES			
	Purchase Card – The GSA contract stipulates that the purchase card may not be used for the following: [AMS Procurement Guidance T3.2.6]			
	a. Rental or lease of land or buildings (except short-term commercial conference and meeting room space may be purchased			
	b. Cash advances, including money orders			
	c. Telephone services controlled by the GSA or the local Office of Information Services or Regional Communications Office (except telephone equipment may be purchased)			
	The use of the purchase card for personal purchases or as identification when writing personal checks is prohibited. [AMS Procurement Guidance T3.2.6]			
	The use of appropriated funds for the following purposes is prohibited: [AMS Procurement Guidance T3.2.2.5A:2]			
	a. Food items for meetings and conventions (except that the purchase card can be used to purchase light refreshments, e.g. coffee, tea, donuts, etc. for award ceremonies)			
	b. Gifts			
	c. Membership fees for individual employees (except the Agency may purchase membership in a society or association in its own			

	name);			
	d. Personal expenses and furnishings, including clothing, decorations and food for personal use or consumption (except as authorized by HRP 9.2. The purchase card may be used to purchase clothing that is required to perform job duties			
	e. Drinking water (except as identified in AMS Procurement Guidance T3.2.2.5A:2)			
	f. Subscriptions to publications or magazines, not relating to official duties			
	g. Rental of aircraft by persons not in aircraft related positions			
	h. Fans, air conditioning and cooling equipment, space heaters and heating equipment, except as properly installed for general use in connection with the maintenance and operations requirements for the site			
	i. Water coolers, or vacuum cleaners and other household appliances (except as requisitioned for general use by the authorities charged with building maintenance and equipment)			
	The purchase card cannot be used to purchase real property (land, buildings, or other structures) [AMS Procurement Guidance T3.2.2.5A:2]			
	Use of the purchase card, in lieu of the travel charge card, for travel-related expenses is prohibited [AMS Procurement Guidance T3.2.6]			
	Use of the purchase card to obtain Government owned or leased vehicles is prohibited [AMS Procurement Guidance T3.2.6]			
	Credit card checks – credit card checks may not be used for the following: [AMS Procurement Guidance T3.2.6]			
	a. The issuance of travel advances when the Government-issued travel charge card is revoked or cancelled due to delinquent payment or for personal reasons			
	b. Cash			
5	RESTRICTED PURCHASES			
	Purchase card – Federal funds used to purchase, lease or rent plasma displays or personal data assistants (PDAs) including Blackberries, require written justification from the affected associate or assistant administrator. The acquisition of high cost, high quantity items (e.g. computer equipment, hand-held radios, snowmobiles or any item over the amount of \$500) or sensitive items should be centrally purchased within the service center, center or Headquarters LOB to take advantage of the economies of scale and equipment standardization [AMS Procurement Guidance T3.2.6]			
	Credit card checks – Credit card checks may only be issued in “exceptional situations” when the use of payment mechanisms such as automated clearinghouse, a Government purchase card, or a Government issued travel credit card are not feasible [AMS Procurement Guidance T3.2.6]			
	Credit card checks may only be used: [AMS Procurement Guidance T3.2.6]			
	a. Where the political, financial, or communications infrastructure does not support payment by EFT in a foreign country			
	b. Where the payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area			
	c. Where paying by EFT would jeopardize military or law			

	enforcement operations or national security interests			
	d. Where a cost-benefit analysis shows that making non-recurring payments by EFT are not justified			
	e. Where an agency's need for goods and services is of such an unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT			
	f. When there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT			
6	THIRD PARTY PAYMENTS			
	Purchase card – Cardholders are required to immediately notify the approving official when they become aware that a purchase card purchase will be processed by a third party on-line payment company. Cardholders must provide the approving official a copy of all documentation that supports the on-line payment transaction within five days of item receipt. [AMS Procurement Guidance T3.2.6]			
7	USE OF MANDATORY AND STRATEGIC SOURCES			
	Purchase card – Cardholder must determine if a product or service is available from the mandatory sources of supply (NIB, NISH)), or through a strategic sourcing contract (such as SAVES, Dell Blanket Purchase Agreement and Oracle Enterprise Licensing), before making a purchase from the open market [AMS Procurement Guidance T3.2.2.5A:1]			
8	ADDITIONAL SOURCES OF SUPPLY			
	Purchase card – Cardholders should purchase products and services from small businesses and small businesses owned and controlled by socially and economically disadvantaged whenever possible after mandatory source [AMS Procurement Guidance T3.2.2.5A:1]			
9	USE OF COMMERCIAL SOURCES			
	Purchase card – If a product or service is not available from a mandatory source, then cardholder must document according to the standards established in AMS Procurement Guidance T3.2.2.5A:1			
10	FISCAL RESPONSIBILITY			
	Purchase card – Cardholders must not split purchase card purchases in order to exceed the authorized single purchase limit or to avoid other established spending limitations. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Credit card checks cannot be written for more than \$2500 each			
	Purchase card fund availability – Cardholders are responsible for maintaining a revolving balance of available funds as each item is purchased. [AMS Procurement Guidance T3.2.6]			
	Credit card check fund availability – Check writers are responsible for tracking their individual available balance and reconciling cleared credit card checks. [AMS Procurement Guidance T3.2.6]			
	Purchase card validation – Cardholders are responsible for validating all purchase card purchases and credit transaction items on the monthly statement to the accountable documents (sales slip, credit slip, and phone order form) and submit receipts to approving official, and correct object class code when necessary [AMS Procurement			

	Guidance T3.2.6]			
	Credit card check validation – The monthly statement must be cross-checked with the check writer’s check register, carbon copy of the check, receipt, and invoice to ensure that the register and statement amounts are the same [AMS Procurement Guidance T3.2.6]			
	Purchase card deficiencies/disputes/damaged equipment – Cardholder should seek resolution with vendor when item shortages, receipt of defective items or receipt of wrong items occur. Cardholder must return defective, damaged or erroneous item to vendor within 60 days of receipt. [AMS Procurement Guidance T3.2.6]			
	Purchase cardholder must file a dispute form with the bank if they cannot reach a resolution with the vendor for any discrepancies. [AMS Procurement Guidance T3.2.6]			
	Credit card check deficiencies/disputes/damaged equipment – Discrepancies must be resolved immediately with the financial institution. [AMS Procurement Guidance T3.2.6]			
	Credit card check writers cannot accept cash or store credits made out to check writer for returned items. [AMS Procurement Guidance T3.2.6]			
	Check refunds received by the check writer must be forwarded to the servicing accounting office for deposit within one business day. [AMS Procurement Guidance T3.2.6]			
11	THEFT OR LOSS			
	Purchase card – The cardholder must immediately report the loss or theft of the purchase card to the card-issuing bank, the APC, and the approving official to avoid liability for unauthorized purchases on the card. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Check writer must report lost or stolen checks to the financial institution. [AMS Procurement Guidance T3.2.6]			
12	NON-MONETARY AWARDS			
	<p>Purchase card – If the purchase card is used for non-cash awards (gifts remain a prohibited item), the requirement in the HRP, Recognizing Employees, PM-9.2, must be followed. Each office is responsible for maintaining records on all recognition and awards purchased and given.</p> <p>These records must contain the following:</p> <ul style="list-style-type: none"> (a) The justification for granting the award; (b) The item(s) purchased; (c) The cost of the item(s); and (d) The award recipient. <p>[AMS Procurement Guidance T3.2.6]</p> <p>It must be emphasized that plaques, trophies, etc. given to employees for high quality work or special projects must not exceed \$75.00. Merchandise that is given to FAA employees is considered</p>			

	non-taxable by the IRS, if its cost does not exceed \$75.00. (AMS Procurement Guidance T3.2.6)			
	Store gift cards or gift certificates, when authorized for purchase as a non-monetary award, must not be purchased with the purchase card (AMS Guidance T3.2.2.5.A.4.d.(3))			

Red Line Content: Procurement Guidance:

T3.2.6 - Purchase Card Program

Appendix

Section 5 : APC Checklist Guide

Government Purchase Card and Check Evaluation Report				
Number	Check List	Comply	Non Comply	Not Applicable
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	Purchase card – The cardholder obtains and documents the approval of the approving official and checks the funds available balance before purchase is made. The cardholder will obtain written confirmation of any verbal approval within 10 days of receiving the verbal approval. AMS Procurement Guidance [T3.2.6]			
	Credit card check – Purchases using credit card checks must be approved in advance by the second line manager who approves purchase card purchases. [AMS Procurement Guidance T3.2.6]			
	If the approving official is not located at the same site as the person authorized to issue the check (check writer), verbal approval followed by written documentation is satisfactory. The check writer must complete the credit card check approval form when verbal approval has been granted in advance of a purchase by the second level supervisor [AMS Procurement Guidance T3.2.6.and Appendix 2]			
2	AUTHORIZED USE			
	Purchase card – The purchase cardholder must safeguard the purchase card and card number. Only the individual whose name appears on the purchase card is authorized to use it. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Checks shall only be used by the individual whose name appears on the check. [AMS Procurement Guidance T3.2.6] Check writers shall safeguard checks and keep in a secured area (i.e. locked safe cabinet or another secured environment) AMS Procurement Guidance T3.2.6]			
3	DOCUMENTATION			
	Purchase Card – All purchase card transactions made by a cardholder must be supported by a purchase approval, a certification of funds availability, documents such as a sales slip or invoice, check for availability from mandatory source, and a receiving report or			

	independent receipt of goods. Cardholders must retain purchase card documentation for six years and three months from date of purchase. Cardholders must notify and provide all card documentation to approving official before cardholder transfers to another office or leaves FAA [AMS Procurement Guidance T3.2.6]			
	Credit card check – The credit card check writer must obtain the initials of the approving official on the check register to verify that the payee does not accept the purchase card. [AMS Procurement Guidance T3.2.6.]			
	Check writer should maintain a record of each check transaction in the check register [AMS Procurement Guidance T3.2.6]			
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4	PROHIBITED PURCHASES			
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	a. Rental or lease of land or buildings (except short-term commercial conference and meeting room space may be purchased			
	b. Cash advances, including money orders			
	c. Telephone services controlled by the GSA or the local Office of Information Services or Regional Communications Office (except telephone equipment may be purchased)			
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	a. Food items for meetings and conventions (except that the purchase card can be used to purchase light refreshments, e.g. coffee, tea, donuts, etc. for award ceremonies)			
	b. Gifts to include store gift cards/certificates, office retirements			
	c. Membership fees for individual employees (except the Agency may purchase membership in a society or association in its own name);			
	d. Personal expenses and furnishings, including clothing, decorations and food for personal use or consumption (except as authorized by HRP 9.2. The purchase card may be used to purchase clothing that is required to perform job duties			
	e. Drinking water (except as identified in AMS Procurement Guidance T3.2.2.5A:2)			
	f. Subscriptions to publications or magazines, not relating to official duties			
	g. Rental of aircraft by persons not in aircraft related positions			
	h. Fans, air conditioning and cooling equipment, space heaters and heating equipment, except as properly installed for general use in connection with the maintenance and operations requirements for the site			
	i. Water coolers, or vacuum cleaners and other household appliances (except as requisitioned for general use by the authorities charged			

	with building maintenance and equipment)			
	The purchase card cannot be used to purchase real property (land, buildings, or other structures) [AMS Procurement Guidance T3.2.2.5A:2]			
	Use of the purchase card, in lieu of the travel charge card, for travel-related expenses is prohibited [AMS Procurement Guidance T3.2.6]			
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	within five days of item receipt. [AMS Procurement Guidance T3.2.6]			
7	USE OF MANDATORY AND STRATEGIC SOURCES			
	Purchase card – Cardholder must determine if a product or service is available from the mandatory sources of supply (NIB, NISH)), or through a strategic sourcing contract (such as SAVES, Dell Blanket Purchase Agreement and Oracle Enterprise Licensing), before making a purchase from the open market [AMS Procurement Guidance T3.2.2.5A:1]			
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	Purchase cardholder must file a dispute form with the bank if they cannot reach a resolution with the vendor for any discrepancies. [AMS Procurement Guidance T3.2.6]			
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	institution. [AMS Procurement Guidance T3.2.6]			
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	Check refunds received by the check writer must be forwarded to the servicing accounting office for deposit within one business day. [AMS Procurement Guidance T3.2.6]			
11	THEFT OR LOSS			
	Purchase card – The cardholder must immediately report the loss or theft of the purchase card to the card-issuing bank, the APC, and the approving official to avoid liability for unauthorized purchases on the card. [AMS Procurement Guidance T3.2.6]			
	Credit card check – Check writer must report lost or stolen checks to the financial institution. [AMS Procurement Guidance T3.2.6]			
12	NON-MONETARY AWARDS			
	<p>Purchase card – If the purchase card is used for non-cash awards (gifts remain a prohibited item), the requirement in the HRPM, Recognizing Employees, PM-9.2, must be followed. Each office is responsible for maintaining records on all recognition and awards purchased and given.</p> <p>These records must contain the following:</p> <ul style="list-style-type: none"> (a) The justification for granting the award; (b) The item(s) purchased; (c) The cost of the item(s); and (d) The award recipient. <p>[AMS Procurement Guidance T3.2.6]</p> <p>It must be emphasized that plaques, trophies, etc. given to employees for high quality work or special projects must not exceed \$75.00. Merchandise that is given to FAA employees is considered non-taxable by the IRS, if its cost does not exceed \$75.00. (AMS Procurement Guidance T3.2.6H)</p> <p>-</p> <p><u>Store gift cards or gift certificates, when authorized for purchase as a non-monetary award, must not be purchased with the purchase card (AMS Guidance T3.2.2.5.A.4.d.(3))</u></p>			

Section 1 : Appendix 1- Emergency Procurement Guide

Old Content: Procurement Guidance:

T3.2.1.5 - Disaster or Emergency Preparedness and Response

Appendix

Section 1 : Appendix 1- Emergency Procurement Guide

FAA Emergency Procurement Guide

This guide is for the use of FAA personnel when responding to a bona fide emergency, incident of national significance, or aiding in disaster relief efforts. This guide supplements and summarizes FAA Acquisition Management System (AMS); specific policy and guidance for FAA procurement can be found at <http://fast.faa.gov>.

Emergency: A sudden, unforeseen event that requires action to correct or to protect lives or property.

The flexibilities in this guide may be used:

1. In support of FAA contingency operations or restoration of the NAS;
2. To facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the

United States; or

3. When the President declares an incident of national significance, emergency declaration, or a major disaster declaration.

Unauthorized Commitments: DO NOT make commitments or promises of any kind to bind the Government if you are not a properly warranted Contracting Officer (CO) or an authorized holder of a purchase card and the requirement is within your warrant or delegation.

When purchasing goods or services in an emergency, COs and cardholders **must** ensure that applicable FAA security standards are properly addressed and adhered to.

Purchase Cards

The purchase card is a valuable tool that can be utilized to procure requirements in times of emergency. Despite the presence of an emergency situation:

- Single and monthly limits established for the card account by the Chief of the Contracting Office (COCO) in the cardholder's Delegation of Purchasing Authority (DPA) must still be strictly adhered to; and
- The person making the purchase must be the cardholder on the card account and have a valid DPA issued by the COCO.

Emergency Spending Limits

The maximum single purchase limit that can be assigned to purchase card is \$100,000, while the maximum billing cycle or monthly limit is \$999,900. The COCO establishes both limitations based on justification and recommendations of a cardholder's approving official. If a cardholder is designated or tasked to respond to emergencies or participate in relief efforts, that individual's single and monthly limit can be raised to a level that allows for an efficient and effective emergency response.

A warranted CO can make purchases up to \$100,000 using a purchase card (if within their warrant limits); however the maximum Single Purchase Limit that may be issued to an unwarranted cardholder is \$10,000. If a non-warranted cardholder wishes to have a single purchase limit above \$10,000 (up to the \$100,000 maximum) for emergency operations, the individual must receive written approval from the COCO.

Prohibited Purchases

The following items cannot be purchased using a government purchase card:

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- Cash advances, including money orders
- Telephone services controlled by the GSA or the local Office of Information Services or Regional Communications Office
- Cellular or communication devices and services covered by the National Wireless Program Office (NWPO)
- Personal purchases or services
- Travel-related expenses
- Obtain Government owned or leased vehicles

Restricted Purchases

- Drinking water, except when:
 - A duly constituted health authority pronounces the drinking water to be unsafe for human consumption at the site;
 - A viable and safe water source for FAA personnel is not available on or within a reasonable distance of the worksite;
 - FAA personnel reasonably foresee a disaster or emergency, such as the imminent landfall of a hurricane (See AMS Procurement Guidance 3.2.2.5 for additional restrictions); or
 - The drinking water is provided in a controlled environment to enable collections for drug use analysis for safety sensitive positions.
- Food items for meetings and conventions, except as detailed in AMS Procurement Guidance 3.2.2.5.
- Gifts to include store gifts cards/certificates or office retirements (Note that authorized office retirement plaques are not gifts and fall under non-cash awards)
- Membership fees for individual employees (the agency may purchase membership in a society or association in its own name)
- Subscriptions to publications or magazines not relating to official duties

- Clothing (or personal apparel of any description); requirements for special type clothing necessitated by agency requires written justification from the requestor's supervisor and should be coordinated with legal counsel
- Rental of aircraft by persons not in aircraft related positions
- Fans, air conditioning and cooling equipment, space heaters and heating equipment, except as properly installed for general use in connection with the maintenance and operations requirements for the site.
- Water coolers, or vacuum cleaners and other household appliances (i.e. refrigerators, microwaves, etc), except as requisitioned for general use by the authorities charged with building maintenance and equipment Plaques, trophies, etc. (exceeding \$75.00) given to employees for high quality work or special projects (See AMS Procurement Guidance 3.2.2.5 for additional information) Services over \$2,500
- Construction over \$2,000

Purchase Card Flexibilities

See the *Emergency Procurement Flexibilities* section below in this guide.

Purchase Card Dos and Don'ts

- Be sure not to charge travel related expenses on the purchase card.
- Ensure that funding is available and approvals are received. Despite the presence of an emergency, funding must be available prior to purchase.
- Never allow anyone else to use your purchase card.
- Secure the card at all times and immediately report lost or stolen cards to the Agency Program Coordinator (APC) and bank.
- Ensure that vendors understand that FAA is exempt from sales tax.
- Never exceed assigned single or monthly purchase limits.
- Never split a purchase to avoid single or monthly purchase limits.

Credit Card Checks

- For those vendors that don't accept a purchase card, credit card checks have a single purchase limit of \$2,500.

Procurement Resources and Tools for Emergencies

Mailing Lists: Keeping a mailing list of vendors for a given locale for various supplies or services may prove useful when emergency response limits time for market research. Some if not all regional procurement offices have lists available, and can be easily formed.

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- If a need is known but the schedule and quantity are unknown, an ID/IQ contract can be a valuable tool.
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County, City, or Local Trade Organization

- As a response to an emergency can involve varying levels of government, many state, county, and city governments have already established listings of vendors in varying trades that can be utilized.
- In several areas, vendors have committed personnel and equipment to mobilize for emergency response when required.
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- Many government offices or trade organizations list these vendors in annual publications for reference when needed.

Other Federal Resources

GSA

- GSA Advantage Disaster Relief: GSA has established a website to identify those products and services that are traditionally utilized in relief efforts. As the products are available through GSA *Advantage* and GSA Federal Supply Schedule (FSS) contracts, products and pricing are easily obtained. <http://www.gsaadvantage.gov/disasterrelief>
- GSA Advantage: While using the purchase card, required supplies can be purchased and received in a short period of time. A cardholder can locate required items using the search feature on the site, or utilize tailored sections of the site that categorize the products into areas such as Homeland Security Products or Wild Fire and Equipment. <https://www.gsaadvantage.gov>

- **GSA e-Buy:** If a requirement is needed quickly, yet time limitations allow for some market research, e-Buy allows for the distribution of an opportunity to FSS vendors and submission of the resulting vendor quote for the need electronically.
- **GSA FSS or GSA BPA:** There are several FSS contracts and Blanket Purchase Agreements (BPA) established by GSA or other agencies for various goods or services. GSA has the goods and services organized by type, and provide them in the GSA Schedule e-Library at <http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>.

Department of Homeland Security (DHS) or Federal Emergency Management Agency (FEMA): DHS has established several contracts and agreements for supplies and services to be utilized during an emergency response. Information regarding the ability to utilize these tools or to learn of avenues available can be obtained by calling DHS at (202) 205-5045.

FEMA Source Lists: FEMA has formulated several lists of vendors of varying trades that may be utilized in relief efforts. The lists and contact information can be obtained by calling (202) 646-4686.

Defense Logistics Agency (DLA): DLA contracts for various supplies and services that can be utilized by the FAA. These include contracts for heavy equipment and buildings. www.dla.mil

Air Force Contract Augmentation Program (AFCAP): This program provides various civil engineer and service capabilities to include structural fire protection, environmental management, and lodging. http://www.afcesa.af.mil/cex/cexx/cex_afcap.asp

Navy's Construction Capability (CONCAP) contract: Provides rapid response capability in emergency operations and is focused on construction and construction-related activities. Tasks include airfield construction, pier construction, and petroleum storage. https://portal.navfac.navy.mil/portal/page?_pageid=181,1&_dad=portal&_schema=PORTAL

Army's Logistics Civil Augmentation Program (LOGCAP): Provides rapid response in areas to include construction support, general logistics services, and facility engineer support. http://www.amc.army.mil/amc/ci/pubs/p700_30.pdf

Emergency Procurement Flexibilities

- **Mandatory Sources:** An emergency may exempt procurements from complying with the Javits-Wagner-O'Day (JWOD) Act, Randolph Sheppard Act, and the Federal Prison Industries requirements. (AMS Procurement Guidance T3.8.4)
- **Single Source Procurement:** In an emergency, procurements can be awarded to a single source if in the best interest of the FAA. (AMS Procurement Guidance T3.2.2.4)
- **Public Announcement:** The requirement to synopsise or publicly announce procurements over \$100,000 is waived for emergency actions. (AMS Procurement Guidance T3.2.2)
- **Walsh-Healey Public Contracts Act:** Contracts for supplies under emergency conditions are waived from this act. (AMS Procurement Guidance T3.6.2)
- **Purchase Card:** See section *Purchase Cards*.
- **Credit Card Checks:** See section *Purchase Cards*.

- Letter contracts: If the situation demands immediate response, a CO may issue a letter contract to a vendor. A letter contract includes identification of the requirement and a brief description of the work, a total amount for which the contractor shall be limited to expend and the FAA shall be required to pay; and the period of performance by the contractor. (AMS Procurement Guidance T3.2.4)
- Verbal Authorization: A CO may give a vendor a verbal authorization to begin work once funds are committed and complete the remaining contract phases after the fact. (AMS Policy 3.2.2.4.1.1)
- Oral Solicitations and Quotations: Oral solicitations may be used when processing a written solicitation would delay the acquisition of supplies or services in an emergency to the detriment of the FAA. Oral quotations may be authorized to allow for quicker receipt of pricing for goods and services. Documentation for each oral Request for Quote (RFQ) should include:
 - Description of requirement and RFQ number;
 - Rationale for use of oral quotations;
 - Sources solicited: Include date, time, and name of individuals contacted, and prices offered; and
 - Best value determination.
- Central Contractor Registration (CCR): Contractors do not have to be registered in CCR before award of a contract, agreement, or lease in response to an emergency or disaster. (AMS Procurement Guidance T3.3.1)
- Electronic Fund Transfer (EFT): Payment by EFT is not required during emergencies or contingency operations. (AMS Procurement Guidance T3.3.1)
- Local Area Set-Asides for Disaster or Emergency: The CO may set-aside procurements for competition among only offerors residing or doing business primarily in an area where the President has declared a major disaster or emergency. (AMS Procurement Guidance T3.2.1.5)
- Bonds: For emergency acquisitions, the CO may waive the requirement to obtain a guarantee when performance bond and/or payment bonds are usually required. (AMS Procurement Guidance T3.4.1)
- Legal Coordination: At Headquarters, the Assistant Chief Counsel for Procurement, and at Regions and Centers, the Region or Center Counsel, may make written exceptions to the Coordination Policy described in T1.15, adjust dollar minimums, or in appropriate cases, waive the Coordination Policy. (AMS Procurement Guidance T1.15)
- Overtime: Approval of contractor overtime should be prospective, but if justified by emergency circumstances, approval may be retroactive. (AMS Procurement Guidance T3.6.2)

New Content: Procurement Guidance:

T3.2.1.5 - Disaster or Emergency Preparedness and Response

Appendix

Section 1 : Appendix 1- Emergency Procurement Guide

FAA Emergency Procurement Guide

This guide is for the use of FAA personnel when responding to a bona fide emergency, incident of national significance, or aiding in disaster relief efforts. This guide supplements and summarizes FAA Acquisition Management System (AMS); specific policy and guidance for FAA procurement can be found at <http://fast.faa.gov>.

Emergency: A sudden, unforeseen event that requires action to correct or to protect lives or property.

The flexibilities in this guide may be used:

1. In support of FAA contingency operations or restoration of the NAS;
2. To facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the

United States; or

3. When the President declares an incident of national significance, emergency declaration, or a major disaster declaration.

Unauthorized Commitments: DO NOT make commitments or promises of any kind to bind the Government if you are not a properly warranted Contracting Officer (CO) or an authorized holder of a purchase card and the requirement is within your warrant or delegation.

When purchasing goods or services in an emergency, COs and cardholders **must** ensure that applicable FAA security standards are properly addressed and adhered to.

Purchase Cards

The purchase card is a valuable tool that can be utilized to procure requirements in times of emergency. Despite the presence of an emergency situation:

- Single and monthly limits established for the card account by the Chief of the Contracting Office (COCO) in the cardholder's Delegation of Purchasing Authority (DPA) must still be strictly adhered to; and
- The person making the purchase must be the cardholder on the card account and have a valid DPA issued by the COCO.

Emergency Spending Limits

The maximum single purchase limit that can be assigned to purchase card is \$100,000, while the maximum billing cycle or monthly limit is \$999,900. The COCO establishes both limitations based on justification and recommendations of a cardholder's approving official. If a cardholder is designated or tasked to respond to emergencies or participate in relief efforts, that individual's single and monthly limit can be raised to a level that allows for an efficient and effective emergency response.

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A warranted CO can make purchases up to \$100,000 using a purchase card (if within their warrant limits); however the maximum Single Purchase Limit that may be issued to an unwarranted cardholder is \$10,000. If a non-warranted cardholder wishes to have a single purchase limit above \$10,000 (up to the \$100,000 maximum) for emergency operations, the individual must receive written approval from the COCO.

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The following items cannot be purchased using a government purchase card:

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Restricted Purchases

- Drinking water, except when:
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- Construction over \$2,000
- Store gift cards or gift certificates (see AMS Guidance T3.2.2.5.A.4.d.(3)).

Purchase Card Flexibilities

See the *Emergency Procurement Flexibilities* section below in this guide.

Purchase Card Dos and Don'ts

- Be sure not to charge travel related expenses on the purchase card.
- Ensure that funding is available and approvals are received. Despite the presence of an emergency, funding must be available prior to purchase.
- Never allow anyone else to use your purchase card.
- Secure the card at all times and immediately report lost or stolen cards to the Agency Program Coordinator (APC) and bank.
- Ensure that vendors understand that FAA is exempt from sales tax.
- Never exceed assigned single or monthly purchase limits.
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- If a need is known but the schedule and quantity are unknown, an ID/IQ contract can be a valuable tool.
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Red Line Content: Procurement Guidance:

T3.2.1.5 - Disaster or Emergency Preparedness and Response

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- An ID/IQ contract can be established with a single or multiple vendors.
- An ID/IQ does have a guaranteed minimum quantity in the contract.
- Funds are obligated by each task or delivery order, not by the contract itself.

County, City, or Local Trade Organization

- As a response to an emergency can involve varying levels of government, many state, county, and city governments have already established listings of vendors in varying trades that can be utilized.
- In several areas, vendors have committed personnel and equipment to mobilize for emergency response when required.
- Several trade organizations have also formulated listings of their members that have committed their resources to emergency responses. These include heavy construction contractors (earth moving, etc), electricians, and landscape contractors (tree removal, etc.).
- Many government offices or trade organizations list these vendors in annual publications for reference when needed.

Other Federal Resources

GSA

- GSA Advantage Disaster Relief: GSA has established a website to identify those products and services that are traditionally utilized in relief efforts. As the products are available through GSA *Advantage* and GSA Federal Supply Schedule (FSS) contracts, products and pricing are easily obtained. <http://www.gsaadvantage.gov/disasterrelief>
- GSA Advantage: While using the purchase card, required supplies can be purchased and received in a short period of time. A cardholder can locate required items using the search feature on the site, or utilize tailored sections of the site that categorize the products into areas such as Homeland Security Products or Wild Fire and Equipment. <https://www.gsaadvantage.gov>
- GSA e-Buy: If a requirement is needed quickly, yet time limitations allow for some market research, e-Buy allows for the distribution of an opportunity to FSS vendors and submission of the resulting vendor quote for the need electronically.

- **GSA FSS or GSA BPA:** There are several FSS contracts and Blanket Purchase Agreements (BPA) established by GSA or other agencies for various goods or services. GSA has the goods and services organized by type, and provide them in the GSA Schedule e-Library at <http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>.

Department of Homeland Security (DHS) or Federal Emergency Management Agency (FEMA): DHS has established several contracts and agreements for supplies and services to be utilized during an emergency response. Information regarding the ability to utilize these tools or to learn of avenues available can be obtained by calling DHS at (202) 205-5045.

FEMA Source Lists: FEMA has formulated several lists of vendors of varying trades that may be utilized in relief efforts. The lists and contact information can be obtained by calling (202) 646-4686.

Defense Logistics Agency (DLA): DLA contracts for various supplies and services that can be utilized by the FAA. These include contracts for heavy equipment and buildings. www.dla.mil

Air Force Contract Augmentation Program (AFCAP): This program provides various civil engineer and service capabilities to include structural fire protection, environmental management, and lodging. http://www.afcesa.af.mil/cex/cexx/cex_afcap.asp

Navy's Construction Capability (CONCAP) contract: Provides rapid response capability in emergency operations and is focused on construction and construction-related activities. Tasks include airfield construction, pier construction, and petroleum storage. http://portal.navfac.navy.mil/portal/page?_pageid=181,1&_dad=portal&_schema=PORTAL

Army's Logistics Civil Augmentation Program (LOGCAP): Provides rapid response in areas to include construction support, general logistics services, and facility engineer support. http://www.amc.army.mil/amc/ci/pubs/p700_30.pdf

Emergency Procurement Flexibilities

- **Mandatory Sources:** An emergency may exempt procurements from complying with the Javits-Wagner-O'Day (JWOD) Act, Randolph Sheppard Act, and the Federal Prison Industries requirements. (AMS Procurement Guidance T3.8.4)
- **Single Source Procurement:** In an emergency, procurements can be awarded to a single source if in the best interest of the FAA. (AMS Procurement Guidance T3.2.2.4)
- **Public Announcement:** The requirement to synopsise or publicly announce procurements over \$100,000 is waived for emergency actions. (AMS Procurement Guidance T3.2.2)
- **Walsh-Healey Public Contracts Act:** Contracts for supplies under emergency conditions are waived from this act. (AMS Procurement Guidance T3.6.2)
- **Purchase Card:** See section *Purchase Cards*.
- **Credit Card Checks:** See section *Purchase Cards*.
- **Letter contracts:** If the situation demands immediate response, a CO may issue a letter contract to a vendor. A letter contract includes identification of the requirement and a brief description of the work, a total amount for which the contractor shall be limited to

expend and the FAA shall be required to pay; and the period of performance by the contractor. (AMS Procurement Guidance T3.2.4)

- Verbal Authorization: A CO may give a vendor a verbal authorization to begin work once funds are committed and complete the remaining contract phases after the fact. (AMS Policy 3.2.2.4.1.1)
 - Oral Solicitations and Quotations: Oral solicitations may be used when processing a written solicitation would delay the acquisition of supplies or services in an emergency to the detriment of the FAA. Oral quotations may be authorized to allow for quicker receipt of pricing for goods and services. Documentation for each oral Request for Quote (RFQ) should include:
 - Description of requirement and RFQ number;
 - Rationale for use of oral quotations;
 - Sources solicited: Include date, time, and name of individuals contacted, and prices offered; and
 - Best value determination.
 - Central Contractor Registration (CCR): Contractors do not have to be registered in CCR before award of a contract, agreement, or lease in response to an emergency or disaster. (AMS Procurement Guidance T3.3.1)
 - Electronic Fund Transfer (EFT): Payment by EFT is not required during emergencies or contingency operations. (AMS Procurement Guidance T3.3.1)
 - Local Area Set-Asides for Disaster or Emergency: The CO may set-aside procurements for competition among only offerors residing or doing business primarily in an area where the President has declared a major disaster or emergency. (AMS Procurement Guidance T3.2.1.5)
 - Bonds: For emergency acquisitions, the CO may waive the requirement to obtain a guarantee when performance bond and/or payment bonds are usually required. (AMS Procurement Guidance T3.4.1)
 - Legal Coordination: At Headquarters, the Assistant Chief Counsel for Procurement, and at Regions and Centers, the Region or Center Counsel, may make written exceptions to the Coordination Policy described in T1.15, adjust dollar minimums, or in appropriate cases, waive the Coordination Policy. (AMS Procurement Guidance T1.15)
 - Overtime: Approval of contractor overtime should be prospective, but if justified by emergency circumstances, approval may be retroactive. (AMS Procurement Guidance T3.6.2)
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