

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**



AIR FORCE INSTRUCTION 64-109

4 MAY 1994

AIR FORCE RESERVE COMMAND

Supplement 1

18 February 1997

Contracting

LOCAL PURCHASE PROGRAM

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication is available digitally on the HQ AFRC WWW site at <http://www.afrc.af.mil>. and the AFRCEPL (CD-ROM), published monthly.

OPR: SAF/AQCO
(Lt Col Stephen G. Smith)
Supersedes AFR 70-18, 17 December 1981 and
AFI 64-109/AFRES Sup,
24 April 1995.

Certified by: SAF/AQC
(Brig Gen Robert W. Drewes)
Pages: 7
Distribution: F

This instruction implements AFR 64-1, *The Contracting System*, with procedures for managing the operations and functions of the local purchase program. The local purchase program gives Air Force installations authority to contract for supplies and services to carry out the missions of units they support. This instruction refers to contracting squadrons and contracting squadron commanders. For those operational contracting offices not organized as squadrons, these terms mean the local operational contracting office and chief of the contracting office. For purposes of this AFI the term "squadron" is synonymous with "numbered flight." Users of this AFI should consult the Federal Acquisition Regulation (FAR) guidance and Air Force 64-series publications cited. The instruction does not apply to the Air National Guard.

(AFRC) This supplement implements and extends the guidance of Air Force Instruction (AFI) 64-109, 4 May 1994. The AFI is published word-for-word without editorial review. Air Force Reserve supplementary material is indicated by "(AFRC)" in boldface type. This supplement describes Air Force Reserve procedures to be used in conjunction with the basic instruction. Upon receipt of this integrated supplement discard the Air Force basic.

SUMMARY OF REVISIONS

This is the first publication of AFI 64-109. It replaces AFR 70-18. It updates titles and references and separates installation and other commander responsibilities.

(AFRC) This revision changes the reference to AFR 4-20, volume 2 in paragraph 3.3.12.4 to AFMAN 37-139, changes the office symbol in paragraph **3.3.13.1. (Added-AFRC)** from AFCPMC to AFPC, and revises paragraph **2.3.2. (Added-AFRC)**, NOTE. A (|) indicates revisions from the previous edition.

1. Source of Contracting Authority. Contracting authority for local purchases flows from the *National Security Act of 1947*; the *Air Force Organization Act of 1949*; the *Armed Services Procurement Act of 1947*; and other pertinent statutes, regulations and directives, through the Secretary of the Air Force (SAF) and various other levels to the major command (MAJCOM) commanders, certain field operating agencies (FOA), and direct reporting units (DRU).

1.1. The MAJCOM, FOA, or DRU delegates contracting authority via contracting officer warrants to individuals in contracting squadrons who qualify under the certification procedures of the Acquisition Professional Development Program (APDP). Individuals appointed as contracting officers serve as agents of the US Government rather than the Air Force.

1.2. The MAJCOM, FOA, and DRU may grant limited contracting officer warrants to individuals outside the contracting squadron in accordance with Air Force Federal Acquisition Regulation Supplement (AFFARS) 5301.603-2[90] criteria.

2. Basis of Contracting Actions. Organizations (or customers) requiring local purchase support submit purchase requests to the contracting squadron to initiate the contracting process. Customers submit either an AF Form 9, **Request for Purchase**, completed in accordance with local procedures; a DD Form 1348-1, **DoD Single Line Item Release/Receipt Document**; AO(X) Demand, or other documents that the contracting squadron accepts as purchase requests.

2.1. Customers precisely describe the requirement in the purchase request (using an item description for supplies, a performance work statement for services, or specifications and drawings for construction). Contracting squadrons may supplement this AFI or provide customer education guides to detail procedures for processing purchase requests.

2.2. The customer also provides:

- The date it needs the requirement.
- A suggested source for the requirement.
- The appropriate approved fund citation or one of the funding conditions in AFFARS Part 5332.

2.2. (AFRC) A cost estimate, in sufficient detail to satisfy the contracting officer, for construction, services, and A-E requirements and modifications.

2.3. (Added-AFRC) On the AF Form 9, **Request for Purchase**, for nonpersonal services or construction from a work center that has implemented a most efficient organization (MEO) as a result of an A-76 cost comparison, include one of the following statements:

2.3.1. (Added-AFRC) The work prescribed on this document is not included in the performance work statement developed as part of the latest A-76 cost comparison. NOTE: The office responsible for certifying and signing the statement is the chief of the work center involved.

2.3.2. (Added-AFRC) The work prescribed on this document is included in the performance work statement developed as part of the latest A-76 cost comparison. Approval of this purchase request does not increase the associated in-house estimate. NOTE: The office responsible for certifying and signing the statement is the Financial Management point of contact for monitoring in-house performance costs.

NOTE:

For Base Civil Engineers, one of the statements above (paragraph 2.3.1. or 2.3.2.) may be placed on the AF Form 332, **Base Civil Engineer Work Request**, or DD Form 1391, **FY__ Military Construction Project Data**, if it accompanies the AF Form 9.

2.4. (Added-AFRC) AF Forms 9 are approved by group and squadron commanders and functional area heads as designated by the installation commander. Other individuals may also approve purchase requests when specifically designated by the installation commander.

3. Responsibilities:**3.1. Installation Commanders:**

- 3.1.1. Make sure that local purchase actions comply with all applicable laws and regulations:
 - For supplies: FAR, DFARS, AFFARS, applicable 64-series AFIs and AFMAN 23-110, *USAF Supply Manual*.
 - For services: AFMAN 64-108, *Service Contracts*.
 - For Air Force Competition Advocacy: AFI 63-301, *Management of Air Force Competition Advocacy*.
 - For Air Force Small Business Program: AFI 64-201, *Air Force Small Business Program*.
- 3.1.2. See that units plan local purchase requirements to avoid wasteful spending and obligate expiring funds in accordance with sound contracting practices.
- 3.1.3. Implement an installation quality assurance evaluation program according to AFMAN 64-108. Make sure that qualified technical personnel properly inspect and accept services acquired under services contracts.
- 3.1.4. Oversee a program for awarding contracts to small and small disadvantaged businesses according to FAR, Part 19; its supplements; and AFI 64-201.
- 3.1.5. Oversee a competition advocacy program according to AFI 63-301.
- 3.1.6. Make sure installation personnel know that only warranted contracting officers may commit the Government to contracts and that other personnel must not cause a contractor to perform outside the terms of a contract. Also ensure personnel know that they can be personally liable or subject to adverse administrative action if they commit Air Force funds without authorization.
- 3.1.7. Set up security guidelines for contracting programs involving classified information.
- 3.1.8. Ensure that the contracting squadron facilities have a professional, businesslike appearance, are easy to find, and have adequate parking for authorized visitors.
- 3.1.9. The contracting squadron's organization follows the standard structure specified in AFI 38-101, *Air Force Organizational Structures*.
- 3.1.10. Shield contracting officers from intra-organizational pressure according to AFFARS 5301.602-90.

3.2. Commanders of Organizations Needing Local Purchase Support:

- 3.2.1. Plan local purchase requirements (including acquisition lead time requirements), and coordinate these requirements with the contracting squadron and comptroller.
- 3.2.2. Specify only the minimum needs of the government and do not restrict competition unless justified in writing according to FAR, Part 6 or 13.
- 3.2.3. In developing specifications for services requirements, comply with AFMAN 64-108.
- 3.2.4. Assign qualified personnel to perform quality assurance evaluation or inspection and to accept contracted supplies or services.

3.3. Contracting Squadron Commander. Lead, maintain, and plan local purchase contracting functions.

- 3.3.1. Ensure that the local purchase program effectively meets customer needs while complying with applicable laws and AFIs.
- 3.3.2. Establish programs for using small and small disadvantaged businesses according to FAR, Part 19; its supplements; and AFI 64-201. Place a fair share of purchases with small and small disadvantaged businesses.
- 3.3.3. At the end of the fiscal year, establish cutoff dates for submission of purchase requests based on the type of contract action and dollar value. Give this information to all customers for their requirements planning.
- 3.3.4. Establish local policies and procedures to:
 - Maintain records and reports of purchases.
 - Plan contracting strategy, including solicitation, award, and contract administration methods.
 - Process business and contract clearances.
 - Review solicitations and contracts.
 - Plan for maximum competition.
 - Process Congressional and General Accounting Office (GAO) inquiries on contractual issues.
 - Decide on contractor claims, disputes, and appeals.
 - Follow sound purchasing practices in obligating expiring funds and performing other tasks.
- 3.3.5. Monitor the installation's quality assurance evaluation program and provide quality assurance training as required by AFMAN 64-108.
- 3.3.6. Provide annual and refresher training to personnel authorized to use decentralized contract procedures such as imprest funds, charge cards, Standard Forms (SF) 44, **Purchase Order-Invoice Voucher**, and blanket purchase agreements (BPA). (See FAR, Part 13, and its supplements.)
- 3.3.7. Review decentralized contract actions.

3.3.8. Help customers to make sure purchase descriptions and performance work statements comply with applicable guidance.

3.3.9. Support Nonappropriated Fund Instrumentalities (NAFI).

3.3.10. Set up contingency contracting plans for deployment contingencies and local emergencies according to AFFARS Appendix CC, *Contingency Operational Contracting Support Program*.

3.3.11. Advise commanders and staff on contracting matters and inform them of major policy changes that affect expenditure of organizational funds.

3.3.12. Maintain a comprehensive self-inspection program to identify and correct problems in the local purchase program.

3.3.12. (AFRC) The Operational Contracting Officer (OCO) conducts the self-inspection program as follows:

3.3.12.1. (Added-AFRC) Ensures that a self-inspection is performed during the second fiscal quarter.

3.3.12.2. (Added-AFRC) Uses the HQ AFRC/LGC Self-Inspection Checklist for the self-inspection. HQ AFRC/LGC updates the checklist annually. The OCO maintains the self-inspection checklist between annual updates. The self-inspection documents review of all management activities and contract files and is done by contracting officers who perform the inspection outside their normal area of responsibility. While all discrepancies are documented, only those which cannot be corrected immediately require a plan and suspense for corrective and preventive action.

3.3.12.3. (Added-AFRC) Notify the Logistics Group Commander in writing within 10 days of completion that the required self-inspection was accomplished. Include an explanation of discrepancies found and corrective and preventive action taken (as required above). NOTE: OCOs, at their discretion, send a copy of the completed checklist to the Logistics Group Commander.

3.3.12.4. (Added-AFRC) File a copy of the completed self-inspection for use by individuals or activities listed in paragraph 4.3. of the basic instruction. Maintain checklists according to AFMAN 37-139, *Records Disposition Schedule*.

3.3.13. Maintain a comprehensive training program that mixes formal, proficiency, and on-the-job training. Make sure all personnel meet, or are progressing toward meeting, the standards of the Acquisition Professional Development Program (APDP).

3.3.13.1. (Added-AFRC) The OCO reviews training requirements annually and provides them to HQ AFRC/LGCM by 15 August each year with projected formal training needs for the next fiscal year. HQ AFRC/LGCM prioritizes the requirements, coordinates training requirements with AFPC training managers, and monitors the command training program requirements.

3.3.13.2. (Added-AFRC) The OCO is the designated career program manager for all personnel assigned to the Operational Contracting Office and provides career counseling.

3.3.13.3. (Added-AFRC) The OCO conducts on-the-job (OJT) type training at least once each quarter and maintains a list with the names of attendees, subject matter, and date of each session in a training file.

3.3.14. Establish and maintain a formal rotational training program for all first-term and retrainee enlisted personnel in the squadron as well as officers newly assigned to the contracting career field. Also establish and maintain a formal rotational training program for civilians in centrally managed accession programs (for example, Copper Cap, Intern) as well as locally managed accession programs. Document the details of your program.

3.3.14.1. (Added-AFRC) The OCO develops and implements a training plan/program for each entry level GS-1102 occupational series assigned. This plan includes formal training, OJT, and follow-on training required to maintain a high degree of proficiency in the tasks pertinent to job assignment. The program is structured to ensure that individuals are provided training in each branch during their initial 2 years in the contracting career field.

3.3.15. Establish and maintain a customer education program to explain contracting procedures, help with developing requisitions for requirements, open lines of communication, and stress the importance of maintaining proper business relationships with contractors.

3.3.15. (AFRC) Operational contracting officers maintain a separate file documenting their customer education efforts. Include any base regulations, brochures, instructional handouts, sample documents, memos documenting advisory counseling, copies of base bulletin articles, and any other indications of communication about the contracting process.

4. Control and Surveillance of Local Purchase Programs:

4.1. Control of Operational Contracting Activities. The contracting squadron commander:

- Manages operational contracting activities.
- Staffs the squadron with people who are qualified according to current manpower standards and who possess the required APDP certifications.
- Reports (giving details such as dollars, actions, competition percentages, and progress toward small business goals) according to Department of Defense, Air Force, and MAJCOM guidance.

4.2. Surveillance of Acquisition Programs:

4.2.1. SAF/AQC Surveillance. SAF/AQC surveys contracting squadron programs and actions worldwide to determine how well the procurement system is being managed.

4.2.2. MAJCOM Surveillance:

4.2.2.1. The contracting staff of each MAJCOM surveys its own contracting program and visits each of its bases, as necessary.

4.2.2.2. MAJCOMs determine how subordinate units manage and carry out contracting policy and recommend improvements for their contracting support programs.

4.2.2.3. Review reports from other staff visits, the Inspector General, and the Air Force Audit Agency. Evaluate the actions that the units took in response to these visits and decide whether those actions have corrected the problems identified. Surveillance also covers the Nonappro-

priated Fund (NAF) contracting program.

4.2.3. Intercommand Surveillance and Assistance. Activities that are not designated as Heads of a Contracting Activity (HCA) set up staff support arrangements with a larger command having HCA authority or SAF/AQC. Address, as a minimum, assistance to set up policy, cross-talk in solving day-to-day problems, and conduct of MAJCOM surveillance.

4.2.3.1. These arrangements are consultative and do not transfer responsibility or authority from one activity to another.

4.2.3.2. Send copies of these arrangements to SAF/AQCO.

4.2.4. Reporting Surveillance Visits. Each organization that surveys a unit must write a report and keep it on file for review by Air Force surveillance personnel. In the report, show:

- The date and purpose of the visit.
- Names of key personnel contacted.
- General points and findings.
- Recommendations made and actions taken.

4.3. Acquisition Inspections:

4.3.1. The Inspector General, HQ USAF, does inspections as programmed.

4.3.2. MAJCOMs conduct contracting inspection programs.

4.3.3. The Air Force Audit Agency examines contracting activities according to AFPD 65-3, *Internal Auditing*.

5. Form Prescribed. AF Form 9, **Request for Purchase**.

RICHARD E. HAWLEY, Lt General, USAF
Principal Deputy, Assistant Secretary of the Air Force
for Acquisition