



SEP - 6 2005

GSA Acquisition Alert 2005-05

MEMORANDUM FOR GSA ACQUISITION WORKFORCE ASSOCIATES

FROM:

EMILY W. MURPHY
CHIEF ACQUISITION OFFICER

A handwritten signature in blue ink that reads "Emily W. Murphy".

SUBJECT:

EMERGENCY PROCUREMENT AUTHORITY

Section 1443 of the Services Acquisition Reform Act of 2003 (41 U.S.C. 428a) increases the amount of the micro-purchase and simplified acquisition thresholds for procurements of supplies or services by or for an executive agency that, as determined by the head of the agency, are to be used in support of a contingency operation. In the aftermath of Hurricane Katrina, the Secretary of Defense and the Secretary of the Department of Homeland Security determined that existing circumstances warrant the exercise of the authority set forth at 41 USC 428a. Therefore, in accordance with 41 USC 428a, as implemented by GSA Order OHR P 5440.1 CHGE 510, dated December 16, 2004, (paragraph 4), GSA micro-purchase card holders and contracting officers are authorized to purchase, in support of the current emergency, at the higher thresholds. Pursuant to these authorities, the following thresholds are raised:

- a. **Micro-purchase Threshold.** The micro-purchase threshold is raised to \$15,000 (except for construction, which remains at \$2,000.)
- b. **Simplified Acquisition Threshold (SAT).** The SAT is raised to \$250,000.
- c. **Simplified Acquisitions under the Test Program for Certain Commercial Items:** The threshold is raised to \$10 million.

Purchases using these procurement authorities must have a clear and direct relationship to the support of the current national emergency. Consequently, you must make your determination(s) in writing by a *brief* memorandum to the contract file specifying the product or service being procured and its relationship to support the response to Hurricane Katrina.

If your contracting officer's Certificate of Appointment specifies a maximum dollar limitation, the head of your contracting activity must issue a memorandum temporarily raising that limitation to the higher thresholds. For example, if your warrant authorized you to "award and administer purchases and contracts using simplified acquisition

procedures up to and including \$100,000 per individual transactions,” the head of your contracting activity must issue a memorandum temporarily raising your dollar limit to \$250,000. If, however, your warrant authorizes you to “award and administer purchases and contracts using simplified acquisition procedures,” without stating a dollar limitation, the head of the contracting activity does not need to take further action to raise your limitation to the higher level.

In addition, the Office of Finance has established specific procedures for offices to follow in using these authorities as they relate to the Purchase Card program. These procedures are included in the guidance at Attachment 1.

Remember, existing laws and regulations provide considerable flexibility for acquisitions that support urgent situations and contingency operations. Some of these flexibilities are the Schedules program, the Governmentwide Acquisition Contracts (GWAC) program, letter contracts, multiple award indefinite delivery indefinite quantity (IDIQ) contracts, single award IDIQ contracts, and the purchase cards. Also, a combined synopsis and solicitation can be used to reduce the time required to solicit and award contracts for commercial items. FAR Part 6 continues to provide the authority to limit competition when the need arises, but be mindful of the additional justification and approval thresholds identified at FAR 13.501(a).

You are encouraged to continue to use small businesses where practicable to meet emergency requirements and to get competition where practicable, even if circumstances require limiting competition to a limited number of sources.

If you have any questions, please contact Gerald Zaffos, 202-208-6091, or email at gerald.zaffos@gsa.gov.

Attachment

Attachment

PROCEDURES FOR OFFICES TO FOLLOW IN UTILIZING THE NEW AUTHORITIES AS THEY RELATE TO THE PURCHASE CARD PROGRAM.

A. To raise the single transaction limit to \$15,000 for purchase cardholders who are not warranted

1. GSA Offices must submit their request in writing to the servicing regional credit card coordinators listed at: <http://insite.gsa.gov/travel/contactsb.htm>. The request should come from the cardholder's supervisor and may take the form of a memorandum or an email (if the monthly limit is not raised). The written request must contain the following elements:

- Supervisor's name and title
- A statement that the request is to facilitate the recovery from Hurricane Katrina.
- Name(s) and office symbol of affected cardholder(s); lists of more than one name will be accepted.
- A statement that the supervisor has discussed with the cardholder(s) that the higher single transaction limit of \$15,000 only applies to purchases directly related to actions to facilitate the recovery from Hurricane Katrina and that all other purchases are subject to the regular single transaction limits of \$2,500 or less per transaction.
- For cardholders whose existing monthly limit has been determined to be insufficient to accommodate the new higher single transaction limit, a GSA Form 3661, Purchase Card Application and Maintenance, signed by the funds manager must accompany the written request. This is to ensure funds are available and that there is proper coordination with budget staff. Offices need only fill-in the cardholder's name, correspondence symbol, new higher monthly limit, and include the funds manager name and signature. A single GSA Form 3661 may be submitted for a list of names if all monthly limits are to be set at the same level and they all have the same funds manager.

2. The regional credit card coordinator will process the new higher limits with Citibank as soon as possible and retain a copy of the request and all associated forms and correspondence in their regional coordinator files.

Attachment (continued)

B. To raise the single transaction limit for warranted contracting officers above \$100,000.

1. GSA Offices must submit their request in writing to the servicing regional credit card coordinators listed at: <http://insite.gsa.gov/travel/contactsb.htm>. The request should come from the cardholder's supervisor and may take the form of a memorandum or an email (if the monthly limit is not raised). The written request must contain the following elements:

- Supervisor's name and title
- A statement that the request is to facilitate the recovery from Hurricane Katrina.
- Name(s) and office symbol of affected cardholder(s); lists of more than one name will be accepted.
- Warrant amount; and new single transaction amount being requested
- For cardholders whose existing monthly limit has been determined to be insufficient to accommodate the new higher single transaction limit, a GSA Form 3661, Purchase Card Application and Maintenance, signed by the funds manager must accompany the written request. This is to ensure funds are available and that there is proper coordination with budget staff. Offices need only fill-in the cardholder's name, correspondence symbol, new higher monthly limit, and include the funds manager name and signature. A single GSA Form 3661 may be submitted for a list of names if all monthly limits are to be set at the same level and they all have the same funds manager.

2. The regional credit card coordinator will process the new higher limits with Citibank as soon as possible and retain a copy of the request and all associated forms and correspondence in their regional coordinator files.

Cardholders should be advised that Citibank's commercial credit card authorization system is only able to accommodate charge transactions of \$99,999.99. This means that any single transaction of \$100,000 or more would have to be split by the vendor into 2 or more transactions in order to get the charge through the system. This credit card system limitation does not affect convenience check payments; the check can be written for the full amount, up to the cardholder's single transaction limit.