



# MILITARY SEALIFT COMMAND

## Government Contracting Overview

Prepared for Military Sealift Command  
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# Learning Objectives

- **The overarching objective of this module is to provide an overview of government contracting policies and practices.**
- **At the conclusion of this module, you will understand and be able to describe the following:**
  - **What is a contract?**
  - **Commercial and federal contracting laws and regulations**
  - **Federal contracting objectives**
  - **Division of roles and responsibilities for government contracting**
  - **MSC contracting authority**
  - **Common MSC contract types**
  - **Competition requirements for government contracts**
  - **Requirements for publicizing government contract actions**



# What is a Contract?

- **Written or verbal agreement that creates certain obligations between two parties**
- **Basic elements include:**
  - Offer
  - Acceptance
  - Consideration
  - Mutuality of obligation
  - Competency and capacity
  - Consent
  - Legality



# Uniform Commercial Code

- **Standardized business laws that govern commercial transactions to promote uniform commercial transactions across state boundaries**



# Government Acquisition Regulations

- **Federal government acquisition of goods and services is governed by three sets of interrelated regulations:**
  - **Federal Acquisition Regulations (FAR)**
  - **Defense Federal Acquisition Regulations (DFAR)**
  - **Navy Marine Corps Acquisition Regulation Supplement (NMCARS)**



# Federal Contracting Objectives

- **Procure goods and services necessary to perform mission at lowest possible cost to government**
- **Promote competition to maximum extent feasible**
- **Negotiate contract type and price that:**
  - **Result in reasonable risk for government and contractor**
  - **Provide contractor with incentive to perform efficiently and economically**
- **Promote small businesses**



# Division of Roles and Responsibilities

- **Planning, solicitation, and execution of government contracts is subject to strict division of roles and responsibilities**
  - **Requiring Officials are responsible for identifying the goods or services required to perform their mission and funding their procurement**
  - **Contracting Officials are responsible for procuring the goods or services required by Requiring Officials subject to applicable acquisition laws, regulations, and policies**
  - **Technical Points of Contact are subject matter expert advisors to Requiring Officials and Contracting Officials**
  - **N00L, Office of Counsel serves as an independent subject matter expert advisor to Requiring Officials and Contracting Officials on matters pertaining to procurement laws and regulations**



# MSC Contracting Authority

- **MSC is one of eleven designated Head of Contracting Activities (HCAs) within the Department of the Navy**





# Government Contract Types

- **FAR Part 16 describes the types of contracts that may be used in Government acquisitions**
- **Three types of contracts are commonly used by MSC:**
  - **Firm Fixed-Price contract**
  - **Indefinite-Delivery, Indefinite-Quantity contract**
  - **Cost-Reimbursement contract**



# Let's Review

- **What are the basic elements of a contract?**
- **Describe the objectives of federal contracting.**
- **What are the primary regulations that govern federal contracting?**
- **What is the distinction between Requiring Officials and Contracting Officials**
- **What are the key attributes of each of the three types of contracts commonly used by MSC?**



# Competition Requirements

- Promoting competition to the maximum extent feasible is one of the key objectives associated with federal agency contracting.
- FAR Part 6 describes three different levels of competition:
  - Full and open competition
  - Full and open competition after exclusion of sources
  - Other than full and open competition



# Let's Review

- **What are the three levels of competition associated with federal contracting?**
- **What is the preferred level of competition for MSC contracting?**
- **Who is responsible for providing justification for less than full and open competition?**
- **Who is responsible for approving less than full and open competition?**



# Federal Acquisition Procedures

- FAR prescribe five basic forms of government acquisition procedures, four of which are commonly used by MSC:
  - FAR Part 8, Required Sources of Supplies and Services
  - FAR Part 12, Acquisition of Commercial Items
  - FAR Part 13, Simplified Acquisition Procedures
  - FAR Part 15, Contracting by Negotiation



# FAR Part 8, Required Sources of Supplies and Services

- **FAR Part 8, Required Sources of Supplies and Services**
  - **Mandatory sources:**
    - Inventories of requiring agency
    - Excess from other agencies
    - Federal Prison Industries, Inc.
    - Supplies and services on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled
    - Wholesale supply sources, including stock programs of the:
      - General Services Administration (GSA)
      - Defense Logistics Agency
      - Department of Veterans Affairs (VA)
      - Military inventory control points
  - **Non-mandatory sources :**
    - Federal Supply Schedules
    - Government-wide acquisition contracts
    - Multi-agency contracts
    - Any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under Federal Supply Schedule contracts
    - Federal Prison Industries, Inc.



# FAR Part 12, Acquisition of Commercial Items

- If unable to satisfy requirements through FAR Part 8 required sources, federal government prefers satisfying requirements through acquisition of commercial items



# FAR Part 13, Simplified Acquisition

- **Applies in instances in which:**
  - Goods or services are not available through FAR Part 8 required sources
  - Aggregate amount of good or services being procured does not exceed simplified acquisition threshold
    - \$150K for non-commercial items
    - \$7.0M for commercial items





# FAR Part 15, Contracting by Negotiation

- **Applies to acquisition of commercial and non-commercial items for which aggregate value exceeds simplified acquisition threshold**
  - \$150K for non-commercial items
  - \$7.0M for commercial items



# Let's Review

- Describe the provisions of FAR Part 8, Required Sources of Supplies and Services.
- What are commercial items?
- What is the key advantage of FAR Part 12 acquisitions?
- Describe the applicability of FAR Part 13 acquisition procedures.
- Which of the four acquisition procedures used by MSC involves the most complex contract provisions and clauses, and most complex source selection process?



# Publicizing Contract Actions

- **FAR Part 5 requires that Contracting Officers publicize proposed solicitation issuance for acquisitions of supplies and services or other contract actions**
  - **Notice must be publicized at least 15 days before issuance of solicitation, or proposed contract action**
- **For proposed contract actions  $\geq$  \$25K, synopsisize in Federal Business Opportunities (FEDBIZOPPS) web site**



# Solicitation Response Time

- **Contracting Officer must allow sufficient time between issuance of solicitation and deadline for submission of offeror responses to allow for quotation or proposal preparation:**
  - **At least 30 days if estimated aggregate cost is greater than simplified acquisition threshold (\$150K for non-commercial items and \$7.0M for commercial items)**
  - **May allow less than 30 days if estimated aggregate cost is less than simplified acquisition threshold (\$150K for non-commercial items and \$7.0M for commercial items)**



# Let's Review

- How far in advance of solicitation issuance must a proposed contract action be publicized?
- How must proposed contract actions  $\geq$  \$25K be publicized?
- How many days must the Contracting Officer allow between issuance of solicitation and deadline for submission of offeror's response?



# Summary

- **During this module, we have discussed:**
  - **What is a contract?**
  - **Federal contracting objectives**
  - **Key differences between commercial federal government contracts**
  - **Division of roles and responsibilities for government contracting**
  - **MSC contracting authority**
  - **Common MSC contract types**
  - **Competition requirements for government contracts**
  - **Requirements for publicizing government contract actions**



# Additional Information

- **For additional information, please refer to:**
  - FAR Part 5, Publicizing Contract Actions
  - FAR Part 6, Competition Requirements
  - FAR Part 16, Types of Contracts
  - COMSCINST 4255.2 (series), Contracting With Other Than Full and Open Competition
  - DOD Guidebook for the Acquisition of Services
  - DOD Contracting Officer's Representative Handbook, March 2012
  - MSC Port Engineering Manual, dated January 2010



# Final Questions







# Revision History

Date	Version	Description	Author
4/29/19	0.0	Draft presentation	Gary Fields
8/13/19	0.1	Corrected omission of training module objective on slide 2; Corrected minor format errors: Updated simplified acquisition threshold for commercial items	Gary Fields