

# 6-1. Procurement Transactions

a. Purchases below the MPT are exempt from the Competition in Contracting Act, Buy American Act, Economy Act, Service Contract Labor Standards Act, Wage Rates Requirements Act, and the Small Business Set-Aside Program. Nothing in this chapter exempts a cardholder from using the proper contracting channels when making purchases exceeding the MPT.

b. Requiring activities must perform acquisition planning to identify procurement needs; consider strategic sourcing vehicles (e.g., BPAs, CHES, GSA); and initiate procurement actions with sufficient lead time to buy appropriate products at the right price from the right suppliers in a timely manner. Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices. Ordering from existing contracts (e.g., BPAs, CHES, or GSA FSS) can only be done by an appointed ordering official, including purchases below the MPT.

c. Purchase requirements exceeding the MPTs, or delegations of authority established in Tables 1-2 and 1-3 must be referred to a contracting office. Splitting requirements into smaller parts to avoid formal contracting procedures, competition requirements, or to keep spending limitations under the MPT is prohibited. The GPC may be used for non-personal recurring services performed at regular intervals up the MPT. Recurring service requirements estimated to exceed the MPT per FY must be directed to the contracting office. There is no single source that states contracts must be put in place for a recurring supply requirement costing \$10k or less per 12-month period. The contracting office will determine if recurring supplies should be placed on a contract or BPA.

d. Cardholders must use the mandatory sources identified in Chapter 9 before deciding to use commercial sources. GPC micro-purchases should be distributed equitably among qualified suppliers, with special consideration paid to supporting the installation AbilityOne Base Supply Center, and local, small, and small disadvantaged businesses.

e. Cardholders are responsible for procuring green products and services under the Green Procurement Program as prescribed by Executive Order 13834 and by DoD and Army policies. Green procurement applies to the purchase of recovered materials, energy and water efficient products, alternative fuels and fuel efficiency, bio-based products, non-ozone depleting substances, environmentally preferable products and services, and toxic and hazardous chemicals. The following are mandatory Green Procurement purchases: paper, toner, office products, office recycle containers, and office trash cans. The following are the only exceptions to purchasing green products and services: the pricing is considered unreasonable; item/service does not meet reasonable standards; or item/service will not meet the time frame needed. Exceptions must be documented. Recommended sources for green products are AbilityOne, FedMall, and GSA Advantage.

f. **OCONUS Units.** For the use of the GPC outside the U.S., CHs must follow policy in accordance with DFARS 213.301(2). To ensure the CH does not exceed \$25,000 for OCONUS purchases, the total purchase price must include the currency conversion rate prior to making the purchase. If a CH makes a purchase from an OCONUS location for use OCONUS and the vendor location is CONUS, this would be considered a reach-back purchase and the MPT for a reach-back purchase is \$10,000. Any reach-back purchase over \$10,000 is subject to simplified acquisition procedures and should be sent to the contracting office for action.

g. For purchases made in the Contiguous United States (CONUS) for use overseas, the CH must

contact their local Director of Logistics Traffic Management Office for assistance regarding transportation and packaging requirements and/or instructions prior to contacting the vendor. CHs must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country, customs import duties, and any other charges that may accrue. See DoD Directive 4500.54-E, DoD Foreign Clearance Program for compliance with host nation customs requirements.

**h. OCONUS Value-Added Tax (VAT) Forms.** The cost of the VAT can be charged on the GPC. Cardholders must contact their A/OPC for local guidance and procedures involving the use of the VAT form. To obtain a copy of the form, CHs may contact the local Morale, Welfare and Recreation (MWR) office.

**i. Terms and Conditions.** Neither cardholders nor billing officials have the authority to approve or sign written vendor terms and conditions. Cardholders will consult their A/OPC, contracting office, and/or local legal office for additional guidance.

**j. Convenience Check Accounts.** The management controls, procedures, and restrictions included in this regulation also apply to the use of convenience checking accounts. Convenience checks are an alternative only when the GPC is not feasible and the activity has evaluated all alternatives and determined the checks as the most advantageous. Before a check is issued, the requiring organization must document their effort to find a merchant that accepts the GPC. Convenience checks must not be used for more than one half of the MPT per Public Law 115-91. Checkwriters who write checks over the convenience check MPT (see Table 1-2) will have their convenience check account terminated. See Chapter 10.

**Parent topic:** [CHAPTER 6 - OPERATIONAL GUIDANCE AND PROCEDURES](#)