

The Office of Acquisition and Logistics Management Newsletter – January/February 2015

SF-44 Being Phased Out

Unused SF-44 Books to be returned to the GDC Warehouse

The SF-44 Purchase Order-Invoice-Voucher is a 4-part carbon paper form acquired by authorized program staff from the NIH Supply Center. This form comes in books of 25 vouchers each containing a unique serial number. The SF-44 initially was used at the NIH to compensate healthy volunteers and research subjects. Many years ago it was commonly referred to as the “Blood Voucher” when it was used to compensate individuals who donated blood. Subsequently, it was used for purchases of goods and services when a vendor did not accept other acquisition mechanisms, such as the Governmentwide Commercial Purchase Card, BPA Orders, or Purchase Orders.

Because of advances in technology and the requirements of the Debt Collection Improvement Act of 1996 which directed the Government to issue payments using EFT or direct deposit, and the fact that other more efficient and effective means of issuing payments have come into being, the SF-44 has become all but obsolete.

Return of SF-44 Purchase Order-Invoice-Voucher Booklets

The SF-44 is a controlled form each printed with a unique serial number. These forms must be accounted for whether they have been issued or remain unused. For this reason all unused forms must be returned to the Gaithersburg Supply Center (GDC). Return unused full books and unused forms (partially used books). Note: before returning partially used SF-44 Books, remove any tissue copies of used SF-44 orders and retain them in your Office of Acquisition or Delegated Office of Acquisition for three years after final payment according to archive requirements of [FAR 4.805](#).

Unused SF-44 books and unused SF-44 forms can be returned using one of the following methods:

1. Drop the books off at the GDC Warehouse, 16050 Industrial Drive, Gaithersburg.
2. Upon request, GDC Warehouse delivery staff will pick-up excess forms when delivering other supplies.
3. Arrange for a pickup by GDC Warehouse staff by contacting [Gary Marquez](#) at (301) 496-5744.

(SF-44 Return Form Attached)

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SF-44 Purchase Order—Invoice—Voucher - Return Form**

Name of Individual Returning SF-44 Books (Printed) _____

Signature of Individual Returning the SF-44s

IC

Date

List Serial Numbers for all Books and/or unused SF-44 Forms returned GDC Warehouse Staff

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Number of Books or Forms

Serial Number (From)

Serial Number (To)

Name of GDC Staff Member Receiving SF-44 Books (Printed) _____

Signature of GDC Staff Member Receiving the SF-44

Date

NOTE: IC Staff returning SF-44s and GDC Staff Receiving SF-44s must each retain a copy of this signed form.

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Commercial Item Test Program (FAR 13.5) Extended via Class Deviation

The authority to use simplified acquisition procedures above the simplified acquisition threshold (>\$150,000) up to \$6.5 M has been extended by way of a [class deviation](#) issued by the HHS Senior Procurement Executive (SPE).

Currently, FAR 13.500(d) end dates the authority to issue solicitations under subpart 13.5, Test Program for Certain Commercial Items, on January 1, 2015. However, Section 815 of Public Law 113-291, the “Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015” signed into law by President Barack Obama on December 19, 2014, makes the authority for the test program permanent.

The Civilian Agency Acquisition Council (CAAC) Chair has issued a [memorandum](#) that satisfies the FAR 1.404(a)(1) consultation requirement stating that an expedited FAR case is being processed to delete the date of expiration for the program at FAR 13.500(d).

Pending issuance of a FAR change, the HHS SPE has authorized a class deviation to delete FAR 13.500(d). As a result of this class deviation, HHS contracting officers may issue solicitations and award contracts using the simplified acquisition procedures under FAR subpart 13.5 until the change is incorporated in the FAR or is otherwise rescinded.

If you have any questions on this class deviation, please contact [Charrsi Brightharp](#).

Disposable Cups, Plates, and Cutlery—Recent GAO Decision

On December 23, 2014, the U.S. Government Accountability Office (GAO) issued Decision [B-326021](#) to respond to a request from the Department of Commerce regarding the use of appropriated funds to purchase disposable cups, plates, and cutlery for employees. The GAO found that:

“The Department of Commerce may not use appropriated funds to purchase disposable cups, plates, and cutlery for employee use. An agency may not use appropriated funds to purchase items considered personal expenses without specific statutory authority to do so, *unless the agency can demonstrate that the provision of items that would otherwise constitute a personal expense directly advances the agency’s statutory mission and the benefit accruing to the agency clearly outweighs the ancillary benefit to the employee* (emphasis added). Here, the disposable cups, plates, and cutlery are primarily for the convenience of agency employees and thus constitute a personal expense.” (GAO B-326021)

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In light of the recent GAO review, it seems appropriate to consider the appropriations law concepts that are at the foundation of the decision, which are 1) the necessary expense doctrine; 2) the concept of personal expenses; and 3) the Primary Benefit Rule.

The Necessary Expense Doctrine

Appropriated funds may be used to pay for necessary expenses to carry out the mission of the agency. The “necessary expense doctrine”, as explained in the GAO’s [“Principles of Federal Appropriations Law, Volume I”](#) starting on page 4-19, allows expenditures not specifically provided for in an agency’s appropriation, only if the expenditure is reasonably necessary to carry out an authorized function of an agency, or will contribute materially to the effective accomplishment of an agency’s function.

When applying the necessary expense doctrine, an expenditure can be justified after meeting a three-part test:

1. 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.
2. The expenditure must not be prohibited by law.
3. The expenditure must not be otherwise provided for, that is, it must not be an item that falls within the scope of some other appropriation or statutory funding scheme.

Personal Expenses

On the other hand, appropriated funds may not be used for “personal expenses” as illustrated by the following 1924 Comptroller General decision:

“[P]ersonal furnishings are not authorized to be purchased under appropriations in the absence of specific provision therefore contained in such appropriations or other acts, if such furnishings are for the personal convenience, comfort, or protection of such employees, or are such as to be reasonably required as a part of the usual and necessary equipment for the work on which they are engaged or for which they are employed.” 3 Comp. Gen. 433 (1924)

The GAO Redbook goes on to describe:

“Items that are classified as personal expenses or personal furnishings may not be purchased with appropriated funds without specific statutory authority. Most of the cases tend to involve government employees, the theory being simply that there are

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certain things an employee is expected to provide for him (her) self. ([GAO's Principles of Federal Appropriations Law, Volume I, pages 4-242 and 4-243](#))

Primary Benefit Rule

Finally, [GAO Decision B-302993, June 25, 2004](#) summed up the primary benefit rule as follows:

“If the primary beneficiary of an expenditure of public funds is the individual, not the agency or government, the well-established rule is that such expenditures are personal in nature and hence not an authorized use of appropriated funds.”

In this case, the purchase of kitchenette appliances was allowed since the primary benefit was determined to be the government despite the collateral benefit to employees. The agency was able to demonstrate that the primary benefit of the kitchenette appliances accrued to the agency by contributing to the efficient performance of agency activities, as well as providing other benefits such as assurance of a safe workplace.

There may be times when items ordinarily considered personal in nature can be justified as a necessary expense and completely appropriate to purchase. For example, it would be proper to purchase small plates, cups and napkins for an informal reception provided at an approved awards ceremony where light refreshments are provided to facilitate the event. In these cases, proper justification for the purchase must be approved and maintained in the acquisition file.

The bottom line is that responsible individuals must insure any items that could be construed as personal items, such as disposable cups, plates, and cutlery, are a necessary expense of the mission of the NIH. This prohibition also applies to purchases from the GDC or Self-Service Stores (SSS) and made using the SSS charge card. SSS charge card custodians (usually designated Administrative Officers) have full responsibility for the use of each card under their control. Charge card users are to return the card and all store receipts to the card custodian immediately after use to ensure proper control of the card and to exercise necessary controls to prevent abuse. See [NIH Policy Manual 26101-41-E - Self-Service Store Charge Cards](#) for more information on policy and guidelines for the NIH Central Storeroom SSS charge card program.

The subject GAO Decision ([GAO Decision B-326021](#)) summarizes the concepts this way:

“Appropriations are not available for the personal expenses of an agency’s employees unless the agency articulates a reasonable and compelling justification, establishing a clear benefit to the agency, contributing to the fulfillment of express statutory duties, requirements, or functions.”

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Any questions about the Necessary Expense Doctrine; the prohibition on personal expenses; or the Primary Benefit Rule may be directed to the [Simplified Acquisition Help Line](#) or 301-496-0400.

3 Key Indicators of Quality in IT Acquisitions

“Quality” is one of those words that mean different things to different people. Ask two people to name a car that epitomizes quality. One might say Ford, maker of the longest lasting trucks on the road today. Another might choose Lexus, the top-ranked car in recent J.D. Power & Associates’ surveys. It really depends upon what each considers the most important indicators of quality. At the NIH Information Technology Acquisition and Assessment Center (NITAAC), we decided to look at the quality of our *own vehicles* – Government-Wide Acquisition Contracting vehicles! We were looking for indicators that contracting professionals could use to judge quality when choosing acquisition vehicles. Here is some of what we found.

1. *Quality comes in threes:* While there are a large number of acquisition vehicles to choose from, only *three agencies* are OMB Executive Agents, tasked to serve as role models to the acquisition community delivering cost-effective, quality results for taxpayers through Government-Wide Acquisition Contracting vehicles, or GWACS. In fact, both the OMB and the Office of Federal Procurement Policy encourage contracting professionals to look at GWACs for efficiencies and cost savings, noting that GWACs are in the best interest of the government. *NITAAC is one of the three executive agents, with three GWACs for IT products, services and solutions.* It serves as single stop on the road to mission fulfillment, offering both direct and assisted acquisitions.
2. *Quality follows innovation:* Does the contract vehicle have a large enough ceiling to cover your most complex requirements? Is the scope broad enough to encompass both existing and emerging technology? Can it accommodate smart new strategies like agile acquisition? Not all existing contracts are innovative enough to meet these needs, let alone anticipate them. NITAAC GWACs are all designed to accommodate the entire federal government for a decade, and are written so that any imaginable product or service can be procured. NITAAC knows that the only constant is change, and our GWACs were designed to move with the market.
3. *Quality is the customer:* It all comes back to you. How fast you get help, how much help is the help, and how much value it adds to your experience. That’s why NITAAC offers free value-added services on direct acquisitions, like 24-hour turnaround on requirements assessments; 1-hour answers to contractual, technical or procedural questions; at-your-site training sessions led by experienced acquisition professionals; and an online tools/templates library built from 20+ years of experience. While we certainly aren’t in a position to judge the

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quality of other contracting vehicles' customer service, you are. We simply offer a standard by which to measure them.

If you'd like to learn more about any of the quality indicators mentioned here, or any of the others we've found, feel free to contact NITAAC Support via email at NITAACsupport@nih.gov or via phone at 1-888-753-6542 and mention this article. You can also visit our [website](#).

News From the NIH Supply Center

Surcharge Changes

Effective December 1, 2014, all purchases made through either the NBS online system or through the two Self Service Supply stores will have a 22% surcharge added to the list price. This represents a drop from 32% to 22%, a 31% reduction in the surcharge. Customers have commented on the high surcharge for some time and we listened. We were able to drop the surcharge and hope to continue to drop the surcharge in the following years even more. Another frequent comment about the Supply Center and the stores on the main campus was the lack of available stock. We have significantly ramped up our stock levels and streamlined our ordering process. November and December saw very high fill rates (close to 80%). So again, we listened to you, the customer, and took swift action. Another frequent comment has been about our customer service. We have made many changes in this important area: We brought in four contract personnel into Store 10 to improve customer support, added one Customer Service Representative at the GDC to take your calls about your orders, provided training on best practices, and included two interns from Project SEARCH in Store 10 to continue improving our service efforts. We also developed more specific surveys to better address your concerns and will take action on those comments - everything from out of stock, to our web page, to the manner in which we take your phone inquiries. We seek to continue to improve our service to you.

Project SEARCH

The NIH Supply Center is happy to announce that we are making yet even more progress towards improving our services to you, the NIH community. Not only are we finding better ways to support you, but we also are a proud sponsor of Project SEARCH. This is a one-year transition program designed for young adults with intellectual and developmental disabilities who are either in their last year of high school or are recent graduates.

The program targets individuals whose main goal is employment, and who will benefit from full-time career exploration in a business setting. The Project SEARCH model involves an extensive period of training and career exploration, innovative adaptations, long-term job coaching, and continuous feedback from teachers, job coaches, and employers. As a result, at the completion of the training program, students with

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significant intellectual disabilities are employed in nontraditional, complex and rewarding jobs.

The cornerstone of this one-year program, Project SEARCH NIH, is total immersion in the federal government at NIH and related agencies/contractors. Participants are on site at the business each school day for a minimum of six hours for an entire academic year, 10-months.

We are very pleased to announce we have two of these wonderful interns serving in our stores. In addition to Project SEARCH, we have four new members of our team who are providing customer service, stocking and counter support at our stores.

Table Top EXPOs

We have had the pleasure of spending time with most of you and listening to your thoughts, recommendations and input for items that you need. In the last several months we have been working hard at bridging the gap between our vendors, customers and the NIH Supply Center. We have reactivated a long-standing interest in the Table Top EXPOs, which has led us to discover more new products that you need to support your missions.

As we have been having these EXPOs in our stores, we are proud to inform you that we will now be reaching out to our off-campus sites to bring these wonderful products for your viewing pleasure and feedback. From the beginning, Table Top EXPOs have had multiple objectives: 1) to introduce new technologies and products to NIH customers; 2) to present new services to prospective customers; and 3) to educate customers about technology. But the most important purpose of the EXPO is not to introduce old items, but rather to introduce new and improved items to the whole NIH community. Most of the vendors are women-owned, small business, veteran, disabled and/or minority owned and vary in types of products offered. Our next scheduled Table Top EXPOs are:

- 3 Feb 15 – IPM Scientific
- 4 Feb 15 – Westnet
- 10 Feb 15 – BioTech
- 11 Feb 15 Lonza Pharama Biotech
- 17 Feb 15 – Wesnet
- 18 Feb 15 – IPM Scientific
- 25 Feb 15 Wesnet

Changes in Products

To better support the wonderful work that the NIH does every day we have worked diligently with our suppliers to obtain what the NIH community desires and to leverage the best possible prices. Below are some of the new items that we have recently introduced to our portfolio:

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NSN	Description	Price
6550-00-L12-1413	LB Agar + 50ug/ml Ampicillin	\$9.85
6550-00-L12-1412	LB Agar + 50ug/ml Carbenicillin	\$10.50
6550-00-L12-1411	LB Agar + 100ug/ml Ampicillin	\$10.00
6550-00-L12-1415	LB Agar + 100ug/ml Carbenicillin	\$10.50
6550-00-L12-1410	LB Agar + 50ug/ml Kanamycin	\$10.20
6550-00-L12-1414	LB Agar + 30ug/ml Kanamycin	\$10.20
6640-00-L01-1010	5ML RESERVOIRS	\$28.07
6640-00-L01-2193	MyFuge 5 MINI CENTRI	\$263.00
6640-00-L01-7222	5ml CENT. TUBE Sterile	\$28.07

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6640-00-L041-5179	Shorty Serological Pipet	\$101.24
6640-00-L01-0614	15 ML Sterile Centrifuge tube	\$69.33
6640-00-L01-5180	Shorty Serological Pipet	\$53.28
6640-00-I01-0615	50ML Centrifuge Sterile	\$81.17

Off-Campus Deliveries

Our Distribution team has taken the off-campus deliveries to the next level! On November 1, 2014, we initiated a plan to provide supplies to you at your location. Not only is the Self-Service Supply store accepting off-campus customer requests by fax, we are now accepting them by e-mail. Below is the process of how you may submit requests to your supporting Supply Center stores.

- Request must be on NIH Form 1861
- Submit by fax to (301)496-4312 /(301)402-8493
- Submit by e-mail to [Eric Jones](#) /[Joe Girolami](#)
- Minimum order quantity is \$100 per order
- No transportation fee
- Expect delivery within 48 hours from the time you fax your request

Once orders are received, the store staff will pull the request from the shelves, input order into AS400, and prepare the shipment. All items will be delivered on the next scheduled delivery run. The exceptions are bulk purchases and emergencies; they will be delivered as soon as possible.

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Summary

I trust all of you had a wonderful holiday season and we here at the NIH Supply Center look forward to a prosperous and exciting new year supporting the NIH community!

Gary A. Marquez
Chief, NIH – Supply Center

Add to your acquisition toolbox with a free GWAC training session

It takes only 90 minutes to learn how to use NITAAC Government-Wide Acquisition Contracts (GWACs) for IT products, services and solutions, and earn 2 Continuous Learning Points (CLPs) while adding to your toolbox of acquisition strategies.

A NITAAC training session can show you how to quickly award both simple and complex IT requirements in as little as 30 days when using our secure, online automated systems with FAR guidance built-in every step of the way. We can even show you how to meet your small business goals and help the government repeat its success in 2015.

Each complimentary, 90-minute training session covers:

- How GWACs deliver quality, ease, value and speed
- The benefits of using GWACs for IT products, services and solutions
- A live demonstration of NITAAC's easy-to-use online competition and ordering systems
- How to set-aside requirements for 8(a), HUBZone, WOSB, SDVOSB and Small Business
- NITAAC's value-added services, including free comprehensive SOW/PWS/SOO assessments

We invite you to register for one of the training opportunities listed below. If these dates do not work, please contact us and we will gladly schedule a session in your office with your IT procurement team. Visit the [NITAAC Free Training](#) webpage to register, and click on the links for "Webinar", "At NIH" or "At Your Location" located in the right-hand sidebar.

Webinars

DATES: Thursday, February 26, 2015

Tuesday, March 31, 2015

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TIME: 1:00 – 3:00PM

LOCATION: On your computer

At NIH

DATE: Thursday, February 5, 2015

TIME: 1:00 – 3:00PM

LOCATION: Natcher Conference Center, Bethesda, MD, Room G1/G2

DATE: Tuesday, April 2, 2015

TIME: 1:00 – 3:00PM

LOCATION: 6001 Executive Blvd. Rockville, MD, Room B1/B2

What will participants earn? Two CLPs

Interested? Call the NITAAC Customer Support Desk at 1-888-773-6542 or visit our [website](#).

Acquisition Training Schedule

Acquisition Training Classes can be accessed at the following link: [Acquisition Management Training](#).

[CON 100 Shaping Small Business Arrangements](#)

[CON 110 Mission Support Planning](#)

[CON 237 Simplified Acquisition Procedures](#)

[Advanced Simplified Acquisition](#)

[Basic Simplified Acquisition](#)

[Buyer Contracts \(NBS\)](#)

Buying From Businesses on the Open Market (no classes scheduled at this time)

Consolidated Purchasing Through Contracts (no classes scheduled at this time)

[Federal Appropriations Law](#)

[Federal Appropriations Law Refresher](#)

Federal Supply Schedules (no classes scheduled at this time)

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[Internal & External Requisitioner \(NBS\)](#)

[Price Reasonableness in Simplified Acquisitions](#)

[Professional Services](#)

[Purchase Card Training \(NBS\)](#)

[Negotiation Strategies for Simplified Acquisitions](#)

[NBS PCard Logs & Reconciliation \(Refresher\)](#)

[Simplified Acquisition & Delegated Procurement \(NBS\)](#)

[Writing Statements of Work](#)

[AT100 - Section 508 Electronic & IT Training - Phase II](#)

[AT173 - Enhancing Reader Comprehension with Images and Graphics through Alternative Text for Better Accessibility](#)

[AT180 - Introduction to Making MS Office 2010 Documents 508 Compliant](#)

[AT181 - Creating Accessible Document for Office 2010/2013](#)

[AT182 - Creating Accessible Document for Office 2013](#)

[AT190 - Creating 508 Compliant PDF Documents using Adobe Acrobat X](#)

Green Purchasing Training

As a reminder, per HHS policy, all contracting officers, contract specialists, purchase cardholders, card approving officials, CORs and acquisition staff in job series 1102, 1105, and 1106 are required to take the Green Purchasing training every two calendar years. The training includes online training modules for your convenience.

Please visit the Green Purchasing webpage for further information including an application form and searchable database. It may be accessed at: [OALM Green Purchasing website](#).

Questions? Please send to: GreenPurchasing@mail.nih.gov.

NIH Blanket Purchase Agreement (BPA) Lists Available Online

Lists of all NIH Blanket Purchase Agreements (BPAs) can be found at the NIH Blanket Purchase Agreement [webpage](#).

This location contains Two BPA Lists:

1. Complete vendor alphabetical list;
2. Vendor list sorted by commodity; and

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If you have any questions or need further clarification, please contact the BPA helpline at 301-496-5212 or [email](#).

We Would Like to Thank All Those Who Contributed to This Issue and to Future Editions of the OALM Newsletter.

The OALM Newsletter will be published six (6) times in calendar year 2015. We encourage staff to submit articles that would be of interest to our readers. We will do our best to include such articles in future editions of the OALM Newsletter.

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If you have any questions or comments regarding the information, policy and/or procedures published in this issue, you may contact Michele McDermott at the e-mail address above. For future issues please contact the Simplified Acquisitions Helpline on 301-496-0400 or via e-mail at SimplifiedAcquisitionHelp@od.nih.gov and you will be referred to the appropriate editor.