

Summary of Changes

Throughout

Various authorities and responsibilities which had been vested in the vice presidents of Facilities and Transportation are now vested in the vice president of Purchasing and Materials. Many of these authorities and responsibilities have been delegated throughout Purchasing and Materials, and these are reflected throughout Transmittal Letter 8.

Chapter 1

Part 1.1.2 (Responsibility for Procurement Policy) has been revised to state that the vice president of Purchasing and Materials is responsible for all procurement policy and procedures and that he has delegated that authority in certain limited areas, and to clarify various aspects of the Procurement Policy Committee's role and membership.

Part 1.2.2 (Availability) has been revised to include Facilities Service and Network Distribution offices as purchasing organizations where the PM can be examined.

A new exhibit 1.3.1 (PM Change Format) has been added to provide individuals with a means of suggesting changes to the PM.

Paragraph 1.3.2.c (Types of Changes) has been revised to include nondiscretionary changes required by statutes or regulations as administrative/editorial changes.

Paragraph 1.4.2.b (Authorizations of Deviations) has been revised to show individuals authorized to approve deviations from the PM.

Part 1.5.1 (Vice President, Purchasing and Materials) has been revised to reference a new exhibit 1.5.1, *Authorities and Responsibilities, VP, Purchasing and Materials*; the exhibit has been added to chapter 1.

A new Part 1.5.2 (Delegations of Authority) has been added. This new part contains the following changes:

- Paragraph 1.5.2.a (Delegations of Authority - Contracting) states that an individual contracting officer's delegated authorities are enumerated in his or her letter of delegation.
- Paragraph 1.5.2.b (Special Categories of Contracts) states that the vice president of Purchasing and Materials has delegated contracting authority for certain requirements to other Postal Service officials.
- Paragraph 1.5.2.c (Local Buying Authority) states that in the Administrative Support Manual, the vice president of Purchasing and Materials has delegated local buying authority to various positions throughout the Postal Service. New exhibit 1.5.2.c, *Local Buying Authority*, shows these delegations.

A new Part 1.5.3 (Contracting Officers) has been added. This new part contains the following changes:

- Paragraph 1.5.3.a (Authority) describes the authority delegated to Postal Service contracting officers.

- Paragraph 1.5.3.b (Entering into Contracts) states that contracting authority is delegated to qualified individuals (rather than positions) and that only these individuals may bind the Postal Service contractually.
- Paragraph 1.5.3.c (Actions Exceeding a Contracting Officer's Authority) describes the steps to take when the contracting officer assigned responsibility for a contractual action finds that the contract amount exceeds his or her delegated authority.
- Paragraph 1.5.3.d (Contracting Officer's Representative) discusses the duties and responsibilities of a contracting officer's representative.
- Paragraph 1.5.3.e (Reviews and Approvals) states that certain high-dollar value contracts require the review and approval of the vice president of Purchasing and Materials. New exhibit 1.5.3.e, *Review and Approval Thresholds*, delineates the circumstances under which review and approvals are required.
- Paragraph 1.5.3.f (Other Responsibilities) states that contracting officers are expected to seek the advice and assistance of technical specialists, assigned counsel and the Inspection Service in the course of their duties. New exhibits 1.5.3.f(1), *Authorities and Responsibilities — General Counsel*, and 1.5.3.f(2), *Authorities and Responsibilities — Inspection Service*, delineate the contractually-related functions of those organizations.
- Paragraph 1.5.3.g (Appointment and Selection) discusses contracting officer appointment authority and describes the qualification requirements for contracting officer levels I – IV.
- Paragraph 1.5.3.h (Waivers and Interim Appointments) discusses procedures to waive contracting officer qualifications and to appoint short-term interim contracting officers when needed.
- Paragraph 1.5.3.i (Continuing Professionalism) states that all contracting officer's appointments must be reviewed annually, and discusses steps contracting officers must take to maintain professional proficiency.
- Paragraph 1.5.3.j (Termination) discusses termination of a contracting officer's appointment.
- Paragraph 1.6.2.j (Definitions) replaces the term "local purchasing authority" with "local buying authority" and provides a new definition of the term.
- Paragraph 1.6.2.q (Definitions) provides a new definition of the term "real estate and related services."

Section 1.7 (General Policies) has been revised as follows:

- A new subsection 1.7.1 (Background) has been added discussing the Postal Service's business goals and its exemption from most federal laws dealing with public or federal contracts.
- A new subsection 1.7.2 (Competition) has been added to provide a new definition of "adequate competition" and discusses how a contracting officer may decide on the amount of competition necessary to a particular purchase.
- Old subsections 1.7.2, 1.7.3, 1.7.4, 1.7.5, 1.7.6, 1.7.7, and 1.7.8 have been renumbered to 1.7.3, 1.7.4, 1.7.5, 1.7.6, 1.7.7, 1.7.8, and 1.7.9, respectively.
- Paragraph 1.7.6.c (Progress Payments) has been revised to state that a contracting officer may approve the use of progress payments if the dollar value of the particular contract is within his or her contracting authority and is valued at less than \$1 million.

- Paragraph 1.7.7.a (Conflicts of Interest) has been revised as previously published in Postal Bulletin 21886.
- Paragraph 1.7.7.b (Officials not to Benefit) has been revised to remove the reference to Clause 1-4, Officials not to Benefit. This clause has been deleted from appendix B.

Chapter 3

Paragraph 3.1.4.d (Other Contracts/National and Area Contracts and Ordering Agreements) has been revised to state that a contracting officer may establish contracts on a Postal Service-wide or a limited geographical or organizational basis.

Paragraph 3.1.6.c (Prequalified Contractors/Commercial Sources) has been revised to state that if the dollar value of a prospective contract is within his or her contracting authority, a contracting officer may decide to restrict the purchase to prequalified contractors.

Chapter 4

A revised section 4.1 (Types of Purchasing Methods) delineates the different purchasing methods used in the Postal Service.

A revised section 4.2 (Standard Purchasing) replaces the term “competitive purchasing” with “standard purchasing.” As a result of these changes, all sections in chapter 4 have been recodified.

Paragraph 4.3.1.b (Ceiling/Simplified Purchasing) has been revised to state that, while the general ceiling for simplified purchasing is \$100,000, a contracting officer may decide to use simplified procedures if the dollar value of a prospective contract for standard commercial products or services is within his or her contracting authority. 4.3.1.b also states that simplified procedures may not be used if the dollar value of the prospective contract meets or exceeds \$1 million.

Paragraph 4.4.1.c (Applicability/Noncompetitive Purchasing) has been revised to state that contracts for advertisements and contracts with Federally Funded Research and Development Centers (FFRDCs) are not subject to competitive procedures.

Chapter 5

Paragraph 5.1.1.c (General/Types of Contracts) has been revised to state that if the dollar value of a prospective contract is within a contracting officer’s contracting authority, he or she may decide to use a type of contract not discussed in section 5.1, subject to certain approvals.

Paragraph 5.1.7.c (Limitations/Letter Contracts) has been revised to state that use of a letter contract must be approved by the manager of Headquarters Purchasing, Field Customer Support, National Mail Transportation Purchasing, or Major Facilities Purchasing.

Paragraph 5.1.7.d (Clauses/Letter Contracts) has been revised to state that when using Clause 5-18, Limitation of Postal Service Liability, the maximum

liability amount may not exceed 50 percent of the estimated cost of the definitive contract unless approved by the manager of Headquarters Purchasing, Field Customer Support, National Mail Transportation Purchasing, or Major Facilities Purchasing.

Paragraph 5.3.3.I (Clauses/Price Analysis) has been revised to state that Clauses 5-22, Price Reduction for Defective Cost or Pricing Data and 5-23, Subcontractor Cost or Pricing Data must be included in a contract when such data is required for the negotiation of a contract or a subsequent modification to the contract. Clauses 5-24, Price Reduction for Defective Cost or Pricing Data — Modifications, and 5-25, Subcontractor Cost of Pricing Data — Modifications, have been deleted from appendix B.

Chapter 6

Subparagraph 6.4.5.d.5 (Administration/Progress Payments) has been revised to state that using any liquidation method other than the ordinary method must be approved by the manager of Headquarters Purchasing, Field Customer Support, National Mail Transportation Purchasing, or Major Facilities Purchasing.

A new paragraph 6.9.1.b (Review and Approval/Contract Termination) has been added to state that no contract with a dollar value or potential termination liability exceeding \$1 million, or any contract considered to be of a sensitive or highly visible nature, regardless of dollar value, may be terminated for convenience or default without the review and approval of the vice president of Purchasing and Materials. Following paragraphs in subsection 6.9.1 have been recodified.

Chapter 8

Exhibit 8.1.2, Supplemental Policy and Procedural Authority, has been revised to show new policy-originating organizations and approving officials resulting from purchasing consolidation.

Subparagraph 8.4.4.a.2.(b) (Research Announcements) has been revised to allow contracting officers the latitude to decide when to use the research announcement technique.

Chapter 10

Paragraph 10.2.7.e (Poster, *Equal Employment Opportunity is the Law*) has been revised to state that Poster OFCCP-1420 now contains text in both English and Spanish and to direct contracting officers to its availability.

Paragraph 10.2.12.a (Requirement/Veterans) has been revised to state that contractors must list all employment openings with appropriate local employment services.

Chapter 11

Paragraph 11.5.2.a (Applicability/Minor Repairs and Alterations) has been revised as previously published in Postal Bulletin 21889.

Appendix A

Paragraph A.2.3.b (Solicitation Notices and Provisions) has been revised to state that if a contracting officer decides to include Provision A-16, Evaluation of Proposals for Multiple Awards, in a solicitation, and he or she decides to use an administrative cost factor of more than \$500, the higher cost factor must be justified and placed in the solicitation file.

Provision A-16, Evaluation of Proposals for Multiple Awards, has been revised to increase the administrative cost factor from \$250 to \$500.

Appendix B

Clause 1-4, Officials not to Benefit, has been deleted.

Clause 5-22, Price Reduction for Defective Cost or Pricing Data, has been revised to add contract modifications to the type of contractual actions covered by the clause.

Clauses 5-24, Price Reduction for Defective Cost or Pricing Data — Modifications, and 5-25, Subcontractor Cost or Pricing Data — Modifications, have been deleted.

Paragraph b of Clause 10-16, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era, has been revised to state that contractors must list all employment openings with appropriate local employment services. Paragraph f has been revised to add new definitions to the clause.

Appendix F

The Procurement Manual Index has been revised to reflect the changes made in this Transmittal Letter.