



DEPARTMENT OF THE NAVY

NAVAL TRAINING CENTER
2601 PAUL JONES ST
GREAT LAKES, ILLINOIS 60088-5000

NTCGLAKESINST 4200.6B
N23
23 MAY 00

NTC GREAT LAKES (COMPLEX²) INSTRUCTION 4200.6B

From: Commander, Naval Training Center, Great Lakes

Subj: UNAUTHORIZED COMMITMENTS TO CONTRACTORS AND PROCESSING OF
RESULTANT CONTRACTOR CLAIMS

Ref: (a) FAR Subpart 1.603
(b) DFARS Subpart 201.603
(c) NAPS §5201.602-3
(d) FAR §1.602-3
(e) NAVSUPINST 4200.81B
(f) NAVSUPINST 4200.94
(g) DoD Directive 5500.7-R

Encl: (1) Sample letter to Contracting Officer, Naval Training
Center
(2) Sample memo to Activity=s Commanding Officer
(3) Sample quarterly report of unauthorized commitments
to Commanding Officers
(4) Sample quarterly report of unauthorized commitments
by command to Commander, Naval Training Center, Great
Lakes

1. Purpose. To advise and caution personnel regarding personal actions which might result in unauthorized commitments of government financial resources, and to provide procedures for processing claims and ratifying unauthorized commitments when such actions have occurred. This Instruction has been substantially revised from the prior version and should be read in full.

2. Cancellation. NTCGLAKESINST 4200.6A.

3. Policy

a. Only U.S. Government Contracting Officers, as designated by references (a) and (b) and acting within their authority, are authorized to enter into or modify a contract on behalf of the United States Government. Additionally, only designated Ordering Officers, as designated under reference (e) are authorized to place orders against standing contracts and only designated cardholders of the Government purchase card as designated under reference (f) may make purchases using such card.

b. Individuals who are not designated Contracting Officers, Ordering Officers or Government purchase cardholders are not authorized to commit government resources and may be held personally accountable if unauthorized commitments occur. Unauthorized commitments are a violation of the Department of Defense Joint Ethics Regulation, reference (g), and criminal and administrative penalties may be prescribed for unauthorized obligation of appropriated or nonappropriated funds.

c. References (d) and (e) contain procedures for reporting and ratifying unauthorized commitments if they occur.

4. Discussion

a. Although it is sometimes necessary to take immediate action to obtain needed supplies or services, satisfying these exigent requirements does not justify contractual commitments made by anyone other than a Contracting Officer, Ordering Officer or Government purchase card holder. Materials and services can be obtained timely within the framework of present acquisition procedures by authorized personnel.

b. In addition, unauthorized commitments may cause the Command to violate competition requirements or fail to ensure that the price paid for the item or service was the best value for the Government. Authorized personnel must judge the reasonableness of a price before a buy is made. After-the-fact justification of a price makes it difficult to sustain a determination that the price paid was fair and reasonable.

c. Reference (d) directs agencies and commands to take positive actions to preclude to the maximum extent possible the need for ratification actions, and to promulgate procedures to ratify (as appropriate) unauthorized commitments when they occur.

5. Action

a. Commanding Officers and Officers-in-Charge (OICs) shall:

(1) Ensure sufficient training is accomplished, using reference (d), which emphasizes the seriousness of unauthorized commitments, the consequences of their occurrence, and that only authorized Contracting Officers, designated Ordering Officers, and designated Government purchase cardholders can commit Government funds and establish contractual commitments with contractors and suppliers.

(2) Establish procedures ensuring enclosures (1) and (2) are properly prepared and submitted with all required documentation in the event an unauthorized commitment occurs. The endorsement to either of these enclosures must be signed by the Commanding Officer and is not delegable.

(3) Aggressively enforce the standards of reference (d) and this instruction regarding the use of contracting authority and obligation of government funds.

b. The NTC Great Lakes Contracting Officer shall:

(1) Process contractor claims for unauthorized commitments of \$25,000.00 or less using references (d) and (e) and the following procedures:

(a) Review the documentation and endorsements provided;

(b) Ascertain whether there are any doubtful questions of fact;

(c) Make and document appropriate findings and determinations;

(d) Prepare a recommendation to the ratifying official;

(e) Prepare appropriate contractual documents; and,

(f) Submit the contract and supporting documents to NTC Counsel for an opinion as to form and legality.

(2) When an unauthorized commitment has occurred within a calendar quarter, provide a quarterly summary of the unauthorized commitment(s) to the affected Commanding Officer(s) using enclosure (3); and,

(3) Provide a quarterly summary of unauthorized commitments by command to Commander, Naval Training Center using enclosure (4).

c. Counsel. Counsel shall review the submitted materials and return the proposed contract and supporting documents to the NTC Great Lakes Contracting Officer together with any comments

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and with a recommendation for or against ratification by the ratifying official.

d. Ratifying Official. Under reference (e), the NTC Great Lakes Contracting Officer is designated ratifying official for unauthorized commitments up to \$25,000.00. Unauthorized commitments in excess of \$25,000.00 shall be forwarded by the NTC Contracting Officer to the U.S. Government contracting office which has ratification authority in excess of this amount. Per references (d) and (e), the Contracting Officer shall act as follows in processing ratification requests of \$25,000.00 or less:

(1) Respond to and investigate any additional questions raised by NTC Counsel;

(2) Make appropriate determinations and findings;

(3) If appropriate, execute the appropriate contractual document, ratifying the unauthorized commitment(s), and

(4) Retain report(s) of ratification actions using reference (e).

e. NTC Supply and Logistics will plan, coordinate and conduct the following to ensure proper training is received by all commands. The Purchasing Division Officer will maintain training records.

(1) Conduct annual training for all the NTC and Tenant Command's COs and OICs during NTC Staff Meeting.

(2) Conduct specific semiannual training for all Tenant Command's Supply Officers.

(3) Conduct additional training as requested by NTC and Tenant Command's COs and OICs.



EDWARD E. HUNTER

Distribution:

NTCGLAKESINST 5216.5M

List I, II (Case B), III-A, B,

SAMPLE LETTER

4200
Ser
Date

From: Commanding Officer, (Unit/Command)
To: Contracting Officer, Naval Training Center, Great Lakes
Code N23

Subj: REQUEST FOR RATIFICATION OF UNAUTHORIZED COMMITMENT

Ref: (a) NTCGLAKESINST 4200.6B
(b) Federal Acquisition Regulation §1.602-3

Encl: (1) (_____) Corporation=s invoice number (_____)
(2) Employee memo dtd (_____)
(3) NAVCOMPT Form 2276, requisition number (_____)

1. The following information is provided to comply with unauthorized commitment ratification procedures required by reference (a).

a. Enclosure (1) is the vendor=s description of goods provided and payment required. It is the original invoice.

b. Enclosure (2) is the responsible employee=s complete description of circumstances and events leading to the unauthorized commitment and a description of what measures have been or will be effected to prevent recurrence.

c. Request for payment, with a complete description and itemization of all charges due. This payment excludes late charges, including interest and is provided as enclosure (3).

2. The responsible employee did not follow established policies and procedures as set forth in references (a) or (b). The following action has been taken to preclude recurrence of unauthorized commitments:

(_____ Provide details _____)

Enclosure (1)

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3. As indicated in enclosure (3), the (material or services) were used by and provided the following benefit to my Command:

[DESCRIBE]

4. To prevent recurrence of any unauthorized commitments, I have taken the following actions:

[DESCRIBE]

(Signature)
Commanding Officer

Enclosure (1)

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SAMPLE MEMO

4200
Ser
Date

From: (Employee, code)
To: Commanding Officer
Via: Department Head

Subj: UNAUTHORIZED COMMITMENT TO () CORPORATION

Ref: (a) NTCGLAKESINST 4200.6B

Encl: (1) () Corporation=s original invoice number ()
(2) NAVCOMPT Form 2276, requisition number ()

1. Per reference (a), enclosures (1) and (2) are presented to request ratification of an unauthorized commitment in the amount of (\$) for (material or repair description).

2. This unauthorized commitment occurred on (date) under the following circumstances:

3. The reasons I entered into this unauthorized commitment (give specific and complete information).

4. I realize now I should not have (describe action) as I know I am not allowed to make commitments for expenditures of funds to the private sector.

(Signature)
Employee

Enclosure (2)

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SAMPLE REPORT

4200
Ser
Date

From: Contracting Officer, Naval Training Center, Great Lakes
To: Commanding Officer, (Unit/Command)

Subj: QUARTERLY REPORT OF UNAUTHORIZED COMMITMENTS (UAC)

Ref: (a) NTCGLAKESINST 4200.6B

1. Per reference (a), subject report is provided for review and action. The following information applies:

<u>INDIVIDUAL COMMITTING UAC</u>	<u>ITEM</u>	<u>DOLLAR VALUE</u>
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2. (Point of contact information).

Very respectfully,

(Signature)
Contracting Officer

Enclosure (3)

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23 MAY 00

SAMPLE REPORT

4200
Ser
Date

From: Contracting Officer, Naval Training Center, Great Lakes
To: Commanding Officer, (Unit/Command)

Subj: QUARTERLY REPORT OF UNAUTHORIZED COMMITMENTS (UAC)

Ref: (a) NTCGLAKESINST 4200.6B

1. Per reference (a), subject report is provided for review and action. The following information applies:

<u>COMMAND COMMITTING UAC</u>	<u>ITEM</u>	<u>DOLLAR VALUE</u>
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2. (Point of contact information).

Very respectfully,

(Signature)
Contracting Officer

Enclosure (4)