

FOREWORD

Thank you for your interest to provide supplies and services to the U.S. Army in Europe! Each year, the U.S. Army in Europe enters into thousands of supply and service contracts, many of which may be performed by small businesses. These contracts are executed by United States Army Contracting Command, Europe (USACCE) by contracting offices in Germany, Belgium, and Italy.

This pamphlet provides information to assist businesses throughout Europe that may be unfamiliar with U.S. Government business practices, and therefore may feel handicapped in selling to the U.S. Army. The pamphlet identifies several unique aspects of U.S Government contracting laws and regulations, briefly explains the various methods we use to buy needed supplies and services, and lists the range of supplies and services we buy. Plus, it provides information on how your firm will know when we need to buy the supplies and services your firm sells, to include public posting of business opportunities at our contracting offices and on the internet.

We appreciate your interest in supporting U.S Army supply and service needs in Europe and look forward to a long and mutually prosperous business partnership with your firm.

August 1999

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This pamphlet is issued by Headquarters, United States Army Contracting Command, Europe (USACCE) to acquaint European businesses with United States Army, Europe (USAREUR) contracting procedures, and to provide information to facilitate their participation in U.S. Army procurements.

Part I

United States Government Contracting – Unique Characteristics

United States of America (U.S.) laws and acquisition regulations govern all purchases made by the U.S. Army. Agreements have been made between the U.S. and NATO friendly countries, which clarify the application of U.S. and local laws. Accordingly, U.S. laws apply to U.S. Army contracts and, the purchases are free of host nation taxes and customs.

There are similarities between how you conduct business and purchase supplies and services with other firms in the marketplace and how to conduct business with the U.S. Government, however, there are several unique characteristics:



Agents

- Most commercial firms have specific individuals designated who may legally bind the firm in business agreements, including the purchase of supplies and services. The U.S. Government similarly has designated a limited number of individuals to purchase supplies and services. The primary agent is the Contracting Officer; each has a Certificate of Appointment, which will be displayed, in their office. There is more than one Contracting Officer in each contracting office.
- Your primary contact with the contracting office will be with a Contract Specialist or Purchasing Agent. These

individuals work in the contracting office. While the Contract Specialist or Purchasing Agent cannot execute contracts or otherwise obligate the Government, they perform the day-to-day operations of the procurement function, to include: contacting firms for quotations, issuing solicitations, conducting negotiations, preparing contract documents, and administering awarded contracts

- The Contracting Officer is assisted by Ordering Officers and International Merchant Purchase Authorization Card (IMPAC) holders, who may purchase supplies and services for the U.S. Army. Each authorized individual has a Letter of Appointment. These individuals typically do not work in the contracting office. No other employee of the U.S. Government other than a Contracting Officer, and in specific circumstances Ordering Officers and IMPAC holders, may purchase supplies or services, or otherwise obligate the Government. Contracting Officer's Representatives may be appointed by the Contracting Officer to survey contractor performance but are NOT authorized to purchase supplies or services, or change existing contracts.

Your firm will encounter extensive delays in receiving payment or may be denied payment if you accept a contract or order, including changes to existing contracts or orders, from other than a Contracting Officer, an Ordering Officer, or an IMPAC holder. Should you have any doubt of the authority of the individual you are dealing with, ask to see a copy of their Certificate of Appointment or Letter of Appointment, and in the case of IMPAC

card holders, photo identification to verify their identity.



Gratuities

- Although it is customary practice in many cultures to provide gifts to business partners, U.S. law strictly prohibits the offering of a gratuity to U.S. officials. A gratuity is “anything of value,” including gifts and entertainment. Please be aware that offering a gratuity to a U.S. official, even where the official doesn’t accept the gratuity, could result in exclusion of your firm from doing further business with the U.S. Government, as well as termination of existing contracts. Why, you may ask, is the U.S. law so stringent? The cornerstone of the U.S. Government acquisition system is full and open competition whereby all firms compete on an equal basis for a contract. Acceptance of gratuities by U.S. officials may provide an unfair competitive advantage to the firm that provides the “best gratuity.”

Performance Survey

- The U.S. Government awards contracts only to firms who can demonstrate their ability to perform the contract. If sufficient information is not available for the Contracting Officer to make this determination (a determination of responsibility), a Pre-Award Survey will be initiated. The purpose of the Survey is to ascertain that your firm has the financial, organizational, and personnel resources, the facilities and/or capacity to perform the contract, and a satisfactory performance record. The Surveys are

performed at your place of business by representatives from the contracting office and technical activities. The information is not released to sources outside of the U.S. Government



Inspection/Audit

- The U.S. Army may survey and inspect the contractor’s performance. Generally, however, contracts valued less than \$100,000 rely on the contractor for self-inspection and quality control. On larger dollar value contracts, a Contracting Officer’s Representative will be appointed to survey and inspect performance. Failure to conform to the terms and conditions of the contract may result in price adjustments, re-performance of work, or termination of the contract.
- The U.S. Army also has the right to audit records relating to the performance of U.S. Government contracts. The scope of the Army’s surveillance and inspection rights, and audits and associated record keeping requirements, can be found in the contract.

Terminating Contracts

- The U.S. Government has the right to terminate a contract, at any time, when in its interest to do so. A contract may be terminated for the convenience of the U.S. Government when, for example, supplies or services are no longer needed. A contract may be terminated for default (or cause) when, for example, the contractor fails to deliver

supplies or perform services within the time specified in the contract.

Contract Awards: Best Value and Past Performance



- The U.S. Army uses a best value concept to award many contracts. Obtaining the “best value” means that the Army will consider award of a contract to other than the lowest price offer, or other than the highest technically rated proposal. A tradeoff process is used to balance the decision of paying a higher cost against the perceived benefits to the Army of the technical proposal. The U.S. Army may include in the evaluation the past performance of potential contractors. The solicitation will specify the relative importance of price and other factors, such as past performance, in the award decision.

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Part II

How the U.S. Government Buys Supplies and Services

The cornerstone of the U.S. Government acquisition system is competition. With very limited exceptions, the U.S. Army must obtain competitive prices for all procurements with an estimated value greater than \$2,500, or the equivalent in local currency. Competition encourages new solutions and ideas which ultimately result in improved products and services for the Army, and at a lower overall cost.

Commercial Items

- It’s now easier to sell to the U.S. Army than ever before! Since 1994, the U.S. Government has removed many barriers to create a more effective and efficient acquisition system. Our acquisition policies more closely resemble those of the commercial marketplace. We want reliable business partnerships with firms with an excellent past performance history.



In 1994, U.S. law established a preference for the acquisition of “commercial items”. Commercial items are products sold or leased to the general public, and services sold competitively in substantial quantities in the commercial marketplace. In other words, we buy the same products and services you sell everyday to your commercial customers!

- In some instances, specific U.S. Army requirements/specifications must be met. However, these requirements can often be met with minor modifications to your current products or services. The U.S. Army is required to purchase commercial items or these modified commercial items when they are available to meet our needs. This provides the opportunity for many more businesses to participate in U.S. Government procurements!

The U.S. Army uses a variety of procurement methods. Each is discussed below. The method used will depend on the estimated value and/ or the complexity of supplies or services required.



Micro-Purchases (Less than \$2,500) & the International Merchant Purchase Authorization Card (IMPAC) Card.

- Micro-purchase procedures are used to buy supplies or services with an estimated value less than \$2,500 or the equivalent in local currency. If the merchants' price is fair and reasonable, no further sources are contacted. The preferred method to purchase and pay for micro-purchases is the IMPAC. The U.S. Government has executed a contract with a stateside bank for purchase card services using the VISA purchase card. With the IMPAC, the U.S. Army makes purchases much the same way as you would use a personal credit card, such as the EuroCard, in Europe today. The IMPAC provides significant cost savings, and provides quick

and guaranteed payment to you as the merchant. Use of the IMPAC Card is growing! Nearly 90% of U.S. Army purchases \$2,500 or less are made with the IMPAC. In Europe, in the Army's fiscal year ending 30 Sep 98, over 65% of purchases \$2,500 or less were made with the IMPAC. The U.S. Army's goal is for all purchases under \$2,500 to be made via IMPAC, from IMPAC VISA merchants.

- In the near future, it is expected that the threshold for use of the IMPAC to purchase supplies and services will increase to \$10,000. Thereafter, an increase to \$25,000 is expected in Europe.
- Individuals who do not work in the contracting office are trained and issued an IMPAC to purchase supplies and services. The IMPAC is easily identifiable as the account number begins with 4716. A single purchase cannot exceed \$2,500, or the equivalent in local currency. And, where it is advantageous to the U.S. Government, an Abwicklungschein or other Tax Relief Form will be presented by the IMPAC purchaser at the time of the purchase to obtain tax relief.



Again, the most significant advantage to your firm is quick and guaranteed payment! An added benefit is that your salesperson will be talking directly to the individual who will use the merchandise, should a substitute item or additional information be required in order to complete the sale.

- Don't be left behind! The use of the IMPAC continues to grow! For information on how to become an IMPAC VISA merchant, contact:

VISA INTERNATIONAL
 Goetheplatz 1-3, 60313 Frankfurt/Main
 Telefon 069-92011-170, Telefax 069-92011-222

Simplified Acquisition Procedures



- This procedure is used when the value of the supplies or services does not exceed \$100,000, or the equivalent in local currency. In rare instances, for example, urgency, a sole source procurement for supplies or services greater than \$2,500 may be used.

If the estimated value is less than \$10,000, or the equivalent in local currency, telephone price quotes will be obtained from two or more sources. A written Order is issued, signed by a Contracting Officer, and mailed to the firm offering the best overall value. If the estimated value is greater than \$10,000, the procurement is posted for public viewing (see Part IV, Finding Business Opportunities).

- Be sure to offer your best price, regardless of the dollar value, whether by telephone or in writing, as your firm will only be contacted once and there will be no subsequent price negotiation!

- Under a test program, Contracting Officers may use simplified acquisition procedures to purchase commercial items up to \$5 million, if only commercial items will be offered. If simplified acquisition procedures are used, the Formal Contracting Methods discussed below do not apply.

Formal Contracting Methods

When the estimated value of the supplies or services exceeds \$100,000, more formal procurement procedures are used: sealed bidding or competitive negotiation.

Sealed Bidding. The contracting office issues a solicitation, an "Invitation for Bids" or IFB. By the date established in the solicitation, your firm submits a sealed bid, to be opened at a time and place stated in the solicitation for the public opening of bids. Representatives of your firm may attend the bid opening. Bids are evaluated without discussions. Award is made based on price and price related factors only, to the firm offering the lowest price. It's imperative for you to submit your best price, as you will not have an opportunity to discuss your bid with the contracting office or to change your price!

- **Competitive Negotiation.** The contracting office issues a solicitation, a "Request for Proposals" or RFP. By the date established in the solicitation, your firm submits a written technical proposal and a price to provide the supplies or perform the services. The solicitation will tell you precisely what to submit; detailed technical proposals, past performance history, and cost information are usually required. Increasingly, we are using oral presentations to augment and/or as a substitute for a written proposal. The Government evaluates all proposals received under

stringent guidelines so each firm is afforded a fair opportunity. An award may be made without negotiations, therefore, it is important to make your first offer your best offer! If the Government's evaluation reveals areas which the Contracting Officer needs to discuss with competing firms (e.g., questions regarding your proposed technical solution or price) negotiations will be held. Those firms which submitted a proposal most highly demonstrating a clear feasibility of being selected, subject to some changes, are invited to discuss (negotiate) their proposal with the Contracting Officer. After negotiations, your firm will submit a proposal revision (technical and/or price). The Government will again evaluate your proposal and a contract will be awarded to the firm providing the best value to the Government.

Electronic Commerce is Coming!



- U.S. law requires the use of Electronic Commerce/Electronic Data Interchange (EC/EDI) to reduce the cost and increase the efficiency of the Government's acquisition process. Most agencies, including the U.S. Army in Europe, will migrate to EC/EDI to conduct most purchases greater than \$2,500, or the equivalent in local currency.
- What does this mean to you? If your firm is not EC/EDI-capable, it will become increasingly difficult to sell supplies and services to the U.S. Government. There is a very informative booklet developed especially for businesses which you are strongly encouraged to review entitled "Introduction to Department of Defense Electronic Commerce." It is available at no cost on the internet at <http://www.acq.osd.mil/jecpo> (open EC Publications, then open EC Handbook)

Part III Important Tips!

- Contracts are legally binding. Do not promise deliveries or performance you cannot fulfill. Further, if you make an error in your proposal, the Contracting Officer may not legally be able to grant relief.
- Be accurate!
- Be certain that all costs and factors affecting performance are considered before you provide a quotation or submit a bid/proposal. Do not forget marking, packing, and crating requirements.
- Your bid/offer must be signed by an authorized  representative of your company. If accepted within the time limit stated, your bid/proposal is considered to be your firm's offer to provide the required supplies or services at the price and under the conditions indicated.
- To avoid any misunderstanding, bring to the attention of the Contracting Officer any questions you have regarding the purchase description or statement of work prior to submitting a price quote or proposal. Price changes/adjustments because of errors found in the statement of work during performance may not be allowed if the errors could have been identified prior to award!
- Provide price quotes and bid/proposal by the date required. Late bids/proposals cannot be considered by the Contracting Officer.

- Deliver supplies by the required delivery date and, perform services in accordance with the required performance schedule.
- Comply with the purchase description or statement of work, which describes the dimensions, attributes, quality and reliability levels, as well as other characteristics the U.S. Army requires. Your failure to follow all contract requirements (including those for marking, packaging, and crating) can result in rejection of your product or service.

Part IV Finding Business Opportunities!

U.S. Army contracting offices maintain a database of firms interested in providing supplies and services to the Government. Further, procurement opportunities can be accessed electronically.



Bidders Mailing List



- To do business with the U.S. Army, complete a “Bidder’s Mailing List Application,” Standard Form (SF) 129 (see Part VII), and submit it to the contracting office in the geographical area where you wish to do business (see Part VI). To assist you, Part V provides a breakout of the types of supplies and services purchased through the USACCE Wiesbaden Regional Contracting Center and the USACCE Regional Contracting Offices.
- Contact the contracting office in your geographical area for questions regarding the form. Your application will place you on that contracting office’s mailing list for the supplies and/or services you have indicated. If your business interests involve more than one contracting office’s geographical area, please submit an SF129 to each office, as a separate mailing list is maintained by each office.

When the Army needs the supplies or services you can provide, you will be contacted by phone or in writing. Please be aware that in order to assure that all businesses on the contracting office’s mailing list are treated fairly, the contracting office rotates requirements amongst the firms on the list, to select firms to contact for either a telephone price quote or to receive a written solicitation.

Public Posting



- Each contracting office posts procurements with an estimated dollar value greater than \$10,000, or the equivalent in local currency, electronically on the USACCE website <http://www.usacce.army.mil>. In Germany, opportunities may also be posted in the Bundesauschreibungsblatt and trade publications. In Belgium and Italy, procurement opportunities may be advertised in trade publications.
- A synopsis of business opportunities with an estimated value greater than \$25,000, AND for which U.S. firms stateside are provided the opportunity to bid, are published in the Commerce Business Daily (CBD). However, most U.S. Army procurements in Europe are solicited only with local sources. The CBD is the public notification media by which all U.S. Government agencies identify proposed contract actions. It is published each weekday. The CBD can be accessed at no cost on the Internet at <http://cbdnet.access.gpo.gov>. To obtain a subscription to the CBD, contact the CBD administrative offices in the U.S. at 1-888-293-6498, or via e-mail at cbd-support@gpo.gov.

Part V
What the United States Army, Europe Buys

Wiesbaden Regional Contracting Center (WRCC)

The range of products and services purchased by the WRCC is extremely broad. The WRCC is responsible for the centralized procurement of the following supplies and services:

- a. Weapons, ammunition, explosives, missiles
- b. Fire control equipment
- c. Tactical electronic/communication equipment (non-commercial)
- d. Information Technology (IT) products, systems and services
- e. Installation repairs and facility maintenance
- f. Boiler firing
- g. Continuing and advanced education services, including post secondary
- h. Host nation activities/support
- i. Military Exercise support
- j. Guard services
- k. Government-Owned, Contractor-Operated services facilities (i.e., laundry, equipment maintenance)
- l. Special & Non-Tactical Vehicles/Forklifts/Maintenance
- m. Disposal of hazardous waste (i.e., nuclear, medical, contaminated)
- n. Telecommunications (including TV systems)
- o. Industrial & medical gases
- p. Specialized hospital equipment & services (centralized requirements)
- q. Household appliances repair/replacement

- r. All requirements for multiple delivery/performance to customers located in more than one RCO's geographic area
- s. Continental U.S. requirements
- t. All requirements from units/activities not located within a Regional Contracting Office geographic area
- u. Consolidated equipment/furniture (office & household)

Regional Contracting Offices (RCO)

The RCOs are responsible for decentralized support of their local geographical area. The RCOs procure the following supplies and services:

- a. Repair and Maintenance of Facilities – Minor Construction
- b. General Supplies
- c. Custodial Services
- d. Grounds Maintenance Services
- e. Utilities (gas, water, electricity, heat, etc.)
- f. Guard Services
- g. Port Services (Livorno)
- h. Vehicle Rental/Leasing
- i. Packing and Containerization, Local Drayage Services
- j. Local Education Services
- k. Refuse Collection and Disposal of Non-Hazardous Waste
- l. Local Chaplain and Hospital Supplies & Services
- m. All other supplies/services not listed above and not otherwise designated for centralized contracting at WRCC

PART VI
Solicitation Mailing List Application
U.S. Government Standard Form (SF) 129
[\(Download as .PDF\)](#)

To be included on a USACCE contracting office's bidder's mailing list for supplies or services, complete the Solicitation Mailing List Application, SF 129, and submit an original copy to each contracting office in the geographical region in which you want to do business. Remember the Wiesbaden Regional Contracting Center buys centralized support for all regions. Identify in Item 10 the supplies and/or services which you desire to sell to the U.S. Army. (Provide Federal Supply Class or Standard Industrial Classification Codes if available). An original copy of the SF 129 must be signed by a principal of the firm, not an agent.

Please note: After placement on the bidder's mailing list, your failure to respond (submission of a quote, bid, or proposal, or a notice in writing that you are unable to bid on that particular transaction but wish to remain on the active bidder's mailing list for that particular item) may be understood by the contracting office to indicate lack of interest in U.S. Army procurements and concurrence to remove your firm from the mailing list for the items concerned.

If you have a question or require specific clarification on the SF 129, contact a USACCE contracting office in your geographic area for assistance.



United States Army Contracting Command, Europe Contracting Offices

CONTRACTING OFFICE	MILITARY MAILING ADDRESS	LOCAL (STREET) ADDRESS	PHONE/ FAX NUMBER
RCO Bad Kreuznach	ATTN: AEUCC-BK Unit 24335 APO AE 09252	Rheingrafenstein, Geb. S-5428 55543 Bad Kreuznach	0671-609-7438
RCO Benelux	ATTN: AEUCC-B PSC 79, Box BRCO APO AE 09724	Leuvensesteenweg 13 1932 Sint Stevens Woluwe, Belgium	027079625 FAX: 027079610/9611
RCO Grafenwoehr	ATTN: AEUCC-G Unit 28130 APO AE 09114	Amerikanische Beschafungsstelle Geb. 6164 92655 Grafenwoehr/Lager	09641-83-7184/7192 FAX: 09641-83-7258
RCO Seckenheim	ATTN: AEUCC-S Unit 29331 APO AE 09266	Seckenheimerhauptstr. Geb 968 68239 Mannheim	0621-487-7576
Stuttgart SubOffice	ATTN: AEUCC-ST APO AE 09 1 07	Kelley Barracks, Geb. 3313 Plieningerstr. 289 70567 Stuttgart	0711-729-2560/2477 FAX: 0711-7289004
RCO Vicenza	ATTN: AEUCC-1 Unit 31401, Box 33 APO AE 09630	Via Pra' Spineo 16 36040 Lerino-Torri di Quartesolo (V1) Italy	0039-444-219907 FAX: 0039-444-381280
Livorno SubOffice	ATTN: AEUCC-I-L Unit 31031, Box 10 APO AE 09613	Via Aiaccia 6a 57017 Stagno/Livorno Italy	0039-586-941365/367 FAX: 0039-586-941366
Wiesbaden Regional Contracting Center (WRCC)	ATTN: AEUCC-C- CMR 41 0, Box 741 APO AE 09096	Konrad-Adenauer-Ring 39 65187 Wiesbaden	0611-816-2100
RCO Wuerzburg	ATTN: AEUCC-W Unit 26622 APO AE 09244	Faulenberg Kaserne Nuernbergerstr. 51, Geb. 250 97076 Wuerzburg	0931-21100 FAX: 0931-287432
HQ USACCE	ATTN: AEUCC Unit 29331 APO AE 09266	Seckenheimerhauptstr., Geb. 973 68239 Mannheim	0621-487-8447/8705

Website address: <http://www.usacce.army.mil>