CHAPTER 9 - REQUIRED SOURCES OF SUPPLIES AND SERVICES

Parent topic: Appendix - EE DEPARTMENT OF THE ARMY GOVERNMENT PURCHASE CARD OPERATING PROCEDURES

9-1. Required Sources

a. Cardholders must purchase in accordance with the priorities set forth in FAR Part 8 , along with use of mandatory sources (i.e., inventories of the requiring agency, excess from other agencies, FPI supplies on the Procurement List maintained by AbilityOne, wholesale supply sources, services on the Procurement List maintained by AbilityOne, and other mandatory sources as specified in FAR 8.003) or optional sources (i.e., FSS; Governmentwide acquisition contracts; multi-agency contracts; any other procurement instruments intended for use by multiple agencies, including BPAs under FSS contracts; FPI; and commercial sources (including educational and nonprofit institutions) in the open market).

b. **Coordinated Acquisition Assignments**. Requiring activities must obtain the assigned supplies listed in DFARS PGI 208.7006 from the Component responsible to supply the commodity through use of a MIPR as prescribed in DFARS 208.7002 and DFARS PGI 208.7004 . Examples of assigned commodities include flags/pennants, badges/insignia, tents, weapons, ammunition, and explosives.

Table 9-1: FAR Part 8 - Required Sources of Supplies and Services

Regulatory Reference	Supplies and Services
FAR 8.002 Priorities for Use of Mandatory Sources	**Supplies** 1. Inventories of the requiring agency 2. Excess from other agencies 3. Federal Prison Industries (UNICOR) 4. AbilityOne – products on Procurement List 5. Wholesale supply sources, such as stock programs of GSA, DLA, and military inventory control points **Services** Services on the Procurement List - by the Committee for Purchase from People Who Are Blind or Severely Disabled Note: Sources other than those listed above may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 6.302-2 and in 41 CFR 101-25.101-5.
FAR Part 8.003 Use of Other Mandatory Sources	1. Public utility services (See FAR 41.) 2. Printing and related supplies (See FAR 8.8.) 3. Leased motor vehicles (See FAR 8.11.) 4. Strategic, critical materials (e.g., metals, ores) from inventories exceeding Defense National Stockpile requirements.

FAR Part 8.004 **Use of Other Sources**	Agencies are encouraged to consider satisfying requirements from the non-mandatory sources listed in paragraph (a) of this section before considering the non-mandatory source listed in paragraph (b). See 7.105(b) and part 19 regarding consideration of small businesses and socioeconomic programs. (a) (1) **Supplies**. FSS, Governmentwide acquisition contracts, multi-agency contracts, and other procurement instruments intended for use by multiple agencies, including BPAs under FSS contracts (e.g., FSSI BPAs). (2) **Services**. Agencies are encouraged to consider Federal Prison Industries, Inc., as well as the sources listed in paragraph (a)(1) of this section. (b) **Commercial open market sources** (to include commercial platforms).

Table 9-2: Mandatory Sources for Certain Commodities

Commodity	**Examples**	**Mandatory Source**	**Specific Instructions**
Office Furniture	Tables, file cabinets, furniture systems (cubicle dividers), industrial shelving	UNICOR/ Federal Prison Industries	Consider UNICOR for any FPI schedule items above **$3,500**. See paragraph 9-2.
Office Supplies	Printer toner, copy paper, pens, pencils, staplers, staples, self-stick pads, file folders	Local AbilityOne Base Supply Store (BSC) if available, or through the sources located at AbilityOne	Shop local/installation AbilityOne BSCs first, if applicable. See paragraph 9-3.
Information Technology	Computers, software, video-teleconferencing equipment, peripherals, IT services	Computer Hardware, Enterprise Software and Solutions (CHESS)	Mandatory for all IT purchases, unless you obtain a SoNA. See paragraph 9-4.
Cellular Services	Cellular phones, wireless tablets, wireless service	Navy Spiral 4 Contracts	See paragraph 9-5.
Print Devices and Services	Printers, copiers, scanners. Maintenance and repairs. Banners, decals, manuals.	DLA Document Services	See paragraph 9-6 for details and exemptions.

Heraldry	Official flags, guidons, streamers	Clothing and Heraldry PSID	See para 9-7 and AR 840-10.

9-2. UNICOR/Federal Prison Industries

a. Cardholders must comply with FAR Part 8 FPI requirements for items estimated between $3,500.01 and the MPT. FAR 8.6 describes the procedures for acquisition from FPI/UNICOR. Additional information about FPI/UNICOR is available at UNICOR's website. Cardholders may request a waiver from FPI/UNICOR (FAR 8.604). The Army will process any waiver requests in accordance with the UNICOR Waiver Process. For supply purchases priced above $3,500, follow the steps in Figure 9-1 to determine whether the purchase must be made from FPI/UNICOR.

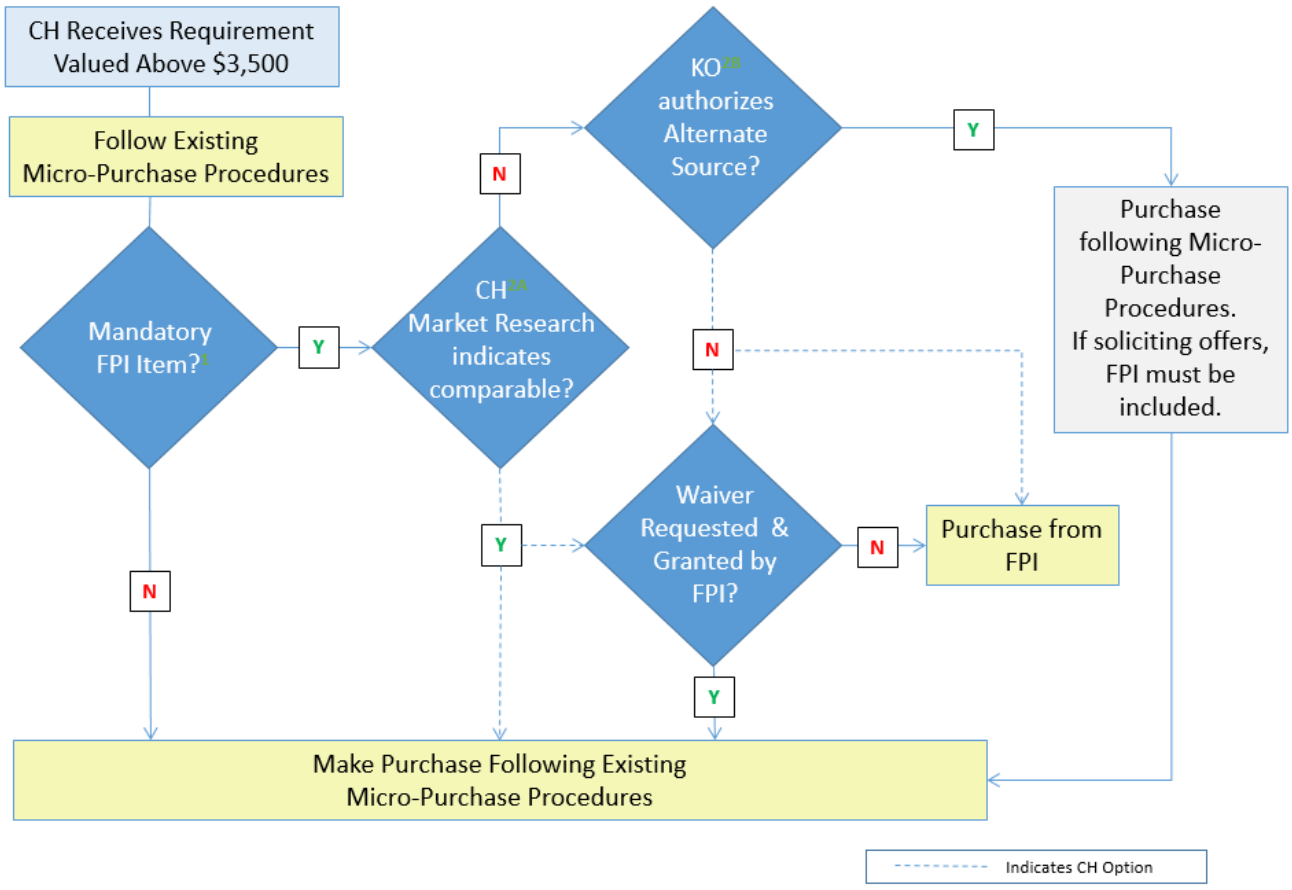


Figure 9-1: FPI Purchasing Decision Framework

b. When following priorities for use of mandatory sources, if FPI (also referenced by the trade name UNICOR) and AbilityOne participating nonprofit agencies produce identical supplies or services, FPI is the higher priority for supplies and AbilityOne is the higher priority for services (FAR 8.002 and FAR 8.603).

c. Purchase from FPI/UNICOR is not mandatory, and a waiver is not required, if any of the following exceptions from FAR 8.605 apply:

1) The contracting officer makes a unilateral determination (on a case-by-case basis) that the

FPI/UNICOR item of supply is not comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery (FAR 8.602(a)(1)); and the item is acquired in accordance with FAR 8.602(a)(4). Cardholders should work with their supporting contracting office to make this determination.

2) Public exigency requires immediate delivery or performance.

3) Suitable used or excess supplies are available.

4) The supplies are acquired and used outside the United States.

5) The supplies are priced at or below $3,500.

6) The items FPI/UNICOR offers are being purchased exclusively on a competitive (non-mandatory) basis, as identified in the UNICOR Schedule.

7) Services are being purchased.

8) FPI/UNICOR is not a mandatory supplier for the supply being purchased. See the UNICOR Alphabetical Schedule of Products and Services to determine whether a requirement is available from FPI/UNICOR.

9) FPI/UNICOR's share of the DoD Market for a mandatory item in an FSC is greater than 5 percent. See the list at Purchases from Federal Prison Industries; Updated List of Federal Supply Classification Codes to be Competed.

9-3. AbilityOne

a. Cardholders may purchase AbilityOne Procurement List supplies directly from AbilityOne or from one of their authorized distributors to satisfy the mandatory requirement. CHs should first shop at their respective local AbilityOne® Base Supply Center (BSC), where such stores exist. AbilityOne profits are maximized for purchases made directly from AbilityOne, such as a BSC or an AbilityOne online catalog. The AbilityOne producing agency sells the supply at a set price (fair market value). The distributor can sell the supply at varying prices but is not allowed to sell below the fair market value.

b. If FPI/UNICOR and AbilityOne participating nonprofit agencies produce identical supplies or services, FPI/UNICOR is the higher priority for supplies and AbilityOne is the higher priority for services (FAR 8.603 and 8.002). Unlike FPI/UNICOR procedures, AbilityOne purchasing procedures are applicable to all purchases regardless of dollar value and do not allow contracting officers to authorize purchase from an alternate source. If the requirement can be fulfilled with an AbilityOne product on the Procurement List, the CH must purchase from FPI/UNICOR unless they receive a waiver from FPI/UNICOR allowing them to purchase from AbilityOne.

c. Cardholders may request a waiver from AbilityOne following the procedures at AbilityOne's Policy 51.541 . Before AbilityOne approves any waiver request, it can (1) review product information to ensure the alternate product is essentially the same as the AbilityOne product, and (2) offer a price match.

d. AbilityOne purchasing procedures do not allow contracting officers to authorize purchase from an alternate source. Prices of items on the Procurement List are fair market prices as established by

AbilityOne (FAR 8.707). Purchase at these established prices is mandated without further consideration of prices available from the private sector.

e. For units in Germany, Italy and the United Kingdom, the preferred use policy for office supplies is through the Joint Office Supply Europe program (JOSE). For information on JOSE, cardholders may contact their A/OPC or view the JOSE Preferred Use Policy for Office Supplies memorandum.

9-4. Computer Hardware, Enterprise Software and Solutions (CHESS)

a. CHESS is the mandatory source for all purchases of commercial-off-the-shelf software, desktops, notebook computers, video teleconferencing equipment, and other commercial Information Technology (IT) equipment (e.g., routers, servers, peripherals, regardless of dollar value). CHESS is the mandatory source for all Army IT purchases, except for the Air National Guard, which is exempt from the CHESS requirement and must purchase IT through Air Force Advantage / GSA-2GIT to retain IT compatibility. Per AFARS 5108.7403, before procuring commercial software outside of the CHESS contracts, the contracting officer or contract ordering official CH must ensure that the requiring activity obtains a waiver. Any IT hardware or software purchase made outside of CHESS requires a Statement of Non-availability (SoNA). See AFARS 5139.101-90(a) and AR 25-1.

b. All desktops and notebooks must be purchased during one of the Consolidated Buy ordering periods that occur three times annually (Oct/Jan, Feb/May, and Jun/Sep). Consolidated Buy exception memos are prepared by the requiring activity and are approved by an O6/GS-15 (or equivalent) within the requiring activity and must remain a part of the transaction document file. An exception memo example is available at CHESS Exception Request.

c. IT hardware or software purchases require an Army Deputy Chief of Staff (DCS), G-6 approved Information Technology Approval System (ITAS) Memorandum. CHs must include the ITAS Approval Memorandum in the transaction file along with all other supporting documentation. Supporting documentation must include documentation submitted with the ITAS approval request such as a CHESS SoNA. The CHESS website provides information concerning ITAS approvals. CHs may also consult their local command for guidance. The ITAS Approval website is located at https://cprobe.army.mil/enterprise-portal/web/itas/home.

d. Any IT hardware or software purchase made outside of CHESS requires a SoNA. A SoNA is a notice that a particular product is not currently available through a CHESS contract. It is not a waiver to purchase, nor does it authorize use on the Army network. For detailed instructions on SoNA requirements and how to obtain a SoNA, see CHESS SONA.

9-5. U.S. Navy’s Spiral 4 Contracts

The U.S. Navy's Spiral 4 contracts are mandatory for cellular phone, wireless devices, and wireless service purchases. Cardholders may purchase respective cellular requirements up to the MPT from any listed vendor (AT&T, T-Mobile, Verizon, Sprint, MetTel). All purchases must comply with the Spiral 4 – Mandatory Ordering Guide. Orders may not exceed one year and are only authorized in CONUS due to task order limitations with the GPC. See https://my.navsup.navy.mil/apps/ops$ncmpo.home.

9-6. DLA Document Services

a. Cardholders will purchase print devices and services from the Defense Logistics Agency (DLA). This requirement applies to Unclassified and Secret-level printing devices (e.g., self-service office copiers and multi-functional devices, desktop and stand-alone printers, and scanners) purchased or leased with federal funds appropriated to the Army. This requirement also applies to the following services:

1) Maintenance of installed Government-owned or DLA-leased printing devices to include repairs.

2) Printing, scanning, and document conversion (e.g., banners, decals, technical manuals), except for products managed by the Army Print and Media Distribution Center (APMDC) such as Army-wide publications.

b. Cardholders must procure all printing requirements that cannot be produced in-house using their respective organizational printers from DLA Document Services. See DoDI 5330.03, Single Manager of DoD Document Services, and Army CIO memorandum, "Army Procurement or Lease of Printing Devices and Services," dated 17 November 2023. For CHs within the Washington DC metropolitan area, additional mandatory printing requirements are located here: https://armypubs.army.mil/Printing/printing.aspx.

c. DLA will provide an exception to policy (ETP) memo if the product is unavailable. ITAS approval is required prior to the procurement of IT, including printing devices and services. The requesting activity will attach the ETP memo to the ITAS procurement request.

d. GPC purchases from DLA Document Services are considered IGT and are subject to the IGT payment limit of $10,000. If transactions do not meet the DLA Document Services criteria, activities will use other funding vehicles (e.g., DD Form 448, MIPR, DD Form 282, DoD Printing Requisition/Order).

e. **Exemptions**. Products exempt from this policy include items that are funded or procured with non-Army funding and manufacturing equipment such as 3-D printers. Also, the following organizations are exempt from the requirement to buy print devices and services from DLA:

1) US Army National Guard (ARNG) and US Army Reserve (USAR)

2) Army-wide departmental printing and Army Headquarters printing services provided by the U.S. Army Print and Media Distribution Center (APMDC)

3) Army intelligence printers and services acquired under the National Intelligence Program (NIP) or the Military Intelligence Program (MIP)

9-7. Clothing & Heraldry.

Flags, guidons, and streamers described in AR 840-10 will be requisitioned from the U.S. Army Tank-Automotive and Armaments Command, Clothing and Heraldry Office, Product Support Integration Directorate, unless otherwise indicated. Stocked items are available on FedMall. Stocked items include, but are not limited to, national flags and general officer protocol flags. The Clothing & Heraldry Office does not provide stocked items. Requiring activities will submit requests for flags, guidons, and streamers at the following website: https://heraldry.army.mil/.

9-8. Non-Mandatory Sources of Supply

a. In accordance with FAR 8.004, CHs should consider use of non-mandatory sources such as FSS contracts/BPAs (e.g., GSA Advantage); Governmentwide acquisition contracts; multi-Component contracts (e.g., DoD FedMall contracts), and commercial sources in the open market (including educational and nonprofit institutions).

b. When purchasing against a BPA, CHs will ensure the requirements of FAR 13.303-5 are met. When purchasing against an indefinite-delivery, indefinite-quantity contract, CHs will follow the ordering procedures as specified by the contracting officer and FAR Part 16. When purchasing against a FSS contract, CHs will follow the ordering procedures at FAR 8.405. CHs will attempt to distribute FSS orders among contractors that can meet the Army's need in accordance with FAR 8.405-1(b).

c. **Small Businesses**. In accordance with FAR 19.203, the requirement to set aside acquisitions for small businesses does not apply to purchases valued at or below the MPT. However, in accordance with FAR 19.201, CHs should consider small businesses and socioeconomic programs to the maximum extent practicable when using the GPC for purchases at or below the MPT.

d. **General Services Administration (GSA) Programs.** GSA maintains the Federal Supply Schedule program, also known as the GSA Schedules Program or the Multiple Award Schedule Program. GSA offers an online shopping service called GSA Advantage! through which CHs may place orders against Schedules. CHs may also use GSA Advantage! to place orders through GSA's Global Supply System, a GSA wholesale supply source, formerly known as "GSA Stock" or the "Customer Supply Center." GSA Advantage! enables CHs to search specific information (e.g., national stock number, part number, common name), review delivery options, place orders directly with Schedule contractors, and pay for orders using the GPC. CHs may place orders up to the MPT with any FSS contractor that can meet the agency's needs. Although not required to solicit from a specific number of schedule contractors, ordering activities should attempt to distribute orders among contractors. Federal Strategic Sourcing Initiative (FSSI) agreements are accessible at FSSI. Cardholders must consider GSA's commercial platforms before using commercial sources.

e. **FedMall.** FedMall is a Government e-commerce acquisition platform which may be used for procuring supplies beyond those listed in Section 8-1. CHs who use FedMall are required to register for a FedMall account. To register, CHs will need to know their DoDAAC or their Activity Address Code (AAC). If FedMall does not recognize the CH's DoDAAC or AAC, CHs should contact their A/OPC to request the contracting office's Procurement DoDAAC for registration. FedMall is accessible through the CH's PIEE account via the FedMall icon.

f. **Commercial Sources.** Before buying from a commercial source, CHs must review applicable mandatory sources and non-mandatory Government sources. See Tables 9-1 and 9-2. Cardholders should rotate commercial sources. Cardholders may purchase from a commercial source if the requested supplies or services are unavailable from the applicable mandatory source provided they obtain the appropriate waivers.

9-9. Sustainable Procurement

a. Cardholders are required to comply with Federal Government environmental quality (i.e., "green") policies when acquiring supplies or services with the GPC. See GSA's Green Procurement

Compilation for the current lists of designated products, product sources, and other relevant information. The DoD Green Procurement Program:

1) Requires that sustainable supplies and services be considered as the first choice for all procurements,

2) Assigns responsibility to virtually every DoD employee, including CHs, and

3) Requires implementation at the organizational level where initial purchasing requirements are defined.

b. The Environmental Protection Agency (EPA) and USDA oversee the designated product programs, which designate products that can be made with recycled or bio-based content and place them on the mandatory list for Federal purchasers. Some examples of mandatory items include the following:

1) Paper (including copy paper, computer paper, envelopes, index cards, folders).

2) Toner cartridges.

3) Office supplies (such as binders, clipboards, and plastic desktop accessories).

4) Office recycling containers.

5) Office trash cans.

6) Toilet paper.

7) Trash bags.

c. DoDI 4105.72, Section 1.2.b requires DoD to give preference to the procurement of sustainable

supplies and services using or supplying sustainable supplies unless certain conditions exist. Cardholders are encouraged to document if one or more of the following issues prevents purchase of mandatory green supplies and services:

1) The price of the supply/service is unreasonable.

2) The supply/service will not meet reasonable performance standards.

3) Availability does not meet the requirement timeframe.

4) An exception is provided by statute.

d. DAU course CLG 046, DoD Sustainable Procurement Program provides training on a comprehensive strategy for implementing environmentally preferred practices while sustaining the overall mission.

9-10. Commercial Platforms

a. An e-marketplace platform is an online platform where CHs can evaluate and order products via a portal operated by a vendor: the portal provider. The e-marketplace platforms can offer portal provider products and/or third-party vendor products. Portal providers and third-party vendors are

generally responsible for fulfilling orders for their respective products. The e-marketplace model encourages robust competition not only at the platform level by offering millions of products across thousands of suppliers, but also at the product level, with multiple suppliers competing to sell a given product.

b. GSA's Commercial Platforms program (also known as GSA's e-commerce platforms) provides a managed channel for open-market purchases through select commercial online platforms.

c. Third-party payment processor policy does not apply to e-commerce platforms or brick-and-mortar merchants that do not accept payment using third-party payment processors. In the e-commerce space, this includes, at a minimum, those in GSA's Commercial Platforms program, and AmazonBusiness.com. If a platform changes their payment practices and begins allowing use of third-party payment processors, the Army will validate each applicable e-commerce platform continues to disallow use of third-party payment processors. This revalidation will occur at least semi-annually, to include notifying GPC oversight personnel and CHs whether the applicable e-commerce platform does not/continues not to accept payment using third party payment processors.

d. **E-Marketplace Platform Method of Payment**. The GPC is the only authorized method of payment for purchases placed on the e-marketplace platforms. Cardholders are not allowed to use any other forms of payment, including third-party payment processors (e.g., PayPal, Venmo, Google Wallet, WePay) or payments using any form of cryptocurrency.

e. **Compliance with AbilityOne**. Mandatory sources such as AbilityOne are effectively represented and promoted in this program. Rather than simply state that e-marketplaces are required to "block and sub" the commercial item for the AbilityOne item, GSA requires platform providers to prevent the sale of a commercial item which is "essentially the same" as an item on the AbilityOne Procurement List. In addition, GSA requires platform providers to ensure the vendors selling AbilityOne products are, in fact, authorized distributors.

f. **Data Visibility**. Identifying leakage through the commercial platforms will allow the Army the ability to identify purchases that could be going to AbilityOne distributors, small business suppliers, excluded entities, or spend outside of strategic or mandatory-use agency contracts. This data then allows the Army to take the necessary action to appropriately manage this spend. Spend data is available to the Army through on-demand reports and dashboards, allowing the Army to see line-level spend from all e-marketplace platforms. Cardholders also have real-time, account level access to their purchasing data through the e-marketplace platforms for purchase card reconciliation and spend analysis.