



# The Office of Acquisition and Logistics Management (OALM) Acquisition Newsletter

SIMPLIFIED ACQUISITION HELPLINE (301)  
496-0400

PURCHASE CARD HELPLINE (301)  
435-6606

BPA HELPLINE (301)  
496-5212

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<http://oalod.od.nih.gov>

SEPT / OCT 2007

## Statement of Objectives

A Statement of Objectives (SOO) is a Performance Based Acquisition method that states the Government's need as a set of objectives to be reached within well defined constraints. The SOO replaces the Statement of Work

within a solicitation and allows Offerors to respond with a Performance Work Statement (PWS) that meet the objectives of the Government instead of just responding with a price proposal and references to back up their past performance. Use of a SOO instead of a traditional Statement of Work or PWS does not necessarily equate to lower pricing, nor should that be the overall objective. The purpose is to lean on an industry that specializes in the Government's requirement instead of relying heavily on the Government. This works particularly well for commercial services that have a large industry base such as IT Support, Guard Services, or Shuttle Services. These industries have been established and the Government would best be served by those who have experience serving their clients for many years. By the Government allowing for the Offerors creativity to shine, the Government's needs can be better met and may save money either on the contract or through other efficiencies produced by the contract. For example, I worked with the customer to create a SOO for administrative support services. In response to this SOO, we received 41 proposals (the original competition took place about two years previously and we only received seven responses) with the average being almost \$1 million less than the Independent Government Cost Estimate.

The minimum sections required in a SOO can be seen under FAR Subpart 37.602(c). The sections include:

- (1) Purpose;
- (2) Scope or mission;
- (3) Period and place of performance;
- (4) Background;
- (5) Performance objectives, *i.e.*, required results; and
- (6) Any operating constraints.

Don't let the lack of sections fool you when making a SOO. In some ways it can be more difficult than creat-

ing a PWS or SOW. Instead of just relying on: "This is the way it was always done," or "If it ain't broke, don't fix it," mentality we sometimes have when reprocurring goods or services, the Government is forced look at how it conducts its business and what its true objectives are and its constraints that it cannot change (due to regulations, unchanging needs, etc.)

The most difficult parts of the SOO are the Performance Objectives and Operating Constraints. The Objectives should be written in such a way that are not prescriptive but detail what the Government contract goals are. Whether the contract goal is for shuttles to pick up passengers in a timely manner and drop them off safely or that calls are routed to the appropriate staff, it must be stated in such a way that allows flexibility for the Offeror.

Operating constraints can also be difficult since the requiring activity may not know what its true constraints are. Placing unnecessary constraints can increase costs for Offerors, which in turn drives prices up. For example, the Government might place a constraint where the Offerors office must be located within 25 miles of the Place of Performance. This constraint may likely be unnecessary due to the use of information technology or the telephone. Placing it in the SOO may drive the price or reduce competition.

Lastly, for an Offeror to meet the Government's need in a creative way, the Government may need to collect data or information to be placed within the solicitation. Without certain information the Offeror may not be able to respond to the solicitation in a way that meets the needs of the Government. How is an Offeror supposed to know how many people it should staff on a call center requirement if it does not know how many calls are averaged in a day or what quarter most calls are received? Without information, responding to the SOO becomes a guessing game where all parties lose.

The Government is pushing contract specialists to take a more Performance Based approach to its acquisitions. The purpose is not necessarily to save money but to create a better value for the Government. It takes a lot of time and input to create a SOO but in doing so you allow an established industry to do what it does best--serve its clients and meeting its clients objectives.

Article submitted by Zedekiah Worsham,  
[Worshamz@od.nih.gov](mailto:Worshamz@od.nih.gov)

# Invoice and Payment Provisions

*Below is the new “Invoice and Payment Provisions” for Simplified Acquisition Mechanisms. These provisions are to be attached to all orders sent to vendors as part of the award package. The “Invoice and Payment Provisions” have been loaded into Prism statements. Check with your HPOC if you need assistance in retrieving it.*

## I. Invoice Requirements

- A. An invoice is the Vendor’s bill or written request for payment under the contract for supplies delivered or services performed. A proper invoice is an “Original” which must include the items listed in bullets through 1 below. If the invoice does not comply with these requirements, it can result in an invoice being considered improper and returned to the vendor
1. Name and Address of the Vendor
  2. Invoice date (Date Invoice Submitted)
  3. Order number and where applicable, main agreement (e.g., BPA and Contract#)
  4. Description, quantity, unit of measure, unit price, and Extended price of supplies delivered or service performed
  5. Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms)
  6. Name and complete mailing address where payment is to be sent per ACH information on record
  7. Name (where practicable), title, telephone number and mailing address of person to be notified in the event of a Defective invoice
  8. DUNS number or DUNS+4, as registered in CCR
  9. Vendor Identification Number (VIN). Note: This only applies to new purchase orders, task/delivery orders and BPA calls awarded on/after June 4, 2007. The VIN is a 7 digit number that appears after the vendor’s name on the face page of the award document in the block where the contractor’s name and address appear. Inclusion of the VIN on the invoice is not required if the invoice identifies the contractor’s DUNS or DUNS+4
  10. Any other information or documentation required by the order (e.g., evidence of shipment)
  11. Unique Invoice Number which can only be used **one** time regardless of the number of contracts or orders held by an organization (business unit identified by a separate DUNS or DUNS+4 number), regardless if the invoices are being issued out of separate locations
- B. Shipping costs will be reimbursed only if authorized by the Contract/Purchase Order. If authorized, shipping costs must be Itemized. Where shipping costs exceed \$100, the invoice must be Supported by a bill of lading or a paid carrier’s receipt.
- C. Mail the original itemized invoice to:

National Institutes of Health  
Office of Financial Management  
Commercial Accounts  
2115 East Jefferson Street, Room 4B-432, MSC 8500  
Bethesda, MD 20892-8500

For inquires regarding payment call:

Chief, Accounts Payable Section, OFM  
(301) 496-6088

## II. Invoice Payment

- A. Except as indicated in paragraph B below, the due date for making invoice payments by the designated payment office shall be the later of the following two events:
1. The 30th day after the designated billing office has received a proper invoice
  2. The 30th day after Government acceptance of supplies delivered or services performed
- B. The due date for making invoice payments for meat and meat food products, perishable agricultural commodities, dairy products, and edible fats or oils, shall be in accordance with the Prompt Payment Act, as amended.

## III. Interest Penalties

- A. An interest penalty shall be paid automatically if payment is not made by the due date and the conditions listed below are met, if applicable
1. A proper invoice was received by the designated billing office
  2. A receiving report or other Government documentation authorizing payment was processed and there was no disagreement over quantity, quality, or contractor compliance with a term or condition.
  3. In the case of a final invoice for any balance of funds due the contractor for supplies delivered or services performed, the amount was not subject to further settlement actions between the Government and the Contractor
- B. Determination of interest and penalties due will be made in accordance with the provisions of the Prompt Payment Act, as amended, the Contract Disputes Act, and regulations issued by the office of Management and Budget.



# Invoice Payment Process Using Simplified Acquisition Mechanisms

*The below letter should be provided to Simplified Acquisition vendors along with the award document, terms and conditions, and clauses when sending out any Simplified Acquisition mechanism award.*

**TO:** Simplified Acquisition Vendor

**FROM:** Director, Division of Simplified Acquisition  
Policy & Services, OAMP, OALM

**SUBJECT:** Invoice Payment Process Using Simplified Acquisition Mechanisms

The National Institutes of Health (NIH) launched the second wave of the NIH Business System (NBS), which is an agency-wide integrated, financial and administrative computer system. Included in this system is a new process for handling payment requests that requires a change to the current invoice submission procedures. This letter provides additional information and is a further update to the previous "Important Invoice Payment Information" procedures that were transmitted.

Submitting invoices to the Office of Financial Management, Commercial Accounts, remains the same. However, payment request under Simplified Acquisitions mechanisms are slightly modified.

## **Simplified Acquisition Purchasing Mechanisms:**

With the advent of NBS, some of the simplified acquisition mechanism names changed as specified below:

- Blanket Purchase Agreement (BPA) Calls (previously named BPA Record of Calls),
- Purchase Orders (previously named Professional Services Orders, Repair Orders, Reprint Orders are now simply Purchase Orders)
- Task Orders/Delivery Orders (previously named Calls against established contracts)

## **A. Simplified Acquisitions Invoice Procedures:**

For simplified acquisition, existing awards will be modified to include the revised invoice submission instructions. All payment invoice requests using simplified acquisition mechanisms must be submitted as follows:

The original to the following Designated Billing Office: (NOTE: An original paper copy of the invoice must be received by the Designated Billing Office to be considered a "proper invoice" in accordance with FAR Subpart 32.9)

National Institutes of Health  
Office of Financial Management  
Commercial Accounts  
2115 East Jefferson Street, Room 4B-432, MSC 8500  
Bethesda, Maryland 20892-8500

Below are the invoice requirements specified in FAR 32.905(b)(1) along with NIH's specific requirements. The vendor must include the following information on all payment requests:

- Name and address of the vendor
- Invoice date (Date Invoice submitted)
- Order number and where applicable, main agreement (e.g., BPA, contract)

- Description, quantity, unit of measure, unit price, and extended price of supplies delivered or service performed
- Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms)
- Name and complete mailing address where payment is to be sent per ACH information on record
- Name (where practicable), title, telephone number and mailing address of person to be notified in event of a defective invoice.
- DUNS number or DUNS+4, as registered in CCR
- \* Vendor Identification Number (VIN). (NOTE: This only applies to new purchase orders, task/delivery orders and BPA Calls awarded on/after June 4, 2007. The VIN is a 7 digit number that appears after the vendor's name on the face page of the award document in the block where the contractor's name and address appear)
- Any other information or documentation required by the order (e.g., evidence of shipment)

NOTE: Inclusion of the Vendor Identification Number (VIN) on the invoice is not required if the invoice identifies the contractor's DUNS or DUNS+4 number as registered in the CCR on the invoice.

3. Each payment request must be identified by a unique invoice number, which can only be used one time regardless of the number of contracts or orders held by an organization (or business unit identified by a separate DUNS or DUNS+4 number). For example, if a vendor has already submitted an invoice numbered 05 on one of its contracts or orders, it cannot use that same invoice number on any other contract or order., even if the invoices are being issued out of separate locations (e.g., there cannot be two number 05 invoices even if one is from a Maryland location and the other from a Virginia location).

Payment requests with duplicate invoice numbers will be considered improper and will be returned to the vendor. The NIH does not subscribe to a particular numbering format but suggests using a job or account number for each contract and order followed by a sequential invoice number (example: 8675309). The only parameters for the invoice are that it must be limited to 30 characters. There are no restrictions on the use of special characters, such as colons, dashes, forward slashes, or parenthesis.

If all or part of an invoice is suspended and the vendor chooses to reclaim those cost on a supplemental invoice, the vendor may use the same unique invoice number followed by an alpha character, such as "R" for revised (example: 8675309-05R).

#### **B. Supplemental Invoice Procedures - Optional Form 347**

If desired, the award form, "Supplemental Optional Invoicing OF 347" may be used by the vendor as their official invoice, provided the OF 347 is stamped (INVOICE) and includes the following additional information.

- Order number and where applicable, main agreement (e.g., BPA, contract number)
- Description, quantity, unit of measure, unit price, and extended price of supplies delivered or service performed and extended totals.
- Prepaid shipping cost(s) and terms (e.g., shipment number and date of shipment, prompt payment discount terms must be indicated as a separate item on the invoice. Where shipping costs exceed \$10 (except for parcel post), the billing must be supported by a bill of lading or receipt.
- Date

The invoice must be received by the Designated Billing office to be considered a "proper invoice" in accordance with FAR Subpart 32.9):

The NIH vendors are reminded that it is their responsibility, unless exempt by FAR 4.1102(a), to ensure the completeness and accuracy of the information in the Central Contractor Registration (CCR) database. Vendors that are not registered in CCR must ensure that NIH has current, accurate, and complete data to process their payment requests. The Government is not responsible for late payments that result from inaccurate or incomplete data.

If you have any questions, please contact the Contracting Officer. Thank your for your cooperation.

Laurie J. Weker

## Simplified Acquisition Mini-Symposium 2008

The Simplified Acquisition Mini-Symposium (SAMS) scheduled for early spring 2008 is now in the early planning stages. We are planning a one-day event chocked full of valuable information.

Attendance at the Symposium will count as toward acquisition certification maintenance requirements. Additionally, if you help plan the Symposium, you will be awarded additional CLPs!

To volunteer to be on the planning committee or if you have a suggestion for the committee, send an email to Nic D'Ascoli at [DAscoli@od.nih.gov](mailto:DAscoli@od.nih.gov).



## You Need to Enter your Orders Into DCIS

With the beginning of the NBS system June 4, 2007, you must enter your orders into DCIS through the NBS.

BPA Calls above \$3,000 must be entered into DCIS. The Offices of Acquisition and the small number of offices in the ICs who award Purchase Orders and TOs/DOs above \$3,000 must enter their orders into DCIS.

Screen shots and cheat sheets for DCIS, showing what information needs to be entered for BPACalls, Purchase Orders less than \$25,000 and Purchase Orders greater than \$25,000 are available at <http://olao.od.nih.gov/Acquisitions/References/>.



## ACMIS Registration Requirement

All Contracting Officers regardless of series, all Project Officers, and all staff in series 1102, 1105 and 1106 are required to register in ACMIS training. ACMIS accounts are established on the internet at [www.acmis.gov](http://www.acmis.gov). There is a two page guide to assist with registration at [http://oamp.od.nih.gov/Division/aep/ACMIS\\_Registration2.pdf](http://oamp.od.nih.gov/Division/aep/ACMIS_Registration2.pdf). Note that Project Officers are referred to as "Contracting Officer Representative/ Contracting Officer Technical Representative" in the system. Many fields don't apply to POs. Only information that relevant to acquisition should be included, especially current acquisition certification and refresher training courses for the current period (2006 and 2007). You can enter several courses in one entry by listing the title and provider as "various", and putting all the detail into the text block.

The deadline for registering has already passed, so information should be entered promptly. NIH's free training slots from the Federal Acquisition Institute will be set in proportion to our registration in ACMIS. For additional information you may contact Carl Henn, NIH Acquisition Career Manager via email [HennC@od.nih.gov](mailto:HennC@od.nih.gov).



# Acquisition Training Schedule

For additional information on any of the courses listed here, or to register, please contact the Human Resource Development Division on 496-6211 or visit the website <http://learningsource.od.nih.gov>

## 2609 Federal Supply Schedules

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
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No Classes Scheduled

## 2610 Consolidated Purchasing Through Contracts

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
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No Classes Scheduled

## 2611 Buying From Businesses On The Open Market

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date*</u>
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No Classes Scheduled

## 2617 Price Reasonableness in Simplified Acquisitions

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date*</u>
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Feb 4, 2008	8:30-4:00	6120 EPS	\$319	Jan 13, 2008
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Sep 8, 2008	8:30-4:00	6120 EPS	\$319	Aug 17, 2008
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# 9512 NIH Purchase Card Training

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
Dec 10, 2007	8:30-4:00pm	6120 EPS	\$744	Nov 18, 2007
Dec 11, 2007	“	“	“	
Dec 12, 2008	8:30-4:00pm	6120EPS	\$744	Nov 20, 2007
Dec 13, 2008	“	“	“	
Jan 14, 2008	8:30-4:00pm	6120EPS	\$744	Dec 20, 2007
Jan 15, 2008	“	“	“	
Jan 16, 2008	8:30-4:00pm	6120EPS	\$744	Dec 25, 2007
Jan 17, 2008	“	“	“	
Feb 21, 2008	8:30-4:00pm	6120EPS	\$744	Jan 30, 2008
Feb 22, 2008	“	“	“	
Feb 25, 2008	8:30-4:00pm	6120EPS	\$744	Feb 3, 2008
Feb 26, 2008	“	“	“	
Mar 10, 2008	8:30-4:00pm	6120EPS	\$744	Feb 17, 2008
Mar 11, 2008	“	“	“	
Mar 12, 2008	8:30-4:00pm	6120EPS	\$744	Feb 19, 2008
Mar 13, 2008	“	“	“	

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<b>Apr 10, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>Mar 19, 2008</b>
<b>Apr 11, 2008</b>	“	“	“	

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<b>Apr 14 , 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>Mar 23, 2008</b>
<b>Apr 15, 2008</b>	“	“	“	

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<b>May 1, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>Apr 10, 2008</b>
<b>May 2, 2008</b>	“	“	“	

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<b>May 12, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>Apr 20, 2008</b>
<b>May 13, 2008</b>	“	“	“	

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<b>Jun 19, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>May 28, 2008</b>
<b>Jun 20, 2008</b>	“	“	“	

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<b>Jun 30, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$744</b>	<b>Jun 8, 2008</b>
<b>Jul 1, 2008</b>	“	“	“	

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
Jul 14, 2008	8:30am - 4:00pm	6120EPS	\$744	Jun 22, 2008
Jul 15, 2008	“	“	“	
Jul 16, 2008	8:30am - 4:00pm	6120EPS	\$744	Jun 24, 2008
Jul 17, 2008	“	“	“	
Aug 11, 2008	8:30am - 4:00pm	6120EPS	\$744	Jul 22, 2008
Aug 12, 2008	“	“	“	
Aug 13, 2008	8:30am - 4:00pm	6120EPS	\$744	Jul 22, 2008
Aug 14, 2008	“	“	“	

## **9513 NIH Simplified Acquisitions Delegated Procurement**

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
Dec 3, 2007	8:30am - 4:00pm	6120EPS	\$1,664	Oct 14, 2007
Dec 4, 2007	“	“	“	“
Dec 5, 2007	“	“	“	“
Dec 6, 2007	“	“	“	“
Dec 7, 2007	“	“	“	“

<b>Date</b>	<b>Times</b>	<b>Location</b>	<b>Cost</b>	<b>Cancellation Date</b>
<b>Jan 7, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$1,664</b>	<b>Dec 16, 2007</b>
<b>Jan 8, 2008</b>	“	“	“	“
<b>Jan 9, 2008</b>	“	“	“	“
<b>Jan 10, 2008</b>	“	“	“	“
<b>Jan 11, 2008</b>	“	“	“	“
<hr/>				
<b>Mar 3, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$1,664</b>	<b>Feb 10, 2008</b>
<b>Mar 4, 2008</b>	“	“	“	“
<b>Mar 5, 2008</b>	“	“	“	“
<b>Mar 6, 2008</b>	“	“	“	“
<b>Mar 7, 2008</b>	“	“	“	“
<hr/>				
<b>May 5, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$1,664</b>	<b>Apr 13, 2008</b>
<b>May 6, 2008</b>	“	“	“	“
<b>May 7, 2008</b>	“	“	“	“
<b>May 8, 2008</b>	“	“	“	“
<b>May 9, 2008</b>	“	“	“	“
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<b>Jun 23, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$1,664</b>	<b>Jun 1, 2008</b>
<b>Jun 24, 2008</b>	“	“	“	“
<b>Jun 25, 2008</b>	“	“	“	“
<b>Jun 26, 2008</b>	“	“	“	“
<b>Jun 27, 2008</b>	“	“	“	“
<hr/>				
<b>Aug 4, 2008</b>	<b>8:30am - 4:00pm</b>	<b>6120EPS</b>	<b>\$1,664</b>	<b>Jul 13, 2008</b>
<b>Aug 5, 2008</b>	“	“	“	“
<b>Aug 6, 2008</b>	“	“	“	“
<b>Aug 7, 2008</b>	“	“	“	“
<b>Aug 8, 2008</b>	“	“	“	“

## 9516 NIH Internal & External Requisitioner

<u>Date</u>	<u>Times</u>	<u>Location</u>	<u>Cost</u>	<u>Cancellation Date</u>
Feb 4, 2008	8:30am-4:00pm	6120 EPS	\$480	Jan 13, 2008
May 8, 2008	8:30am - 4:00pm	6120 EPS	\$480	Apr 16, 2008
Aug 7, 2008	8:30am - 4:00pm	6120 EPS	\$480	Jul 16, 2008

\*NOTE: Although a cancellation deadline date may have passed, you may still submit a registration form through NIHITS to be placed on a wait list. For further information, please contact the Human Resource Development Division on (301) 496-6211 or visit their website: <http://learningsource.od.nih.gov>

## The OALM Acquisition Newsletter

The OALM Acquisition Newsletter will be published six (6) times in 2007. We encourage the ICs to submit any articles that are related to acquisition. We will do our best to include your articles in future newsletters.

OALM invites your comments and suggestion for future articles. Please address all correspondence to the editors: Nic D'Ascoli, [DAscoli@od.nih.gov](mailto:DAscoli@od.nih.gov), Cynthia Henderson, [HendersonCy@od.nih.gov](mailto:HendersonCy@od.nih.gov), Alfreda Mire, [MireA@od.nih.gov](mailto:MireA@od.nih.gov), Milton Nicholas, [NicholaM@od.nih.gov](mailto:NicholaM@od.nih.gov), or Annette Romanesk, [RomanesA@od.nih.gov](mailto:RomanesA@od.nih.gov).

If you have any questions or comments regarding the information, policy and/or procedures published in this issue, you may contact **Cynthia Henderson** at the email address above. For future issues, contact the Simplified Acquisitions Helpline on (301) 496-0400 or via email at [SimplifiedAcquisitionHelp@od.nih.gov](mailto:SimplifiedAcquisitionHelp@od.nih.gov) and you will be referred to the appropriate editor.