



**DEFENSE FINANCE AND ACCOUNTING SERVICE
COLUMBUS CENTER**

P.O. BOX 182317
COLUMBUS, OHIO 43218-2317

JUL 07 1998

IN REPLY
REFER TO DFAS-CO/S

Handwritten signature
MEMORANDUM FOR COMPTROLLER, DEFENSE LOGISTICS AGENCY

SUBJECT: Proliferation of Aged Military Interdepartmental Purchase Requests and Project Orders in the DLA Stock Funds

We are concerned about the large number of aged Military Interdepartmental Purchase Requests (MIPRs) and Project Orders that appeared to be frequently modified to increase the dollar thresholds. This causes considerable accounting problems for the various contracts that may be issued against a particular MIPR, including a significant unliquidated obligation balance. The following information depicts the approximate number of MIPRs and Project Orders issued prior to January 1997, by commodity and the associated dollar value:

<u>Commodity</u>	<u>Number Issued Prior to January 1997</u>	<u>\$000K</u>
Fuels	3950	\$496,400
Medical	830	23,000
Construction	330	5,800
General	290	8,570
Clothing & Textiles	270	14,430
Industrial	210	6,670
Electronics	30	340

Overall, DLA has approximately \$555 million linked to MIPRs and Project Orders that were issued prior to January 1997.

DFAS-HQ indicated that current guidance on the issuance of MIPRs is governed under paragraph 208.70, Coordinated Acquisition of the Defense Federal Acquisition Regulation Supplement (DFARS). Paragraph 208.7002, Assignment Authority, subparagraph (a) (1) (i) states the following:

“Agreement may be either a one time or a continuing basis. The submission of a MIPR by a requiring activity and its acceptance by the contracting activity of another department, even though based on an oral communication, constitutes a one time agreement.”

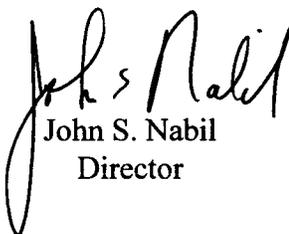
Paragraph 208.7004, Procedures, subparagraph 1 (d) states the following:

“The requiring department must submit requirements for additional line items of supplies or services not provided in the original MIPR as a new MIPR. The requiring department may use a MIPR amendment for increased quantities only if: (1) The original MIPR requirements have not been released for solicitation and (2) The acquiring department agrees.”

Although the previous references specifically refer to MIPRs, the same prevailing guidance would apply to Project Orders. Based on the following references, it is clear that a new MIPR or Project Order is mandated when new requirements are identified or there is a change in quantity unless the two conditions in the preceding paragraph are met. We feel certain that the condition (1) cited above cannot be met on the majority of the MIPRs and Project Orders issued prior to January 1997.

Consequently, we solicit your assistance in providing guidance to your field activities to remind them of the regulatory guidance on monetary modifications to MIPRs and to cease adding new requirements to old MIPRs. Additionally, many of these MIPRs and Project Orders are probably eligible for closure (deobligation). We would also request your assistance in initiating a review of all open MIPRs and Project Orders to validate the continued necessity for the obligation.

Your assistance in this joint endeavor will be greatly appreciated. Our point of contact is Mr. Roger Neefe, Chief, DFAS-CO/SA, DSN 869-0245 or Mr. Wayne Rasmussen, Accountant, DFAS-CO/SA, DSN 869-0009.


John S. Nabil
Director