



DEFENSE LOGISTICS AGENCY  
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IN REPLY  
REFER TO

December 15, 2015

MEMORANDUM FOR DOD ACTIVITY ADDRESS DIRECTORY (DoDAAD) PROCESS  
REVIEW COMMITTEE (PRC)

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1192,  
Administrative Update to Procurement Flag (DoDAAD)

The attached change to Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management Standards (DLMS), Volume 6, Chapter 2, Department of Defense Activity Address Directory is approved for immediate implementation.

Addressees may direct questions to Tad DeLaney, DoDAAD PRC Chair, at 703-767-6885, DSN 427-6885, or email: [DODAADHQ@DLA.MIL](mailto:DODAADHQ@DLA.MIL). Others must contact their Component designated representative.

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment  
As stated

cc:  
ODASD (SCI)  
OUSD DPAP

# **Attachment to Approved DLMS Change (ADC) 1192 Administrative Update to Procurement Flag (DoDAAD)**

## **1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:**

a. **Technical POC:** Defense Logistics Management Standards Office, DoDAAD PRC Chair, Tad DeLaney, at 703-767-6885, e-mail: DODAADHQ@dla.mil

b. **Functional POC:** Defense Logistics Management Standards Office, DoDAAD PRC Chair, Tad DeLaney, at 703-767-6885, e-mail: DODAADHQ@dla.mil

## **2. FUNCTIONAL AREA:**

a. **Primary/Secondary Functional Area:** DoDAAD

b. **Primary/Secondary Functional Process:** DoDAAD

## **3. REFERENCES:**

a. [DLM 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 6, Chapter 2, Department of Defense Activity Address Directory.

## **4. APPROVED CHANGE(S):**

a. **Brief Overview of Change:** This change provides specific business rules for how Central Service Points (CSP) shall set the Procurement Authority flag.

b. **Background:**

(1) The Procurement Authority flag was created within the DoDAAD by ADC 298 in 2008. The request was made by the Acquisition Community and the values for some of the Services were established set at that time, but there was never 100 percent compliance. The Army, for example, never had any of its procurement flags set. The plan was for Defense Procurement Acquisition Policy (DPAP) to review DoDAAC additions each month and inform the DoDAAD CSP when new Procurement DoDAACs were created.

(2) The Procurement Authority flag applicability is determined by DPAP for the DoD, and by the Senior Accountable Officials (SAO) of the Federal Agencies, and is to be used to identify activities that are legally authorized to write contracts. To date, CSPs, for the most part, have not had the information to properly set the Procurement flag. This is a problem, because currently only the CSP has the ability to set the Procurement flag, and to date, no specific rules have ever been provided for how this flag should be set or used.

(3) In order for the Procurement Authority flag to be used as intended, it must be set prior to a contract being issued by an activity. This change is to re-baseline the existing procurement authority flags so they can be used as intended and provide the proper rules for setting this flag.

c. **Approved Change in Detail:**

(1) **Transaction Services.**

(a) When new DoDAACs are created, the default value of the Procurement flag should be “No.”

(b) There will be a spreadsheet submitted (as a separate email) to set the Procurement flag. Only DoDAACs with the Procurement flag included on the spreadsheet should be set to “Yes.” Any DoDAACs that currently have the Procurement flag set to “Yes”, which do not exist on the spreadsheet, should be set to “No.”

(c) **STAFFING NOTES:**

1. Once DLMS Change 1190 is approved (Org Type Code), setting of the Procurement Authority Flag will only be permissible for Org Type Codes “F” and “D.”

2. Once DLMS Change 1194 is approved (Sub Tier Code), setting of the Procurement Authority Flag will make the Sub Tier Code a mandatory field entry.

3. Once DLMS Change 1191 is approved (Contractor Flag), setting of the Procurement Authority Flag will not be possible when the Contractor Flag is set (i.e., the DoDAAC is for a Contractor).

(2) **Central Service Points/Monitors.** CSPs/Monitors shall set this flag based on the following:

Procurement Authority. Procurement Authority is a legal authority to award federal contract actions by a contracting office that meets the definition found in Part 2 of the Federal Acquisition Regulation (FAR): an office that awards or executes a contract for supplies or services and performs post-award functions not assigned to a contract administration office. The Procurement Authority indicator or “flag” is a binary, one-character flag of “Y” of yes and “N” for no, that is used to identify activities/offices that have the authority to award federal contract actions. CSPs shall select this flag for a DoDAAC only when it meets the following conditions:

(a) An individual within the activity has been legally-authorized by competent, delegated authority, to write contracts.

(b) The activity/office identified by this DoDAAC meets the definition found in the FAR.

(c) The DoDAAC will be used for constructing the Procurement Instrument Identifier (PIID) for contracts written – this DoDAAC will be a Contract Administration Office (CAO) and designated for use as an “Issue By” DoDAAC.

(d) This DoDAAC will be used for reporting contract actions to Federal Procurement Data System (FPDS).

**d. Revisions to DLM 4000.25 Manuals:** The following changes need to be made to the DLM 4000.25 Manuals:

**(1) DLM 4000.25, Volume 6, Chapter 2.** Insert the following:

**C2.4.4.6. Procurement Authority.** Procurement Authority is a legal authority, delegated down from the Department level to entities of the Federal Government authorized to write contracts which obligate the Government to binding agreements with commercial and other government entities. For the DoD, this authority is delegated by the Secretary of Defense through the Undersecretary of Defense for Acquisition, Technology and Logistics (AT&L), Defense Procurement and Acquisition Policy (DPAP) and by the Senior Accountable Officials (SAO) of the Federal Agencies. The flag is used to identify activities that have been delegated this authority and that are legally authorized to write contracts.

(2) **DLM 4000.25, Volume 6, Chapter 2, DoDAAD Data Elements.** Insert the following:

**Procurement Authority.** Procurement Authority is a legal authority, delegated down from the Department level to entities of the Federal Government authorized to write contracts which obligate the Government to binding agreements with commercial and other government entities. For the DoD, this authority is delegated by the Secretary of Defense through the Undersecretary of Defense for Acquisition, Technology and Logistics (AT&L), Defense Procurement and Acquisition Policy (DPAP), and by the Senior Accountable Officials (SAO) of the Federal Agencies. The Procurement Authority indicator or “flag” is a binary, one-character flag of “Y” of yes and “N” for no used to identify activities that have been delegated this authority and that are legally authorized to write contracts. The Procurement Authority Flag was implemented by OUSD DPAP as a one-digit field that, when entered with a “Y”, designates that the activity is legally authorized to write contracts against its DoDAAC. The DODAAD is the ADS for this data element. Activities without this flag are not authorized to write contracts against their DODAAC. This DoDAAC can be used in constructing contract numbers (a.k.a. Procurement Instrument Identifiers – PIID). It is a critical data element to the Federal Procurement Data System (FPDS).

(3) **DoDAAD Update Application Standard Operating Procedures.** Insert the following:

**2.8. Procurement Authority Flag.** Procurement Authority. Procurement Authority is a legal authority to award federal contract actions by a contracting office that meets the definition found in Part 2 of the Federal Acquisition Regulation (FAR): an office that awards or executes a contract for supplies or services and performs post-award functions not assigned to a contract administration office. The Procurement Authority indicator or “flag” is a binary, one-character flag of “Y” of yes and “N” for no, that is used to identify activities/offices that have the authority to award federal contract actions. CSPs shall select this flag for a DoDAAC only when it meets the following conditions:

(a) An individual within the activity has been legally-authorized by competent, delegated authority, to write contracts.

(b) The activity/office identified by this DoDAAC meets the definition found in the FAR.

(c) The DoDAAC will be used for constructing the Procurement Instrument Identifier (PIID) for contracts written – this DoDAAC will be a Contract Administration Office (CAO) and designated for use as an “Issue By” DoDAAC.

(d) This DoDAAC will be used for reporting contract actions to Federal Procurement Data System (FPDS).

e. **Alternatives:** N/A

**5. REASON FOR CHANGE:** Providing the rules for CSPs to properly set this flag and to understand how it is to be used, critical of which is its role in providing data to FPDS.

**6. ADVANTAGES AND DISADVANTAGES:**

a. **Advantages:** Provides rules necessary for this flag.

b. **Disadvantages:** None noted.

**7. ADDITIONAL FUNCTIONAL REQUIREMENTS:** None noted.

**8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** This change is authorized for immediate implementation. Transaction Services must provide an implementation date for when the change can be made, as described in paragraph 4 above.

**9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** None noted.

**10. IMPACT:**

a. **New DLMS Data Elements:** No new DLMS data elements.

b. **Changes to DLMS Data Elements:** No changes to existing DLMS data elements.

c. **Automated Information Systems (AIS):** This is covered in the detailed change section above.

d. **Transaction Services:** These changes will need to be implemented and maintained in the DoDAAD at Transaction Services.

e. **Non-DLM 4000.25 Series Publications:** The changes identified in this DLMS Change will need to be incorporated into the relevant Component-level DoDAAD management publications, including (but not limited to) the following:

(1) U.S. Army: AR 725-50

(2) U.S. Navy: NAVSO P-1000-2-5

(3) U.S. Air Force: AFI 24-230

(4) U.S. Marine Corps: MCO 4420.4H

- (5) U.S. Coast Guard: COMDTINST M4000.2
- (6) Defense Logistics Agency: DLAI 1401
- (7) Defense Information Systems Agency: DISA Instruction 270-50-10
- (8) Federal Property Management Regulations