

Department of the Army  
Headquarters, U.S. Army  
Joint Munitions Command  
1 Rock Island Arsenal  
Rock Island, IL 61299-6000

JMC Regulation 715-6

14 JUL 2003

Procurement

DIRECT SALES

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Applicability This regulation applies to all Headquarters, U.S. Army Joint Munitions (HQ JMC) elements and JMC installations.

Decentralized printing. All JMC installations may locally reproduce this regulation.

Supplementation. Supplementation of this regulation is prohibited.

Proponent. The proponent is the Contracting Directorate. Users may send comments and suggested improvements to HQ JMC, ATTN: AMSJM-CCA-I, 1 Rock Island Arsenal, Rock Island, IL 61299-6000, e-mail [jmc-ofc-cca@osc.army.mil](mailto:jmc-ofc-cca@osc.army.mil).

Distribution. This publication is distributed electronically via the JMC Publications Web site at <http://www.osc.army.mil/im/rcdsmgt/pubs.htm>.

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FOR THE COMMANDER:



GENE E. KING  
Colonel, GS  
Chief of Staff

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1. Purpose. This regulation provides information and guidance used for processing direct sales requests using the statutes listed in Appendix A.

2. Abbreviations, Terms and References. See Appendix H.

3. Responsibilities.

a. Munitions Base Management Directorate, GOGO Division, AMSJM-MBG: As outlined in Appendix D, AMSJM-MBG serves as the focal point to electronically receive, review, coordinate, staff, and distribute Service/Manufacture-to-Order direct sales requests, provide assistance to contractors and installations, facilitate resolution of issues, provide installations authorization to pursue direct sales agreements based on JMC's review of the Service/Manufacture to Order Checklist.

b. Commodity Management Directorate and Centralized Munitions Directorate, AMSJM-CD/CT: As outlined in Appendix E, AMSJM-CD/CT verifies the availability of items from inventory and determines the selling price. After contract award, AMSJM-CD/CT processes the action or directly notifies the appropriate POC to allow shipment of the asset to the buyer. For actions associated with demilitarization or sale from serviceable excess stock in the Resource Recovery Disposition Account (B5A), AMSJM-CT will prepare cost estimates, price and availability (P&A). Higher Headquarter guidance prohibits direct sales from the B14 account excesses.

c. Contracting Directorate, Direct Sales Team, AMSJM-CCA-I: As outlined in Appendix E, serves as the focal point to electronically receive, review and distribute Items from Inventory direct sales requests, provide assistance to contractor, determine statutes applicability, coordinate, prepare, staff, execute, and administer Direct Sales contracts. Serve as the focal point for maintaining Direct Sales regulation. Participate in all requested legislative changes to the Direct Sales Statutes.

d. Munitions Base Management Directorate, Environmental Facilities Division, AMSJM-MBE: Review and assure the installation's environmental certification, provided in each direct sales request, is compliant with environmental policy and regulation.

e. Office of Counsel, AMSJM-GC: Review direct sales contracts; interpret existing statutes and statutory authority for the contracting officer and for installations without legal offices.

f. Resource Management Directorate, Finance and Accounting Division, AMSJM-RMF: Serve as the customer order control point, Establish orders in standard accounting systems, commit funds for execution by AMSJM-CD/CT/MB, prepare cash collection voucher for deposit of contractor's check, assign account classification, and prepare funds transfer voucher.

g. JMC Installations: Market installation capabilities, receive written requests from interested contractors for direct sales actions, facilitate proper electronic processing of requests, work with contractors to technically promote the sale, develop Scopes of Work (SOW) and associated P&A. The installation's Environmental Office coordinates the statement of environmental compliance with HQ JMC, AMSJM-MBE. The installation provides statement of environmental compliance with each direct sales request. Participation in contract development varies depending on delegation of authority from the Contracting Officer (KO). Perform work IAW the contract terms and conditions. Certify, in writing, that at the time the P&A statement is prepared that the installation is able to perform the workload within its currently authorized work years. The installations Legal Office will review direct sales contracts and modifications, interpret existing statutes, and statutory authority for the KO and provide the JMC KO with a signed document by the installation attorney that reviewed the contract/modification.

#### 4. Policy.

a. This regulation applies to all JMC installations and HQ JMC functional offices involved in processing Government direct sales. This regulation does not relieve any installation or functional office from compliance with other existing laws, regulations, or policies.

b. All contracting issues for service/manufacturing work done by AWCf installations and items sold from Government inventory are the purview of the Principal Assistant Responsible for Contracting (PARC).

## APPENDIX A

## DIRECT SALES STATUTES

The most commonly used direct sales statutes that JMC has approval authority:

a. 10 U.S. Code 2208(h): Permits JMC to sell excess, off-the-shelf inventories to contractors for use in DoD work. Approving Authority: Direct Sales (KO).

b. 10 U.S. Code 2208(j): Allows Army installations, including arsenals and depots, to bid as a first or lower tiered subcontractor under a DoD solicitation if the solicitation for the contract or subcontract is open to competition between DoD activities and private firms or if the subcontract is open to public/private competition. Commercial non-availability is not a requirement. Approving Authority: Head of the Contracting Activity (HCA).

c. 10 U.S. Code 2539b: This statute allows samples, drawings, and manufacturing or other information available for selling, renting, lending, or giving. The government determines if equipment or materials are available for selling, renting, or lending for possible use in independent research and development programs. Approving Authority: HCA. This statute also makes available the services of any government laboratory, center, range or other testing facilities for the testing of materials, equipment, models, computer software, and other items. The authority to implement this portion of the statute is the Installation Commander; however, the HQ JMC's direct sales KO is the only one who can sign the contract for the Government.

d. 10 U.S. Code 4543: Permits AWCF installations to sell manufactured items or services outside DoD. Contractor uses items or services to:

- (1) Develop new products
- (2) Incorporation into items sold to, or used in a contract with, an agency of the United States
- (3) Incorporation into items sold to, used in a contract with, or used for soliciting a contract with, a friendly foreign government.
- (4) Use in commercial products.

## APPENDIX A (cont)

The purchaser must be qualified to carry out the proposed work; perform services only in the U.S., and items and services must be unavailable from a U.S. commercial source (see Appendix B, paragraph f regarding an exception to the commercial non-avail-ability requirement for the Pilot Program participant.) Approving Authority: HCA. (The following JMC installation is a participant in the 10 U.S. Code 4543 Pilot Program: McAlester Army Ammunition Plant. This program is in effect until 30 Sep 04.)

e. 22 U.S. Code 2770: Allows the sale of defense articles and services to a U.S. company for incorporation into end items in support of a friendly foreign country or international organization. Perform services only in the U.S. (Note: An export license and possibly an End-User Certificate are required when using the statute.) Approving Authority: HCA.

f. 10 U.S. Code 4687: Permits the sale of ammunition components on a competitive basis that are excess, obsolete or serviceable from the Resource Recovery Disposition Account (B5A if the purchaser agrees in advance to demilitarize the ammunition or components, and reclaim, recycle, or reuse the component parts or materials. The Government may accept ammunition, ammunition components, or ammunition demilitarization services as consideration. Sale only permitted to eligible purchasers, as defined by the statute, and verification of demilitarization is required. Approving Authority: HCA.

DIRECT SALES STATUTE SUMMARY

## APPENDIX A (cont)

Type of Sale	Limitations	Statement Of Comm'l Non-Avail Req'd	US Statute	Approving Authority
Excess off-the shelf inventory	* In support of DoD only * Not commercially available	No	10 USC 2208 (h)	KO
Bid as a subcontractor on a DoD Solicitation	* Solicitation must be open for competition * Solicitation must state DoD activities can bid	No	10 USC 2208 (j)	HCA
Samples, Drawings, Information, Services or Materials for IR&D or demos to friendly foreign Govts	* Interest of National Defense	No	10 USC 2539b	HCA
Manufacture items/services for use outside DoD	* For use in developing new products, or * Incorporation into items sold to or used in contract with an agency of US, or for soliciting a contract with a friendly foreign Govt, or * Use in commercial products * Buyer qualified to carry out the proposed work * Services performed only in US * Not avail from commercial source located in US	Yes	10 USC 4543	HCA
Defense articles/services to US company for incorporation into end items in support of friendly foreign Govt or international organization	* Services performed only in U.S. * Not available commercially at such times required to meet prime contractor's schedule * Export License is required * End-User's Certificate may be required	No	22 USC 2770	HCA

APPENDIX B

DIRECT SALES CONDITIONS/LIMITATIONS

Limitations on what, how, and to whom items/services can be sold, apply for all direct sales. HQ JMC reviews and considers each direct sale for approval. The following represent some general conditions/limitations:

- a. Sales must not hinder a government installation's mission or directed workload.
- b. All installations will avoid exclusive teaming arrangements when pursuing subcontracting and teaming/partnering initiatives.
- c. All installations will first obtain approval through HQ JMC, to participate in a contract action before committing the installation to any direct sales agreement.
- d. For modifications to existing contracts, the process for initial request is not mandatory, however, close coordination with the KO is required.
- e. Work shall not commence prior to receipt of check and signed contract/contract award IAW DFAS-IN Regulation 37-1, Finance and Accounting Policy Implementation, Chapter 12 and Paragraph 120505. The KO notifies the installation after contract award.
- f. Statement of Commercial Non-availability: (10 U.S. Code 4543 Pilot Program participant is exempt from this requirement for DoD contracts.) When a statement of commercial non-availability is required, the Buyer must submit a statement verifying the article or service is not commercially available. This statement, signed by an individual authorized to bind the company for the dollar threshold of the proposed contract, will fully explain what actions were taken to determine that the article or service is not reasonably available in sufficient quantity or quality to timely meet a customer's requirements. Subjective determinations are not acceptable. Cost is not a factor. If the customer cannot use a commercial source, the facts regarding those concerns must be included in the statement. Approving Authority: HCA.

APPENDIX B (cont)

g. Export License: State Department approval must be established and verified when the direct sale is for export to a foreign country. The buyer is required to provide a copy of the approved export license with their request to the installation. If the required information is unknown at the time of submission, buyer forwards documentation when available. KO signs contract award upon receipt of the export license.

h. End-User Certificate: When the direct sale involves export to a foreign country via a foreign contractor acting as an agent for the foreign country/international organization, approval must also be established and verified. The Buyer is required to provide a copy of their approved end-user certificate with their request to the installation. If the required information is unknown at the time of submission, buyer forwards documentation when available. KO signs contract award upon receipt of the End-User Certificate.

APPENDIX C

AWCF INSTALLATION COST ESTIMATE GUIDANCE

This guidance applies only to "Service/Manufacture-to-Order Items" requests.

a. Installations will respond to a Buyer's request by submitting a bid based on approved stabilized rates or unit prices as developed in the approved AWCF budget. The pricing of these Direct Sales Orders will be IAW DoD 7000.14-R, Volume 11B, Reimbursable Operations, Policy and Procedures-Defense Business Operations Fund, Chapter 11, Paragraph 110109. This includes "those not officially representing the Federal Government" in the stabilized rate/ unit price policy, as well as any other appropriate DoD or DA financial regulations. When the order meets certain conditions, the installations must add the following costs.

UNFUNDED COST MATRIX BY ULTIMATE CUSTOMER				
UNFUNDED COST ELEMENTS	DoD	OTHER FEDERAL	PRIVATE INDUSTRY	FOREIGN COUNTRY
Ammo/AWCF Un-funded Civilian Retirement	NO	NO	YES *	YES *
AWCF Admin Costs	NO	NO	NO	NO **
Ammo Admin Costs (Stock Sale)	NO	NO	YES **	YES **

Footnotes:

\* An 8.4 percent Un-funded Civilian Retirement rate applied against all direct and indirect government civilian labor costs applied to the contract per Defense Finance and Accounting Service. DFAS-IN Regulation 37-1, Chapter 13, Table 13-6, the rates are subject to change at least annually. The annual Un-funded Civilian Retirement rate is available at the following web site <http://www.dod.mil/comptroller/ratesindex2002.html>. You must set the current year and then click on Civilian Personnel Fringe Benefit. You then subtract the amount in the DoD Rate Column from the amount in the Bills to All Others Column to get the current rate.

APPENDIX C (cont)

\*\* A 2.5 percent administrative charge is applied to the total estimated price per DoD 7000.14-R, Volume 15, Paragraphs 070601 and 070602. AWCF installation waives the 2.5 percent administration cost fee if they perform the order at their facility. The HQ Management Fee paid by AWCF installation's covers HQ support.

b. AWCF installation developing bids for production/delivery schedules spanning more than one fiscal year. Bids must reflect this condition. First, estimate the amount of hours in each fiscal year of the order, then the appropriate stabilized rate.

c. When stabilized rates are not available, use the best estimate of what the stabilized rate would/should be; based on available information at the time, inflation factors; workload factors, and/or known budget factors.

d. Installations may submit bids on a firm-fixed price basis for contracts whose performance is within the timeframe they have Office of Secretary of Defense approved rate, unless the contract is for prototype or crash/battle damage work. The decision is to be coordinated with the KO and based on associated risk and availability of historical data to support cost estimates.

e. Installations will include a statement that receipt of funding is in advance of performance. The advance payment may be in full or by incremental payments. DFAS Regulation 37-1, Chapter 3, Paragraph 0302002, states installations will record an order received from a buyer only when cash has been received. Installations inform the buyer that work will only continue to the extent of receipt of cash advances.

f. Installation's cost estimate must include a breakout of the funded and un-funded costs.

g. All cost estimates will be approved/certified by the installation's Resource Management Office before extending to the Buyer.

h. Address any change in the SOW with a formal bilateral contract modification, with prices revised as needed. KO signs the Modifications.

APPENDIX D

PROCESS FOR SERVICE/MANUFACTURE TO ORDER DIRECT SALES

1. Buyer sends written request to:  
AMSJM-MBG  
HQ US Army Joint Munitions Command  
1 Rock Island Arsenal  
Rock Island, IL 61299-6000

or directly to the Installation with which they desire to work. The Buyer must complete the "Service/Mfg-to-Order" checklist. If the Buyer has what it considers a preliminary idea, it may send a request to the AMSJM-MBG for review before expending further resources in gathering all of the information required.

2. Installation reviews written request. If within approved capabilities, and Installation decides to pursue, the Installation may engage in discussions with Buyer. Installation provides the "Service/Mfg-to-Order" required information and electronically sends complete package to AMSJM-MBG. Installation may also request a preliminary review with AMSJM-MBG.

3. AMSJM-MBG reviews and electronically distributes the package through each milestone/phase of this process. AMSJM-MBG coordinates responses and resolves any issues raised, and then prepares authorization response back to the Installation. Disapprovals will be for violation of law or JMC policy.

4. Installation provides Buyer with HQ JMC decision to accept or reject the request. If HQ JMC accepted, the Installation finalizes SOW and extends P&A/Cost Estimate to the Buyer. HQ JMC may request additional information from the Buyer to prepare the contract.

5. Buyer accepts or rejects P&A offer. If it accepts, it sends letter of acceptance to the Installation.

6. Installation manages process of collecting any information still required (from the Installation or the Buyer) to prepare the contract, or to respond to issues raised in the review process.

7. Contracting Officer negotiates/finalizes negotiations of contract terms and conditions, prepares contract.

APPENDIX D (cont)

8. Contracting Officer electronically staffs contract package through applicable HQ JMC functional offices, the PARC and HCA for approval, as required. \*

9. Contracting Officer forwards the contract to the Buyer for signature.

10. Buyer signs contract and forwards signed contract and check (payable to U.S. Treasury) to Contracting Officer.

11. Contracting Officer signs/executes the contract and notifies the installation immediately, by data-fax or email, processes the contract action, forwards check to AMSJM-RMF and makes contract distribution. Work may NOT begin until receipt of signed contract. For emergencies, the installation commander may use his/her discretion to authorize a Commander's Order IAW paragraph 1209 of DFAS-IN Regulation 37-1.

12. AMSJM-RMF processes check by preparing the cash collection voucher and submit to DFAS. AMSJM-RMF sends copy of cash collection voucher to the installation.

13. DFAS processes cash collection voucher and deposits funds to the AWCF installation's account.

14. AMSJM-MBG issues a central Procurement Request Order Number (PRON).

\*All info and supporting documentation (statement of Commercial Non-availability, Export License, End-User Certificate, etc.) must be current, accurate and complete before contract approval.

NOTE: Every effort will be made to meet the Buyer's need date.

APPENDIX E

PROCESS FOR ITEMS FROM INVENTORY DIRECT SALES

1. Buyer sends written request to:  
AMSJM-CCA-I  
HQ US Army Joint Munitions Command  
1 Rock Island Arsenal  
Rock Island, IL 61299-6000

Buyer must complete Part I of the "Items from Inventory" checklist. (As required)

2. AMSJM-CCA-I accepts or rejects the written request. If IAW with available statutes, AMSJM-CCA-I approves and processes request. Disapprovals will be for violation of law or JMC policy or other compelling reason.
3. AMSJM-CCA-I electronically requests a P&A from AMSJM-CD/CT.
4. AMSJM-CD/CT prepares P&A and electronically forwards to AMSJC-CCA-I.
5. AMSJM-CCA-I adds applicable surcharges, calculates total price and extends offer to the Buyer. AMSJM-CCA-I can request additional information from the Buyer to prepare the contract.
6. Buyer accepts or rejects P&A offer. If Buyer accepts, they submit a letter of acceptance to include the additional information requested (or when available) to AMSJM-CCA-I.
7. Contracting Officer (AMSJM-CCA-I) negotiates contract terms and conditions, prepares contract, electronically staffs contract package for approval\* and sends it to the Buyer for signature.
8. Buyer signs contract, forwards signed contract and check (payable to U.S. Treasury) to AMSJM-CCA-I.
9. Contracting Officer (AMSJM-CCA-I) signs contract, processes contract action, forwards check to AMSJM-RMF, and makes contract distribution.
10. AMSJM-RMF processes check for deposit by Cash Collection Voucher to DFAS and obtains OSC Form 37-2E, Installation Program Directive/Change Request, to commit funds.

APPENDIX E (cont)

11. AMSJM-RMF submits OSC Form 37-2E to AMSJM-CD/CT.

12. AMSJM-CD/CT receives OSC Form 37-2E, prepares necessary documentation, Procurement Work Directive or Material Release Order and authorizes release of the asset from inventory. Depot/Installation prepares asset for shipment.

\* All information and supporting documentation (Statement of Commercial Non-availability, export license, end-user certificate, etc.) must be current, accurate and complete before contract approval.

NOTE: Every effort will be made to meet the Buyer's need date.

APPENDIX F

LIST OF AWCF INSTALLATIONS AND POINT OF CONTACTS

AWCF Ordnance Installations

Crane Army Ammunition Activity  
McAlester Army Ammunition Plant

Acquisition POC: Jim Jochum, AMSJM-CCA-I, DSN 793-6474  
GOGO Division POC: AMSJM-MBG, DSN 793-3164

AWCF Maintenance Installations

Blue Grass Army Depot  
Tooele Army Depot

Acquisition POC: Jim Jochum, AMSJM-CCA-I, DSN 793-6474  
GOGO Division POC: AMSJM-MBG, DSN 793-2464

APPENDIX G

REQUEST FOR GOVERNMENT DIRECT SALES, SERVICE/MANUFACTURE TO  
ORDER AND REQUEST FOR ITEMS FROM INVENTORY REQUIRED CHECKLIST  
INFORMATION

REQUEST FOR GOVERNMENT DIRECT SALES  
Service/Manufacture-to-Order Required Information

Instructions: This checklist represents the information required to process your request. Your data, in narrative form, needs to be current and complete to process your request quickly. AWCF installations should electronically submit the information endorsed by the installation commander. Electronic mail will be the required method of submission, allowing JMC staff offices to receive and transmit installation information immediately with minimal delay. This will significantly improve overall response time. If you have any questions, please contact AMSJM-MBG or AMSJM-CCA-I POCs listed in Appendix F.

PART I  
GENERAL INFORMATION

1. Who: Name and Address of Installation and Customer with a POC's Name, Office, Telephone and E-mail address. Identify who the ultimate customer is and if it concerns a direct foreign sale, the foreign country or international organization involved.
2. What: Description of services/item being provided to include nomenclature, NSN, part number, end item application and quantities required (As applicable). Identify projected number of work years of effort involved. State if there are any impacts on mission, critical skill retention, etc., by performing requested services.
3. Where: List areas/buildings/structures/square footage/equipment required.
4. When: Identify requested contract signed date (state reasons if expedited processing is requested) and anticipated performance period.

APPENDIX G (cont)

5. Why: State intended use of the desired service/material. Identify if request is DoD or Non-DoD related. If in support of DoD, submit agency, contract number and Contracting Officer's name and telephone number.

PART II  
APPLICABLE ATTACHMENTS

Depending on the type of request and statute utilized, different supporting documentation is required. When applicable, please submit a copy of the following: (Note: items listed in a through c must be submitted for ALL requests.)

- a. Scope of Work (SOW).
- b. Cost and Pricing Estimates with Associated Work Years.
- c. Appropriate National Environmental Policy Act (NEPA) documentation and/or Record of Environmental Consideration (REC): REC must identify an existing National Environmental Policy Act document or Categorical Exclusion that adequately addresses environmental impacts. (Each installation's Chief of Environmental must include statement-stating impact of requested services/work on installation's current operating permit(s).
- d. Statement of Commercial Non-availability: (Statute 10 U.S.C. 4543)
- e. Export License: Required when exporting to a foreign country or international organization.
- f. End-User Certificate: Required when exporting to a foreign company acting as an agent for foreign country/ international organization.)

APPENDIX G (cont)

REQUEST FOR GOVERNMENT DIRECT SALES

Items from Inventory Required Information

Instructions: The information identified below is required to process your request. Your data, in narrative form, needs to be current and complete to process your request quickly. Your information should be submitted to HQ, US Army Joint Munitions Command, ATTN: AMSJM-CCA-I, 1 Rock Island Arsenal, Rock Island, IL 61299-6000; datafax (309) 782-4955. We target a 3-week turn around for evaluation and offer of P&A for the requested item(s) and after your acceptance of the P&A, an additional 2-3 weeks for contract approval. For additional guidance, telephone (309) 782-6474/DSN 793-6474 or (309) 782-4280/DSN 793-4280.

1. Who: Buyer identifies name and address; along with a POC's Name, Office, Telephone and Email address. Identify who is your customer. (If the request concerns a direct foreign sale, buyer must identify the foreign country or international organization.)

2. What: Description of item(s) requested to include:

- a. Nomenclature.
- b. National Stock Number (NSN).
- c. Part Number.
- d. DoD Identification Code (DODIC)/DoD Ammunition Code (DODAC).
- e. End Item Application.
- f. Quantity.

Please indicate whether demil stock is acceptable, and if so, in what condition code(s).

CONDITION CODES

A - New, used, repaired, or reconditioned material.

B - New, used, repairs, or reconditioned materiel that may have limited usefulness or short service life expectancy.

APPENDIX G (cont)

C - Items that are serviceable and issuable to selected customers, but which must be issued before conditions A and B materiel, to avoid loss as a usable asset.

D - Serviceable materiel requires test, alteration, modification conversion or disassembly. (This does not include items that must be inspected or tested immediately before issue.)

E - Materiel involves only limited expense or effort to restore to serviceable condition.

F - Economically repairable materiel that requires repair, overhaul, or reconditioning.

G - Materiel requiring additional parts or components to complete the end item.

H - Materiel that has been determined to be unserviceable and does not meet repairs criteria.

3. When: What date is the requested item(s) required?

4. Why: State intended use of the desired material. Are you incorporating the material into an end item? Explain. Identify if request is DoD or Non-DoD related. If in support of DoD, submit agency, contract number and contracting officer's name and telephone number.

Note: All Direct Sales contracts are FOB Origin; transportation costs are the Buyer(s) responsibility.

APPLICABLE ATTACHMENTS

Depending on the type of request and statute utilized, different supporting documentation is required. When applicable, please submit a copy of the following as soon as it is available:

a. Export License: (Required when exporting to a foreign country or international organization.)

b. End-User Certificate: (Required when exporting to a foreign company acting as an agent for the foreign country or international organization.)

APPENDIX H

ABBREVIATIONS, TERMS, AND REFERENCES

1. Abbreviations:

AWCF....Army Working Capital Fund  
DODAC...Department of Defense Ammunition Code  
DODIC...Department of Defense Identification Code  
HCA....Head of the Contracting Activity  
NEPA....National Environmental Policy Act  
NSN....National Stock Number  
P&A....Price & Availability  
PARC...Principle Assistance Responsible for Contracting  
PRON...Procurement Request Order Number  
REC....Record of Environmental Consideration  
SMCA...Single Manager for Conventional Ammunition  
SOW....Scope of Work

2. Terms:

a. Direct Sales: A sale by the U.S. Government of material and/or services from an AWCF installation or Government inventory to U.S. private industry.

b. AWCF Installation: Installations funded by the AWCF. The pertinent AWCF installations this policy affects are those managed by the JMC. See Appendix F for a list of current AWCF installations.

c. Compliance: The knowledge and application for, and the expenses associated with, obtaining all requisite licenses, permits, and/or waivers. This includes appropriate notifications to relevant agencies as well as any fines or penalties incurred for failing to apply and operate for the same.

d. Items from Inventory: These items consist of Demil and Non-Demil Assets.

e. Demil Assets: Excess, obsolete, or unserviceable ammunition items and components, managed by the Single Manager for Conventional Ammunition (SMCA) mission that have been placed in the B5A for resource recovery or demilitarization.

f. Non-Demil Assets: Items in the Army inventory managed by the SMCA mission that support ongoing Army requirements.

APPENDIX H (cont)

g. Service/Manufacture-to-Order Items: Any service or manufacturing operation, to include rework and repair, performed by an AWCF installation on Contractor Furnished Material, Government Furnished Material, or complete fabrication and manufacturing of an item to drawings and specifications.

h. Buyer: The private industry customer.

i. Seller: The US Army Joint Munitions Command, Rock Island, IL.

3. References:

a. DFAS-IN Regulation 37-1, Finance and Accounting Policy Implementation.

b. DoD 7000.14-R, Department of Defense Financial Management Regulations (FMRS).

c. OSC Form 37-2-E, Installation Program Directive/Change Request.