

51.102 Authorization to use Government supply sources.

(a) Before issuing an authorization to a contractor to use Government supply sources in accordance with 51.101(a) or (b), the *contracting officer shall* place in the contract file a written finding supporting issuance of the authorization. A written finding is not required when authorizing use of Government supply sources in accordance with 51.101(c). Except for findings under 51.101(a)(3), the determination *shall* be based on, but not limited to, considerations of the following factors:

(1) The administrative cost of placing orders with Government supply sources and the program impact of delay factors, if any.

(2) The lower cost of items available through Government supply sources.

(3) Suitability of items available through Government supply sources.

(4) Delivery factors such as cost and time.

(5) Recommendations of the contractor.

(b) Authorizations to subcontractors *shall* be issued through, and with the approval of, the contractor.

(c) Upon deciding to authorize a contractor to use Government supply sources, the *contracting officer shall* request, *in writing*, as applicable-

(1) A FEDSTRIP *activity address code*, through the agency's central contact point for matters involving activity address codes, from the General Services Administration (GSA) FXS Washington, DC 20406;

(2) A MILSTRIP *activity address code* from the appropriate Department of Defense (DoD) service point listed in Section 1 of the Introduction to the DoD Activity Address Directory;

(3) Approval for the contractor to use Department of Veterans Affairs (VA) supply sources from the Executive Director, Office of *Acquisition* and Logistics (003A), Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington DC 20420; or

(4) Approval from the appropriate agency for the contractor to use a Government supply source other than those identified in paragraphs (c)(1) through (c)(3) of this section.

(d) Each request made under paragraph (c) of this section *shall* contain-

(1) The complete address(es) to which the contractor's mail, *freight*, and billing documents are to be directed;

(2) A copy of the *contracting officer's* letter of authorization to the contractor;

(3) The prime contract number(s); and

(4) The effective date and duration of each contract.

(e) In each authorization to the contractor, the *contracting officer*-

(1) *Shall* cite the contract number(s) involved;

(2) *Shall*, when practicable, limit the period of the authorization;

(3) *Shall* specify, as appropriate, that-

(i) When requisitioning from GSA or DoD, the contractor *shall* use FEDSTRIP or MILSTRIP, as appropriate, and include the *activity address code* assigned by GSA or DoD; and

(ii) When requisitioning from the VA, the contractor *should* use FEDSTRIP or MILSTRIP, as appropriate, Optional Form 347, Order for *Supplies* or Services (see 53.302-347), or an agency-approved form;

(4) *May* include any other limitations or conditions deemed necessary. For example, the *contracting officer may*-

(i) Authorize purchases from Government supply sources of any overhead *supplies*, but no production *supplies*;

(ii) Limit any authorization requirement to use Government sources to a specific dollar amount, thereby leaving the contractor free to make smaller purchases from other sources if so desired;

(iii) Restrict the authorization to certain facilities or to specific contracts; or

(iv) Provide specifically if vesting of title is to differ from other property acquired or otherwise furnished by the contractor for use under the contract; and

(5) *Shall* instruct the contractor to comply with the applicable policies and procedures prescribed in this subpart.

(f) After issuing the authorization, the authorizing agency *shall* be responsible for-

(1) Ensuring that contractors comply with the terms of their authorizations and that *supplies* and services obtained from Government supply sources are properly accounted for and properly used;

(2) Any indebtedness incurred for *supplies* or services and not satisfied by the contractor; and

(3) Submitting, *in writing*, to the appropriate Government sources, address changes of the contractor and deletions when contracts are completed or terminated.

Parent topic: Subpart 51.1 - Contractor Use of Government Supply Sources