

1 Authority, Responsibility, and Policy

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1 Authority, Responsibility, and Policy

This chapter supplements chapter 1 of the *Purchasing Manual* (PM). It sets out authorities, responsibilities, and policies for architect-engineer (A/E), construction, and related support contracts not covered in the PM. It also provides definitions of specific A/E and construction-related terms and words. In the event of any difference in coverage of similar topics between this handbook and the PM, the PM controls.

1.1 Authority and Responsibility

1.1.1 Handbook P-2, Design and Construction Purchasing Practices Handbook

1.1.1-10 *Arrangement and Numbering of Handbook P-2*

Handbook P-2 is organized and numbered to conform to the PM and always is used in conjunction with the PM. The fact that a particular paragraph of the PM is not listed in this handbook does not indicate that the PM does not apply. Users of this handbook should always refer to the corresponding paragraph of the PM for complete coverage of a topic, as the content of the PM is not repeated in this handbook.

There are four icons used in this Handbook:

 means refer to the correspondingly numbered heading in the PM for information on that subject.

 means that the information contained under the correspondingly numbered heading in the PM does not apply to the topic in the handbook heading.

 means look to Handbook P-1, *General Purchasing Concepts and Practices*, for additional information on the subject. Note that the relationship between the heading numbers in Handbook P-2 and heading numbers in Handbook P-1 is not one-to-one. The material contained in Handbook P-1 is arranged to match chapter and chapter progression only.

***** indicates an intentional break in the sequential numbering of Handbook P-2 headings that correspond to PM headings. Refer to the PM for information on any heading not listed in this handbook.

1.1.1.a **Authority**

Handbook P-2 is issued pursuant to authority vested in the vice president of Purchasing and Materials.

1.1.1.b **Background** 

1.1.1.c **Applicability**

Handbook P-2 applies to United States Postal Service A/E, construction, construction management (CM), and related support contracts. It contains procedures and guidance for implementing purchasing policy contained in the PM.

1.1.2 **Responsibility for Purchasing Policy**

The vice president of Purchasing and Materials is responsible for A/E, construction, construction management, and related support contract policies.

1.2 **Publication and Changes**

1.2.1 **Publication** 

1.2.1.a **Issuance**

Handbook P-2 is issued and maintained by the vice president of Purchasing and Materials.

1.2.1.b **Availability** 

Handbook P-2 is obtained from the same sources as the PM.

1.2.2 **Changes** 

1.2.2.a **Proposed Changes**

Anyone may propose changes to Handbook P-2. Proposed changes are submitted in writing to the manager of Major Facilities Purchasing for review and appropriate action.

The manager of Purchasing Policies and Programs and the senior counsel of Contract Protests and Policies, review and, if adopted, give final approval to proposed changes to Handbook P-2.

1.2.2.b **Issuance**

Changes to Handbook P-2 are issued in numbered transmittal letters or *The Postal Bulletin*.

1.3 **Deviations**

1.3.1 **General**

For deviations to the PM, see PM.

1.3.2 **Procedures**

Handbook P-2 contains a number of policy or legislation-related procedures. If a purchase team determines that, due to the business and competitive requirements of the Postal Service, a procedure should not be followed for a particular purchase, the team must seek the review and approval of the manager of Major Facilities Purchasing.

1.4 **Purchasing Authority**

1.5 **Contracting Officers**

1.5.1 **Authority**

1.5.2 **Delegations**

1.5.3 **Actions Exceeding a Contracting Officer's Authority**

Also refer to Management Instruction (MI) AS 710-1999-2, *Unauthorized Contractual Commitments*.

1.5.4 **Contracting Officer's Representatives**

1.5.5 **Appointment and Selection**

1.5.5.a **Appointment Authority**

Exhibit 1.5.5, *Request for Contracting Officer Appointment*, is a format used to request contracting officer appointment or an increase in contracting authority (including interim increases). The authority delegated to an individual may be exercised only while that individual works at the duty station where he or she was domiciled when the appointment or delegation was made. When individuals change duty stations, whether permanently or for a detail, a new appointment or delegation must be requested.

1.5.5.b **Selection** 

1.5.5.b.3 *Contracting Officer Training Courses*

See Exhibit 1.5.5.b.3 for design and construction contracting officer training requirements.

1.5.6 **Waivers and Interim Appointments** 

1.5.7 **Continuing Professionalism** 

1.5.8 **Termination** 

1.6 **Meaning of Words and Terms**

1.6.1 **General** 

1.6.2 **Definitions** 

The following definitions apply to design and construction purchasing:

Architect-engineer (A/E) services — see PM 4.4.2.c.1.

Builders risk insurance — insurance to cover the contractual loss or damage to the construction, temporary buildings, and work in transit prior to acceptance by the Postal Service.

Construction — see PM 4.4.3.a.2.

Construction management support services contractor (CMSSC) — a qualified construction management firm capable of providing various construction management support services relating to both the design and construction phases of facility projects.

Cost analysis — see PM 5.1.2.c.

The Davis-Bacon Act (40 U.S.C. 276a, et seq.) — see PM 9.4.2.a.

Design and Construction Contract System (DCCS) — a program in FMSWIN that allows users to generate solicitations, amendments, awards, and contract modifications. Currently, there are nine solicitation formats, as follows:

- Under \$25,000 (for small repair and alteration projects).
- Commercial Purchasing.
- Fixed-Price Construction.
- Fixed-Price A/E.
- Indefinite-Quantity A/E.

- Indefinite-Quantity Construction.
- Design-Build Fixed.
- Design-Build Competitive.
- Design-Build Negotiated.

Design-build approach — the Postal Service selects one firm to both design and construct a facility. With only one contractor, design and construction activities may be performed under a phased program to minimize project duration.

Design-solicit-build approach — the Postal Service selects different contractors to carry out the design and construction phases sequentially and separately. First, an A/E is hired to develop a design; then, a construction contractor (usually a general contractor) is hired to execute the design. The word “solicit” in the title emphasizes that two different contractors are involved, which distinguishes this approach from the design-build approach.

Discussions — see PM 4.2.5.c.

Environmental Engineering Services — see PM 4.4.2.c.2.

Final acceptance — when the contracting officer accepts the work, including punchlist items, as fully complete. The warranty period begins to run, in accordance with Clause B-61, *Warranty (Construction)*.

Firm — used in conjunction with A/E services, is any individual, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

Fixed-price contract types — see PM 2.4.3.

Indefinite-quantity contract (A/E) — a contract under which the A/E delivers items or performs services at the price and in accordance with the provisions stipulated in the contract, upon receipt of work orders for those items or services. The contract may be set up to provide for either definite or indefinite amounts and either definite or indefinite delivery times.

Indefinite-quantity contract (construction) — a contract that provides an indefinite quantity of specific supplies or services, within stated minimum and maximum limits, to be delivered during the contract period to designated locations upon receipt of work orders for those supplies or services. It is used when precise requirements for construction (usually limited to repair and alteration) during the contract period cannot be determined before contract award.

Mechanization-fixed — mail processing equipment designed for a specific facility's operational requirement (for example, sack or parcel sorting machines and transport conveyors).

Mechanization-nonfixed — mail processing equipment that is standard in design and performance, without reference to a particular facility, and is purchased in quantities of identical models.

The Miller Act (40 U.S.C. 270a – 270f) — see PM 7.1.2 and chapter 7 of this handbook.

Partial occupancy — Postal Service partial occupancy or use of a facility, site, or utilities prior to final acceptance, and does not imply acceptance of any part of the work. See Clause B-36, *Partial Occupancy*, for the rules and responsibilities of the Postal Service and the contractor.

Payment bond — see PM 7.1.1.b.6 and 7.1.2, and 7.1.2 of this handbook.

Performance bond — see PM 7.1.1.b.7 and 7.1.2, and 7.1.2 of this handbook.

Plans and specifications — drawings, specifications, and other data setting forth construction requirements.

Prequalified contractors — firms or institutions that have previously demonstrated their ability to perform consistently to the standards of quality and reliability required in a contract. See PM 3.5.2.b.

Price analysis — see PM 5.1.2.a.

Purchasing Manual (PM) — the Postal Service publication addressing the authority, responsibility, and policy for all Postal Service purchasing activities.

Record drawings (as-built drawings) — drawings submitted by a contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract.

Shop drawings — drawings submitted by the construction contractor or a subcontractor at any tier or required under a construction contract, showing in detail: (1) the proposed fabrication and assembly of structural elements, (2) the installation (form, fit, and attachment details) of materials or equipment, or (3) both.

Standard plans approach — a variation of the design-solicit-build approach. The main difference is that with the standard plans approach, A/E firms site-adapt standard facility designs rather than develop original designs.

Substantial completion — the stage in work performance when the facility has been or can be accepted for beneficial occupancy; that is, the facility is capable of being occupied or used for its intended purpose. Substantial completion typically cuts off the assessment of liquidated damages.

1.7 **General Policies**

1.7.4 **Release and Exchange of Information**

1.7.7 **Conflicts of Interest**

1.7.12 **Buy American Policy** 

1.7.12.a **Policy** 

1.7.12.b **Supplies** 

1.7.12.c **Construction Materials** 

1.7.12.c-10 *Request for Inclusion of Foreign Construction Materials by A/E or Offeror*

The A/E or the offeror may request permission from the contracting officer to include foreign construction materials (as defined in PM 1.7.12.c and PM 1.7.12.d) or equipment in the project design or construction in any of the following situations:

- a. When the use of domestic construction materials or equipment would be impractical.
- b. When the cost of domestic construction materials or equipment would be unreasonable.
- c. When the construction materials or equipment are not produced or manufactured in the United States in sufficient and reasonable commercial quantities of satisfactory quality.

The A/E or offeror must document that one of the above situations applies.

1.7.12.c-11 *Evaluation of Request for Inclusion of Foreign Construction Materials*

The contracting officer, with the purchase team, evaluates the A/E's or offeror's request and documentation, and approves or denies the use of foreign construction materials based on the following factors:

- a. **Impracticability.** Impracticability exists when the use of domestic construction materials or equipment is not practical or reasonable. For example, when repairing existing foreign equipment, the use of domestic parts for the repair may not be compatible with the equipment or may void existing guarantees.
- b. **Price.** Proposals for the use of foreign construction materials or equipment must be adjusted for evaluation by adding six percent to the actual cost (including duties) of the foreign materials or equipment. If the cost of the domestic material or equipment is equal to or less than the adjusted cost of the foreign material or equipment, cost cannot be grounds for approval.
- c. **Availability.** Adequate availability is defined as at least two sources to supply the specified domestic construction materials or equipment. In making a determination of adequate availability, the contracting officer and the purchase team may take into consideration the contractor's ability to deliver the materials or equipment in sufficient quantity and in a timely manner as required to satisfy Postal Service needs.
- d. **Quality.** When comparing domestic and foreign construction materials or equipment, the purchase team evaluates the performance and salient

characteristics of the materials or equipment and makes sure that they are comparable in quality and performance.

1.7.12.c-12 *Documentation of Approval or Disapproval of Foreign Construction Materials*

The purchase team must include in the contract file a written decision to approve or deny the use of foreign construction materials or equipment. The decision identifies the materials or equipment in question, includes a brief narrative of the factors (see 1.7.12.c-11) considered in making the determination, and provides a justification for the decision. The contracting officer attaches to the written decision any supporting information used in making the determination including estimates, product information, and catalog cuts, etc. The contracting officer distributes a written determination to all interested individuals, including the A/E and any contractors involved.

1.7.12.c-13 *Request for Inclusion of Foreign Construction Materials Before Construction Contract Award*

If the offeror's request for the use of foreign construction materials or equipment is approved, the contracting officer must notify all other offerors still under consideration so that they have the opportunity to amend their proposals.

1.7.12.c-14 *Request for Inclusion of Foreign Construction Materials After Construction Contract Award*

After contract award, the contractor may not use foreign construction materials or equipment not previously approved pursuant to 1.7.12.c-12, except that the contractor may propose the use of foreign construction materials or equipment in response to a Postal Service change order. In such a case, the procedures in 1.7.12.c-10 and 1.7.12.c-12 apply and must be completed before approval of a contract modification.

1.7.12.c-20 *Incorporation of Foreign Construction Materials in Design Without Approval*

If the A/E incorporates foreign construction materials or equipment in the design without the contracting officer's written approval, the Postal Service must regard this inclusion as an error. The Postal Service may require the A/E to correct the error at its own expense in accordance with Clause FB-213, *Responsibility of the Architect-Engineer* (refer to the DCCS for the clause).

1.7.12.c-30 *Incorporation of Foreign Materials in Construction Without Approval*

If the contractor installs foreign construction materials or equipment without prior contracting officer written approval, the contracting officer may take any of the following steps:

- a. Require the contractor to remove and replace all foreign construction materials or equipment with comparable domestic construction materials or equipment at the contractor's expense, if this can be reasonably accomplished.
- b. Negotiate a credit and issue a modification to the contract for the difference in price between the installed foreign construction materials or equipment and comparable domestic construction materials or equipment, if any.
- c. Accept the installation of foreign construction materials and equipment if there is no price or quality difference with comparable domestic construction materials or equipment and if removal of the unauthorized

material would adversely impact the project or not be in the best interest of the Postal Service.

1.7.12.d **List of Excepted Articles and Materials** 

1.8 **Anticompetitive Practices**

1.9 **Contingent Fees**

1.10 **Administrative Matters**

1.10-10 **Retention of A/E Records**

Evaluation files for specific projects are forwarded to the contracting officer for inclusion with the official project files. Completed forms SF 254, *Architect-Engineer and Related Services Questionnaire*, and SF 255, *Architect-Engineer and Related Services Questionnaire for Specific Project*, submitted by the A/E firm awarded the contract must be retained as part of the evaluation file. Completed SFs 254 and SFs 255 submitted in response to a CBD notice by unsuccessful firms do not have to be retained or returned.

When there is a need to maintain continuing files for small contract evaluations under \$100,000 per year having intermittent or periodic activity, statements of qualifications, SFs 254, and A/E firm correspondence files may be retained for longer periods than indicated above. Examples are indefinite-quantity contracts, surveys, soil investigations, testing services, and so forth. Upon termination of the activity or the firm, disposition of files must be as described above.

Correspondence files with individual A/E firm files must be retained for a period of two years after the date of the last activity or correspondence.

1.10-11 **Maintenance of Records and Filing Systems**

For each facility, contract files must be maintained in the office for a minimum of one year from project closeout. After one year, the files may be placed in storage for the remainder of the required seven years. The files are confidential and are retained in a secured room or locked file when not in use. Files may be stored as electronic files, if available.

Exhibit 1.5.5, Request for Contracting Officer Appointment

REQUEST FOR CONTRACTING OFFICER APPOINTMENT

Check one NEW CO REQUEST _____ INCREASE EXISTING AUTHORITY _____

INSTRUCTIONS

This form is to be used to nominate a USPS employee for delegation of contracting authority or to request an increase of existing contracting officer authority.

- The Contracting Officer candidate must complete Section A of this form.
• The Requesting Official (Mgr. ASO, District Mgr. or FSO Mgr.) must complete Section B of this form.
• The Nominating Official (Vice President of Purchasing or Facilities, or the Area Vice President) must complete Section C of this form.

Once completed, this form is sent to: Manager, Major Facilities Purchasing
4301 Wilson Boulevard, Suite 300
Arlington VA 22203-1840

SECTION A (To be completed by the Candidate)

Name: _____
Title: _____
Office/Address: _____

If you are not in an FSO, what FSO issues your IQC and other contracts: _____

Phone No.: _____ Fax No.: _____
EAS or PCES Grade: _____

Level of Authority Requested: (circle one): Level I, II, or III.

Contracting Officer Dollar Authority Requested: \$ _____

Reason for Request: _____

Applicant must furnish: (1) PS Form 991, Application for Promotion; or (2) Assignment or Resume Detailing Professional and Educational Experiences

To satisfy the qualification requirements listed in the Purchasing Manual and the P2 Handbook for the requested level of contracting authority above, I still **NEED** to take the following Contracting courses (circle as appropriate):

Level I	Course #	Level II	Course #	Level III	Course #
Fundamentals of Purchasing	34268-00	All Level I courses		All Level II courses	
Commercial Purchasing	34269-00	Contract Law	34284-00	Strategic Issues in Purchasing and	
Introduction to Facilities		Advanced Purchasing	34270-00	Materials	34286-00
R & A Contracting	34290-00	Contract Administration,			
Negotiation Strategies & Techniques	34281-00	Pricing & Claims	34292-00		

I plan to complete these courses by: _____

Signature of Applicant & Date: _____

SECTION B (To be completed by the Requesting Official)

Name: _____

Title: _____

Office/Address: _____

Phone No.: _____ Fax No.: _____

EAS or PCES Grade: _____

A Waiver of Qualifications is Required? YES _____ NO _____ If YES, attach Justification

Signature of Requesting Official & Date: _____

SECTION C (To be completed by a Nominating Official)

Name: _____

Title: _____

Office/Address: _____

Phone No.: _____ Fax No.: _____

Signature of Nominating Official & Date: _____

Exhibit 1.5.5.b.3

Contracting Officer Training Courses

**DESIGN AND CONSTRUCTION
CONTRACTING OFFICER
TRAINING REQUIREMENTS**

Deviation to PM Approved 2-19-98 for
Design and Construction Contracting Officer Requirements

LEVEL I

Fundamentals of Purchasing
Commercial Purchasing
Introduction to Facilities Repair and Alteration Purchasing
Negotiation Strategies **

** Normally required in Level II, but required for design and construction
contracting officer authority Level I

LEVEL II

(all Level I requirements plus)

Contract Law
Advanced Purchasing
Facilities Contract Administration, Pricing, and Claims

LEVEL III

(all Level I and Level II requirements plus)

Strategic Issues in Purchasing and Materials