



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VIRGINIA 22060-6222

IN REPLY
REFER TO

JUN 27 2004

DESC-CPA

CONTRACTING INSTRUCTION (CI): 04-15
MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Approval of the Justification, Utility Privatization

This Contracting Instruction (CI) is to provide DEPI coverage at 6.304(a) and 6.304(a)(101) specific to utility privatization.

Statutory authority for utility privatization is found at 10 U.S.C. 2688. Under 10 U.S.C. 2688(b)(1), competitive procedures are required if more than one entity expresses interest in the conveyance of a utility system. If multiple entities do not express interest in the conveyance of a utility system, competitive procedures are not required. A utility privatization procurement may proceed on a sole source basis if good faith efforts to obtain competition are unsuccessful. The file should be so documented. Approval by the Competition Advocate is not required in these instances.

New DEPI coverage is attached. This CI is effective immediately and expires upon inclusion in the DEPI.

Point of contact if Ms. D. Baker, (703) 767-8459 or DSN 427-8459.

GABRIELLA M. EARHARDT
Center Senior Procurement Official

Attachment
DEPI coverage



6.304 APPROVAL OF THE JUSTIFICATION

(a) When a justification for other than full and open competition is required it shall be approved in writing –

For a proposed contract < \$500,000	The contracting officer's certification will serve as approval as required by FAR 6.303-2(a)(12)
For a proposed contract > \$500,000 but not exceeding \$10,000,000	5 Approval will be made by the competition advocate (DESC-CP) as required by FAR 6.304(a)(2) (Note: see Utility Privatization exception at 6.304(a)(101) below.)
For a proposed contract > \$10,000,000 but not exceeding \$50,000,000	Approval will be made by the Director, DESC-D as required by DLAD 6.304(a)(4)(A)(1)(ii), with prior concurrence by the DESC CSPO
For a proposed contract > \$50,000,000	Approval will be made by the Senior Procurement Executive J-33 with a letter of transmittal signed by the Director, DESC-D as required by DLAD 6.304(a)(4)(A)(1). Approval will be as required per DLAD 6.303-2(a)(90)

(101) Utility Privatization - In accordance with 10 U.S.C. 2688(b)(1), a utility privatization procurement may proceed on a sole source basis if good faith efforts to obtain competition are unsuccessful. The file should be so documented. Approval by the Competition Advocate is not required in these instances.