



**DEPARTMENT OF THE NAVY**  
**SPACE AND NAVAL WARFARE SYSTEMS COMMAND**  
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SPAWARINST 7300.82B  
SPAWAR 01-4  
03 Jul 2003

SPAWAR INSTRUCTION 7300.82B

From: Commander, Space and Naval Warfare Systems Command

Subj: ISSUANCE AND ACCEPTANCE OF ORDERS FOR WORK OR SERVICES

Ref: (a) SPAWAR memo 7100 Ser 01-5/235 of 17 Oct 02  
(b) OMB Circular No. A-11, Object Classification  
(Section 83)  
(c) NAVCOMPT Manual, Volume 3  
(d) DoD Financial Management Regulation, DoD 7000-14R  
(e) Financial Management Policy Manual (NAVSOP-1000)  
(f) DFAR Supplement, Par. 208.7004-1 through 4  
(g) SPAWARINST 4200.26B

1. Purpose. The purpose of this instruction is to issue Space and Naval Warfare Systems Command (SPAWAR) policy concerning the SPAWAR Headquarters issuance of orders for work or services, and SPAWAR Systems Center acceptance and execution of those orders. This instruction complements policy delineated in references (a) through (g).

2. Cancellation. SPAWARINST 7300.82A of 13 March 1998.

3. Background. Orders for work or services are originated by SPAWAR Headquarters (HQ) components (program offices and staff codes). They are routed through the appropriate official designated in reference (a) for review and certification under 31 U.S.C. 1301(a) to the Financial Control Division, SPAWAR 01-4, for review under 31 U.S.C. 1517, printing, signature, and distribution. Orders are officially released to SPAWAR Systems Centers, other Navy activities, and other government entities to authorize procurement, work, and services. Orders transfer funding authority to the performing activities to incur commitments, obligations, and expenditures for the purposes and amounts authorized.

4. Scope. This instruction applies to the types of orders listed below that are prepared by SPAWAR HQ personnel, signed and released by the Financial Control Division (SPAWAR 01-4), and issued to Navy field activities or other performing activities and agencies. The types of orders covered are:

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- a. Work Request/Economy Act Order (WR), NAVCOMPT Form 2275
- b. Project Order (PO), NAVCOMPT Form 2275
- c. Request for Contractual Procurement (RCP), NAVCOMPT Form 2276
- d. Order for Work and Services/Direct Citation (WX, PX), NAVCOMPT Form 2276A
- e. Military Interdepartmental Purchase Request (MIPR), DD Form 448, and
- f. Interdepartmental Purchase Request (IPR), DD Form 448

5. Types of Orders and Their Uses

- a. WR, NAVCOMPT Form 2275

(1) WRs, or Economy Act Orders, are issued under the authority contained in the Economy Act, Title 31 U.S. Code 1535. WRs are issued to request level of effort work or services of a general and recurring nature such as production support, installation of equipment, repair and maintenance, transportation, or travel for the benefit of the issuer. WRs are reimbursable orders; therefore, the line of accounting will generally cite OMB Object Class Code (OCC) "253 - Purchases of goods and services from Government accounts" per reference (b). Since WRs can only be accepted as reimbursable, they are committed in the SPAWAR Financial Information Management System (FIMS-Plus) and the DFAS Standard Accounting and Reporting System (STARS) Headquarter Claimant Module (HCM) when issued and are obligated in STARS-HCM when accepted by the performing activity.

(2) WRs may not be issued to request local purchases, contractual procurement, or material from stock whenever these functions are the primary requirement involved. The WR is not to be used to fund the mission of an activity to avoid the issuance of an operating budget. Guidance concerning the use of WRs and preparation of the NAVCOMPT Form 2275 is available in pars. 035401-6, 035404, 035409 and 035410 of reference (c).

b. PO, NAVCOMPT Form 2275

(1) POs are specific, definite and certain orders issued under the authority contained in Project Order Law, Title 41 U.S. Code, Section 23. POs are issued for specific projects for minor construction and maintenance of real property or to request work or services for any of the following purposes: production of construction, modification, conversion, alteration, renovation or rehabilitation, and overhaul or maintenance of ships, aircraft, guided missiles, and other weapons, vehicles of all kinds, facilities, and ammunition. POs are similar to contracts placed with commercial enterprises, and to the same extent as contracts, must be specific, definite, and certain as to the work or services required. POs are reimbursable orders; therefore, the line of accounting will generally cite OMB Object Class Code (OCC) "253 - Purchases of goods and services from Government accounts" per reference (b). Since POs can only be accepted as reimbursable, they are committed when issued and obligated when accepted by the performing activity.

(2) POs may not be issued for major new construction of real property, education, training, subsistence, storage, printing, laundry, welfare, transportation, travel, or communications or for any purpose when a contractual relationship cannot exist between the issuer and the performer. POs may not be issued when the primary purpose is to continue the availability of the appropriation. POs may not be issued for any reason citing the Research, Development, Test, and Evaluation, Navy (RDT&E, N/1319) appropriation. Volume 11A Chapter 2, of reference (d) provides primary policy guidance concerning POs. Reference (d) is available on the Internet at <http://www.dtic.mil/comptroller/fmr/>.

c. RCP, NAVCOMPT Form 2276

(1) RCPs are issued to request material, equipment and services whenever such requirements will be satisfied through contracts placed with commercial enterprises. RCPs requesting that equipment be purchased should be specific as to quantities to be purchased.

(2) RCPs should cite the appropriate OMB OCCs from reference (b) for the types of contractual actions being requested. Refer to reference (b) for definitions. Refer to

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Volume 2A, Chapter 1, of reference (d) for qualifying factors to determine whether an equipment purchase is capitalized versus non-capitalized. Appropriate OCCs for RCPs include the following:

- (a) 240 - Printing and reproduction
- (b) 251 - Advisory and assistance services
- (c) 252 - Other contractual services not classified
- (d) 255 - Research and development service contracts
- (e) 260 - Supplies and materials
- (f) 257 - Operation and maintenance of equipment
- (g) 311 - Non-capitalized equipment (<\$100,000 and not OPN funded)
- (h) 312 - Capitalized equipment (\$100,000 or greater and usually OPN funded)

(3) RCPs are committed when they are issued and remain committed when accepted by the performing activity or office. Funds cited on RCPs are obligated by the contracts or contract modifications that are awarded under the RCPs. The only document that may be issued from a RCP is a contract. No "in-house" work or services may be charged to a RCP. Incoming RCP documents may not be forwarded to an alternate procuring office unless it is being "Passed In Full."

(4) RCPs are not to be used for requesting work or services to be performed by a government-owned and government-operated establishment or for requesting material or equipment from the Navy or DoD supply systems. The complete line of accounting appearing on the RCP, excluding the ACRN, must be perpetuated on all resulting contracts and modifications. Additional information concerning the use of RCPs is available in pars. 035420 through 035423 of reference (c).

d. WX/PX, NAVCOMPT Form 2276A. The NAVCOMPT Form 2276A may be used as a combined Project Order/Direct Citation document (PX) or as a combined WR/Direct Citation document (WX). That portion of a PX and WX that is accepted as reimbursable is executed under the same policy, including assignment of OCCs, as a PO or WR. The portion that is accepted as direct cite is executed under the same policy, including assignment of OCCs, as a RCP. A PX may not be issued for any reason under the RDT&E,N appropriation.

e. MIPR, DD Form 448. The MIPR is issued to DoD components outside the Navy (Army, Air Force, other DoD Activities) for requesting material, equipment, or services whenever such requirements will be satisfied through contracts placed with commercial enterprises (direct citation basis) or for work, services, or travel to be performed by the DoD component (reimbursable basis). Use OCC 253 for reimbursable portions of a MIPR and follow guidance for RCPs for assignment of OCCs for direct citation portions. MIPRs are committed when issued. The portion accepted as reimbursable is obligated at the time of acceptance of the MIPR. The direct cite portion is obligated on contracts and contract modifications when awarded. Policy guidance concerning MIPRs is available in reference (f).

f. IPR, DD Form 448. IPRs are issued on a direct cite or reimbursable basis on DD Forms 448 to federal agencies outside the DoD for requesting material, equipment, or services when such requirements will be satisfied through contracts placed with commercial enterprises (direct cite) or for work or services accomplished in-house (reimbursable). The acquisition authority must be cited on the outgoing IPR. If citing the Economy Act (31 U.S.C. 1535) as the acquisition authority, requirements include a documented review by SPAWAR OOC and SPAWAR 02 of an attached Determination and Findings (D&F) statement in accordance with par. 2.2.16 of reference (g), which provides detailed guidance and formats for D&F statements. Follow guidance for RCPs to assign appropriate OCCs for direct cite. IPRs are committed when issued and obligated when accepted by the performing agency if reimbursable or upon contract award if direct cite.

## 6. Responsibilities

a. The SPAWAR components (PMWs, PEOs, and staff codes) originating orders have the initial responsibility for

determining their purposes and amounts. SPAWAR components will prepare orders following the procedures outlined in this instruction and references (a) through (g). They shall cite appropriate OMB OCCs in accordance with guidance in reference (b), with the exception that OCC "310 - Equipment" shall not be used. OCC "311 - Non-capitalized Equipment" or "312 - Capitalized Equipment" shall be used. The qualifying factors for capitalized versus non-capitalized are in Volume 2A, Chapter 1 of reference (d).

b. Orders shall be routed to the appropriate official designated in reference (a) for the 31 USC 1301(a) review and certification. Any disagreements between the 1301(a) review official and the originator of an order as to appropriate use of appropriations shall be resolved before the order proceeds further. The Comptroller (SPAWAR 01) will resolve issues that cannot be resolved between the review official and originator.

c. All orders that pass the 31 USC 1301(a) review will be routed to the Financial Control Division (SPAWAR 01-4) for the 31 USC 1517 review and certification, printing, signature, and return to originators for distribution to performing activities and others. All orders that fail the 31 USC 1517 review (incorrect line of accounting or insufficient funding) shall be returned to the originators for corrective action.

d. Orders (either reimbursable or direct cite) which will ultimately result in noncompetitive contracts greater than one million dollars shall be forwarded by the initiator to the Contracts Directorate (SPAWAR 02) for review prior to being routed to the 31 USC 1301(a) review officials.

## 7. Policy

a. SPAWAR HQ, assigned Program Executive Office (PEO) entities, and SPAWAR field components are to comply with the provisions of references (a) through (g) as implemented by this instruction when issuing and accepting orders for work or services. While both issuing and accepting components are responsible for the proper use of orders, the accepting component will be ultimately accountable for compliance with policy since the accepting component is in the best position to ensure proper execution of orders.

b. To determine the type of order to be used, SPAWAR components shall consider the task being requested, the manner in which the accepting activity will accomplish the task, and the result expected by the ordering component.

c. The originating component shall identify a point of contact on each order, capable of clarifying its terms and can originate modifications of the order as necessary. The point of contact shall not be a contractor employee.

d. A Project Order (PO/PX) is appropriate for work to be performed on a "completion" basis, or for which an "end product" is needed, if other project order requirements are met. Examples of tasks for which POs should be considered are provided in references (c) and (d). POs/PXs are analogous to completion type contracts with private industry, or to contracts calling for end products, as opposed to contracts requiring the contractor to perform on a level of effort basis. Just as for contracts, POs/PXs shall be submitted to 31 USC 1301(a) review officials with specific delivery and/or work schedules attached to facilitate determination that they represent bona fide needs of the fiscal year in which issued. If work is ordered in support of a program, a ship or weapon systems, the PO/PX must specifically identify the program, ship or weapon system, and describe the exact work to be performed.

e. A PO/PX that orders an end product or work that cannot be reasonably subdivided may establish a period of performance of work that extends beyond the expiration of the appropriation financing the PO/PX, but not beyond its cancellation.

f. A WR/WX is appropriate for recurring or continuing support services on a level of effort basis. In procurement appropriations, production support services performed by the government are budgeted on an annualized basis. Therefore, annual WRs/WXs are to be used to task activities to perform only that production support that is required for the fiscal year in which the orders are issued. WRs/WXs are not to be extended into succeeding fiscal years, even if funds remain available. Rather, the unused funds are to be returned to the ordering component and new WRs/WXs issued for work required in the succeeding fiscal year. Refer to par. 075323 of reference (e) for a more detailed explanation of time-phased production support services.

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g. In order to accept a reimbursable order, the accepting activity must be in a position to, and intend to, incur costs of not less than 51 percent of the total costs attributable to the order to perform work or services with in-house resources, as provided in par. 035411 of reference (c) and par. 020515 of reference (d). Exceptions to the "51% Rule" are rare and require FMB5 approval.

h. Reimbursable orders shall not be used to circumvent standard SPAWAR contracting processes. Reimbursable orders are used to take advantage of the inherent capabilities of the accepting activity to perform work or services in support of SPAWAR. A Reimbursable order shall not require that an accepting activity enter into contracts with private industry for other than incidental material or services integral to work being performed with in-house resources. Contract requirements that are not an integral part of work being performed by the accepting activity shall be ordered using a RCP.

i. An activity may decide not to accept an order or may accept an order and subsequently determine that it is not in a position to substantially perform the work or services. In either case, it shall either return the order expeditiously to SPAWAR 01-4 for cancellation and redirection or pass the entire order to another activity for acceptance and completion in accordance with par. 035411-3 of reference (c). Proper advance planning and coordination will assure that this rarely happens.

j. Contracts awarded by accepting activities in support of their work under a reimbursable order shall not be used to extend the period of availability of the appropriation cited in the reimbursable order. For example, service type contracts based upon a WR/WX financed with an expiring appropriation will not be used to cover contractor work performed beyond the expiration of the cited appropriation when the work is of a continuing or recurring nature or if it can be reasonably subdivided. Contracts awarded by activities pursuant to RDT&EN funded WRs/WXs shall comply with the incremental funding policy provided in par. 075402 of reference (e).

k. WRs financed with RDT&EN funds shall be financed in accordance with the incremental programming policy for RDT&EN as detailed in par. 075402 of reference (e). This policy provides that RDT&EN is programmed on an annual, incrementally funded basis such that work is funded coincident with the first fiscal

year of availability. This is so, regardless of the fact that RDT&EN funds are legally available for obligation for two fiscal years. Proper advance planning and paperwork should permit issuance of WRs near the beginning of the first fiscal year. Acceptable reasons for exceptions are late appropriations, deferral or withholding of funding by higher authority, or significant technical or program difficulties that make it impractical to execute a program or project in accordance with the budget plan.

1. Field activity Comptroller personnel shall post obligations to FIMS Plus/STARS-HCM upon acceptance of reimbursable orders. They shall post obligations for contracts and contract modifications that directly cite funds provided on RCPs, WXs, PXs. Field activity Comptroller personnel shall not realign funds between direct cite and reimbursable, rather, must request an amendment from the originating POC that initiated the WX/PX.

8. Action. All SPAWAR HQ, assigned PEO entities, and SPAWAR field components personnel involved with SPAWAR orders for work or services shall comply with the policy in this instruction.

/s/  
K. D. SLAGHT

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