GENERAL SERVICES ADMINISTRATION  
Washington, DC 20405

FEDERAL PROPERTY MANAGEMENT REGULATIONS  
TEMPORARY REGULATION P-227

SUBJECT: Delegation of authority

1. Purpose. This regulation delegates authority to the Secretary of Defense to enter into contracts for procurement of public utility services for a period not exceeding 10 years.

2. Effective date. This regulation is effective immediately.

3. Delegation. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, particularly sections 201(a)(3) and 205(d) (40 U.S.C. 481(a)(3) and 486(d)), authority is delegated to the Secretary of Defense to enter into contracts for public utility services for periods extending beyond a current fiscal year, but not exceeding 10 years, under one or more of the following circumstances:

a. Where there are obtained lower rates, larger discounts, or more favorable conditions of service than those available under contracts, the firm term of which would not extend beyond a current fiscal year;

b. Where connection or special facility charges payable under contracts, the firm term of which would not extend beyond a current fiscal year, are eliminated or reduced; or

c. The utility refuses to render the desired service except under a contract the firm term of which extends beyond a current fiscal year.


a. Copies and amendments of, and other pertinent data and information with respect to, such contracts executed by the Department of Defense for such utility services under the authority of this delegation shall be furnished to the General Services Administration as soon as practicable after the execution thereof, unless distribution thereof is inadvisable for reasons of security.
FFHR Temp. Reg. F-

b. This authority shall be exercised strictly in accordance with the applicable provisions of the "Statement of Areas of Understanding Between the Department of Defense and General Services Administration," which are entitled "Procurement of Utility Services (Power, Gas, Water)" dated November 2, 1950 (15 F.R. 8227, as amended January 19, 1957 (22 F.R. 871)), and "Procurement of Communications Services" dated November 27, 1950 (15 F.R. 8229).

c. The delegation of authority shall be subject to all provisions of law with respect to such contracts.

d. The Secretary of Defense may redelegate this authority to any officer, official, or employee of the Department of Defense.

5. Effect on other issuances. A prior delegation dated October 11, 1954 (19 F.R. 6655), is superseded.

JUL 30 1974

(signed) Arthur F. Sampson

ADMINISTRATOR OF GENERAL SERVICES
Statement of Areas of Understanding Between the Department of Defense and the General Services Administration, November 27, 1950

Acquisitions of telecommunications resources by the DoD are governed by the Statement of Areas of Understanding Between the Department of Defense and the General Services Administration, dated November 27, 1950 which appears at 15 FR 8226 December 1, 1950. The text of that agreement is as follows:

Statement of Areas of Understanding Between Department of Defense and General Services Administration:

(1) The areas of understanding herein set forth were worked out pursuant to order of the President of July 1, 1949, directed to the Secretary of Defense, the Director, Bureau of the Budget, and the Administrator of the General Services Administration.

(2) The areas of understanding with respect to communications services are:

(a)(1) As used in this statement, with respect to communications services: "Area contracts" are contracts providing for the furnishing of a communication service to all, or substantially all, activities of the Government located within a specified area, executed by GSA or by another agency designated by GSA.

(a)(2) As appropriate for contractual and operational matters: "Department of Defense" means one or more of the military departments.

(b) The basic principle in the procurement of communications services is that all such services shall be procured or provided at the minimum total cost to the Government consistent with requirements for capacity, efficiency of operation, reliability of service, security, and programmed activities. These requirements must be determined by the using agency.

(c) Close coordination and cooperation between the GSA and the Department of Defense shall be maintained to obtain the maximum economy consistent with the requirements for service.

(d) Communications services for activities of the Department of Defense occupying property controlled or operated by another Federal agency will be procured or provided by the General Services Administration or by the operating agency unless, in the opinion of the Department of Defense, the procurement or provision thereof by the Department of Defense is necessary in the interest of military operations, exercise of command and/or National Security.

(e) Communications services for the Department of Defense, in localities within an area where these services are or may become available under a General Services Administration contract, will be procured under a General Services Administration area contract when such a procedure is of benefit to the Government as a whole and does not
adversely affect Military operations, exercise of command and/or National Security. In all other instances, communication services required by the Department of Defense will continue to be procured under a standardized National Defense contract. Copies of or data on contracts executed by the Department of Defense for communications facilities and services will be furnished to the GSA upon request unless distribution is inadvisable for reasons of security.

(f) Except as provided in paragraphs 2 (d) and (e) above, all communication facilities and services for activities of the Department of Defense will be provided or procured by the Department of Defense.

(g) The Department of Defense will provide for complete coordination of all communication services procured or provided by it for all activities of the Department of the Army, Navy (including Marine Corps) and Air Force, and for maximum economy consistent with requirements.

(h) Joint use of telephone facilities such as private branch exchanges is to be encouraged whenever such use will result in efficient and economical service: provided that, in the opinion of the Department of Defense, no interference with military operations or violations of military security will result.

(i) It is recognized that rapid written communications for the Government as a whole can best be obtained by independent military and civilian agency systems, with these systems cooperating with each other. These systems, however, may interchange traffic where such interchange is efficient, and economical and practicable, provided that in the opinion of the Department of Defense there is no interference with movement of military traffic, and the handling of civilian traffic does not necessitate the utilization of additional facilities and personnel by the Department of Defense.

(j) Except as otherwise provided herein, the GSA will represent Executive Agencies, including the Department of Defense, in proceedings involving communications before municipal, State and Federal regulatory bodies in all rate cases and matters associated therewith.

Exceptions

(1) In those instances where the Department of Defense has the sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all Executive Agencies of the United States Government. The Department of Defense and the General Services Administration in pending or proposed proceedings will advise each other of action taken or to be taken that may have effect upon or be of interest or assistance to each other. Such representations conducted by the Department of Defense shall be subject to overall coordination by the General Services Administration. This shall not preclude representation for the Department of Defense by the General Services Administration when such representation is requested by the Department of Defense and is mutually
agreeable.

(2) In those instances where the Department of Defense does not have sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all Executive Agencies whenever representatives of the Department of Defense and the General Services Administration agree that conduct of the representation by the Department of Defense is in the best interest of the Government. Such representation conducted by the Department of Defense shall be subject to overall coordination by the General Services Administration.

(3) Except as pertains to the applications of pertinent provisions of section 5, Public Law 211, 81st Congress.

(k) Liaison between the Department of Defense and the General Services Administration for all matters involving representation of Executive Agencies in proceedings involving communications before regulatory bodies shall be maintained between the Office of General Counsel, the General Services Administration and the Office of General Counsel, Department of Defense.

(l) Liaison with respect to policy matters concerning this arrangement and matters pertinent thereto except as provided in paragraph (k), will be maintained between the Chief, Public Utilities Branch, Public Building Service, General Services Administration and Chief, Electronics Division, Munitions Board of the Department of Defense and for operational and contractual matters between designated representatives of the General Services Administration and of the Department of Defense.

(m) This area of understanding is applicable to communications services within the Continental United States, Hawaii, Puerto Rico and the Virgin Islands. The Department of Defense shall be exempt from action taken by the Administrator with respect to communications services under Section 201(a) of Public Law 152 in other geographic areas.
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Friday, December 1, 1950

Administration. This shall not preclude representation for the Department of Defense by the General Services Administration when such representation is requested by the Department of Defense and is mutually agreeable.

In those instances where the Department of Defense does not have General Services Administration interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all executive agencies where the representatives of the Department of Defense and the General Services Administration agree that the representation by the Department of Defense is in the best interest of the Government. Such representation conducted by the Department of Defense shall be subject to over-all coordination by the General Services Administration.

(3) Except as provided in the applications of pertinent provisions of section 5, Public Law 221, 81st Congress.

1. Liaison between the Department of Defense and the General Services Administration for all matters involving representation of executive agencies in proceedings involving communications before regulatory bodies shall be maintained between the Office of General Counsel, General Services Administration, and the Office of General Counsel, Department of Defense.

2. Liaison with regard to policy matters concerning this agreement and matters pertinent thereto as except as provided in paragraph 1, shall be maintained between the Chief, Public Utilities Branch, Public Utilities Division, General Services Administration and Chief, Emission Control Division of the Department of Defense, and for operational matters between designated representatives of the General Services Administration and of the Department of Defense.

3. This agreement is understood to be applicable to communications services with Governmental agencies in Mexico, Puerto Rico and the Virgin Islands.

Dated: November 27, 1950.

J. W. Lockard, Administrator, General Services Administration.

November 22, 1950.


[FR. Doc. 50-10395; Filed, Nov. 20, 1950; 3:52 p.m.]

PROCUREMENT OF UTILITY SERVICES

Provisions of this memorandum authorize General Services Administration to coordinate, on behalf of the Department of Defense and the General Services Administration:

1. The area of understanding herein set forth shall be in accordance with the President's order of July 1, 1949, directed to the Secretary of Defense, the Director of the Bureau of the Budget, and the Administrator of the General Services Administration.

2. The understandings with respect to procurement, and matters related thereto, of these public utilities services are:

(a) Definitions as used in this statement:

(1) "Utility services" consist of electricity, natural and manufactured gas, water, steam, sewers, and water; but do not include communication services, transportation or removal and disposal of garbage, rubbish, and trash.

(2) "Area contract contracts" are contracts, providing for the furnishing of a utility service to all, or substantially all, the cities of the Government located within a specific area, executed by the General Services Administration or by any other entity acting for the General Services Administration.

(b) The Department of Defense includes the Secretary of Defense, and any other officials of the Department of Defense, particularly of the Munitions Board, Department of the Army, Navy, and Air Force, authorized to act for him.

(c) The purpose of the agreements and procedures outlined herein relating to utility services is that all such services shall be procured or provided at the minimum practical total cost to the Government, consistent with adequate regard for high standards of health and sanitation, adequacy, efficiency of operation, and reliability of service. These latter requirements must be evaluated by the Department of Defense for all new or proposed contracts for services for personnel installations.

(d) The agreements for the purchase of utility services for personnel installations by the Department of Defense operating properties shall be made in consultation with the General Services Administration, and the General Services Administration will, if not procured or provided by the General Services Administration, or the operating agency, procure or provide such services.

(e) Utility services required by the Department of Defense for military installations within an area where such services are available, and electric power are available under a General Services Administration area contract shall be procured hereunder unless otherwise agreed to between the Department of Defense and the General Services Administration.

(f) The Department of Defense will provide for complete coordination of all procurement of utility services related to it for all activities of the Department of Defense, in the interest of economy consistent with the efficiency and deployment of the Nation's resources. Contracts of the Department of Defense will be executed on standard forms. In so far as possible, develop cooperative and agreed to by the General Services Administration and the Department of Defense, with such omissions and modifications as may be necessitated by the execution of this memorandum and special conditions bearing upon the matter. Copies of and all pertinent data and information with respect to contracts executed by the Department of Defense for utility services will be furnished to the General Services Administration upon request, unless disclosure thereof is prohibited for reasons of security.

4. The Department of Defense will make recommendations to the General Services Administration whenever it is found that an area contract, or agreement, will be executed by the Department of Defense, and such sale is to a public utility service other than the General Services Administration, the General Services Administration will be notified of the proposed terms and conditions prior to execution of the contract.

5. Except as otherwise provided below, the General Services Administration shall represent the Department of Defense for purposes of negotiating rate, terms, and conditions of utility services with public utilities before municipal, State, or Federal regulatory bodies.

6. Exceptions. (1) In those instances where there is no rate, terms or conditions set for the sole Government interest in a rate change or a change in a regulatory body, the Department of Defense may direct the General Services Administration, not to notify the General Services Administration.

(2) In those instances where the Department of Defense does not have Government interest in a proceeding involving a public utility service before a regulatory body, the Department of Defense will conduct the representation on behalf of all executive agencies where representatives of the Department of Defense and the General Services Administration agree that such representation is in the best interest of Government. Such representation conducted by the Department of Defense shall be subject to over-all coordination by the General Services Administration.

7. The Department of Defense will provide for coordination of all procurement of utility services related to it for all activities of the Department of Defense, in the interest of economy consistent with the efficiency and deployment of the Nation's resources. Contracts of the Department of Defense will be executed on standard forms.