

BY ORDER OF THE
COMMANDER

HEADQUARTERS, UNITED STATES FORCES, JAPAN
USFJ INSTRUCTION 63-101



30 April 2003

Contracting

CONTRACTING AND ACQUISITION IN JAPAN

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

OPR: J43 (Maj Jo Anne Pinney)

Certified by: USFJ/J4 Col Michael M. Weber

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PURPOSE: To prescribe uniform policies and procedures to be used throughout United States Forces, Japan for contracting and acquisition of goods and services in Japan. Specifically, this instruction addresses single service acquisition assignments (SSAAs) and observance of certain Japanese Laws.

SUMMARY OF CHANGES: This instruction replaces USFJ Policy Letters 70-3 and 70-4. Organizational designations and format have been updated. Exemption for Navy commissary stores from SSAA requirements has been deleted.

1. **Scope:** This instruction is applicable to all component commands of the US Forces, Japan.

2. **Background:**

2.1. DoDD 5000.1, paragraph 4.2.3 states that priority consideration shall always be given to the most cost-effective solution over the life cycle. Single service acquisition embraces this concept, as economies of scale can be met through consolidating requirements.

2.2. Article XII, Paragraph 2 of the Status of Forces Agreement provides that "Materials, supplies, equipment and services which are required from local sources for the maintenance of the United States armed forces and the procurement of which may have an adverse effect upon the economy of Japan shall be procured in coordination with, and, when desirable, through or with the assistance of, the competent authorities of Japan."

3. **Policies:**

3.1. Single Service Acquisition. Single service acquisition of goods and services supplied by Japanese sources will be promulgated by the Joint Acquisition Management Boards (JAMBs), mainland Japan and Okinawa. Assignments will be made for those commodities and services which meet all of the following criteria:

3.1.1. Dominant (or potentially dominant) user concept

3.1.2. Cost savings to the US Government through reduced contracting and contract administration efforts of a single contracting agency.

3.1.3. Better contract prices will be obtained through consolidation of requirements.

3.1.4. Facilitate centralized control under emergency conditions.

3.1.5. Elimination of competition between the components for the same commodities.

3.1.6. No degradation of service provided to supported activities.

3.1.7. In applying the above criteria, the JAMBs will take into consideration unique component needs, in-house capabilities, geographical limitations, transportation, and factors that contribute favorably to the International Balance of Payments (IBOP). Only those commodities and services for which there is expected to be a significant, continuing demand by more than one component are eligible for SSAA. Items purchased for nonappropriated fund activities are excluded. The assignment of contracting responsibility to a component command does not include with it the authority to determine requirements, priorities, technical specifications, or to refuse properly executed findings and determinations prepared in accordance with requiring component command's departmental regulations, instructions, or procedures. Consolidation will not be made for the sake of consolidation alone, but will be made where specific advantages are apparent.

3.2. Observance of certain Japanese Laws. Contracts involving certain businesses (see paragraph 4.2) shall be made solely with licensed persons and require observance of certain Japanese Laws. Component commanders and their designated representatives may communicate directly with the Trade Control Department, Trade and Economy Cooperation Bureau, Ministry of Economy, Trade and Industry, Government of Japan, to effect the coordination required.

4. Procedures:

4.1. Single Service Acquisition. Commodities and services may be nominated to the JAMB for single service contracting by the component commands or by higher authority. The JAMB will appoint a subcommittee to study the proposed assignment, using the criteria in paragraph 3.1. The subcommittee will present its findings to the JAMB with recommendations and/or alternatives. SSAAs will be made after concurrence of the component commands. In the event of disagreement, any component may request the findings be forwarded to the USPACOM CINC Logistic Procurement Support Board (CLPSB) for decision.

4.1.1. Current SSAAs are listed in Attachments 1 and 2.

4.1.2. Component commands are authorized to make direct agreements which affect acquisition in Japan within the framework of this instruction and the references listed in paragraph 5. Copies of agreements and changes to agreements will be furnished to the Commander, US Forces, Japan (J43) for coordination before publication.

4.1.3. Components are authorized to deviate from the contracting assignments provided in Attachments 1 and 2 under the following circumstances:

4.1.3.1. When the purchase does not exceed the simplified acquisition threshold per Federal Acquisition Regulation (FAR), part 13. Requirements will not be fragmented to avoid SSAAs.

4.1.3.2. In an emergency when unforeseen requirements necessitate delivery earlier than can be accomplished under normal procedures, or when established lead time of the contracting agency will not permit processing by the date material or service is required. When such emergency purchases are made, one copy of the contractual instrument, with a statement of the emergency, shall be transmitted promptly to the purchasing activity of the component having the SSAA.

4.1.4. For changes in acquisition assignments, the SSAAs in this instruction will not be altered without timely recommendations to COMUSJAPAN and component commands. Timely advance notice for the purpose of this instruction is the one year period before the proposed date of changing, altering, or modifying responsibilities, unless there is a mutual agreement between component commands and the contracting agency to either extend or reduce the notice period in any particular case.

4.2. Items requiring observance of certain Japanese Laws. Contracts involving the businesses listed below shall be made solely with licensed persons in accordance with the pertinent laws of Japan as shown in parenthesis.

4.2.1. Express business (Express Business Law)

4.2.2. Road transportation business (Road Transportation Law)

4.2.3. Port and harbor transportation business (Port and Harbor Transportation Business Law)

4.2.4. Manufacturing and repairing business of aircraft and its equipment and accessories (Aircraft Manufacturing Industry Law)

4.2.5. Manufacturing and repairing business of weapons and its components (Law for Manufacture of Weapons and Others)

4.2.6. Manufacturing, repairing and selling business of instruments for measurement (Measurement Law)

4.2.7. Manufacturing and selling business of alcohol (Alcohol Monopoly Law)

4.2.8. Manufacturing and selling business of explosives (Explosives Control Law)

4.2.9. Manufacturing and selling business of high pressure gas (High Pressure Gas Control Law)

4.2.10. Unless there are two or more licensed persons submitting offers for a contract, thereby introducing adequate competition, the contracting officer may negotiate with unlicensed offerors, if it can be demonstrated that the only licensed person is unable to perform satisfactorily under the terms of the contract or for any reason would be subject to disqualification under regulations governing contracts and solicitation of offers in the United States laws. In such cases, the U.S. Contracting Officer will confer with the Japanese Government concerning the justification for the proposed action and submission of the names of any offeror under consideration for award of a contract, if such offerors are not duly licensed. The Japanese Government will advise the

United States Contracting Officer of the feasibility of such contract source being duly licensed, but no contract will be concluded with any offeror until he is duly licensed in accordance with the laws of Japan.

5. References:

- 5.1. Department of Defense Directive (DoDD) 5000.1, The Defense Acquisition System, 23 Oct 2000
- 5.2. Federal Acquisition Regulation (FAR) and DoD Supplements thereto (current series).
- 5.3. CINCPACINST 4200.4 (current series), USPACOM Contracting Management Policy
- 5.4. Treaty of Mutual Cooperation and Security
- 5.5. Status of Forces Agreement
- 5.6. USFJ Instruction 64-102, U.S. Official Contractors and their Employees
- 5.7. Meeting Minutes of the 455th meeting of the Joint Committee, 12 Mar 81.

//////////SIGNED//////////

ROBERT M. SHEA
Major General, U.S. Marine Corps
Deputy Commander

Attachments:

1. Single Service Acquisition Assignments (Mainland Japan)
2. Single Service Acquisition Assignments (Okinawa)

Attachment 1

**Single Service Acquisition Assignments
(Mainland Japan)**PART I – SUPPLIES & EQUIPMENT

<u>Item</u>	<u>Component Assigned</u>
1. Wiping Rags	Navy
2. Industrial Gas	Navy
3. Subsistence	Navy
4. New Vehicles	Navy

PART II – SERVICES

1. Ship Repair/Marine Maintenance Services	Navy (Excludes MSCFE)
2. Utilities, Excluding Refuse Collection*	Air Force
3. Office Type Reproduction Equipment/Rental/Lease	Air Force
4. Communication Services	Air Force
5. Transportation Services	Air Force
6. Packing, Crating, and Hauling of Household Goods, Military Cargo, Furniture, and Appliances	Air Force
7. Ship Pilotage/Tug Services	Navy
8. Stevedoring	Navy

Notes:

* Requirements for utility service contracts or modification of \$25,000 or more to existing utility service contracts will be submitted to the contracting component (Air Force) through the requiring component's representative on the Joint Utility Services Board (JUSB)

Air Force is defined as the 374th Contracting Squadron, Yokota AB, Japan.

Navy is defined as the Naval Supply Depot, Yokosuka.

Attachment 2

**Single Service Acquisition Assignments
(Okinawa)**PART I – SUPPLIES & EQUIPMENT

<u>Item</u>	<u>Component Assigned</u>
1. Subsistence	Air Force
2. New Vehicles	Navy*
3. Industrial Gases (including Hydrostatic Testing)	Air Force
4. Beverage Base	Marine Corps

PART II – SERVICES

1. Stevedoring Services	Air Force
2. Maintenance and Repair of Elevators except USNH	Air Force
3. Utilities	Air Force
4. Bus Service	Air Force
5. Packing, Crating, and Hauling of Household Goods, Hauling of Military Cargo, Government-owned Furniture, and Appliances	Air Force
6. Bulk Fuel Delivery	Air Force
7. Ship Pilotage/Tug Services	Air Force
8. Mattress Repair	Air Force

Notes:

* Commanding General, Marine Corps Base, Camp S.D. Butler, is authorized to purchase new vehicles for USMC on Okinawa.

Air Force is defined as the 18th Contracting Squadron, Kadena AB, Japan.

Navy is defined as the Naval Supply Depot, Yokosuka.

Marine Corps is defined as the Commanding General, Marine Corps Base, Camp S.D. Butler, Japan