



Ratification of Unauthorized Commitments Policy

October 2012



Agenda

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- Current Policy Overview
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UAC Background

- A UAC is an agreement made by a Government representative who lacks the authority to obligate or commit appropriated funds on behalf of the Government, thus making the agreement non-binding ([Federal Acquisition Regulation \[FAR\] 1.602-3](#)).
- Any person lacking the proper authority who deliberately or unintentionally authorizes a supplier or contractor to provide goods or services to the Government creates a UAC. The responsible individual may be held personally financially liable for said commitment.
- Ratification is the act of approving a UAC by an official who has the authority to do so. (FAR 1.602-3).

For additional information on unauthorized commitments, see TMA AM&S Briefing, "Preventing Unauthorized Commitments".

Current Policy Overview

TMA recently developed UAC policy and procedures consisting of:

- TAD 01-07 – Establishes TMA policy for documenting, evaluating, and processing UACs and ratifications, and rescinds TMA Policy Alert No 11-60 “Unauthorized Commitments.”
- PGI 201.602-3, “Unauthorized Commitments and Ratifications,” – Details procedures and guidance for ratifying a UAC.
- TMA Ratification Template – Provides guidance on substantiating the ratification request, and captures all required approval information.

Key Elements of TAD 01-07

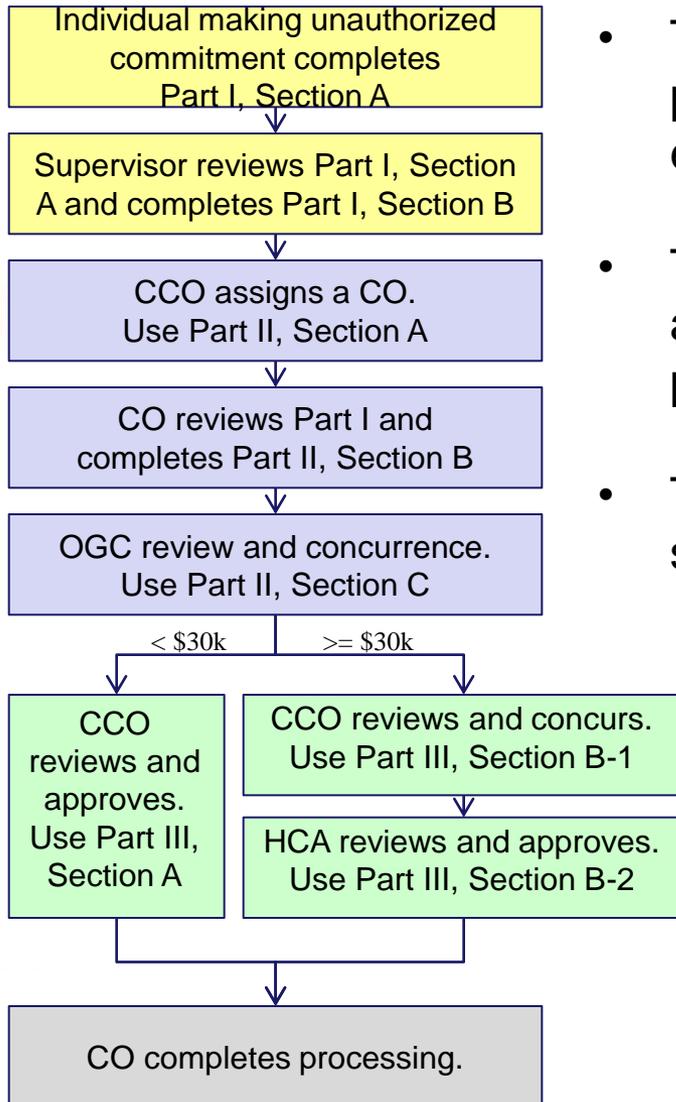
Among other things, TAD 01-07:

- Re-emphasizes the mandatory UAC ratification requirements outlined in the FAR;
- Recognizes the Head of the Contracting Activity (HCA) as the TMA ratification authority;
- Delegates authority to the Chief of the Contracting Office (CCO) to ratify UACs less than \$30,000;
- Mandates use of the TMA Ratification Template; and
- Cancels TMA Policy Alert No 11-60, “Unauthorized Commitments” , including the prior version of the TMA Ratification Template.

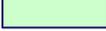
TAD 01-07 Responsibilities

- **Head of Contracting Activity (HCA)** – Possesses authority to ratify UACs of any dollar value and ensures appropriate disciplinary action to the individual responsible for unauthorized commitment.
- **Chief of the Contracting Office (CCO)** – Possesses delegated authority to ratify UACs less than \$30,000 and ensures disciplinary action for the individual responsible for the unauthorized commitment.
- **Contracting Officer (CO)** – Evaluates UACs, makes ratification recommendations, and notifies the HCA of all UACs and final resolutions.
- **Office of General Counsel (OGC)** – Reviews UACs and ratification recommendations prior to final disposition.

TMA UAC Ratification Process



- The TMA ratification process is a formal process designed to capture all required explanation, review, and approval information.
- The ratification process requires input/ approval from a number of different TMA personnel.
- The TMA Ratification Template is designed to support the full ratification process.
- For more information, refer to TMA [PGI 201.602-3](#) and the [TMA Ratification Template](#).

 = utilizes Part I of the Template
 = utilizes Part II of the Template
 = utilizes Part III of the Template

Content of TMA Ratification Template

Each section of the Template requires specific information:

Part I

Part I, Section A requires:

- Details of the circumstances surrounding the UAC
- An explanation of why normal procedures were not followed
- Description of “bona fide” or authentic need for the supplies or service
- An account of the benefit(s) received from supplies or services
- Evidence that funds were available at the time of the UAC

Part I, Section B requires:

- Concurrence or non-concurrence that the UAC should be ratified
- Explanation of attempts made to resolve the UAC
- Verification of the accuracy and completeness of documentation
- Complete purchase description and funding for the ratification
- Explanation of the steps to be taken to prevent recurrence of UACs
- Description of disciplinary action taken or reason(s) why none was taken

Part II

Part II requires:

- Validation of all facts, records and documents submitted
- Statement that the contract price was fair and reasonable
- Statement that sufficient funds are available and the price is reasonable
- Recommendation as to whether the UAC should be ratified

Part III

Part III requires:

- Details of the ratification ruling by the CCO or HCA, respectively.
- HCA or CCO concurrence, or indicate non-concurrence for one of the following reasons:
 - Additional documentation of circumstances necessary
 - Vendor payment is the responsibility of the individual who committed the UAC
 - Further explanation of corrective action(s) taken needed
 - Other (must describe)

Summary

- TAD 01-07 establishes TMA policy and procedures for evaluating and processing ratifications of UACs within TMA, and rescinds TMA Policy Alert No 11-60, which previously provided TMA guidance on UACs.
- TMA PGI 201.602-3, “Unauthorized Commitments and Ratifications” outlines TMA ratification procedures.
- The TMA Ratification Template provides guidance on substantiating the ratification request, and captures all required review and approval information.

Guidance and References

- FAR 1.602-3, “Ratification of Unauthorized Commitments,” current edition (http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/fardfars/far/01.htm#P1422_48374)
- TAD 01-07, “Ratification of Unauthorized Commitments,” current edition (<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)
- TMA PGI 201.602-3, “Unauthorized Commitments and Ratifications,” current edition (<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)
- TMA Request for Approval, Evaluation, and Determination of an Unauthorized Commitment (TMA Ratification Template) (<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)
- Briefing, “Preventing Unauthorized Commitments,” October 2012 (<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)

Questions

For questions related to Ratification of UACs please contact the TMA Acquisition Management & Support, Contract Policy/Competition Advocate Division:

- By phone: (703) 681-8664

