STANDARDIZATION AGREEMENTS IN A CONTINGENCY ENVIRONMENT

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Introduction

You've just arrived at a Southwest Asian country bordering Afghanistan. You're a contingency contracting officer (CCO) and need to establish a Joint Contracting Center (JCC) to support U.S. forces deployed to Operation Enduring Freedom. The local people have mixed reactions about your presence. The military members, however, are anxious to work with you and the other NATO members who are arriving. You mull through your contracting support plan.

You must rapidly acquire supplies and services to support the initial buildup and sustainment of U.S. forces entering theater. You contemplate what requirements arriving U.S. forces might have, and you continue a list you began when you were notified of your deployment. The list already includes water, food, gravel, and portable toilets. You add interpreters, fuel, and leased vehicles to that list.

You're now at the point of learning what the market will bear. How can you acquire these things at all, let alone rapidly? Armed with your bulk fund, a book of *Purchase Order-Invoice-Voucher* forms (SF 44s), and accompanied by your Class A Agent, you question where the sources are. Will this economy support your requirements? What's the locally accepted currency?

Realizing that your Class A Agent only has U.S. currency, you wonder where to go from here. You look around and notice the British contingent commander in deep conversation with his German counterpart. The British commander ends the conversation, shakes hands with the German officer, and walks away with a signed Standardization Agreement (STANAG). A light bulb goes on in your head: a STANAG is the answer to your questions!

What Is A STANAG?

A STANAG is a form referred to as a Standardization Agreement 3381. It is used to acquire various items and services covered under an Acquisition and Cross-Servicing Agreement (ACSA) established between two nations. Items authorized for STANAG transactions include food; clothing; petroleum, oil, and lubricants; transportation (to include airlift); port services; medical services and base operations support; facility use (to include billeting); spares and components; communication services; ammunition; storage services; training services; and repair and maintenance services. Items prohibited from STANAG transactions include weapon systems, initial quantities of replacement parts, guided missiles, naval mines and torpedoes, and nuclear and chemical ammunition.

A STANAG serves as a contract (usually, but not necessarily) with a host nation. It does not follow typical Federal Acquisition Regulation (FAR) contracting guidance. Any commander can place an order on a STANAG; in addition, personnel designated by their commander and trained by the commander's chief of resource management can be delegated that authority as well. In regional areas of responsibility (AOR) other than the European Command, this authorization is often delegated to comptroller personnel. In U.S. Army Europe (USAREUR), authorized personnel include warranted contracting officers and, usually, designated comptroller personnel trained on the ACSA process. Warranted contracting officers are familiar with the requirements and are therefore a good resource for executing a STANAG.

What Is An ACSA?

An ACSA is an agreement between DOD or its representatives and the ministry of defense (MOD) of another nation. Additionally, DOD can acquire support under an ACSA from countries that have a defense alliance with the United States, permit stationing of U.S. troops, allow pre-positioning of U.S. assets, or host U.S. forces for exercises or operations. Under an ACSA, countries agree to acquire, provide, or exchange logistics support for military use. Logistics support is acquired through cash reimbursement, replacement in kind (RIK), or equal value exchange (EVE).

A Contingency Environment

An ACSA can be very valuable in a contingency scenario. If DOD has an established ACSA with the host nation and/or other nations supporting the contingency, a commander, his designated representative, or a CCO in some cases, can order supplies and services required by U.S. forces. In USAREUR, commanders and/or their designated representative may obligate up to $25,000 to purchase supplies and services and have authority for selling support or executing EVE or RIK transactions. Conversely, contracting officers have authority to buy supplies or services up to the value of their individual warrant; however, USAREUR Regulation 12-16 restricts that authority to the U.S. Army Contracting Command Europe (USACCE). CCOs deployed by USACCE can easily coordinate STANAG approval for any requirement.

Just as in FAR contracting, before placing a STANAG order, comptroller personnel must first commit certified funds to cover the cost of the requirement. Even if the order will be acquired through RIK or EVE, to avoid an antideficiency violation, the value of the transaction should be obligated on the STANAG 3381. After the items or services are ordered, if the United States cannot fulfill the RIK or EVE, cash reimbursement can be executed instead. Conversely, if the RIK or EVE is successfully executed, the cash value can be deobligated. There are many former Eastern bloc nations that cannot afford to pre-fund their STANAG orders. This is something to keep in mind if selling supplies or support.

There are statutory annual ceilings for worldwide U.S. use of ACSA with NATO and non-NATO countries. In a declared contingency, however, they do not apply. Additionally, there are never restricted ceilings on RIK and EVE transactions unless they are converted to cash transactions.

The value of having an ACSA in place not only with the host nation, but also with other nations participating in the contingency, is enhanced when nations can fulfill each other's requirements by exchanging commodities that they possess or have delivered to the operation. Additionally, if the use of STANAG is coordinated early in a contingency, costs can be better controlled, the logistics tail can be reduced, and the acquisition process can be streamlined by circumventing aspects of U.S. procurement law otherwise applicable under FAR contracting.

If you served as a CCO in the Balkans, you may have encountered the scenario described in the following paragraphs. It refers to a deployment at Operation Joint Guardian, Camp Able Sentry, Skopje, former Yugoslav Republic of Macedonia (FYROM). During this deployment, the G-2 requested use of the Skopje Airport to fly missions with the Hunter unmanned aerial vehicle (UAV). Under the NATO Military Technical Agreement, participating nations are not exempt from reasonable charges for services requested and received. Knowing that the airport charges fees for landing, air traffic control, and handling, and that the United States has an ACSA with FYROM, you realized that a STANAG had to immediately be established so that Hunter could fly its intelligence-gathering missions.

To put the STANAG in place, you determined that the ministry of transportation (MOT) was the authority providing the services, and you realized that you must coordinate use of MOT services through the MOD. A STANAG could be established if the MOT agreed to let Hunter use the airport, if the MOD agreed to let the MOT invoice the U.S. Army directly for the services, and if the U.S. Army subsequently paid (via cash reimbursement in this case) the MOT directly. You needed to be sure of this agreement because you recalled hearing that in former Eastern bloc nations, money has a tendency to vanish if it is not channeled directly to the correct ministry. Next, you obtained an average price per month of what the airport usage fees for a UAV would be, ensured they were fair and reasonable, then obtained certified funding from the task force comptroller.

Finally, you wrote a cover letter to coordinate agreement between ministries on the STANAG. Your reliable Macedonian Procurement Assistant, Blagoj, personally delivered the letters and the STANAG. After several weeks, the State Secretary of the MOD responded by signing the STANAG. The funds were then obligated, and Hunter landing fees could be invoiced against the STANAG on a monthly basis. You now had an order issued to the MOD as the "prime contractor," with execution through the MOT as the "subcontractor." Mission accomplished.

Even though a service was acquired using a STANAG in this case, supplies can be acquired as well, and they can be acquired from other participating nations having an ACSA with the United States, not just the host nation. When writing STANAGs, ensure that proper bank account numbers are included to guarantee correct direct payment. This important feature allows the MOD between two nations to coordinate support, then establish and execute the transaction even though the MOD is not necessarily the ministry or agency directly providing the supplies or services.

Who To Contact

If you're a CCO, determine which AOR's regional commander-in-chief you report to before you are notified to deploy. Contact the J-4 and get a current list of the countries having signed ACSAs with the United States. Obtain copies of the ACSAs pertaining to countries with which you may deal. Find out if a commander's trained, designated representative is available and bring him or her along. If the value of the purchase does not exceed $25,000 or if the transaction is an EVE or RIK, that person can execute the transaction and assist in the contingency contracting mission.

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