



Department of Defense DIRECTIVE

NUMBER 5120.18

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Certified Current as of December 2, 2003

DA&M

SUBJECT: DoD Concessions Committee

- References: (a) DoD Directive 5120.18, subject as above, October 2, 1997 (hereby canceled)
- (b) [DoD Directive 1015.1](#), "Establishment, Management, and Control of Nonappropriated Fund Instrumentalities," August 19, 1981
 - (c) Section 113 of title 10, United States Code

1. REISSUANCE AND PURPOSE

This Directive reissues reference (a); establishes the DoD Concessions Committee in accordance with reference (c); and prescribes the Committee's organization, responsibilities, procedures, and functions. The DoD Concessions Committee provides for the administration of certain services that, for the convenience of the Government, are necessary and that benefit the health, morale, and welfare of DoD employees in the National Capital Region (NCR).

2. APPLICABILITY AND SCOPE

2.1. This Directive applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Defense Agencies in the NCR, and the DoD Field Activities in the NCR (hereafter referred to collectively as "the DoD Components").

2.2. Activities on military installations in the NCR are excluded from this Directive.

3. ORGANIZATION

The DoD Concessions Committee is organized as a nonappropriated fund instrumentality of the U.S. Government. As defined in reference (b), the DoD Concessions Committee is a Category II Revenue-Sharing Civilian Morale, Welfare, and Recreation (MWR) Activity. The DoD Concessions Committee shall be composed of the following members:

- 3.1. Civilian Chairperson, appointed by the Secretary of Defense or designee.
- 3.2. Two representatives (one of whom may be military) from each of the Military Departments, appointed by the Secretary of the Military Department or designee.
- 3.3. A senior management official from Washington Headquarters Services (WHS).
- 3.4. The Office of General Counsel, WHS, will provide legal advice to the DoD Concessions Committee and will designate an attorney to serve as a non-voting advisor to the Committee.

4. RESPONSIBILITIES

4.1. The Director of Administration and Management, Office of the Secretary of Defense (DA&M, OSD) shall:

- 4.1.1. Supervise and monitor the functioning of the Committee.
- 4.1.2. Approve the minutes of Committee meetings.
- 4.1.3. Approve all contractual instruments of the Committee. Such instruments shall not become binding and effective until they are approved by the DA&M, OSD, and each such instrument shall contain a clause to that effect.
- 4.1.4. Finally decide, on behalf of the Secretary of Defense, all appeals of protests to Concessions Committee solicitations and/or contracts addressed by the Chairperson of the Committee.

4.2. The Chairperson of the Committee shall ensure that:

- 4.2.1. Restaurants, cafeterias, snack bars, and dining rooms in DoD-controlled and in DoD-occupied, General Services Administration-controlled, buildings in the NCR are operated by the Committee or by an independent contractor.

4.2.2. Commercial-type concessions and services and such other services and facilities considered necessary to promote the health, morale, welfare, and productivity of the military members and civilian employees of the Department of Defense in the NCR are provided.

4.2.3. All protests to Concessions Committee solicitations and/or contracts are properly considered and addressed.

4.3. The Business Manager of the Committee shall ensure that:

4.3.1. The Committee shall keep true accounts of the money received and expended during the course of conducting its business; of the source of its receipts and the reasons for its expenditures; and of the assets, credits, and liabilities accrued or incurred in the course of its business.

4.3.2. The system of accounts shall be double-entry, and shall be maintained in accordance with generally accepted accounting principles.

4.3.3. Accounts and records of the Committee shall be audited at least annually by independent accountants.

4.3.4. The Committee shall pay WHS the fees associated with the use of space occupied by activities of, or under the supervision of, the Committee.

4.3.5. When reimbursable services are performed by the Department of Defense or other Government Agencies, the Committee shall pay for such services.

4.3.6. An annual report of the Committee's financial condition shall be transmitted to the Secretary of Defense through the DA&M, OSD, and to the Assistant Secretary of Defense (Force Management Policy).

4.3.7. Copies of recurring financial statements shall be furnished to the DA&M, OSD, with minutes of meetings where they were considered and accepted by the DoD Concessions Committee.

5. FUNCTIONS

Under the authority, direction, and control of the DA&M, OSD, the Concessions Committee shall:

5.1. Adhere to all DoD policy Directives governing Nonappropriated Fund Instrumentalities.

5.2. For operating procedures, adhere to Army Regulations in the 215 Series dealing with Nonappropriated Fund Instrumentalities, where applicable and appropriate.

5.3. Staff and maintain its internal organization. To accomplish this, the Committee may employ administrative and clerical assistants, one of whom shall be designated the Business Manager, to conduct Committee affairs. These assistants shall be compensated from nonappropriated funds available to the Committee.

5.4. Enter into, make, and amend contracts, as an instrumentality of the United States, using nonappropriated funds, to carry out its functions and responsibilities. This authority may be delegated by the Committee to the Chair or to the Business Manager. Such delegation shall be recorded in writing in the minutes of the meetings of the Committee and may not be redelegated.

5.5. Operate or provide for the operation of food service facilities and provide for such commercial concessions and other services in accordance with this Directive.

5.6. Determine the best method to maintain and secure necessary food service facilities, concessions, and other services. Coordinate necessary real property upgrades, modifications, and utilization changes with the Director, Real Estate and Facilities, WHS.

5.7. Prepare annual and long-term operating budgets for use in making and documenting decisions regarding retained earnings and contributions to authorized welfare and recreation funds.

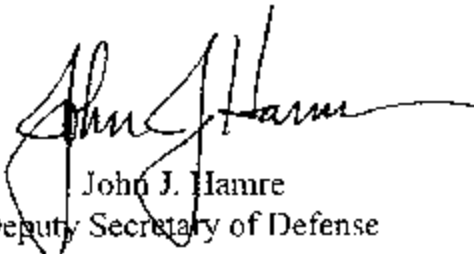
5.8. Make payments out of annual earnings from concessions and other operations conducted under the supervision of the Committee to authorized MWR Activities of the DoD Components. As a goal, the Committee shall seek to contribute to MWR Activities 80 percent or more of annual earnings (after operating expenses and amounts retained for capital improvements and cash reserves). The amount of such payments shall be prorated among the various MWR Activities as determined by the Committee.

5.9. Deposit into the Treasury of the United States all funds not required in the conduct of the Committee's business or paid to MWR Activities in accordance with paragraph 5.8., above. The Treasury of the United States shall be the successor in interest for all funds of the DoD Concessions Committee.

5.10. Keep minutes of all meetings, to include the rationale for contributions to MWR Activities, and amounts retained for capital improvements and cash reserves.

6. EFFECTIVE DATE

This Directive is effective immediately.



John J. Hamre
Deputy Secretary of Defense