



Department of Defense INSTRUCTION

NUMBER 5120.18

June 9, 2009

Incorporating Change 1, June 12, 2012

DA&M

SUBJECT: DoD Concessions Committee

- References:
- (a) DoD Directive 5120.18, "DoD Concessions Committee," January 13, 1999 (hereby canceled)
 - (b) DoD Directive 5105.53, "Director of Administration and Management (DA&M)," February 26, 2008
 - (c) DoD Instruction 1015.15, "Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources," October 31, 2007
 - (d) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," Volume 13, "Nonappropriated Funds Policy and Procedures," November 2008
 - (e) DoD Instruction 7600.6, "Audit of Nonappropriated Fund Instrumentalities and Related Activities," January 16, 2004
 - (f) Army Regulations 215 Series

1. PURPOSE. This Instruction:

a. Reissues Reference (a) as a DoD Instruction (DoDI) in accordance with the authority in Reference (b) to establish a DoD Concessions Committee for the administration of services that, for the convenience of the Government, are necessary and benefit the health, morale, and welfare of DoD employees in the National Capital Region (NCR).

b. Prescribes the Committee's organization, responsibilities, procedures, and functions.

2. APPLICABILITY

a. This Instruction applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").

- b. Activities on military installations in the NCR are excluded from this Instruction.
3. POLICY. It is DoD policy that in accordance with DoDI 1015.15 (Reference (c)) the DoD Concessions Committee is established as a DoD nonappropriated fund instrumentality (NAFI) providing dividends to DoD Component Program Group I - Military Morale, Welfare, and Recreation (MWR) Programs and Program Group III - Civilian MWR Programs. The DoD Concessions Committee shall be funded as a Category C activity.
4. RESPONSIBILITIES. See Enclosure 1.
5. PROCEDURES. See Enclosure 2.
6. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.
7. EFFECTIVE DATE. This Instruction is effective immediately.



Michael L. Rhodes
Acting Director of Administration
and Management

Enclosures:

1. Responsibilities
2. Procedures

ENCLOSURE 1

RESPONSIBILITIES

1. DIRECTOR OF ADMINISTRATION AND MANAGEMENT (DA&M). The DA&M shall:
 - a. Appoint a civilian chairperson to the Committee.
 - b. Appoint a senior management official from Washington Headquarters Services (WHS) to the Committee.
 - c. Supervise and monitor the functioning of the Committee.
 - d. Approve the minutes of Committee meetings.
 - e. Approve all contractual instruments of the Committee.
 - f. 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.

2. CHAIRPERSON OF THE COMMITTEE. The Chairperson of the Committee, under the authority, direction, and control of the DA&M, shall ensure that:
 - a. Restaurants, food courts, 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, overseen by the Committee.
 - b. 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.
 - c. All protests to Concessions Committee solicitations and/or contracts are properly considered and addressed.

3. BUSINESS MANAGER OF THE COMMITTEE. The Business Manager, under the authority, direction, and control of the Chairperson of the Committee, shall ensure that:
 - a. Financial accounting is accomplished in accordance with DoD 7000.14-R (Reference (d)).
 - b. The DoD Concessions Committee is audited annually by an independent certified public accountant in accordance with Reference (c). Audits shall comply with DoDI 7600.6 (Reference (e)).

- c. The Committee pay WHS the fees associated with the use of space occupied by retail and personalized services activities of, or under the supervision of, the Committee (food services spaces are not subject to these fees as such fees are collected from tenant organizations under joint-use space.)
 - d. When reimbursable services are performed by the Department of Defense or other Government Agencies, the Committee pays for such services.
 - e. Financial reporting conforms to Reference (c). ~~An annual report of the Committee's financial condition shall also be transmitted to the Secretary of Defense through the DA&M.~~
 - f. Copies of recurring financial statements are furnished to the DA&M, with minutes of meetings where they were considered and accepted by the DoD Concessions Committee.
4. DIRECTOR, WHS. The Director, WHS, under the authority, direction, and control of the DA&M, shall provide a senior management official to the Committee, as appointed by the DA&M.
5. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments shall appoint two representatives to the Committee (one of whom may be military).
6. HEADS OF THE DoD COMPONENTS IN THE NCR. The Heads of the DoD Components in the NCR shall designate a successor fund for the DoD Concessions Committee and notify the Chair of the Committee of such designation in writing, recognizing the Committee's determination as to which MWR activities receive payments under paragraphs i and j of Enclosure 2.
7. GENERAL COUNSEL, WHS. The General Counsel, WHS, shall provide an attorney to give legal advice and to serve as a non-voting advisor to the Committee.

ENCLOSURE 2

PROCEDURES

The Concessions Committee shall:

- a. Be composed of the following members:
 - (1) Civilian chairperson.
 - (2) Two representatives from each of the Military Departments, one of whom may also serve as the Civilian chairperson.
 - (3) A senior management official from WHS.
 - (4) An attorney, designated by the General Counsel, WHS, to provide legal advice and to serve as a non-voting advisor to the Concessions Committee.
- b. Adhere to all DoD issuances governing nonappropriated fund instrumentalities.
- c. For operating procedures, adhere to Army Regulations in the 215 Series (Reference (f)) dealing with nonappropriated fund instrumentalities, where applicable and appropriate.
- d. 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.
- e. 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. Contracts shall not become binding and effective until they are approved by the DA&M and each such instrument shall contain a clause to that effect.
- f. Operate or provide for the operation of food service facilities and provide for such commercial concessions and other services in accordance with this Instruction.
- g. 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, *Defense* Facilities *Services* Directorate, WHS.
- h. 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.

- i. 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 in the NCR. As a goal, the Committee shall seek to contribute 80 percent or more of annual earnings (after operating expenses and amounts retained for capital improvements and cash reserves) to MWR activities. The amount of such payments shall be prorated among the various MWR activities as determined by the Committee.
- j. Those MWR activities identified in subparagraph i. of this enclosure shall be the successor in interest for all funds of the DoD Concessions Committee.
- k. Keep minutes of all meetings, to include the rationale for contributions to MWR activities, and amounts retained for capital improvements and cash reserves.
- l. Charter subcommittees to study specific topics, at its discretion.