

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
Wage and Hour Division
WASHINGTON, D.C. 20210



January 28, 1976

MEMORANDUM #122

TO: All the Government Contracting Agencies of Federal
Government and the District of Columbia

SUBJECT: Alignment of contracts to correspond to FY77 and
SF-98 submissions under the Service Contract Act

October 1, 1976 will mark the conversion of the federal fiscal year from a July 1 to June 30 cycle to an October 1 through September 30 period. Many contracts within the purview of the Service Contract Act have been awarded for a period to coincide with the fiscal year. It is anticipated that many of these contracts will be extended by Procurement Agencies for short periods, i.e., a 3-month period from July 1, 1976 through September 30, 1976, in order to achieve alignment with FY77.

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Contracting officers have started to ask questions about procedure for the filing of SF-98's when such short-term extensions are entered into and for subsequent options, bid solicitations, and/or negotiations for the follow-on contract. In accordance with principles set forth in sections 4.143 through 4.145 of 29 CFR Part 4, many of these contract extensions will be deemed to be new contracts under the Act and, as such, require the submission of an SF-98 under section 4.4 of 29 CFR Part 4. Likewise, an SF-98 will be required for all options, bid solicitations and/or negotiations for follow-on contracts to start October 1, 1976. While a separate SF-98 submission would ordinarily be required for each procurement action, a single SF-98 covering both the extension and follow-on contract would be appropriate, in most cases, provided that each proposed procurement action, type of procurement action, i.e., option, competition, etc., and the timing thereof, is clearly identified on the face of the SF-98 and/or in a separate attachment thereto. This latter approach can avoid possible confusion in the issuance of applicable wage determinations, particularly in the case of predecessor contractors with collective bargaining agreements, and simplify SF-98 submissions during this transition period.

A handwritten signature in cursive script, appearing to read "Ray J. Dolan".

Ray J. Dolan
Assistant Administrator