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United States Forces Korea
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Security Assistance and International Logistics
LOGISTICS COST SHARING PROGRAM

***This regulation is the first edition.**

FOR THE COMMANDING GENERAL:

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OFFICIAL:



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Summary. This regulation provides policy and guidance and outlines responsibilities for United States Forces Korea (USFK) and other US military organizations under USFK jurisdiction in support of the Logistics Cost Sharing Program between the United States Forces and the Republic of Korea Ministry of Defense (MND) in accordance with (IAW) international agreements and instructions of higher headquarters.

Applicability. This regulation applies to United States Forces Korea (USFK), USFK component commands, and other US military organizations under USFK's jurisdiction.

Supplementation. Issue of further supplements to this regulation by a subordinate command is prohibited unless prior approval is obtained from USFK J4 (FKJ4-IP-PG), Unit #15237, APO AP 96205-05237.

Forms. USFK forms are available at <http://www.usfk.mil/usfk/>.

Records Management. Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information System website at: <https://www.arims.army.mil>.

Suggested Improvements. The proponent of this regulation is the Office of the Assistant Chief of Staff, J4. Users are invited to send comments and suggested improvements on Department of the Army (DA) Form 2028 (Recommended Changes to Publications and Blank Forms) to the USFK J4 (FKJ4-IP), Unit #15237, APO AP 96205-5237.

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Chapter 1 Introduction

1-1. Purpose

This regulation provides Logistics Cost Sharing (LCS) program management policies and procedures used in the acquisition of logistics equipment, supplies, and/or services by the United States (US) forces in the Republic of Korea (ROK).

1-2. References

Required and related publications are listed in appendix A.

1-3. Explanation of Abbreviations and Terms

Abbreviations and terms used in this regulation are explained in the glossary.

Chapter 2 Policies and Procedures

2-1. Background

a. The LCS program is a portion of the overall Special Measures Agreement (SMA) burden sharing program between the US and the ROK. This portion of the burden sharing program partially offsets the logistical costs for stationing US forces in the ROK. In general terms, logistical costs are considered to be the movement of personnel and assets on the peninsula, repair and maintenance services, purchase of non-tactical vehicles and other Korean manufactured items that are not fixed or real property.

b. A unique aspect of this program is that the funds are not transferred to the US, but are held by the ROK Ministry of National Defense (MND) where they are used to purchase goods and services provided to USFK. The US identifies the needed item or service, develops the contract or international agreement (which is approved by ROK MND), takes delivery, and passes the invoice to ROK MND for payment. As a general rule, the US loses any funds not spent by the end of the calendar year for which they are provided. Therefore, one of the LCS program objectives is to fully and effectively expend the funds allocated for a specific year.

c. If a situation arises that is not covered within this regulation, contact the USFK LCS Program Manager located in the International Programs Division, USFK J4 for resolution.

2-2. Policy

a. Overall LCS program responsibility lies with the USFK, Assistant Chief of Staff (ACoS), J4, with program administration executed by the Chief, International Programs Division, J4 and a Council of Colonels comprised of the senior logistics officer from each service. Daily operations are conducted through the Logistics Cost Sharing Program Manager assigned to J4-International Programs Division.

b. Title 10 United States Code (USC) Section (§) 2350g provides the authority and broad guidance for accepting non-cash forms of burden sharing contributions such as the LCS program. More specific rules for the LCS program are set forth in the current Special Measures Agreement covering the ROK's burden sharing contributions, the current Special Measures Agreement Implementing Arrangement, the LCS Implementing Arrangement, and more specifically, this

regulation. Most important, purchases made under this program must be accounted for, and controlled, as if US appropriated funds were used.

2-3. Financial Guidance

a. Differences exist between the US and ROK fiscal years and how they close-out. The ROK fiscal year aligns with the calendar year (i.e. 1 Jan to 31 Dec). Accordingly, contractual obligations or periods should align with the ROK fiscal year. In the ROK system, work performed this year is paid this year. Thus, a major objective of the LCS Program is to complete the work and have the invoice paid before the end of the ROK fiscal year (31 Dec). Experience has shown, however, that not all projects can be completed within the year. For these unique cases, ROK MND and USFK designed procedures to address such circumstances. Notwithstanding, the goal is to minimize the number of situations in which special procedures must be applied.

(1) The ROK fiscal year, which governs the LCS program, aligns with the calendar year (1 Jan to 31 Dec). This is in contrast to the US fiscal year, which runs 1 Oct to 30 Sep. In an effort to keep the two fiscal years separate, the LCS funding year is referred to as calendar year (CY), and not fiscal year (FY) (a term used in reference to the US fiscal year).

(a) For this program, the official calendar year begins 1 Jan, with funds being released on that date or shortly after.

(b) For projects funded with both US and LCS funding sources: use US funds to pay for work done during this period. Disburse US funds to get the work started and de-obligate US funds when the LCS money has been released.

(c) For projects that are funded only with LCS funds, work will not begin without approval from the LCS Program Manager. The Requiring Activity (RA) may request approval to begin work before release of funds by submitting a letter of justification to the LCS Program Manager.

(d) In accordance with the LCS Implementing Arrangement (IA), the US will make “best efforts” to ensure work is initiated early in the calendar year and completed before 31 December. The objective is to bill and disperse LCS funds in the calendar year they are authorized.

(2) Carryover.

(a) Work completed after the end of the calendar year is said to be “carried over.” This is an exception to the ROK fiscal rules and is granted to USFK in the current SMA and SMA IA. The purpose of the carried over funds is targeted to long-lead time repair items such as airframe maintenance, or when critical components are unexpectedly unavailable. These funds are not meant to be utilized as a contingency plan for a service’s inability to spend funds.

(b) Beginning in October of each year, the estimated amount of carryover must be reported to the MND, with updates as required. For this reason, it is important that changes to the allocations and estimated costs are locked in by this time. Changes made after this point should only be for unforeseen or uncontrollable circumstances.

b. Special Measures Agreement (SMA) and Implementing Agreement (IA) Cycle. The SMA agreements expire on December 31. History has shown that the year in which a new agreement takes effect, distribution of LCS funds are delayed by several months. For the timeframe between the expiration of the current agreement and when funds become available on the new agreement,

the Service Manager must consider whether to suspend operations or fund via an alternate funding stream (for example, Operation and Maintenance (O&M) funds). In any case, the US cannot obligate itself to a contractor/vendor without an assured source of funds.

c. Eligible Services and Purchases. Any question about the eligibility of a service or purchase must be forwarded to the LCS Program Manager via the Service's LCS Manager. In consultation with other applicable agencies and the MND, USFK J4 will make the final eligibility determination. Categories and Scope of LCS eligible projects are in appendix C.

2-4. Responsibilities

a. USFK, Assistant Chief of Staff (ACofS), J4 will:

(1) Exercise responsibility for the implementation and administration of the United States (US) - Republic of Korea (ROK) LCS program according to established directives, agreements, and regulations.

(2) Exercise authority to negotiate changes to the LCS IA on the behalf of USFK as granted by the Chief of Staff, USFK.

(3) Exercise final approval authority for the distribution of LCS program funds.

(4) Exercise final approval authority for LCS program changes.

(5) Notify MND of the intended distribution of LCS funds among the approved categories via the IA Attachment 2.

(6) Participate in USFK Special Measures Agreement (SMA) strategy meetings.

b. USFK, Deputy Assistant Chief of Staff, J4 will:

(1) Chair all Council of Colonels meetings (Non-voting member).

(2) Mediate or elevate to the ACofS J4 any unresolved issues.

(3) Has authority to act on behalf of ACofS J4 when absent.

c. The Chief, International Programs, USFK J4 will:

(1) Administer the LCS program as delegated by the ACofS, J4.

(2) Advocate the Council of Colonel's recommendation for distribution of LCS funds to the ACofS, J4.

(3) Provide suggested changes and intermediate approval of LCS program modifications.

(4) Approve requests to expedite contract processing from Requiring Activities (RA).

(5) Serve as a Non-voting member on the Council of Colonels.

(6) Participate in USFK SMA strategy meetings.

d. Service Component Representatives (Senior Logistics Representative (the “4’s”) from each USFK Service Component to include Special Operations Command Korea (SOCKOR)) will:

(1) Validate, prioritize, and lobby for LCS projects originating from within their respective Service/Component.

(2) Resolve problems affecting LCS projects from their Service Component that could not be resolved by the Service Manager or LCS Program Manager.

(3) Maintain visibility over respective Service Manager’s actions and LCS program status within their Component.

(4) Serve as a voting member, the primary advocate and spokesperson for Service Component LCS projects at the Council of Colonels meetings.

(5) Develop a recommended distribution of LCS funds through consultation with the other Service Component Representatives.

(6) Provide suggested changes for LCS program modifications.

e. USFK LCS Program Manager will:

(1) Serve as the primary LCS liaison between USFK and ROK MND.

(2) Provide one-on-one individualized LCS program training to new Service Component Representatives (voting members) within 15 days of their appointment.

(3) Provide program briefing and training to LCS Service Managers.

(4) Schedule and develop the meeting agenda, publish pre-brief information, moderate the Council of Colonels meetings, and publish meeting minutes.

(5) Schedule and develop the meeting agenda, publish pre-brief information, chair the Service Manager meetings, and publish meeting minutes.

(6) Coordinate with the Service Managers and Requiring Activities (RAs) on the progress of their LCS projects and resolve any issues that may prevent timely completion.

(7) Coordinate with the 411th Contracting Support Brigade on the development and implementation of LCS projects.

(8) Provide regular and requested reports to the Service Managers showing status according to the USFK LCS Program Manager’s records.

(9) Retain a complete copy of all LCS contracts (electronic).

(10) Process all LCS contracts and invoices through ROK MND.

(11) Coordinate with ROK MND on LCS contracts, invoice payments, allocations, and other issues which that may arise.

(12) Participate and provide information as required in preparation for and during SMA USFK strategy meetings.

(13) Update the LCS Standing Operating Procedures (SOP), as required, after the conclusion of each revised SMA.

(14) Establish quarterly LCS metrics and execution goals; measure and publish performance effectiveness measures for each of the Service Components.

(15) Coordinate Quarterly Service Component Representative Program Status briefings to the USFK J4.

(16) Review and provide input to USFK Regulation 37-5 (Special Measures Agreement Process) upon request.

(17) Support execution of the annual SMA process as specified in USFK Regulation 37-5 and provides associated information to USFK J5-Policy as requested by that staff section.

(18) Will identify and track funds released by project cancellation or contract awards under the estimated amount and move the funds to other projects after vetting with the LCS Council of Colonels and the USFK J4.

(19) Other tasks as may be required in the operation of the LCS program.

f. Component Service Managers will:

(1) Provide LCS program training and information to Requiring Activities.

(2) Coordinate Requiring Activity program issues with the LCS Program Manager.

(3) Attend the Component Service Managers and Council of Colonels meetings.

(4) Monitor the status of LCS projects within their Service Component.

(5) Consolidate, coordinate, and validate LCS budget allocations as necessary to maintain projected spending plans.

(6) Respond to the LCS Program Manager's requests for information, clarification, or additional data on their Services' LCS projects.

(7) Maintain current primary and alternate points of contact for all LCS projects, to include names, organizations, telephone numbers, and Date Eligible for Return from Overseas (DEROS).

(8) Assist Requiring Activities in developing, submitting, coordinating and reporting of LCS projects. Obtain the proper technical, legal, or engineering assistance when needed.

(9) Review Performance Work Statements (PWS) and other documentation before submission to the contracting activity. Ensure projects support "Warfighting and Readiness" and meet LCS program requirements.

(10) Ensure the amount requested for the contract does not exceed the amount approved by the Council of Colonels.

(11) Ensure the Requiring Activities in their Service Component understand all contacts with ROK Government officials will be made through the LCS Program Manager.

(12) Provide suggested changes for program modifications to the LCS Program Manager.

(13) Provide prioritization of Requiring Activities' LCS projects for submission to the Council of Colonels for consideration. Prior to USFK Commander (CDR)'s approval, all PWS must be at least 90% complete.

(14) Report the development and execution status of their approved LCS projects to the USFK J4 on a quarterly basis (appendix E).

(15) Establish a requirement for a monthly status report from each of their Contracting Officer Representatives (COR).

(16) Establish a requirement for each Requiring Activity to develop and submit their Performance Statements of Work to the 411th Contraction Support Brigade (CSB) for all new LCS projects within 15 days of project approval.

g. 411th Contracting Support Brigade will:

(1) Receive the PWS. Ensure projects support "Warfighting and Readiness", meet LCS program requirements, and are funded/approved by the USFK LCS Program Manager.

(2) Perform LCS contract solicitation and award. Monitor the status of the contract solicitation and award process and provide updates to the USFK LCS Program Manager.

(3) Prepare LCS contracts for MND and USFK LCS Program Manager approval/signatures.

(4) Upon receiving approval of the contract from MND and the USFK LCS Program Manager, coordinate the final details of the service and/or delivery of the item to be provided by the contractor.

(5) Assist the Requiring Activities with any disputes, issues or concerns associated with an LCS contract.

h. Requiring Activities will see LCS Standing Operating Procedures (SOP).

2-5. Procedures

a. Program goals: allocate ROK Government provided LCS funds in a way that maximizes USFK warfighting capabilities.

b. Program objectives:

(1) Ensure USFK receives maximum effectiveness from LCS funding strategies.

(2) Utilize 100 percent of the funds allocated, in the calendar year allocated.

(3) Ensure "carryover" funds from one calendar year to the next are kept to a minimum.

(4) Meet all major program milestones.

(5) Ensure the documentation of project development and execution provides a clear audit trail of accountability.

c. Program Forums.

(1) Council of Colonels (CoC) Meeting.

(a) This forum brings the Service Component Representatives together four times a year (Quarterly) to discuss and vote on LCS project submissions, budget allocation, and other issues affecting this program. Additional meetings may be convened, as necessary.

(b) The chairman is the Deputy Assistant Chief of Staff, J4.

(c) The voting members of the council are:

- Eighth United States Army (EUSA/G4)
- Seventh Air Force, Director of Logistics (607 LRG 7 AF/A4)
- Commander, Naval Forces Korea (CNFK/N4)
- Marine Forces Korea (MARFOR-K/G4)
- SOKOR SOJ4.

(d) Non-voting members are:

- USFK J5 (Policy)
- USFK J4 (LRD)
- USFK J4 (Trans)
- USFK J4 (IP)
- USFK J4 (Plans)
- USFK JA
- 411th Contracting Support Brigade.

(e) Other organizations or individuals may attend or be invited at the request of the Chairman or other board members.

(f) Voting members must send a representative if they are unable to attend a meeting. The representative must be able to speak and vote on their behalf.

(g) Agenda items for this forum must be provided to the LCS program manager no later than (NLT) 20 working days prior to the scheduled meeting. Issues not on the agenda may be discussed at the discretion of the Chairman.

(h) The agenda and supporting information will be sent via e-mail to attendees NLT 7 working days prior to the scheduled meeting.

(2) Service Managers Meeting.

(a) This forum brings the service managers together prior to the CoC meeting to discuss LCS project submissions, budget allocation, and other issues affecting this program (Meets at a minimum of once a quarter). Additional meetings may be convened, as necessary.

(b) Organizations are encouraged to attend this forum if they are part of or have an interest in projects that will be discussed or voted on at the following CoC meeting.

(c) The agenda and supporting information will be sent via e-mail to attendees NLT 7 working days prior to the scheduled meeting.

d. Continuing Projects.

(1) Revalidation and Review. When preparing to develop a follow-on contract, a review of the cost effectiveness of the project will be performed. This documentation will be provided with the draft Statement of Work (SOW) to the Service Manger and LCS Program Manger. The LCS Program Manager can direct an out-of-cycle validation or review of a project. The Requiring Activity (RA) will complete the review in a timely fashion, or funds will be suspended until the review has been received. The documentation will include, as a minimum:

(a) Justification for continuing the project.

(b) How the service saves the US Government money by outsourcing.

(c) Measures to ensure the US Government will receive "best value". An example would be cost-to-replace versus cost-to-repair.

(d) Process for determining replacement versus repair. An example would be the calculated "one-time repair limit" on a vehicle.

(e) Impact, should this project not be funded.

(2) Supporting Documentation. All files and supporting documentation for projects funded under this program will be subject to review by the LCS Program Manager. When directed by the LCS Program Manager, the RA will make available all documentation associated with the execution of the project. This documentation will include:

(a) Contract and all modifications.

(b) Delivery Orders, with supporting documentation, such as unit request letters.

(c) Invoices or equivalent documentation.

e. ROK Government Agency/Military Provided Service.

(1) When considering entering into an arrangement with the ROK Military or a ROK Government Agency, do not enter into any negotiations or discussions before contacting the USFK J4-International Programs Division. Proper authorization must be obtained to enter into negotiations on behalf of the US Government.

(2) You may gather preliminary information, such as capabilities, but you must make it clear that you are only gathering information. Your questions and their responses must not be construed to constitute an obligation on behalf of the US Government.

f. Documentation.

(1) E-mail. E-mail will be treated the same as written and signed documentation. Exceptions will only be where higher guidance requires a written and signed form of documentation.

(2) Reports. Program reports will be provided electronically, usually via e-mail.

2-6 Reports

a. Spend Plans.

(1) Purchases. A spend plan is not required. However, an estimate on how long it will take to deliver the item is required with the project request.

(2) Fixed cost service contracts.

(a) These are projects where the service will be paid at a set amount over specified periods (i.e., 12 monthly payments, 4 quarterly payments).

(b) Option periods coincide with the CY. List the fixed payment amount for each period from 1 Jan to 31 Dec for the year being budgeted for. In this instance, all the payments should be equal, unless a change in requirements/workload is anticipated. If a change in requirements/workload is known or anticipated, this must be explained in the Spend Plan.

(c) Option periods cross CYs. In instances where an option period is exercised between 1 Jan and 31 Dec, list each payment that will be made during this period. This must be done, because simply using the contract amount for the next option period will not be accurate. Again, should a change in requirements be known or anticipated, it must be detailed in the Spend Plan.

(3) Variable Requirement Contracts. Budgeting for these types of contracts will have multiple steps, so a checklist has been designed to assist in this process. Utilize the checklist in appendix D of this regulation to complete this action.

b. Service Component Report.

(1) Each Service Component is required to provide an update of the status of their projects to USFK J4 on a quarterly basis.

(2) Reporting format and requirements are at appendix E.

(3) The Service Component quarterly presentation to the USFK J4 will be coordinated through the LCS Program Manager.

Appendix A References

Section I. Required Publications

DODI 4165.3 (Department of Defense Facility Classes and Construction Categories)

Implementation Arrangement for Special Measures Agreement (SMA IA)

Federal Acquisition Regulation (The FAR)

Logistics Cost Sharing Implementing Agreement (LCS IA)

Logistics Cost Sharing Standard Operating Procedure (SOP)

United States Code Title 10 § 2350g (Authority to accept use of real property, services, and supplies from foreign countries in connection with mutual defense agreements and occupational arrangements)

USFK Regulation 37-5 (Special Measures Agreement Process)

USFK Regulation 715-2 (Contracting For Supplies, Services, and Construction)

Any other DOD and service regulations and/or instructions applicable to the control, accounting, and use of US appropriated funds, equipment, and property.

Section II. Relates Publications

This section contains no entries.

Section III. Prescribed Forms

This section contains no entries.

Appendix B

Self-Dealing, Bribery and Conflict of Interest

B-1. By both federal law and DOD policy, all those involved in acquisitions will do everything in their power to ensure that all agreements, arrangements, or contracts entered into under the LCS program will be free from self-dealing, bribery, and conflict of interest. In order to ensure the integrity of the acquisition process and to protect the interests of the US taxpayer, all personnel in the acquisition process should be aware of the circumstances involving their acquisitions and try to locate possible self-dealing, bribery, or conflict of interest.

B-2. Although not in themselves a positive indication of self-dealing, bribery, or conflict of interest, the following circumstances suggest the possibility:

- a. Requirement to deal through an agent or middleman who does not provide supplies or services, yet receives payments.
- b. High prices.
- c. Payments to persons not part of the transactions.
- d. Other unusual circumstances.

B-3. Since an accusation of self-dealing, bribery, or conflict of interest involving a foreign government official could have a major impact on relations with another country, anyone with reason to believe that self-dealing, bribery, or conflict of interests are involved should ensure that the suspicion is not released outside the US Government. When such suspicions appear well founded, the matter should be reported through both service and unified command channels to the Under Secretary of Defense (Production) who will determine if further investigation is warranted, how it will be carried out, and what action should be taken.

Appendix C

Categories and Scope of Logistics Cost Sharing (LCS) Program

C-1. Single Ammunition Logistics System-Korea (SALS-K): services include ammunition storage, security, maintenance, disposal and transportation, to include receiving/shipping operations at the port, in accordance with the MOU on SALS-K Reimbursement Rate, dated 15 October 1992, or superseding agreements.

C-2. Munitions Activities Gained through Negotiations Under US and ROK MOA (MAGNUM): Services include ROK storage services and maintenance of United States Air Force (USAF) munitions stored in ROK Air Force (ROKAF) owned facilities, in accordance with the MOU between the USAF and the ROKAF concerning the Storage of USAF Munitions in the ROKAF Munitions Facilities, dated 19 April 1996, or superseding agreements.

C-3. Repair and Maintenance Services: repair and maintenance of aircraft, ground equipment, and other equipment owned by the US and stationed in Korea or, with the specific agreement of the parties, in support of aircraft, ground equipment and other equipment owned by the US and stationed outside Korea and its territorial waters as an exception to Article III, Paragraph 4 and dedicated primarily to supporting ROK/US combined operations plan.

C-4. War Reserve Materiel (WRM) Maintenance: equipment to be maintained includes aircraft fuel tanks, bomb loading systems, ancillary loading tools, multifunctional loading systems, aircraft ground equipment, vehicles, readiness materiel to equip bases, basic materiel for unit sustainment, cooking equipment and utensils, and medical equipment, which are stored at *Chungju, Gimhae, Gwangju, Suwon, Daegu, Osan, and Gunsan* Air Bases.

C-5. Transportation services: services for cargo and passengers by Korea Railroad Corporation and Korean transportation contractors, and limited to services provided in the Republic of Korea.

C-6. Vehicle, equipment, and materiel purchases: purchases of Korean-made vehicles (non-tactical and rail car), equipment and materiel (e.g., repair parts for heavy equipment and vehicles, equipment/supplies for warehousing storage systems and munitions storage (munitions pallets) and maintenance tools, vehicle maintenance and repair tools and equipment, mortuary affairs equipment and supplies, portable building structures, items to enhance force protection of logistics assets, War Reserve Materiel (WRM) repair and replacement parts, etc.) for the use of USFK.

C-7. Trans-Korea Pipeline (TKP) Follow-On Bulk Fuel Support: prorated TKP-SNP tie-in connection service and annual fees for US fuels terminaling and storage services.

C-8. Leases: facility or services leases other than those for Family Housing.

C-9. Facility Sustainment Services: Repair, Maintenance and other services provided to sustain facilities on US installations.

Appendix D
Variable Requirement Budget Checklist

LCS Project Maintenance Checklist		
#	Task / Description	Yes/No
1.	Develop a plan for implementing the contract. This plan must include the actions/coordination necessary for the contractor to perform.	
2.	Determine delivery or performance schedule. a) Purchases. Coordinate with the Contracting Officer to determine an estimated delivery date for the item(s) after the contract has been approved by the MND. b) All others. Develop a schedule/timeline for the workflow.	
3.	For contracts other than purchases, provide an initial copy and subsequent updates of the workflow to the LCS program manager.	
4.	Determine the best method by which to define the scope and frequency of delivery orders. Focusing on: a) The least number of delivery orders possible; b) Not more than three delivery orders open at one time. c) Method by which the progress of the open delivery orders will be tracked to completion. d) Less than half of the remaining funds (allocation less invoice totals) are obligated against open delivery orders unless inducting final quantity. NOTE: Exceptions must be approved by the LCS manager before implementation.	
5.	Provide a copy of the delivery order plan/schedule to the LCS program manager.	
6.	Process delivery orders (as applicable) ensuring the contractor and LCS program manager receive copies at the same time.	
7.	Determine who will deliver the invoice(s) (can be the RA or contractor) to the LCS program manager.	
8.	Reconcile logs with reports from LCS program manager and report any differences immediately.	
9.	Immediately inform LCS program manager of any issues that might/will affect the on time completion or expenditure of funds.	
10.	Maintain an up-to-date copy of the contract, including all modifications.	
11.	Maintain a working copy of the contract, to include the QAP, incorporating current modifications and changes that come about during the life of the contract. This action will provide a ready for review PWS and QAP for the follow-on contract.	

**Appendix E
Quarterly Service Managers Status Report**

Format: Microsoft Excel for development of the spreadsheet and Power Point for delivery of the presentation.

Service Manager's Quarterly Report									
Project Status Report (Date)									
Service Component: (ex. Army)									
Service Manager: (LTC Smith)									
Contract Number	All Approved Projects for CY	Contract Value (In Won)	Start Date	Invoice Start Date	% Projected Invoiced*	% Actual Invoiced	% Project Complete	Project ECD	Invoice Status (Color Code)
XXXXXXX-01	Rehab Facility	900,000,000	1-Feb	1-Mar	10.00%	0.00%	10.00%	31-Dec	Yellow
XXXXXXX-02	Purchase Vehicles	450,000,000	1-Mar	1-Apr	100%	100%	1-Apr	1-Apr	Green
	Pave Parking Lot**	650,000,000							Red
<p>*% of Projected Invoiced is the estimate of how much of the project should be invoiced by the report date. This can be calculated based on the project start date and invoice start date. Most contracts will have verbiage related to when invoicing should start. That date, in relation to how many months are left in the Calendar Year will allow you to calculate what percentage should be invoicing each month. Color code the last column in the report to indicate status of invoicing as shown in the color chart below.</p>									
<p>** Absence of a Contract Number indicates that no contract has yet been awarded and the project has not begun.</p>									
	On Schedule								Green
	30-60 Days Late								Yellow
	Over 60 days Late								Red

Glossary

Section I. Abbreviations

AQL	Acceptable Quality Level
CAP	Contractor Acquired Parts
CFM	Contractor Furnished Material
CLIN	Contract Line Item Number
CoC	Council of Colonels
COR	Contracting Officer's Representative
CY	Calendar Year
DJ4	USFK, Deputy Assistant Chief of Staff, J4
DO	Delivery Order
DOD	Department of Defense
FY	Fiscal Year
GFM	US Government Furnished Material
IA	Implementing Agreement or Implementing Arrangement
IAW	In Accordance With
J4	USFK, Assistant Chief of Staff, J4
LCS	Logistics Cost Sharing
KO	Contracting Officer
MAGNUM	Munitions Activities Gained through Negotiations Under US and ROK MOA
MND	Ministry of National Defense
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NLT	No Later Than
NTV	Non-Tactical Vehicle
PALT	Procurement Action Lead Time

PR	Purchase or Procurement Request
PRS	Performance Requirement Summary
PRWeb	Purchase Request Web
PWS	Performance Work Statement
QASP	Quality Assurance Surveillance Plan
QR	Quality Representative
RA	Requiring Activity
RFP	Request for Proposal
ROK	Republic of Korea
ROKA	Republic of Korea Army
ROKAF	Republic of Korea Air Force
ROKG	Republic of Korea Government
SMA	Special Measures Agreement
SOW	Statement of Work
USA	United States Army
USAF	United States Air Force
USFK	United States Forces - Korea
USMC	United States Marine Corps
USN	United States Navy
WRM	War Reserve Material

Section II. Terms

NOTE: Not all terms listed are used in this regulation, but are terms that users should be familiar with because they could be part of related conversations or correspondence.

Contract. A bilateral agreement between two or more parties, enforceable by law, that obligates the seller to furnish something, and obligates the buyer to pay for it.

Federal Acquisition Regulation (FAR). The Federal regulation that implements procurement-related statutes and governs Government procurement.

Fixed-Price Contract. A contract where the contractor agrees to deliver supplies or services at the times specified for an agreed upon price that cannot be changed unless the Government modifies the contract.

Government Furnished Material. Material of other than ROK origin provided to a ROK contractor or ROK government agency in performance of a contracted service.

Government-Furnished Property (GFP). Property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor.

Objective Performance Measure. Based on the attributes of physical objects that can be measured or counted.

Offer. A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids." Responses to requests for proposals (negotiation) are offers called "proposals."

Outcome Measure. An assessment of the results of a program activity compared to its intended purpose (objective).

Output Measure. The tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner.

Performance-Based Contracting. Structuring all aspects of an acquisition around the purpose of the work to be performed as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work.

Performance Work Statement. A tasking document that specifies the effort to be performed by a contractor. New term replacing term Statement of Work, and is used interchangeably.

Procurement Package. Documentation required for legal solicitation of goods or services. Consult USFK Reg 715-2, appendix D for guidance.

Proposal Evaluation Factors. Factors against which proposals are evaluated. The RFP must explain these factors and their order of importance.

Proposal. A response by a prospective contractor to a Request for Proposals issued by the CO in negotiated acquisitions. It is an offer (including technical performance, as well as cost or price terms) that can be accepted by the Government to create a binding contract, either following negotiations or when certain conditions are satisfied. The term "bid" is used in sealed bid procurements.

Purchase or Procurement Request. The document prepared by the requiring activity, which (1) describes the supplies or services to be acquired, (2) certifies the availability of funds, and (3) includes other information and approvals necessary for the CO to initiate an acquisition action.

Quality Assurance Plan. Document used by the Quality Assurance personnel to evaluate the Contractor's performance under the terms of the contract. Address specific questions to 411th CSB personnel.

Reasonable Cost. A cost, which in its nature and amount, does not exceed that which would be incurred by a prudent person in the conduct of competitive business. If challenged, the burden of proof for determining cost reasonableness rests with the contractor.

Services. The performance of identifiable tasks rather than the delivery of an end item of supply. Services also include tasks that are delivered under a contract where the primary purpose of the contract is to provide supplies.

Sole Source Contract. A contract awarded as a result of a solicitation that was provided to only one offeror or as a result of an unsolicited proposal.

Solicitation. A formal invitation by the Government to prospective offerors to submit offers to satisfy a Government need. It describes the requirements in sufficient detail to allow prospective offerors to determine their ability to meet that need and to submit a meaningful offer. It also includes the terms, conditions, and instructions under which offers may be submitted and resultant contracts will be awarded.

Statement of Work (SOW). See Performance Work Statement above.

Surveillance. The continual monitoring and verification of status of an entity and analysis of records to ensure specified requirements are being met. Surveillance activities may be delegated to other disinterested parties on behalf of the customer. It may be 100%, statistically-based sampling, qualitative sampling, or the result of discussion with individuals who have firsthand knowledge. It also may include the monitoring of contractor supplied metrics, available contractor data, sampling, or surveys.

Technical Evaluation. The measurement of a technical proposal against the technical requirements and the rating factors stated in the solicitation. Cost may be considered as an indicator of understanding of technical requirements.

Technical Standard. A common and repeated use of rules, conditions, guidelines or characteristics for products or related processes and production methods. It includes the definition of terms, classification of components, delineation of procedures, specification of dimensions, materials, performance, designs, or operations. It includes measurement of quality and quantity as well as a description of fit and measurements.

Work Breakdown Structure (WBS). A product-oriented, hierarchical division tree of deliverable items and associated services that relates the elements of work to each other and to the end item.