



Acquisition Desk Reference

**Requiring Activities,
Program Managers,
and Contracting Officer's
Representatives**



**U.S. Army Medical Command
Health Care Acquisition Activity**

**“MULTIPLYING THE HEALTH CARE FORCE STRUCTURE
THROUGH QUALITY AND RESPONSIVE CONTRACTS”**

2004 Edition

This manual is intended for use as a convenient reference. Future updates will be reported as issued. Comments, questions or recommendations may be submitted at any time to:

Commander, Health Care Acquisition Activity
ATTN: Ms. Joyce Nadeau
2107 17th Street, Building 4197
Fort Sam Houston, Texas 78234-5069

Webpage at <http://hcaa.medcom.amedd.army.mil/>

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INTRODUCTION

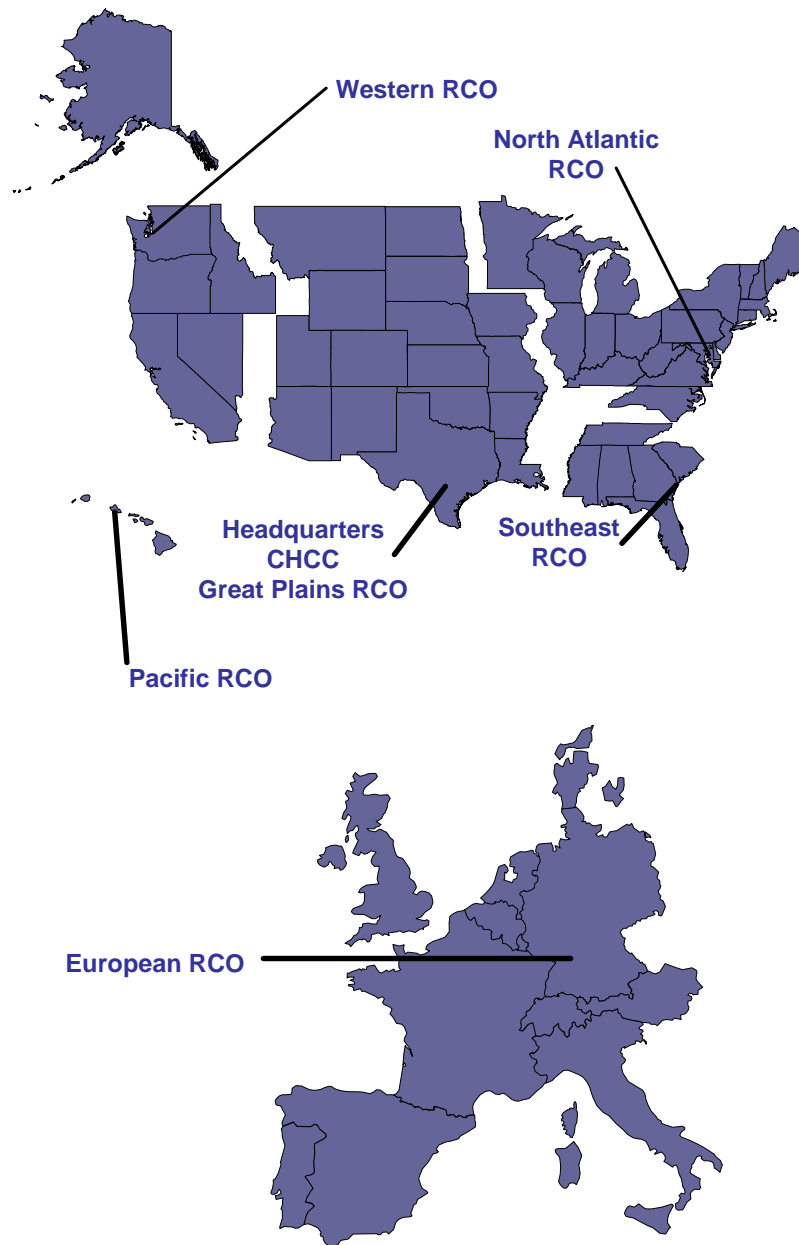
Effective execution of an Acquisition Program is a complex process requiring all involved individuals – contracting personnel, technical personnel, administrative staff, legal counsel, etc., to work as a unified team. This desk reference is designed to provide technical and program individuals involved in all phases of the acquisition process with a basic understanding of their roles, duties and responsibilities. It provides information on acquisition planning, statement of work development, technical evaluations and monitoring contract performance. It also covers the potential problems inherent in the acquisition process and provides information on how to avoid these problem areas. Generally, throughout this desk reference, the term Requiring Activity or Requesting Activity is used to identify technical and program individuals during the pre-award phase of the acquisition process and the term Contracting Officer's Representative (COR) is used to identify technical and program individuals during the post award phase of the acquisition process.

The U.S. Army Medical Command Health Care Acquisition Activity (HCAA) is a Field Operating Activity of the United States Army Medical Command (MEDCOM). HCAA has two primary missions. The first is to provide business advice to the Army Medical Command relative to medical contracting issues. The second is to provide responsive medical contracting services to the MEDCOM. The contracting services provided by HCAA include:

- **Health care services.** HCAA contracts for all health care services to include individual health care providers, clinics, lab services and other contracted medical services.
- **Contracts in support of the health care mission.** HCAA contracts for hospital housekeeping, laundry and linen distribution, and regulated medical waste/hazardous medical waste handling and disposal. HCAA also provides contracting support to augment prime vendor and other centralized medical supply and service contracts.
- **Command sensitive contracts.** HCAA awards A-76 and other highly sensitive command contracts.
- **Business Advice.** Provides business advice and recommendations on healthcare contracting matters to OTSG, MEDCOM and its subordinate activities.

HCAA is organized into a headquarters, located at Fort Sam Houston, a Center for Health Care Contracting (CHCC) and six regional contracting offices. CHCC, also located at Fort Sam Houston, provides medical contracting support to the command on a general support basis by writing global contracts for use by all of the regional contracting offices, by awarding and administering contracts in support of command-wide programs, and by awarding contracts affecting multiple MEDCOM facilities. The six Regional Contracting Offices (RCO), the North Atlantic Regional Contracting Office (NARCO), located at Walter Reed Army Medical Center; the Southeast Regional Contracting Office (SERCO), located at Eisenhower Army Medical Center; the Great Plains Regional Contracting Office, (GPRCO), located at Brooke Army Medical Center; the Western Regional Contracting Office (WRCO), located at Madigan Army Medical Center; the Pacific Regional Contracting Office (PRCO), located at Tripler Army Medical Center; and the European Regional Contracting Office (ERCO), located at Landstuhl, Germany, provide medical contracting support, on a direct support basis, to their respective Regional Medical Commands. HCAA also operates several small contracting cells at select medical facilities. A list of phone key phone numbers is provided at [Appendix A](#).

Figure 1. HCAA Offices



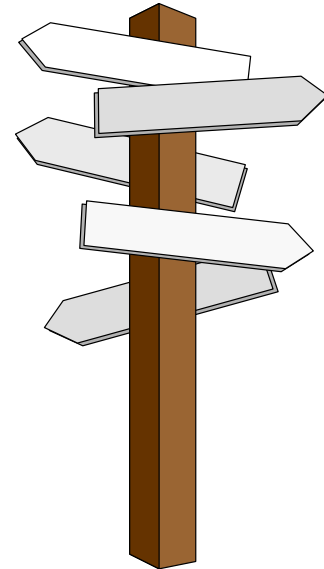
The HCAA Commander or Deputy Commander also serves as the Principal Assistant Responsible for Contracting (PARC). The role of the PARC, a directorate level senior staff official, is to provide advice, policy and oversight on medical contracting issues for the MEDCOM. HCAA is committed to providing appropriate, timely and customer-focused contracting guidance and acquisition solutions to all our customers.

This desk reference is designed to assist our customers develop requirements and monitor contract actions. It is divided into five chapters. [Chapter 1](#) provides a glossary of key

acquisition terms and introduces the reader to some of the fundamentals of government contracting. [Chapter 2](#) provides information on developing performance based service contracts and performance based statements of work. This chapter should be read before proceeding to Chapter 3 or 4. [Chapter 3](#) focuses on the acquisition process as it applies to contracting for services. [Chapter 4](#) describes the contracting process used to obtain health care providers. [Chapter 5](#) details the processes used to contract for supplies and equipment.

CHAPTER 1. ACQUISITION BASICS

This chapter introduces the Acquisition Team and describes basic acquisition principles. Familiarity with these basic concepts can help Requiring Activities, Program Managers and Contracting Officer's Representatives fulfill their responsibilities and know when to seek assistance from professional contracting personnel.



Acquisition Team

Once a decision is made to acquire products or services through the contracting process, a partnership is formed between the Program Manager, or the responsible manager from the requiring activity, and the Contracting Officer. These individuals play a critical roll in ensuring that the contracting process is successful. Assisting them is an integrated team of individuals based upon the complexity and nature of the acquisition. While anyone who can contribute to the success of the acquisition can be a member of the acquisition team, the following individuals are normally involved either as direct participants or advisors to the team:

Associate Director of Small and Disadvantaged Business Utilization

The Associate Director of Small and Disadvantaged Business Utilization (ADSDBU) provides advice and counsel to the Acquisition Team on all small business matters and assists them to develop acquisition strategies to maximize participation by small and disadvantaged businesses.

Competition Advocate

The role of the Command's Competition Advocate is to develop acquisition strategies that foster competition and are consistent with public law. The Competition Advocate provides advice to the Acquisition Team on all matters involving competition.

Contracting Officer

A Contracting Officer is an individual expressly authorized to enter into, administer and/or terminate contracts. Contracting Officers are responsible for ensuring that all contract actions comply with appropriate laws, executive orders, regulations and other applicable procedures, including clearances and approvals. They are also responsible to ensure that both the government and the contractor comply with the terms and conditions of the contract. HCAA Contracting Officers act as our focal point for customer service, communications and product delivery and coordinate with our customers to plan and execute acquisition strategies. While a Contracting Officer may delegate some of his or her duties, for example, a Contracting Officer may designate a Contracting Officer's Representative to assist in monitoring the technical aspects of a contract, the Contracting Officer may never delegate the responsibility to enter into, modify or terminate a contract to anyone else, unless that person is also a Contracting Officer.

Contracting Officer's Representative (COR)

A COR is an individual appointed, in writing, by a Contracting Officer who monitors the technical or performance aspects of a contract and performs other duties specified by their

appointment letter. The individual who will serve as the COR once the contract is awarded, should participate in developing the requirement and other pre-award activities so that he/she is familiar with all aspects of the contract.

Contract Specialist

The Contract Specialist is an acquisition professional who works directly for the Contracting Officer. The Contract Specialist performs most of the day-to-day functions required to advertise and award government contracts, i.e. synopsis (advertising) the requirement, preparing contract documents for the Contracting Officer's review and approval, answering questions from prospective contractors, etc. The Contract Specialist is also responsible for assisting the Contracting Officer in the administration of the contract.

Head of the Contracting Activity (HCA)

The HCA is a General Officer who has the overall responsibility for the effective and legal execution of the organization's acquisition program. Currently, the Assistant Surgeon General/Chief of Staff for Force Sustainment is the Head of the Contracting Activity for HCAA.

Legal Advisor

A Government Legal Counsel provides advice to the acquisition team regarding the legality of proposed contract actions. He/she will also review the solicitation, proposed contract and other support documents to determine legal sufficiency.

Principal Assistant Responsible for Contracting (PARC)

The PARC is a directorate level senior staff official responsible for establishing acquisition policy and administrating the medical contracting program within the MEDCOM.

Requiring Activity

The requiring activity is normally the end user(s) of the goods or services. The requiring activity is most familiar with the requirement and as such, is normally responsible for developing the technical requirements of the acquisition, determining the evaluation criteria that will be used to evaluate contractor proposals, participating in selection of the contractor and monitoring the technical aspects of contract performance. The number of individuals from the requiring activities that will be involved in a particular acquisition will vary according to its complexity. At a minimum, a member of the requiring activity's management team and/or a technical representative will participate in the acquisition. In more complex requirements, a separate project manager may be designated and multiple technical specialists, to include those from other activities may be used. The Contracting Officer's Representative usually comes from the Requiring Activity; however that may not be the case if the goods or services are being acquired for a number of different end users.

Contract Fundamentals

Federal contracting is closely regulated and uses a series of well-defined processes. The following is a description of some basic contract concepts:

Nature of a Contract

A contract is a legally binding relationship between two or more parties obligating the seller to furnish supplies or services and the buyer to pay for them. All contracts consist of three elements: an ***offer*** to provide something of value, usually goods or services; ***acceptance*** of that offer and communication of that acceptance to the offeror; and ***consideration***, something of value exchanged by the parties to bind the contract. In order to be enforceable, a contract must have a ***legal purpose*** and must be signed by parties that have the ***authority*** to bind the entity that they are representing (for government contracts, only Contracting Officers have this authority). Although non-government contracts may sometimes be oral, government contracts (including modifications) are always in writing.

Authority to Enter into Contracts

Only Contracting Officers have the authority to enter into contracts or otherwise direct non-federal government firms and institutions, to provide goods and services, which will require the expenditure of government funds or other resources. Contracting Officers serve as an agent of the government when negotiating and awarding contracts, or, when making changes and modifications to contracts. This authority is not delegable to other individuals.

Use of Contracts

The use of contracts is appropriate whenever the Federal Government requires supplies, services or construction from commercial sources and nonprofit institutions. Contracting, for purposes of this Desk Reference, encompasses all processes utilized to purchase, rent, lease or otherwise obtain supplies and services from commercial sources or nonprofit institution using appropriated funds. The acquisition process begins at the point when agency needs are established. It includes the sub-processes of developing a description of requirements, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and contract close-out.

Contract Types

The government uses two basic types or families of contracts - fixed-price and cost-reimbursement. Within each family there are several different variations, i.e. fixed price with economic price adjustment, cost plus fixed fee, cost plus incentive fee, etc., however, the essential characteristics within each family are the same. The Contracting Officer, after consulting with the customer, will determine the contract type most appropriate for the requirement, or this may be determined through negotiations between the Contracting Officer and the prospective contractor. In any event, the customer needs to understand the characteristics of each major contract type as this can significantly affect acquisition planning and contract administration duties. The two contract types differ in two key respects - the relative amount of risk placed on the government and on the contractor, and the degree of contract management or administration that is required.

Fixed Price Contracts

These contracts are normally used for commercial items or requirements where the government can describe its needs in a clear-cut, unambiguous manner sufficient for prospective contractors to develop a fair and reasonably priced proposal in which they assume only reasonable risk. The most common fixed price contract is the **firm fixed-price contract**. In a firm fixed-price contract, the contractor agrees to deliver all supplies or services at the times specified for an

agreed upon price. This price cannot be changed (unless the contract is modified). Profit is determined by the contractor's ability to control costs relative to the contract price. If the contractor's costs exceed the contract price, the contractor must absorb the difference. Firm fixed-price contracts place maximum risk on contractors and little or no risk on the government. There are several other variations of fixed price contracts. Essentially these operate much the same as a firm fixed price contract, but they contain predetermined provisions for price adjustments. For example, a fixed-price with economic adjustment contract permits the contract price to change based upon some external factor, i.e. change in a designated economic indicator. The government's contract monitoring requirements on fixed price contracts are usually limited to ensuring that the contractor provides the goods or services required by the contract. Fixed price contracts are the predominate type of contract used by HCAA.

Cost Type Contracts

Sometimes, a requirement cannot be specified with the certainty required for a fixed-price contract. In the absence of this certainty, potential contractors have no way of estimating the price of the work with the degree of accuracy needed for fixed-price contract risk. Nor, is HCAA able to determine the accuracy of a proposed price. **Cost-reimbursement contracts** are used when the uncertainties involved in contract performance are of such magnitude that cost of performance cannot be estimated with sufficient reasonableness to permit use of fixed-price type contracts. Like the fixed-price contract, there are several variations.

In cost contracts, the contractor's risk is minimal. The contractor only agrees to a "best effort". No guarantee is given. Failure to do the specified work will not be a breach of contract, nor will it cost the contractor any money as long as a "best effort" was provided. On the other hand, the government's risk is high. It has no guarantee that it will get the specified work. If the work is not completed and the maximum costs have been reimbursed to the contractor, the government has two choices, both equally unsatisfactory. It can elect not to add funds to the contract and, essentially terminate the effort without receiving the desired product, or it can add money to the contract in the hope that the additional funds will be sufficient to achieve the expected result. Cost type contracts require a greater effort on the part of the government in monitoring performance. Appropriate oversight is required to ensure that the contractor is actually providing a best effort and that the contractor is judiciously expending funds and controlling cost.

Contracts may also be classified in a variety of other ways. The following are some of the other contract types used by HCAA:

Indefinite-Delivery Contracts

The government uses indefinite-delivery contracts when it does not know the exact quantity or delivery requirements at the time the contract is finalized. There are three types of indefinite-delivery contracts. **Definite-quantity** contracts specify the total amount of supplies or services that will be required, but permit delivery to be scheduled as required. The government is obligated to purchase the entire amount of supplies or services specified in a definite-quantity contract. **Indefinite-quantity** contracts permit the government to place subsequent orders for an indefinite quantity of supplies or services. The contract must state both a minimum and a maximum quantity. The government is obligated to purchase this minimum quantity. A **requirements** contract is used when the government anticipates recurring requirements but cannot reasonably determine the quantity that will be required. The contractor is only furnished with a reasonable estimate. The government does not have an obligation to purchase any

supplies or services under a requirement contract, however, if it purchases any of the designated supplies or services, it must purchase them using this contract.

Multiple Award Contract

Multiple award contracts are indefinite-delivery contracts that are awarded to more than one contractor. The successful contractors then compete among themselves for follow-on task orders. Once awarded, multiple award contracts streamline the contracting process, reduce acquisition lead times and are particularly advantageous for large requirements where it is beneficial to have several contractors providing goods or services. An example of a multiple award contract is our iMAP (innovative Medical Acquisition Program) contracts where we have awarded contracts covering all health care providers required by the MEDCOM.

Personal Services Contracts

Contracts may also be classified based upon the relationship that is established between the government and the contractor's employees. Contracts where the government exerts direct supervision or otherwise establishes an employer – employee relationship with the contractor's employees, which are known as personal services contracts, are generally prohibited. However, the Department of Defense (DoD) has special authority to establish personal services contracts with health care providers. Under these contracts, the government directly supervises all technical aspects of the services performed. Supervision of contract employees is further discussed in Chapters 2 and 3.

Funding

Funding rules are complex and vary among the various contract types. Some of the basic rules include the following:

Anti-Deficiency

No employee of the government can request or direct a contractor to provide goods or services without funding or in the advance of funding. Before executing any contract, the Contracting Officer shall obtain written assurance from responsible fiscal authority that adequate funds are available or expressly condition the contract upon availability of funds.

Bona Fide Need

Funds can only be obligated to fund a bona fide need of the current fiscal year. There are several exceptions of this rule to include:

- **Fiscal Year Contracts** - The contracting officer may initiate a contracting action properly chargeable to funds of the new fiscal year before these funds are available provided that the contract includes the "Availability of Funds" Clause.
- **Nonseverable Services** – Services that produce a single or unified outcome, product or report are considered nonseverable. Contracts for nonseverable services can cross fiscal years, but must be totally funded out of appropriations current at the time of contract award.
- **Severable Services** – Under a current exception applicable to DoD, contracts for severable services (services that do not produce a single or unified outcome) may also cross fiscal years, however the total period of performance cannot exceed one year (this does not preclude the use of options as these are funded as if they are a new contract). Contracts for severable services can

be totally funded by an appropriation current at the time of contract award. They can also be funded by using funds from two different fiscal years provided that the contract contains the "Availability of Funds" Clause covering the appropriation for the follow-on fiscal year. Performance of the service must begin in the year in which the contract/order was funded.

Acquisition Order of Preference

When acquiring goods and services, there is a designated order of preference that must be followed. The following sources must be considered for all government acquisitions, in the order indicated: existing government inventory; mandatory sources of supply, i.e., UNICOR (also known as Federal Prison Industries) and Nonprofit Agencies Employing People who are Blind or Severely Disabled (also known as the Javits-Wagner-O'Day Program or JWOD); existing contracts, e.g., GSA Schedules; small, minority-owned businesses; small businesses; and finally, large businesses.

Commercial Items

Commercial items are supplies and services generally available for sale or lease by the general public, i.e. not designed to meet a unique government application. The government prefers to buy commercial products and services and has developed special procedures that simplify the purchase of commercial items and more closely mirrors buying practices used by commercial industry. Most health care supplies, services and equipment are considered commercial items.

Contracting Methods

Sealed Bidding

Sealed bidding is a very formal method of contracting that may be used for well-defined requirements. Under sealed bidding, no value is placed upon technical merit. Offers either conform to all terms and conditions of the solicitation, or they are rejected. No discussions are permitted and award is made based upon price or price-related factors. This process is relatively simple to execute, but it provides very little flexibility in selecting a contractor.

Contracting by Negotiation

Contracting by negotiation is a contracting method that is used whenever it appears that discussions with offerors may be necessary, and/or award will be based upon other factors in addition to price, i.e. technical approach, past performance, key personnel qualifications, etc. Negotiation allows the government to consider trade-offs between price and various technical factors in determining which offer provides the "best value". Contracting by negotiation is the most commonly used approach in the MEDCOM. This technique provides the government with the maximum flexibility in selecting a contractor, but it is a relatively complex and resource intensive process.

Simplified Acquisitions

Simplified Acquisition Procedures (SAP) are used to buy government requirements below \$100,000 (\$5 million for commercial items). SAP were developed to reduce the time and expense required to obtain goods and services, reserving more formal acquisition procedures for only high dollar value acquisition. Simplified Acquisition Procedures include the use of purchase orders, delivery orders/task orders, blanket purchase agreements, and government

purchase cards. SAP are normally done on a competitive basis. Request for quotes, proposals and purchase orders are processed electronically to the extent possible. Simplified acquisitions over \$2500 must be made from small businesses unless a contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. Purchases under \$2500, are exempt from small business considerations. There are a variety of procedures used for simplified acquisitions including the following:

- **Government Purchase Card** - Normally, purchases below \$2500, also known as the micro-purchase threshold, are accomplished by using the Government Purchase Card. This allows the requiring activity to purchase routine items below \$2500 using a card issued to someone in the organization. Over the years, the command has realized an increased reliance on the Government Purchase Card, reducing both the cost and timelines associated with purchasing small dollar items.
- **Purchase Orders** - Purchase orders are used to buy supplies or services that do not exceed \$100,000 (\$5 million for commercial items). The process normally begins with the government requesting a quotation to supply goods or services and potential suppliers responding to this request. However, from a legal standpoint, a quotation is not considered an offer (see paragraph on the “Nature of a Contract”, on page 15). An offer is not made until the government issues the purchase order. Acceptance occurs when the contractor agrees to the terms and conditions of the purchase order by signing the document, begins work, or delivers the requested supplies or services. A binding contract does not exist until the contractor accomplishes one of these actions. Purchase orders are normally issued on a fixed-price basis. Unpriced purchase orders may be issued in rare occasions where the price cannot be predetermined, i.e. for the repair of an item where the item must be disassembled to determine the extent of repair needed. However, even unpriced purchase orders contain a ceiling price that cannot be exceeded without further authorization. Unpriced purchase orders must be funded in the amount of the ceiling price.
- **Delivery Orders/Task Orders** - Delivery orders/task orders are orders issued under a pre-existing indefinite delivery contract such as a Federal Supply Schedule. Delivery orders/task orders normally expedite the acquisition process and allow the government to take advantage of prices associated with the anticipated volume of the entire contract rather than an individual purchase. Delivery orders are used when ordering supplies. Task orders are used when ordering services.
- **Blanket Purchase Agreement (BPA)** - A BPA is an agreement that is written with suppliers that are capable of providing anticipated repetitive needs for supplies and services. A BPA, in effect, is a charge account with a supplier. Under a BPA, separate acquisitions are made according to detailed, but simple procedures. No single purchase can exceed the simplified purchase threshold.

Acquisition Thresholds

Many acquisition actions, for example, what procedures to be used, what clauses are included, etc., are keyed to the dollar value of a requirement. This is determined by looking at the entire dollar value of the resulting contract (to include any options). It is prohibited to split a requirement into smaller acquisitions for the purpose of avoiding an acquisition threshold.

Competition

Federal Law requires that full and open competition be used to acquire goods and services, except for a limited number of circumstances. Competition utilizes market forces to ensure that the government receives quality goods at favorable pricing. Competition allows the government to receive offers from a wide variety of prospective suppliers. This increases the probability that the government will receive offers that fully meet its needs. It also facilitates the promotion of new, innovative and state-of-the-art solutions. A common misconception is that the use of full and open competition often results in the government having to “settle” for inferior products or services. This is simply not true. A well-written statement of work, combined with valid offer evaluation criteria, will ensure the government’s needs are met. Competition maximizes the probability that these needs will be met at the best possible price.

Sole or Limited Sources

There are times when it is impossible or impractical to solicit for goods and services on a full and open competitive basis. In these cases, the government will request proposals from only one or a limited number of sources. The use of “Other Than Full and Open Competition” is the least desirable method of acquiring goods and services. Other than full and open competition procedures may only be used in limited circumstances and require detailed justification. This justification must be supported by verifiable facts and clearly demonstrate why the government’s requirement cannot be met by full and open competition. The dollar value of the acquisition and the nature of the justification will determine the level at which the justification must be approved. This may involve high-level officials and may add considerable time to the acquisition process. If you require additional information on the role of competition in federal contracting, or anticipate having a future acquisition requiring the limiting of competition, contact the HCAA Competition Advocate or your Contracting Officer.

Role of Small Business

The role of small business is vital to the economic health of the United States and readiness of the military forces. Small businesses comprise the greatest number of businesses in the United States and offer the largest number of employment opportunities. Most innovations come from small businesses. Microsoft and Apple Computer delivered their greatest innovations when they were small businesses. This is why, if we are looking for the greatest owner involvement, innovation, lower overhead expenses, and fuel for the economic power of the United States, it is paramount that small businesses be provided every reasonable opportunity to fulfill the needs of the Federal Government. If you have any questions or would like to learn more about the Command’s Socioeconomic Programs, contact our Associate Director of Small and Disadvantaged Business Utilization.

Unsolicited Proposals

An unsolicited proposal is a written proposal for a new or innovative idea that is submitted to an agency on the initiative of the offeror for the purpose of obtaining a contract with the government. It cannot be submitted in response to any type of solicitation on the part of the government. In order to be accepted by the government, an unsolicited proposal must meet all of the following criteria:

- Be innovative and unique.
- Be independently originated and developed by the offeror.

- Be prepared without government supervision.
- Include sufficient detail for a determination of benefit to the government.
- Not be an advance proposal for a known requirement.

Options

Options provide the government with the ability to order additional quantities or additional periods of service beyond those established in the initial contract. Normally, options pre-establish the quantity, price, and delivery schedule for these additional products or services. Options are used when there is a clearly defined quantity or requirement for the product or service, but due to funding rules or other restrictions, the goods or services cannot be ordered at the time of contract award. Prior to exercising an option, the Contracting Officer, with the assistance of the client, must determine that this is in the best interests of the government. The Contracting Officer must ensure that the conditions present when the original products or services were ordered did not change to a degree that would make the initial procurement strategy inappropriate. At a minimum, market research must be conducted to look at the current extent of competition, particularly from small and small disadvantaged business firms, the prevailing market price for similar goods and services, and the current status of the incumbent contractor to include his or her financial and management capacity, and the quality of the goods and services that are being provided.

Conflicts of Interest

Basically, the policies governing conflicts of interest prohibit an employee from participating “personally and substantially” as a Government employee in a matter, procedure, determination or contract in which any of the following individuals or organizations has a financial interest:

- The employee, or a member of the employee’s household including the employee’s spouse or the employee’s minor child;
- An organization in which the employee serves as an officer, director, trustee, partner, or employee; or,
- A person or organization with which the employee is negotiating for prospective employment or has an arrangement for prospective employment.

If you feel that any of these circumstances may exist or if you feel that circumstances would cause a reasonable person with knowledge of the relevant facts to question your impartiality in a matter, you should not participate in that matter until you have consulted with your ethics advisor.

Integrity of the Procurement Process

The term “integrity of the acquisition process” means allowing private sector firms to compete for the Government’s business on a scrupulously fair basis. Not only is fairness a prerequisite in Government acquisition, due to the Government’s unique position as representative of the American people, but fairness also helps ensure that the Government will obtain its supplies and services at the best price available. Government personnel who are associated with the acquisition process have a responsibility to protect its integrity and maintain fairness in the treatment of all contractors or potential contractors. MEDCOM personnel must protect acquisition information from unauthorized disclosure. This is a particular concern considering the large number of contractor personnel working in our facilities. Care must be taken to ensure

that contractor personnel are not involved in acquisition decisions or privy to acquisition sensitive information that would give their firm an unfair competitive advantage. If a contractor participates in the development of a statement of work or otherwise participates in the development of an acquisition requirement, that individual's company must be precluded from competing for the award of that contract.

Individuals deemed to be procurement officials are subject to a variety of restrictions regarding conduct while in the employ of the Government and after they leave Government employment. These requirements and restrictions are complex, subject to change and beyond the scope of the desk reference. In general, if you had anything to do with a procurement, from developing the Statement of Work, to the evaluation of proposals, to monitoring technical performance of the contract, then you are probably a procurement official. If this is the case, it is your responsibility to learn the restrictions placed upon you by visiting with the Command's ethics advisor.

Gratuities

Gratuities are defined as gifts, entertainment, or favors generally given to enhance the relationship between the offeror and the Government employee. Government employees are prohibited from accepting gratuities on the premise that gifts, entertainment, or favors, no matter how innocently offered and received, may be a source of embarrassment both to MEDCOM and to the employee involved. For example, the practice of contractors bringing large quantities of food items (donuts, pizza, etc) every time they visit is an improper gratuity that may give the impression that the objective judgment of the recipient has been affected and could erode public confidence in the integrity of the relationship between MEDCOM and the offending corporation.

Unauthorized Commitments

An unauthorized commitment is an agreement made to bind the Government by an employee of the Government that does not have the authority to do so. Only Contracting Officers, operating within the limits of their authority, may obligate the Government. Although the Government is not bound by the acts of unauthorized individuals, such acts bring discredit to the activity, strain relationships with the vendor community and in general, generate considerable additional paperwork. Individuals responsible for unauthorized commitment could be held personally liable and/or be subject to disciplinary action.

CHAPTER 2. PERFORMANCE BASED SERVICE CONTRACTS

Overview

Performance Based Service Contracting (PBSC) is a method of contracting designed to ensure that required performance quality levels are achieved and that total payment is related to the degree that services meet contractual standards. A properly written PBSC consists of three major components. First of all, the requirement is written in terms of the desired result, rather than the methods used to accomplish the work. In other words, the government defines its objectives, and lets the contractor decide how best to meet these objectives. Secondly, the contract includes measurable performance standards (i.e. terms of quality, timeliness, quantity, etc.) and a Quality Assurance Surveillance Plan (QASP) to monitor these performance standards. Finally, the contract includes specific procedures for contract reductions when services are not performed or do not meet contract requirements and appropriate incentives to reward the contractor when performance objectives are exceeded. Past performance is also a key ingredient in the PBSC process. Past performance is always used as an evaluation factor when selecting the best value contractor under the assumption that past performance is a valuable indicator of future performance.

PBSC

Key Terms

Acceptable Quality Level (AQL)

The Acceptable Quality Level is the maximum allowable leeway or variance from a standard before the Government will reject a service. The AQL can be expressed as a number, a percentage, or a quantity per number of units inspected. An AQL does not imply that a contractor intentionally provides defective performance. But, it does recognize that defective performance sometimes happens unintentionally. As long as the number of deficiencies does not exceed the AQL, the Government will accept the service. The contractor must, however, re-perform the services whenever possible.

Performance Work Statements (PWS)

Performance Work Statements (PWS) are a specialized Statement of Work (SOW). Like any SOW, their purpose is to define the government's contract requirements in a clear and concise manner. However, a PWS defines the work in terms of "what" is required rather than "how" the work is to be performed. Specific emphasis is placed on defining only the desired outcome of the contract and allowing the contractor to determine the best way of achieving these outcomes. A PWS always includes measurable performance objectives and a plan for monitoring performance.

Statement of Objectives (SOO)

A Statement of Objectives is a relatively short, high level declaration of the major objectives of an acquisition. Under the SOO methodology, the contractor develops the PWS, based upon these objectives and submits the PWS and supporting performance metrics as part of his/her proposal that is then evaluated by the government.

Quality Assurance

Quality Assurance means the various functions, including inspections, performed by the Government to determine whether or not a contractor has fulfilled the contract obligations pertaining to quality and quantity.

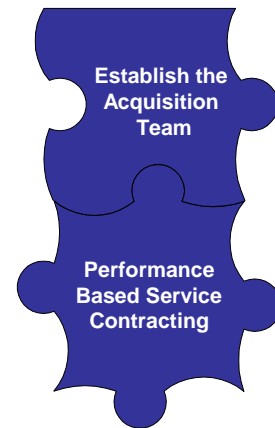
Duties and Responsibilities

Over the past several years, Congress and members of the Executive Branch have developed a new approach to service contracting. This approach, known as Performance Based Service Contracting places the focus on telling the contractor what needs to be done, rather than how it should be done. This approach provides contractors with increased flexibility in performing government contracts and increased the likelihood of the contractor providing innovative or state-of-the-art solutions, offers the opportunity for better value and enhanced performance and reduces administrative expenses by eliminating the need for the government to produce detailed specifications or engage in intensive surveillance tasks.

PBSC

Duty 1. Establish an Integrated Acquisition Team

The first step to develop a successful PBSC is to assemble an integrated product team to manage the process. There are far too many technical, legal and regulatory considerations for one or two people to accomplish this process on their own. Additionally, decisions made early in the acquisition process will have a large effect on the overall outcome of the process. Failure to include all the decision makers early in the process could lead to significant delays or a less than desirable outcome.



Task 1. Identify the Acquisition Team Members

At a minimum, the Integrated Acquisition Team will consist of the Program Manager, technical experts from the requesting activity, the Contracting Officer and Contract Specialist. Additional personnel should be included depending upon the complexity of the required services and the proposed contract. This may include the additional technical personnel, legal representatives, the end user and financial personnel. Senior management must also be involved from the outset. Effective senior management support can provide perspective to the project, control organizational conflict and ensure adequate resources are available.

Task 2. Define Roles and Assign Responsibilities

It is important that the members of the team understand their roles and responsibilities. Successful teams are typically ones where specific duties are assigned, performance measures and milestones are developed, and members are held accountable for individual as well as collective work products. Normally, leadership of the team is shared between the Program Manager and the Contracting Officer. The Program Manager is responsible for ensuring that the resulting contract meets the long-range and short-range requirements of the activity's mission and that it is designed to produce the intended result. The Contracting Officer is responsible for managing the contracting process and ensuring all legal and regulatory requirements are satisfied. It is highly desirable, especially on more complex acquisitions, that a written Project Plan Agreement be developed that documents the duties, responsibilities, standards and milestones agreed upon by the team members. A suggested format for a Project Plan Agreement is found on the following page.

Project Plan Agreement for the Acquisition of

Date:
Background and Purpose:
Authority:
Project Objectives:
Approach:
Members:
Management Reviews:
Estimated Value
Milestones:
Task Assignments, Performance Measures:

Signed: _____

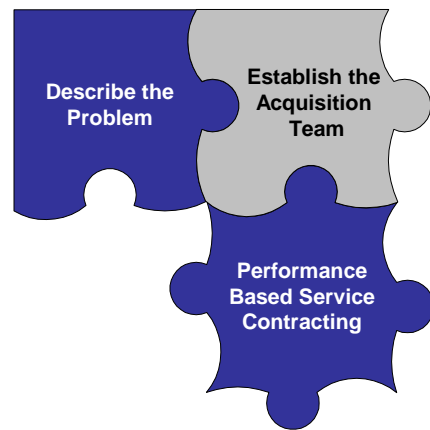
Signed: _____

Duty 2. Describe the Problem that Needs Solving

Planning for an acquisition should begin with business planning that focuses on the desired result. The first consideration should be identification of the problem that the activity is trying to solve or the need that they are trying to fulfill. What results are needed? How do these results tie into the mission objectives of the activity?

Task 1. Relate the acquisition to the activity's mission and performance objectives.

One of the fundamental differences between PBSC and the traditional approach to contracting is how the government views the contractor. The traditional approach to contracting viewed the contractor as merely a source of supplemental resources. This typically resulted in the performance goals of the government and those of the contractor being out of sync and often led to strained relationships between the government and the contractor. The PBSC process starts by building a foundation for the proposed acquisition by determining how this contract will support and improve the activities mission and performance goals and objectives. By tying the contract performance goals and objectives to the activity's performance goals and objectives, we ensure that the government and contractor goals and objectives are in sync and we establish an environment that fosters cooperation between the contractor and the government team members.



Task 2. Define the desired results (at a high level).

PBSC focuses on the end result of the contract and attempts to solicit the best commercial practices to achieve these results. It attempts to take away the focus on the process and how we did it in the past. By focusing on the end result, and defining this in light of the activity's mission and performance objectives, we open the door to innovation and greater potential success.

Task 3. Decide what constitutes success.

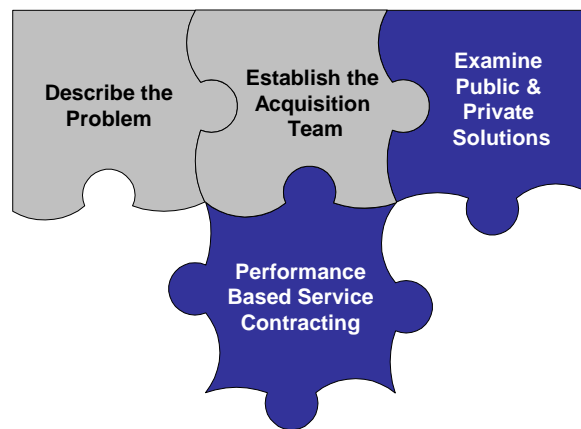
A clear vision of what constitutes success for a project is just as important as a clear vision of the required results. If the objective is to increase the number of patients seen, are we successful when we increase the number of patients seen by 1%, 10% or 100%? If our objective is to reduce the amount of maintenance down-time on our medical equipment, are we successful when we reduce it by 1 day, 1 week or 1 month? In order for the competing contractors to be able to put together their proposed solutions, we will need to clearly identify where we want to go and tell them how we will know when we get there.

Task 4. Determine the current level of performance.

The current level of performance establishes the baseline against which future performance can be measured.

Duty 3. Examine Private-Sector & Public-Sector Solutions

Once the acquisition's intended results have been identified, the integrated acquisition team should begin to examine both private-sector and public-sector solutions. This process is called market research and it provides the team with the expertise needed to develop an effective performance based acquisition.



Market research is a continuous process of collecting information to maximize reliance on the commercial marketplace and to benefit from its capabilities, technologies and competitive forces in meeting an activity's need. Market research is essential to the government's ability to buy best-value products and services that solve mission-critical problems. Acquisition reform has opened the door to effective new approaches to market research that should be undertaken by the integrated acquisition team long before attempting to write a performance work statement. However, care must be given not to disclose advanced information on a specific acquisition that would give a potential contractor an unfair advantage over other competitors.

Task 1. Take a team approach to market research.

It is important that the entire integrated acquisition team work together as a team when conducting market research. Splitting the team into focus groups concentrating on different aspect of market research, i.e. one group looking at technical factors, another looking at business practices, etc is not as effective as the overall team approach. The more the entire team

understands the marketplace, the better they will be able to develop their acquisition strategy, determine requirements, and select terms, conditions and schedules.

Task 2. Spend time learning from public-sector peers.

Many other government agencies face the same problems that the MEDCOM does and have already developed solutions to these problems, or can provide lessons learned from their experiences. As part of the market research effort, the integrated acquisition team should interface directly with other government activities and should research the wealth of information on PBSC and example PWS available on the internet. Some of these websites are listed at the additional reading section at the end of this chapter.

Task 3. Talk to private-sector companies before structuring the acquisition

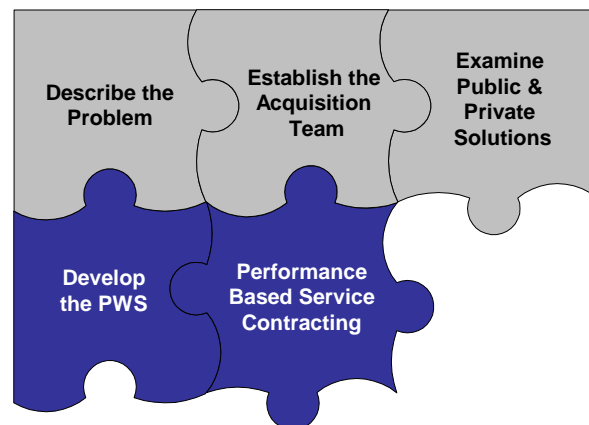
The integrated acquisition team needs to obtain as much information as possible about commercial capabilities and practices before beginning to structure the acquisition. Some of the methods that can be used to obtain information from industry include issuing a “sources sought” notice at the [Federal Business Opportunity Website](#), issuing Requests for Information, conducting “Industry Days” and holding pre-solicitation conferences. It is also acceptable to simply pick up the phone and call a private-sector company representative. However, keep in mind that most of this contact with industry should be done before the acquisition strategy is formulated. Once the acquisition is under way, contact with industry must be limited and tightly controlled in order to ensure that all contractors are treated fairly and impartially.

Task 4. Meet one-on-one with industry representatives.

It is both permissible and effective to meet one-on-one with industry representatives. This type of market research can expand the range of potential solutions, change the very nature of the acquisition, establish the performance based approach and represent the first step towards establishing a true partnership with industry. Since the government’s requirement has not yet been defined, disclosure of information should not be an issue. However, keep in mind that the purpose of this meeting is to obtain information from the contractor. The government can provide a contractor with general information, but must avoid providing any specific details that would give the contractor an unfair advantage in a subsequent competition.

Duty 4A. Develop the Performance Work Statement (PWS)

There are two ways to develop a specification for a performance-based acquisition – either by using a performance work statement or by using a statement of objectives, which is discussed under Duty 4B. The PWS is the traditional approach to PBSC. The following steps are used when developing a PWS:



Task 1. Conduct an analysis.

Preparing a PWS begins with an analytical process, often referred to as job analysis. It involves a close examination of the activity’s requirements and tends to be a “bottom up” assessment with re-engineering potential. This process which is described in detail in the Office of Federal Procurement Policy (OFPP) “A

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Guide to Best Practices for Performance-Based Service Contracting” (see the “Additional Readings” section at the end of this chapter) includes the processes described below. While performing this analysis, keep in mind the information gathered during market research. As part of the analysis, the integrated acquisition team should identify areas that are not consistent with standard commercial practices or that appear to be unnecessary.

- **Organizational Analysis.** Involves reviewing the activity’s needs and identifying the services and outputs required from the contractor.
- **Work Analysis.** Involves further analyzing the required outputs by breaking down the work into its lowest task level and linking tasks in a logical flow of activities.
- **Performance Analysis and Standards.** Assigns a performance requirement to each task, which involves determining how a service can be measured and what performance standards and quality levels apply.
- **Directives Analysis.** Involves screening directives to determine which should be utilized, either in whole or in part.
- **Data Gathering.** Estimates the workload to be performed and identifies the items and services that the government will furnish to the contractor for the performance of the contract.
- **Cost Analysis.** Estimates costs for each service or output based on available data, for use in preparing the government estimate, evaluating proposals, and determining positive and negative incentives.

An alternative approach to this analytical process is described in the “Guidebook for Performance-Based Services Acquisitions (PBSA) in the Department of Defense” (see the “Additional Readings” section at the end of this chapter). This process is more of a “top down” assessment.

- **Define the desired outcome.** What must be accomplished to satisfy the requirement?
- **Conduct an outcome analysis.** What tasks must be accomplished to arrive at the desired outcome?
- **Conduct a performance analysis.** When and how will we know that the outcome has been satisfactorily achieved, and how much deviation from the performance standard will we allow the contractor?

Neither of these approaches are mandatory and the integrated acquisition team should consider both approaches as well as other approaches discovered during market research. Regardless of the approach used, there are three outcomes or products that must be developed during this task:

- A description of the requirement in terms of results or outcomes.
- Measurable performance standards.
- Acceptable Quality Levels (AQL)

Task 2. Apply the “so what?” test.

An analysis of requirements is often, by its nature, a close examination of the status quo. That is, it is often an analysis of how things are done now. If the analysis is done properly, the integrated acquisition team should have identified areas that are not consistent with standard commercial practices or do not add value. The integrated acquisition team now begins to identify essential inputs, processes, and outputs that will be required, shaping these based upon both the analysis of

the task as it exists and the information obtained during market research. As one of the objectives of PBSC is to encourage contractors to provide innovative and streamlined approaches, we should use the “so what?” test during our analysis. Each input, process or output should be reviewed in terms of who needs it, why is it needed, what is done with it, what occurs as a result, is it worth the effort and cost, and would a different output be preferable. Based upon the answers to these questions, the integrated acquisition team decides if the input, process or output should be documented.

Task 3. Capture the results of the analysis in a matrix.

The results of the analysis should be documented in a matrix format. Consider the following example of a partial performance matrix for a patient appointment function:

Desired Outcome	Required Service	Performance Standard	Acceptable Quality Level	Surveillance Method	Performance Incentive/ Disincentive
Customers calling the appointment desk shall be able to contact a clerk from 8 -5, M – F	The appointment desk shall be adequately staffed with a sufficient number of incoming phone lines.	99% of calls are answered on the customer’s first attempt	95% of calls are answered on the customer’s first attempt	Survey customers and evaluate feedback. Inspect call logs.	+/- 0.5% of total monthly price
Calls are answered promptly	The appointment desk shall be adequately staffed with a sufficient number of incoming phone lines.	Calls are answered within 20 seconds.	Calls are answered within 30 seconds.	Random sampling of call activity logs. Random sampling of actual operations	+/- 0.5% of total monthly price
Appointment clerks are courteous and efficient.	Clerks should be courteous and efficient to all customers	No more than 2 complaints per month.	No more than 2 complaints per month	Random sample test calls. Review of customer complaints	+/-0.7% of monthly price

Task 4. Write the performance work statement.

There is no prescribed format for the PWS as long as it describes the requirement in terms of results rather than process, it uses measurable performance standards and a quality assurance surveillance plan, it provides for reductions of fees or prices, and it includes performance incentives where appropriate.

In terms of organization of information, a standard SOW approach, as outlined below, works well. However, the team can modify this outline as appropriate.

- Introduction
- Background
- Scope
- Applicable documents
- Performance requirements
- Special requirements (i.e. security)

- Deliverables

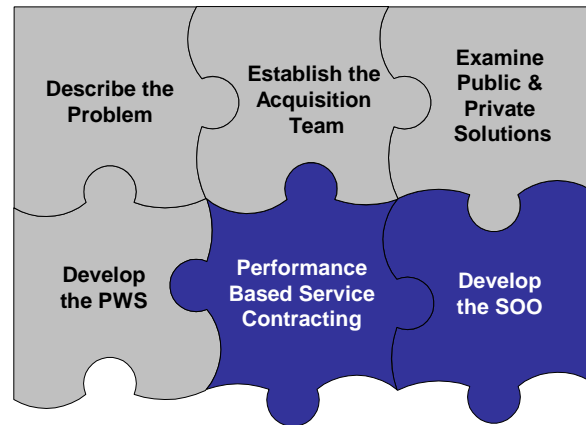
Task 5. Let the contractor solve the problem.

PBSC require that the integrated acquisition team abandon some traditional approaches to buying services. Specifying labor categories, educational requirements or number of hours supported are “how” approaches that have no place in a properly designed PWS. Let the contractors propose the best people with the best skill sets to meet the need and fit the solution. The government can then evaluate the proposals based both on the quality of the solution and the experience of the proposed personnel. Two cautions are in order. Do not develop the requirement so tightly that you get the same solution from all offers. And, be open to solutions other than the one currently in place.

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Duty 4B. Develop the Statement of Objectives (SOO)

As an alternative approach to using a PWS, the integrated acquisition team can use a statement of objectives. Using a Statement of Objectives turns the acquisition process around and makes the competing contractors responsible for developing the PWS, performance metrics and measurement plan, and the quality assurance plan. All of these are evaluated by the government's source selection team. The following steps are used when developing the SOO:



Task 1. Begin with the acquisition's major message.

The opening statement made in a statement of objectives should be an explanation of how the acquisition relates to the activity's programs or mission needs and what problem needs solving. For example “the purpose of this task order is to obtain training support services to assist HCAA to significantly improve our customer's ability to develop effective acquisition support documents and to materially enhance the ability of the Contracting Officer's Representative to monitor contract performance.”

Task 2. Describe the scope.

A short description of the scope in the SOO helps the competitors get a grasp on the size and range of the services needed. For example “the purpose of this task order is to provide a full range of client training materials necessary to assist our customers in developing comprehensive, effective acquisition support documents (PWS, budget estimates, evaluation criteria, and quality assurance support plans) and to equip our Contracting Officer's Representatives with the knowledge and tools necessary to accomplish their mission. Training material shall consist of a written guide or workbook, appropriate stand-up training and a refresher CBT/WBT training module. Training shall provide guidance on all appropriate acquisition activities beginning with concept development and ending with contract closeout. It is anticipated that this training will fully incorporate modern, adult learning techniques as a means of enhancing the learning potential of the material.”

One of the potential shortfalls of using the SOO is that it may open the potential range of proposed solutions so wide that it is difficult to effectively evaluate the various proposals. If

this is the case, the integrated acquisition team may consider providing the potential contractors with some information on monetary constraints. It is appropriate to provide information regarding the budget set aside for an acquisition or the estimated price range that the government is willing to pay. This is valuable information that can help potential contractors shape their proposed solutions. On the other hand, it is inappropriate to disclose the government's independent cost estimate which is a tool used to analyze the prices proposed by the various contractors. Needless to say, this is an area that must be thoroughly evaluated before including information in the SOO. If you simply say "we have \$100,000 to spend, you can expect that the range of prices offered will be within a few hundred dollars of this maximum.

Task 3. Write the performance objectives into the SOO.

Up to this point we have spent considerable time analyzing our strategic mission, goals, and performance objectives to determine the nature of the problem that must be solved. It is now time to document all of this in the SOO. We must relate to the prospective contractor just what our mission related requirements are.

Task 4. Make sure the government and the contractor share objectives.

Since the acquisition's objectives are based upon the plans and objectives found in the activity's strategic performance plans, programs and budget, the government and the contractor are clearly working as a team, focused on common objectives. This contrasts sharply with the traditional approach where the focus was placed on driving down costs.

Task 5. Identify the constraints.

The purpose of the SOO is to provide contractors with maximum flexibility to conceive and propose innovative approaches. However, the public-sector is often subject to a far greater number of constraints than the private sector. These constraints, which may include security, safety, privacy and compliance with public law, must be stated in the SOO so that prospective contractors can take these into consideration when developing their proposed solutions.

Task 6. Develop the background.

Include any information that may be helpful in assisting the contractor develop a proposed solution.

Task 7. Make the final checks and maintain perspective.

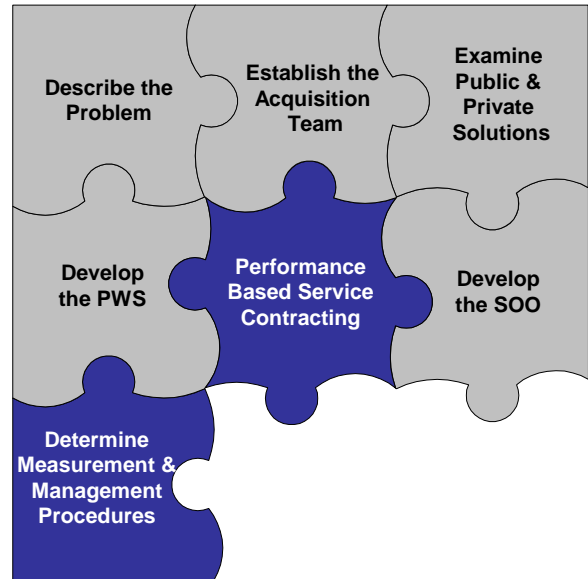
Before finalizing the document, the integrated acquisition team should examine the entire SOO carefully and delete anything that is not essential.

Duty 5. Determine Procedures for Measuring and Managing Performance

Developing an approach to measuring performance is a complex process that requires consideration of many factors – performance standards and measurement techniques, performance management approaches, incentives and a variety of other factors. This component of performance-based contracting is as important as developing the PWS or SOO because it establishes the strategy of managing the contract to achieve planned performance objectives.

Task 1. Review the success determinants.

In Duty #2, the integrated acquisition team began the PBSC process by establishing a vision of what will constitute success for the project by addressing two basic questions – where are we going and when will we know that we have gotten there? We must now return to this vision and begin the task of building the overall performance measures and management approach based upon this vision.



Task 2. Rely on commercial quality standards.

Rather than inventing metrics or quality or performance standards, the integrated acquisition team should use existing quality standards (identified during market research) whenever possible. International Standards Organization (ISO) 9000 quality standards, the Carnegie Mellon Software Engineering Institute's Capability Maturity Model® for software development and the ADDIE (analysis, design, development, implementation, and evaluation) instructional design model for training development are but a few examples of standards commonly used by industry.

Task 3. Have the contractor propose the metrics and the quality assurance surveillance plan.

The integrated acquisition team should consider requiring the contractor to propose the performance metrics and the quality assurance surveillance plan rather than developing it themselves. This is especially advisable when using a Statement of Objectives. When allowing the contractor to propose the procedures for measuring and managing performance, the integrated acquisition team should include appropriate source selection criteria in order to properly evaluate contractor submissions.

Task 4. Select only a few meaningful measures on which to judge success.

Whether the measures are developed by the proposing contractor or established by the integrated acquisition team, it is important to limit the measures to those that are truly important and directly tied to program objectives. The measures must be selected with consideration of costs. The team must avoid the tendency to put inspection procedures in place that cost more than the value of the information they obtain. The objective is to ensure that the government is receiving the services required and to do so with as little government oversight as possible. Quality control is the responsibility of the contractor. Quality assurance (confirming that surveillance or quality control is being properly conducted) is the responsibility of the government. Remember that performance metrics are negotiable and wherever possible, address quality concerns by exception, not inspection.

Task 5. Include contractual language for negotiated changes to the metrics and measures.

It is not unusual for surveillance requirements to change after contract award. Either the assumptions that were used to develop the surveillance plan prove to be incorrect or conditions have simply changed and we find that we are measuring the wrong things or spending too much

or too little time monitoring certain tasks. We can best manage these situations after award if we had the foresight to include contractual language before award that enables us to easily change the metrics and measures. We can do this by including standard clauses such as the value engineering change proposal clause, or we can develop specific language of our own to include in the contract that establishes the ground rules for negotiating changes to surveillance procedures.

Task 6. Choose the contract type carefully.

The government has considerable flexibility in how it structures its contracts. It can award contracts on a firm-fixed price basis, a cost basis or a hybrid with both fixed price and cost elements. It can include monetary incentives (incentive targets, award fees, payment schedule and terms, etc.) or non-monetary incentives (award terms, options, contract length, etc.). Each situation must be carefully examined in light of risk, oversight, costs, incentives and remedies, and the contract structure that is chosen must be that which best supports the overall program objectives. The Contracting Officer has overall responsibility for establishing the contract type, but the rest of the Acquisition Team can provide considerable input to this decision. The contract structure chosen will have a profound effect on both the government and the contractor.

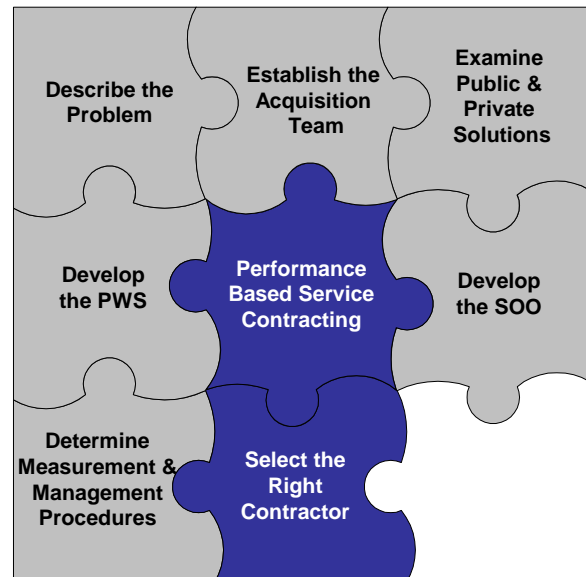
Task 7. Consider the relationship.

The overall approach to contract performance management should be to rely less on management by contract and more on management by relationship. It takes work by both parties throughout the life of the relationship to make it work successfully. A good partnership is based upon the following characteristics:

- Trust and open communication
- Strong leadership on both sides
- Ongoing, honest self-assessment
- Ongoing interaction
- Creating and maintaining mutual benefit or value throughout the relationship

Duty 6. Select the Right Contractor

Developing an acquisition strategy that will lead to selection of the right contractor is especially important in PBSC. The contractor must understand the performance based approach, know or develop an understanding of the activity's requirement, have a history of exceptional performance, and have the processes and resources in place to support the mission. Selecting the right contractor and immediately developing a partnership automatically solves many potential performance issues



Task 1. Compete the solution.

Too often the government issues a detailed statement of work based upon the assumption that the “tighter the spec, the better.” The SOW establishes what to do,

how to do it, what labor categories to provide, what qualifications must be met and how many hours must be worked. This approach often increases, rather than minimizes, the government's risk. In essence, the government is encouraging industry to respond with a mirror image of the specifications in the request for proposal. The result is that the competing vendors bid the same government directed plan, and an award is made to the company with the best proposal writers, not the best ideas.

The key to selecting the right contractor is to structure the acquisition so that the government describes the problem that needs to be solved and allows the contractors to propose solutions. The quality of the solution and the contractor-proposed performance measures and methodology then becomes the true discriminators.

Task 2. Use oral presentations and other opportunities to communicate.

Communications with offerors is an important element in selecting the right contractor. The use of oral presentations is an excellent means of beginning the communication process. Oral presentations can be used to either substitute for or augment information contained in the contractor's proposal. It allows the integrated acquisition team to meet the proposed project manager or key personnel, ask questions and to gauge how well the contractor's team is likely to work together with the government. Make sure that the presentations are recorded for future reference.

Task 3. Emphasize past performance in evaluation.

A contractor's past performance record is arguably the key indicator for predicting future performance. As such, past performance is a critical component of the selection process. Properly conducted, the collection and use of such information provides significant benefits. It enhances the government's ability to predict both the performance quality and customer satisfaction likely to be obtained from the competing contractors. It also provides a powerful incentive for current contractors to maximize performance.

Task 4. Use best value evaluations and source selection.

Best value is a process used to select the most advantageous offer by evaluating and comparing factors in addition to cost or price. It allows flexibility in selection through tradeoffs between the cost and non-cost evaluation factors with the intent of awarding to the contractor that will provide the government the greatest or best value for its money.

There are two essential ingredients to a proper best value evaluation. First of all, the evaluation criteria that are stated in the RFP must be followed by the source selection team. Secondly, the tradeoffs must be reasonable and justifiable. We must be able to quantify how or why a superior technical proposal is worth the increase in price. Failure to adhere to these two rules will inevitably lead to a protest situation.

Duty 7. Manage Performance

Not only does PBSC call for a different approach to developing statements of work, it also calls for a different approach to managing contract performance. Unlike the traditional approach to contracting where the integrated acquisition team dispersed at contract award and contract performance became largely the responsibility of the COR unless problems occurred, the integrated acquisition team must continue to function until contract closeout.

Task 1. Keep the team together.

To be successful in PBSC, the core members of the integrated acquisition team should remain with the project to the extent possible. These members have the knowledge, experience and insight to understand what is expected during contract performance. Changing members now will take away from this collective knowledge and insight. Remember, contract award is not an end, it is a beginning.

Task 2. Assign accountability for managing contract performance.

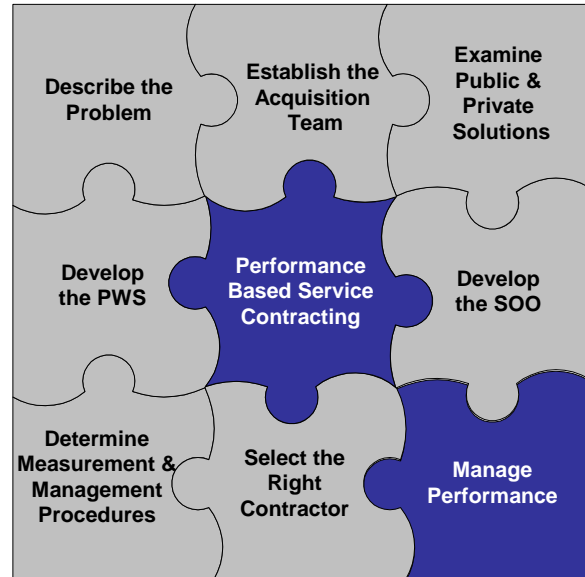
Until now, the team has been focusing on contract award. It is now time to adjust the roles and responsibilities of the team members to focus on contract management. Just as we did in Duty #1, we must assign specific duties to the team members, develop performance measures and milestones, and hold members accountable for individual as well as collective work products. The duties and responsibilities of the COR are spelled out in the COR appointment letter. However, now is a good time to update the Project Plan Agreement to serve as a guide for the other team members.

Task 3. Make the contractor part of the team.

Following contract award, the integrated acquisition team gains a new member, the contractor. Shortly after contract award, it is highly advisable for the government personnel and contractor to meet and fully discuss all aspects of the contract in order to achieve a clear and mutual understanding of the contract requirements and to establish a foundation for good communications and an effective partnership. This can be accomplished at a Post Award Conference or a less formal kick-off meeting.

Task 4. Regularly review performance.

Performance reviews should be conducted on a regular basis. At these meetings, the team, to include its newest member – the contractor, review overall project progress and performance levels and recommend adjustments necessary to keep the project on course. Normally these reviews should be held monthly, but may be required more frequently for projects with tight delivery schedules or where contract performance issues have begun to develop. There are three questions that should be asked at every meeting. “Are we measuring the right things?”, “How are we doing?” and “What impediments are there that are hampering successful performance?”



PBSC

The discussions at the meeting should be recorded in writing to include any action items, responsibilities and due dates.

Task 5. Report on the contractor's performance.

The final step in the PBSC process is to document the contractor's performance. An interim evaluation is normally prepared on an annual basis and a final evaluation accomplished at contract completion. The evaluation is normally prepared by the COR and entered into a central database by contracting personnel.

PBSC

Additional Readings

The Federal Acquisition Regulation¹

- Part 1 – Statement of Guiding Principles for the Federal Acquisition System
- Part 7 - Acquisition Planning
- Part 10 -Market Research
- Part 11 - Describing Agency Needs
- Part 15 (15.304) - Evaluation factors and significant sub-factors
- Part 16 - Types of Contracts
- Part 37 - Service Contracts
- Part 46 - Quality Assurance

Office of Federal Procurement Policy²

- A Guide to Best Practices for Performance-Based Contracting
- Management Oversight of Service Contracting
- Best Practices for Quality Assurance Plan and Surveillance, October 1998

Agency Guidance²

- Guidebook for Performance-Based Services Acquisition (PBSA) in the Department of Defense
- Constructing Successful Business Relationships: Innovation in Contractual Incentives
- Handbook for Preparation of Statements of Work, Mil-HDBK-245D

Other Sources of Information

- “Seven Steps to Performance-Based Services Acquisition”³
- The AT&L Knowledge Sharing Website⁴. Various publications and examples are provided in the Guidebooks and Handbooks Section

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at <http://www.arnet.gov/Library/OFPP/BestPractices/pbsc/library2.html>
3. Available on-line at <http://www.arnet.gov/Library/OFPP/BestPractices/pbsc/home.html>
4. Available on-line at <http://akss.dau.mil/jsp/default.jsp>

CHAPTER 3. CONTRACTING FOR SERVICES (OTHER THAN HEALTH CARE PROVIDERS)

Overview

Service contracts are contracts that directly engage the time and efforts of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service contract may require either personal or non-personal services, can cover professional and non-professional personnel and may involve individuals or organizations. While contracts for Health Care Providers are considered service contracts, there are many unique processes and considerations associated with these types of contracts. Consequently, we cover Health Care Provider Contracts in [Chapter 4](#). Throughout this Chapter, the term Customer or Requesting Activity is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

Key Terms

Automated Data Processing (ADP) Position Sensitivity Designations

Contractor personnel having access to unclassified automated information systems (either hardware or software) must be assigned an appropriate ADP position sensitivity designation based upon the nature of their duties and the risk they pose to Government information security. The category assigned and the individual's status as a citizen will dictate what type of background investigation must be conducted. It will also determine whether this investigation must be complete or merely initiated prior to commencement of work. There are three position sensitivity designations. **ADP-I** is used for positions where the contractor employee is responsible for planning, directing or implementing computer security programs; has major responsibilities for directing, planning or designing a computer system; or can access a system during operation or maintenance in such a way as to cause grave damage or realize significant personal gain. **ADP-II** is used for positions where the contractor employee is responsible for the direction, planning, design, operation or maintenance of a computer system and whose work is technically reviewed by a higher authority of the ADP-I category. **ADP-III** is used for all positions involving computer activities not classified as ADP-I or II. Contracts written by HCAA normally only involve positions designated as ADP-III position. Contracts for ADP-I and II positions are the responsibility of the Army Contracting Agency (ACA) Office supporting you installation.

Inherently Governmental Functions

An inherently governmental function is one that is so intimately related to the public interest that Government employees must perform that function. Making decisions on behalf of the Government, e.g., determining budget policy, strategy or guidance is an inherently governmental function and may not be contracted out. However, a contractor can participate in budget preparations. Likewise, signing a contract binding the Government is an inherently governmental function, whereas, merely participating in acquisition planning is not. Contracting for inherently governmental functions is prohibited.

Nonpersonal Services

Service contracts are classified as nonpersonal when contract personnel are not subject to the supervision and control usually prevailing in relationships between the Government and its

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employees. When classifying a contract as nonpersonal, both the contract terms and the manner in which the contract is administered must be reviewed.

Personal Services

The Government is normally required to obtain employees using direct hire procedures. When a contract results in an employee-employer relationship being created between the Government and the contractor's personnel, that contract is classified as a personal services contract. Contracts can be defined as personal service contracts based upon how the contract is written or the manner in which the contract is administered. While a number of factors must be taken into consideration, if the Government exercises relatively continuous supervision and control over contractor personnel, the contract is most likely a personal service. Generally, personal service contracts are prohibited. Exceptions to this rule include Health Care Providers contracts, which are covered in [Chapter 3](#) and contracts for individual experts and consultants.

Performance Based Service Contracting (PBSC)

Performance based contracting is intended to ensure that the required performance quality levels are achieved and that payment is related to the degree that the services rendered meet the contract standard. Performance based contracts state the Government's need in terms of what is required (the results) rather than the manner in which the contractor is to perform (method). Performance based contracting includes a measurable performance standard and a quality assurance plan, specific procedures for reductions in contract fee or price when services are not performed, and should include performance incentives where appropriate. PBSC is the preferred method of contracting for services. [Chapter 1](#) of this Desk Reference provides detailed procedures for developing a PBSC.

Purchase Request

A Purchase Request (PR) is a form or a document that is submitted to the Contracting Officer to initiate a requisition for the purchase of services or supplies. This form will include the amount of money allotted and accounting classification number for the requirement, a description of requirement and necessary signatures. As appropriate, the Purchase Request will include a detailed purchase description, statement of work or specifications, delivery schedule, solicitation evaluation factors, estimate of the cost/price and/or a quality assurance plan.

Duties and Responsibilities

Duty 1. Developing and Documenting the Requirement

Long before the Government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the MEDCOM. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the service being acquired. Planning is the most effective method of preventing or resolving potential problems early in the process.

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Task 1. Acquisition Planning and Concept Development.

Step 1. Identify the needs of the Government.

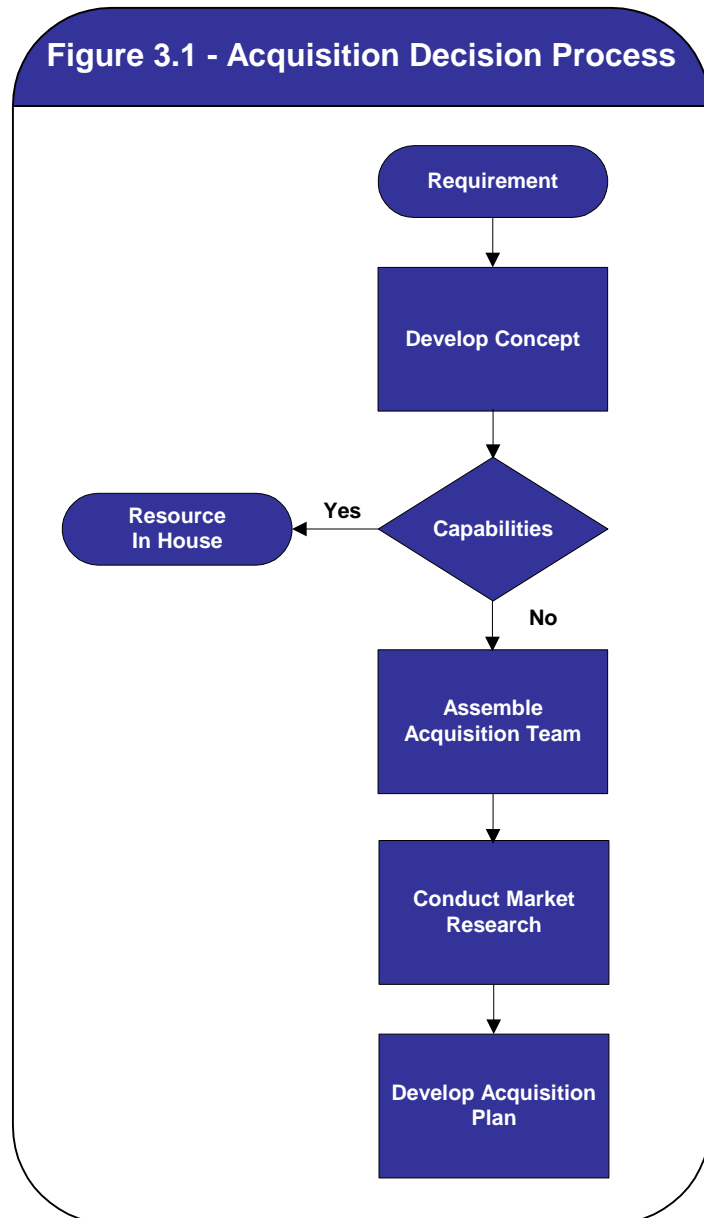
Concept development is the first step in any acquisition. The Requiring Activity determines that additional resources are required and defines in broad terms what this effort entails. A plan or concept is developed that reflects consideration of MEDCOM in-house capabilities. Early in this process, the Requiring Activity should seek assistance and begin coordination with the HCAA Contracting Officer.

There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs, and budget documents.
- Surveys of requiring activities.
- Meetings to plan, program, and budget for agency missions.
- New scientific studies.
- Changes in policy or regulations.
- Changes in previous or existing contracts.
- The expiration of current contracts.
- In-depth literature searches.
- Discussions with technical and health care personnel, both within and outside the Government.

In most programs, the concept development phase is intimately connected with the budget process. Once the concept has been formulated, the appropriate management staff must review it for:

- Program relevance
- Need
- Merit
- Priority
- Timeliness



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Step 2. Determine the correct supporting contracting activity.

Several different contracting activities provide contracting support to the MEDCOM. It is important to identify, during concept development, which is the appropriate supporting contracting office for the services under consideration. This information is necessary in order to begin to assemble the acquisition team and to develop the acquisition plan. For all ***non-medical*** service requirements, contracting support will be provided by the local Army Contracting Agency (ACA) Contracting Office. For ***medical*** service requirements, the supporting HCAA Contracting Office will provide contracting support.

Step 3. Assemble the Acquisition Team

A team approach is the cornerstone to a successful acquisition. There are far too many technical, legal and regulatory considerations for one or two people to accomplish this process on their own. Additionally, decisions made early in the acquisition process will have a large effect on the overall outcome of the process. Failure to include all the decision makers early in the process could lead to significant delays or a less than desirable outcome. At a minimum, the Acquisition Team will consist of the following individuals:

- The requiring activity's technical representative. This is the individual most knowledgeable of the requirement. The technical representative will be responsible for documenting the requirement and preparing most of the paperwork necessary to start the acquisition process;
- An appropriate management official from the requiring activity;
- The contract specialist who will develop most of the contract documents needed for the acquisition;
- The Contracting Officer;
- The proposed COR, if different from the technical representative, should also be part of the Acquisition Team.

Additional personnel are included depending upon the complexity of the required supply or services and the proposed contract. These may include the additional technical personnel, a legal advisor, the end user and financial personnel.

Step 4. Perform market research.

The Requiring Activity uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market Research helps the Customer identify services that are available to satisfy the Government's needs, determine potential sources of these services, and estimate cost of these services to the Government. The Requiring Activity can gather market research information from a variety of sources to include:

- Discussions with commercial experts and other knowledgeable individuals regarding market capabilities and business practices.
- Reviewing the results of other recent market research information. The Internet and web sites of other Government agencies often provide extremely useful information.
- Publishing formal requests for information in the [Federal Business Opportunities Website](#) or technical/scientific journals.
- Querying Government and commercial databases.
- Reviewing source lists from other agencies or associations, company catalogs or product literature.
- Holding a pre-solicitation conference.

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Market research may also include discussions with potential contractors. These discussions may serve to determine interest, scientific approaches, technical capabilities, and state-of-the-art solutions relevant to the subject area. Since the government's requirement is not yet defined at this point in the process, discussion with industry is not only permissible, but encouraged. However, in holding such discussions, care must be taken not to disclose specific advance information on a proposed acquisition that may give a contractor an unfair advantage. While it may be necessary to disclose some general information regarding the government's intention, the purpose and focus of these meetings should be to obtain information from the contractor.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should be taken into account. When considering past performance information, review the quality of services, timeliness of performance, cost control, business practices and performance of key personnel.

The Requiring Activity should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSDBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSDBU is a valuable source of information on potential small and disadvantaged business sources. He/she can advise if there is a mandatory source for the required service and can help the Requiring Activity better understand the various federally mandated socioeconomic programs.

During the Market Research Phase, close coordination between the Requiring Activity and the Contracting Officer is extremely important. The Contracting Officer can provide valuable information about contracting lead-times, potential sources of information and potential problem areas.

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps to resolve problems early in the acquisition cycle. Services expected to exceed \$30 million over all years (\$15 million for a single year) require a formal, written acquisition plan. While very few acquisitions within the MEDCOM meet this threshold, the Requiring Activity should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that will need to be documented. The Acquisition Plan Format can be found in [Appendix B](#).

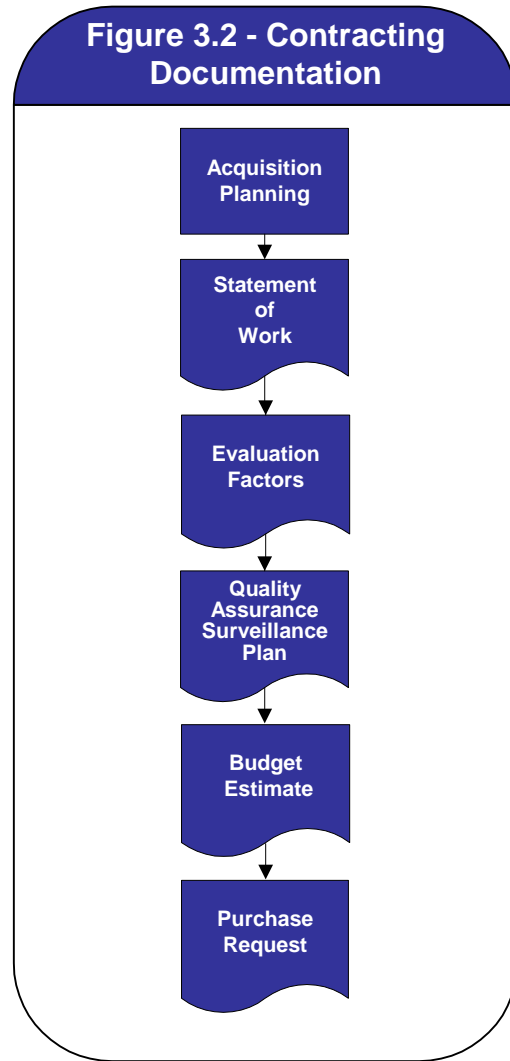
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Task 2. Develop the Performance Work Statement.

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written Performance Work Statement should contain a clear and explicit description that reduces problems and enhances the quality of the offers submitted. It should also describe requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written PWS will avoid delays, save administrative efforts, and reduce the chance of a protest or claim against the Government. Carefully planning the PWS will save time and will make it possible to develop a concise, trouble-free solicitation. If you have not already done so, please read Chapter 2 for a detailed analysis of how to develop a performance based statement of work.

Step 1. Write the Performance Work Statement or Statement of Objectives

The PWS describes the desired output in clear, simple, concise and legally enforceable terms. It should include exhibits and regulations if they help to better convey to the contractor what needs to be done. A performance oriented PWS should not contain detailed procedures unless absolutely necessary. Focus on the end result of the service, not the process.



Begin with a detailed outline that makes it easier to focus on content, to spot inconsistencies, redundancies, and preclude gaps. Draft the PWS one part at a time and include enough details to communicate clearly with the reader. The Requiring Activity should explain and illustrate salient points wherever it is necessary to convey the correct meaning. Because each acquisition is unique, each PWS must be tailored to the specifics of the project. The elements of a PWS will vary with the objective complexity, size, and nature of the acquisition. In general, it should contain the following sections:

- **Point of Contact** – Name, title, address, phone number, fax number and email address.
- **Date** – Effective date of the PWS (to track changes and revisions).
- **Agency/Activity** – Requesting organization.
- **Title** – Short, unique and descriptive title of the service required.
- **Definitions** – Any special terms or phrases that are used in the PWS that may not be generally understood or have a unique meaning.
- **Background** - Provides a description of the requiring activity, how the proposed acquisition supports the organization’s mission and explains why the acquisition is being pursued. If appropriate, it explains how this project relates to past, current, or future projects. It should also include a summary of statutory program authority and applicable regulations.

- **Objectives** - Provides a concise overview of the requiring activity's goals and expectations of the services requested.
- **Scope** - Provides an overall, non-technical description of the work to be performed. Identifies and summarizes the various phases of the project, and defines its limits in terms of specific objectives, time, special provisions, or limitations. Contractor responsibilities and the expected results of the project are often summarized here.
- **Specific Tasks** - Spells out in detail, what is expected of the contractor. Describes the specific tasks, objectives and deliverables required under the contract. Each task is titled and numbered sequentially. Complex tasks are broken down into subtasks. If the contract involves multiple phases, these phases and the effort required in each phase are identified. Tasks should be performance based, i.e., they should define the work in terms of "what" is required rather than "how" the work is to be performed. They should enable assessment of work performed against a measurable standard. While the delivery schedule or period of performance is normally detailed in a separate section, it may also be included here if necessary for clarity. The criteria for acceptance of all deliverables should also be given in this section.
- **Contract Type** – Recommends the type of contract (firm fixed-price, time & materials, cost plus fixed fee, etc.)
- **Place of Performance** – States the building or location where performance is to occur.
- **Delivery Schedule/Period of Performance** – The delivery schedule/period of performance is specified here. Delivery schedules can be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for services, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified, or an Indefinite Delivery/Indefinite Quantity Contract can be used.
- **Contract Deliverables** – Specifies precisely what items are to be delivered both during performance of the contract and at completion. If the deliverable is a task, the criteria for accepting or rejecting that task must also be detailed. If the deliverable is a report, this section should discuss what topics are to be addressed, the report format, the criteria to be used in accepting reports, the number of copies the contractor should submit, and to whom they should be submitted.
- **Identification of Contractor Personnel** – When contractor personnel will be working at a Government site, the PWS must include a requirement that contractor personnel clearly identify themselves as a contractor employee. The name of their company should be part of their email address, all correspondence and all identification badges, desk plates, etc. Additionally, contractor personnel must be required to identify themselves as contractor personnel when attending meetings, answering Government telephones, or working in situations where there is a potential that their actions could be construed as official Government acts.
- **Government Furnished Support** – Lists any property, equipment, or supplies that the Government will provide to the contractor for performance of this contract.
- **Security** – Describes the physical security level required for the specific work to be done, security clearance requirements of contractor personnel, and other security related topics. If the contractor will require access to classified information, the Requiring Activity will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Contracting Officer for inclusion in the solicitation. This form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award.

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- **Access to Government Computers** - The Requiring Activity must address the degree to which contractor personnel will have access to Government computers – either hardware or software, and include the appropriate ADP position sensitivity designation in the PWS.
- **Inspection and Acceptance** – Describes the criteria that will be used to inspect and accept contract services (see “Prepare the Quality Assurance Surveillance Plan” on page 44).
- **Special Considerations** – Includes any special consideration, unique requirements or additional information that would help contractors prepare their proposals. Examples include possible follow-on work, potential conflicts of interest, travel requirements, and applicable agency standards.

Overseas Requirements: There are a variety of additional factors that must be considered when contracting for services to be provided overseas. These include the following:

- **Contractor's Past Experience** – Contracting for services to be performed outside the United States is subject to a wide variety of additional laws, regulations and rules not applicable to contracts performed in the United States. These include Status of Forces Agreements (SOFA), Non-Combatant Evacuation Orders (NEO), foreign tax laws and treaties and may require approval by government entities in the foreign country. Consequently, the acquisition teams should consider adding contractor past performance in the country where services are to be performed as an evaluation factor.
- **Logistical Considerations** – In general, recruiting for individuals to perform services in an overseas theater, takes longer than filling comparable positions in the U.S. These longer lead times need to be taken into account in both planning and in the PWS. Additionally, the Acquisition Team will need to provide specific details in the PWS regarding compensation for relocation expenses, whether or not dependents will be authorized, what privileges (commissary, PX, banking, etc.) will be available to the contractor and his/her family.
- **Additional Information** - Additional information on overseas requirements can be found at the following websites: [Income Tax Treaties \(UK, Germany, Japan\)](#), [DoD Contractor Personnel Office, HQ, USAREUR](#), [U.S. Department of State](#), and [U.S. Embassies International Information Programs](#). Information on overseas requirements is also available from the specific HCAA Contracting Offices – Center for Health Care Contracting (various areas), European Regional Contracting Office (Europe), Pacific Regional Contracting Office (Korea and Japan).

The following is an example of the SOO for a service requirement.

Services

SOO for the Acquisition of a Medically Unique COR Training Course

POC: Ms Mary Jones, (210) 221-xxxx, mjones@amedd.army.mil

Date: 24 December 200X

Title: Medically Unique COR Training Course

Background: The Health Care Acquisition Activity (HCAA) located at Fort Sam Houston, Texas, is a Field Operating Activity (FOA) of the U.S. Army Medical Command (MEDCOM). HCAA is a Staff element also responsible for command, control and oversight of seven operational offices. The Center for Health Care Contracting (CHCC) also located at Fort Sam Houston functions as the operational hub of contracting support provided to MEDCOM—developing global contracts chiefly in support of the world-wide MEDCOM medical service mission. Six geographically-based regional contracting offices/spokes (RCOs) award and administer task orders issued under existing CHCC global contracts. In addition the RCO award and administer a variety of contracts for use at medical treatment facilities (MTFs) within their respective regions. HCAA RCOs are aligned with MEDCOM's Regional Medical Commands. Geographic locations of each RCO are as follow: Great Plains RCO (GPRCO), Fort Sam Houston, TX; South East RCO (SERCO), Fort Gordon, GA; Western RCO (WRCO), Tacoma, WA; Pacific RCO (PRCO), Honolulu, HI; North Atlantic RCO (NARCO), Washington, DC; Europe Regional Medical RCO (ERMCC), Landstuhl, Germany.

Acquisition training of both HCAA's customers (i.e., medical treatment facilities) and the acquisition workforce is an essential element in the continued viability and future success of HCAA's unique medical acquisition mission. Historically, another Government agency has provided COR training for government personnel under the U.S. Army Medical Command (MEDCOM). For a variety of reasons, this training fails to meet the needs of the command. For example, it is generally too broad in nature, course material and examples are often based upon advanced weapons systems, base support functions or other commodities that are substantially different than those purchased by the MEDCOM, and most other agencies do not understand the unique procedures used to contract for Direct Healthcare Providers.

Objectives - The purpose of this task order is to obtain training support services to assist HCAA to significantly improve our customer's ability to develop effective acquisition support documents and to materially enhance the abilities of our Contracting Officer's Representatives to monitor contract performance.

Scope - Following contract award, the contractor shall provide a full range of client training materials necessary to assist our customers to develop comprehensive, effective acquisition support documents (PWS, budget estimates, evaluation criteria, and quality assurance support plans) and to equip our Contracting Officer's Representatives with the knowledge and tools necessary to accomplish their mission. Training material shall consist of a written guide or workbook, appropriate stand-up training and a refresher CBT/WBT training module. Training shall provide guidance on all appropriate acquisition activities beginning with concept development and ending with contract closeout. It is anticipated that this training will fully incorporate modern, adult learning techniques as a means of enhancing the learning potential of the material.

Specific Tasks – Offerors shall describe their technical approach by including in their technical

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proposal the following:

STRATEGY PWS. In well-organized fashion, strategies and solutions in the form of a performance work statement (PWS) that identifies how your firm will accomplish the Government's objectives (based on existing commercial practices). At a minimum, the PWS will identify the following information:

- **Course Content.** Address the proposed contents of the course to be developed to include topics for student exercises, case studies, workbook designs, teaching aids or any other aspect of course methodology or execution that will help identify and differentiate the salient characteristics of the course offering. Include contents for an Instructor Guide, Student Workbook, and Exam.
- **Media Format.** Offerors shall identify all specifics about what media will be used in the final product (e.g., web-based, estimated 20 hours of instruction, textbook training manual in 5.5" x 8.5" format-approximately 250 pages with accompanying slide presentation-approximately 100 slides in length, etc). Offerors are encouraged to choose the media which best facilitates the effective conveyance of the subject matter. At a minimum, the contractor shall provide 14 complete copies (7 electronic-CD ROM, 7 hardcopies) of each set of training materials. Upon official Government acceptance and approval of training materials, the Government shall have exclusive rights to reproduce and utilize the training material(s) in any manner deemed appropriate for official Government use in the training of HCAA personnel and/or HCAA's Army Medical Department customers. All materials shall be compatible with Windows 2000 OS, Windows Office 2000 Professional and the AMEDD's Learning Management System (LMS)
- **Completion Time.** Offerors shall propose a timetable for completion of the course after award. It is the government's desire that this project be completed in one year or less.

PERFORMANCE METRICS AND STANDARDS. Offerors shall include in their proposals proposed metrics to be used to monitor performance of this project. At a minimum, offerors shall identify what metrics will be measured, how often measurement will occur and what standard will be applied to determine acceptability.

Contract Type – Firm-Fixed Price

Place of Performance – It is anticipated that the bulk of this effort will be accomplished at the contractor's location. The contractor will be afforded reasonable access to government personnel, for the purpose of accomplishing research to complete this project.

Delivery Schedule/Period of Performance – As proposed by the successful contractor

Contract Deliverables – As proposed by the successful contractor

Inspection and Acceptance – All materials will be inspected and accepted by the COR

Step 2. Prepare a justification for any requirements where competition will be limited.

If less than full and open competition is being recommended, the Requiring Activity must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is not used on this acquisition. A sample justification format can be found in [Appendix C](#).

Task 3. Prepare a Quality Assurance Surveillance Plan.

A Quality Assurance Surveillance Plan (QASP) provides a systematic, structured method for the Government to evaluate services that contractors are required to furnish. Government contract quality assurance shall be performed at such times (including any stage in the performance of services) and places (including subcontractors' plants) as may be necessary to determine that the services conform to contract requirements. The plan should specify all work requiring surveillance and the method of surveillance. Each contract shall designate the place or places where the Government reserves the right to perform quality assurance. The nature of the requirement, cost, criticality, the cost of a potential loss and other similar factors will determine the extent of the Quality Assurance Surveillance Plan and the place where it will be executed. Contract quality assurance is normally performed at destination when acquiring services.

The Quality Assurance Surveillance Plan can range from a one-time inspection to periodic in-process inspections. It is needed to ensure the government receives the quality of services called for under the contract, and pays only for the acceptable level of services received. Since the QASP is intended to measure performance against standards in the PWS, these interdependent documents must be coordinated. Accordingly, writing the two documents simultaneously is both effective and efficient.

- **Content** – A good QASP should include a surveillance schedule and clearly state the surveillance method(s) to be used. The detail in the QASP regarding a particular task should be consonant with the importance of the task. The QASP should focus on the quality, quantity, and timeliness etc. of the performance outputs to be delivered by the contractor, and not on the steps required or procedures used to provide the product or service.
- **Style** – The QASP should be written using precise terms and clear, concise wording. Avoid using broad or vague statements or overly technical language. The QASP should be written in the active voice using task-oriented statements.
- **Method of Surveillance** – The method of surveillance must be consistent with the task. Take into consideration task criticality, performance requirements and standards, and the availability of someone to do the inspections.
 - **100 Percent Inspection** - This is only appropriate for infrequent tasks or tasks with stringent performance requirements, e.g., where safety or health is a concern. With this method, performance is inspected/evaluated at each occurrence. One hundred percent inspection is expensive and should be used on a very limited basis.
 - **Random Sampling** - This is usually the most appropriate method for recurring tasks. With random sampling, services are sampled to determine if the level of performance is acceptable. Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. Computer programs may be available to assist in establishing sampling procedures.
 - **Periodic Inspection** - This method, sometimes called “planned sampling,” consists of the evaluation of tasks selected on other than a 100 percent or random basis. It may be appropriate for tasks that occur infrequently, and where 100 percent inspection is neither required nor practicable. A predetermined plan for inspecting part of the work is established using subjective judgment and analysis of available resources to decide what

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work to inspect and how frequently to inspect it.

- **Customer Input** – This could be used as a primary method where customers normally complain about poor performance. In other instances it can be used as a supplement to the other systematic methods. Complaints should be documented, preferably on a standard form.
- **Surveillance Checklist** – A surveillance checklist, like the following example, should be used to document surveillance.

Quality Assurance Activity Checklist (To be performed (Daily) (Weekly) (Monthly), etc.)				
Contract Requirement	Contract Reference	Method of Surveillance/ Measurement	Date/Place	Results
Monthly progress report is due no later than the 10 th working day of the month	Paragraph X.X.1	Report is delivered on time, to the correct office, in the proper format 95% of the time unless the Government is responsible for the delay.		
Contractor provides replacement of personnel due to resignation, termination or work order modification within 10 working days.	Paragraph X.X.3	Qualified replacement personnel are provided within the stated time period 90% of the time.		
Contractor personnel shall be courteous and efficient.	Paragraph X.X.7	Random sample test calls. Monthly review of customer complaints		

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Task 4. Prepare the Government Budget Estimate.

A government budget estimate is a detailed assessment of the cost to the Government for the contracted services. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractor’s proposals. Developing cost estimates is the responsibility of the Requiring Activity. However, the Contracting Officer and activity resource management personnel can provide advice and assistance. The Government Budget Estimate is an internal Government estimate of what a contractor should propose based on the PWS. It is business confidential information that should not be discussed or shared with the contractor.

Government budget estimates are simple when the requirement is for commercially available services, since they can be based upon generally available information like price lists, historic

data, market research, etc. Supplier's GSA Schedules are an excellent source of pricing information as they contain itemized costs of a wide variety of labor categories. Previous contracts are often used as a basis of developing the Government Budget Estimate, however consideration must be given to any changes in the Performance Work Statement between the current and previous acquisition as well as any changes in market conditions. For complex requirements or non-commercial items, an Independent Government Cost Estimate (IGCE) is prepared. The IGCE is a detailed analysis of the various cost elements associated with the acquisition that is used to estimate its cost or price. The IGCE may also be referred to as the Independent Government Estimate (IGE) or the Independent Cost Estimate (ICE). In general, the following steps are used to develop an IGCE:

Step 1. Determine direct labor costs.

Divide the effort into identifiable tasks or logical steps. List the categories of labor that will be required in each task or step and the level of expertise, training and experience required for each category. Estimate the per-day or per-month cost of each category of labor. The Requiring Activity should be aware that the Service Contract Act might apply to this acquisition. The Service Contract Act specifies certain minimum salaries and fringe benefits that must be paid for specified categories of labor. Consult with your Contracting Officer on this issue. Estimate the total effort from each labor category by task in terms of person-days or person-months. Calculate the estimated direct labor cost.

Step 2. Calculate other direct costs (ODCs).

Estimate the amount and type of materials and supplies that will be required, and the cost of each. Estimate the type and cost of equipment that may have to be purchased. Identify any other elements of direct cost such as consultant services, computer rentals, subcontracts, etc., and estimate their cost. Estimate travel requirements, if any, and their costs. Use the Joint Travel Regulation for per diem rates. Total other direct costs equal the sum of all these costs.

Step 3. Calculate indirect costs.

Estimate the amount of overhead (OH) and general and administrative (G&A) expenses that will be charged.

Step 4. Calculate Profit/fee.

Profit/fee is the dollar amount over and above allowable costs that is paid to the contractor for contract performance. Profit/fee provides the motivation for the contractor to meet and exceed the goals of a contract. It also provides the financial capital necessary for a firm to remain a viable entity. Profit/fee stimulate efficient contract performance and attract the best capabilities of qualified large and small business concerns to Government contracts, consequently it is not in the best interests of the Government to strive for extremely low profits/fees. Profit/fee is normally dependent upon the complexity of the contract and the amount of risk.

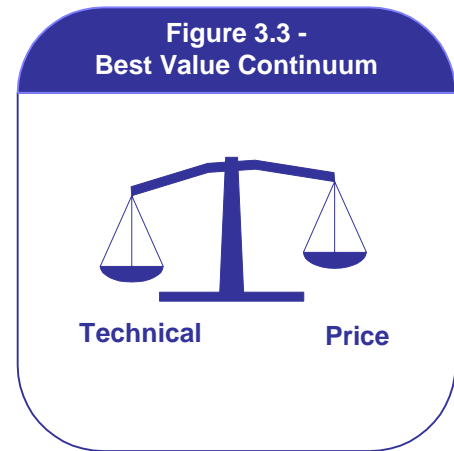
The sum of direct labor, other direct costs, indirect costs and fee equal the anticipated cost/price of the contract. The Contracting Officer can assist in developing the IGCE. Additional information on the IGCE process can also be found at under the Contract Pricing Guide Section of the Under Secretary Of Defense for Acquisition, Technology and Logistics, website found at <http://www.acq.osd.mil>

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Task 5. Prepare the Evaluation Factors.

The Requiring Activity should prepare a list of factors that can be used to evaluate the contractors' proposals. These factors and sub-factors, along with the weights assigned to each factor and sub-factor are used to determine if the offeror can meet the Government's needs. They are also used to determine which offer is most advantageous to the Government. Only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors. They should be chosen carefully as they will have a major effect on the outcome of the acquisition.

When developing evaluation factors, the Requiring Activity must be aware of what is called the **best value continuum**. The Government can obtain best value by using any one or a combination of source selection approaches. Depending upon the nature and complexity of the acquisition, the relative importance of cost or price may vary. For example, where the requirement is clearly defined and the risk of unsuccessful contract performance is minimal, cost or price usually plays the dominant role in source selection. Where the requirement is not well defined, development efforts are required or performance risk is high, then technical approach and/or past performance will play a more dominant role in source selection.



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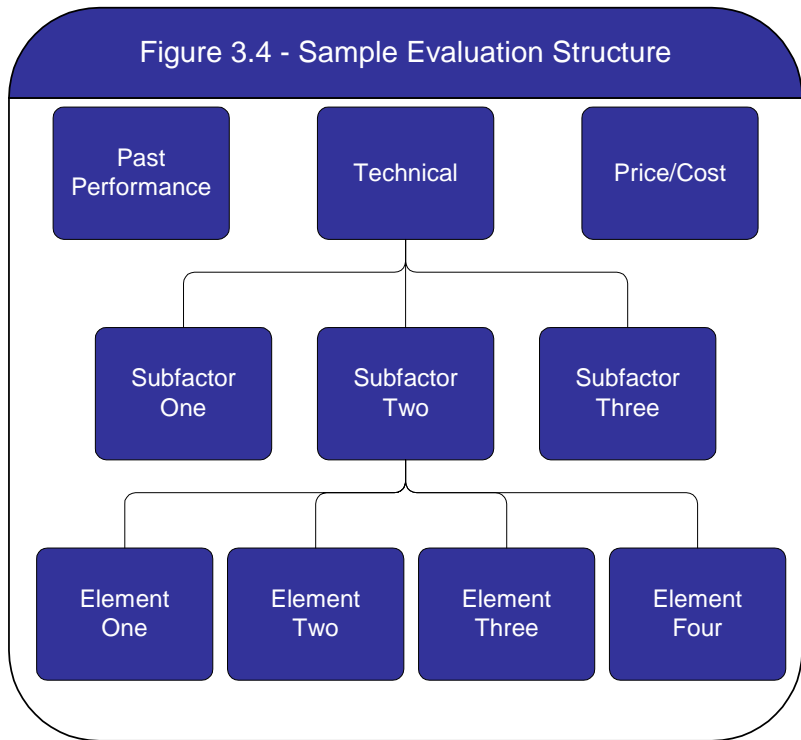
The best value continuum begins with the **lowest price technically acceptable source selection** approach. This is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. When using this approach, the evaluation factors and significant sub-factors that establish the requirements of acceptability are described. The Contracting Officer will include this information in the solicitation along with a notice that evaluations will be made on this basis. Once proposals are received, they will be evaluated for acceptability, but not ranked using non-cost/price factors. No **tradeoff** is permitted between cost/price and non-cost/price factors.

Continuing up the best value continuum, tradeoffs among cost/price and non-cost factors are permitted. However, the perceived benefits of the higher price must merit the additional cost. All evaluation factors and significant sub-factors that will be used for source selection and their relative importance must be clearly stated. The Requiring Activity must also include the rationale for these tradeoffs. Remember, only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

Figure 3.4 on the following page shows a sample evaluation structure. The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. Each evaluation factor must be definable in readily understood qualitative terms and represent key areas of performance. This is normally done using colors (e.g., red, amber, green) or by using adjectival terms (e.g., poor, fair, good, excellent).

The following are common factors that are often included in solicitation evaluations:

- Past performance (mandatory).
- Understanding of the requirement.
- Technical approach to performing the work.
- Experience in performing similar work.
- Qualifications of technical personnel.
- Quality of the facilities to be used for performing the work.
- Quality assurance programs and plans.
- Management capabilities and organization for the proposed work.
- Scheduling and delivery-related controls.
- Subcontracting.
- Cost realism.
- Price (mandatory).



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Here is a sample evaluation plan showing examples of both adjectival ratings and color ratings.

Sample Evaluation Plan		
Evaluation Factor	Evaluation	Adjectival Rating (Color Rating)
Factor 1. Key Personnel Qualifications.	Personnel not qualified	Unsatisfactory (Red)
	Personnel may be qualified but insufficient information provided	Susceptible to being made acceptable (with additional information) (Pink)
	Personnel meet requirements	Satisfactory (Yellow)
	Personnel meet all and exceed some requirements	Good (Green)
	Personnel exceed all requirements	Excellent (Dark Blue)

Factor 2. Technical Approach		
Sub-factor 2.1. Proposed Methodology	<p>Methodology poor and unorganized. High risk of failure.</p> <p>Proposal demonstrates shallow understanding. Methodology has considerable risk.</p> <p>Proposal demonstrates acceptable understanding. Methodology has good probability of meeting performance requirements, but few, if any, strengths. Risk is moderate to high.</p> <p>Proposal demonstrates good understanding. Methodology has high probability of meeting or exceeding performance requirements and has one or more major strengths. Risk is moderate to low.</p> <p>Proposal demonstrates excellent understanding. Methodology has high probability of significantly exceeding performance requirements. Risk low</p>	<p>Unsatisfactory (Red)</p> <p>Marginal (Pink)</p> <p>Satisfactory (Yellow)</p> <p>Good (Green)</p> <p>Excellent (Dark Blue)</p>
Sub-factor 2.2. Management Plan		
Sub-factor 2.3. Knowledge and Task Understanding		
Factor 3. Past Performance		
Factor 4. Price		

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Task 6. Prepare the Purchase Request and Obtain Necessary Concurrence and Approval.

Step 1. Ensure that all documents are current, accurate, and complete.

At this point, the Requiring Activity should have a Performance Work Statement or Statement of Objectives, Budget Estimate or ICGE, Quality Assurance Surveillance Plan, Evaluation Factors, a list of potential sources (at least 3 if possible), and justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions. Do the requested services support a recognized mission or activity objective? Are the documents written in terms that accurately reflect the market's capabilities and procurement lead-times? Are they designed to obtain maximum competition and has sufficient consideration been given to quality assurance requirements? Do they satisfy the Government's needs in the most effective, economical, and timely manner? Are the documents consistent with each other? Do the

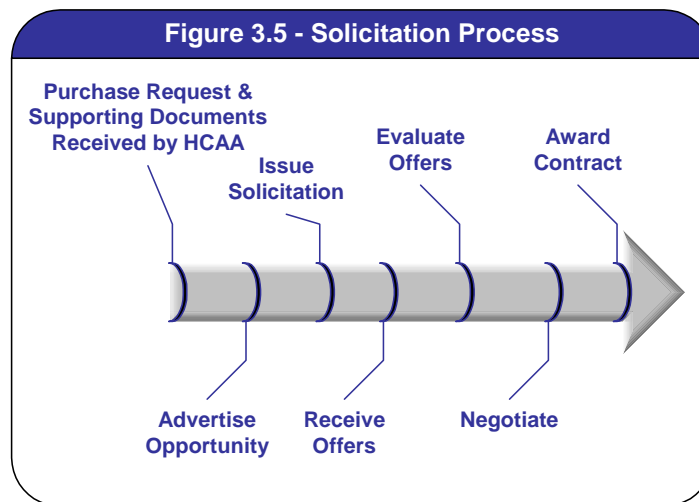
documents request sufficient information from the contractor to adequately evaluate a proposal? Do they request too much information from the contractor? Note that information that will not be evaluated should not be requested. Have performance-based requirements been used to the maximum extent possible?

Step 2. Prepare the Purchase Request and secure all necessary authorizations.

Once all supporting documents have been assembled and reviewed, it is time to develop the Purchase Request. Purchase Requests (PR) are created by the Requiring Activity using the web-based Aquiline PRWeb System. The Requiring Activity enters required information into the web-based PRWeb screens to include description of the requirement, purchase request number, issuing office, identification and description of each line item, delivery date, estimated costs, and suggested vendors. Supporting documentation, i.e. PWS or SOO, evaluation factors, QASP and IGCE, are attached to the PR and the entire Purchase Request Package is routed through approval and budget officials. Once approval is received and funds are certified, the entire package is routed electronically directly into HCAA's automated contracting system, Procurement Desktop – Defense (PD²). Should any of the approving officials or the contracting office require additional information, the PR can be routed back to the initiator using PRWeb. Should the PR require subsequent amendment or, should the resulting contract require modification, PRWeb is again used to initiate the action. PRWeb can also be used by the Requiring Activity to obtain status information directly from PD². For additional information on using PRWeb, we suggest visiting the Fort Hood Contracting Command's Website. Detailed information on PRWeb, to include a copy of the PRWeb "Users Guide" is available at [Fort Hood Contracting Command](#).

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Duty 2. Supporting the Solicitation Process



The Contracting Officer, with assistance from the rest of the Acquisition Team, will accomplish most of the actions required during the solicitation phase. As the Contracting Officer's technical advisor, the Requiring Activity will play a key supporting role during this period by performing five tasks.

Task 1. Participate in the Pre-Proposal Conference.

A Pre-Proposal Conference may be held to ensure that industry understands the Request for Proposals (RFP) and to clarify any areas of concern or confusion. The Contracting Officer conducts the Pre-Proposal Conference. The Requiring Activity assists the Contracting Officer in establishing the agenda and attends the conference to answer technical questions as directed by the Contracting Officer. If possible, the meeting should be recorded and the minutes of the conference should be distributed as part of an amendment resulting from the conference. Objectives of the Pre-Proposal Conference include the following:

- Clarify complicated work statements.
- Disseminate background data that offer further insight into the size and risks of the projects as well as complexity of the procurement.
- Discuss anticipated difficulties during contract administration, including any exceptional demands on a prospective contractor's capacity and capability.
- Disclose any ambiguities, errors, or omissions in the RFP that may later be corrected in a written amendment.
- Provide any additional information that is better presented at a conference or factors that may not have been known at the time the RFP was issued.

Task 2. Provide Pre-Award Technical Advice.

The Requiring Activity provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Requiring Activity is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the PWS or SOO, terms and conditions or delivery schedule. The Requiring Activity also plays a key role in technical evaluations.

Task 3. Participate in Technical Evaluations.

The Requiring Activity normally participates in Technical Evaluations and recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal and evaluate it against the criteria established by the solicitation. Note that proposals are evaluated against the solicitation criteria, not against each other. The evaluators describe strengths and weaknesses, identify potential items for negotiations and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is a meeting of the minds between the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the

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Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Requiring Activity may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and by assisting the Contracting Officer review information from the Pre-Award Survey Report.

Task 4. Participate in Oral Presentations and Negotiations.

The Requiring Activity may participate in oral presentations, if conducted. Oral presentations are used to substitute for, or augment, written information. Oral presentations provide an opportunity for dialogue among the parties and can enhance the Government's understanding of the offeror's proposal. The offeror's capability, past performance, work plans or approaches, staffing resources, transition plans, or sample tasks are all suitable topics for oral presentations.

The Requiring Activity may also participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of its proposal (cost, price, technical approach, past performance, terms and conditions, etc.). Discussions do not have to be held, but when they are, they are tailored to each individual offeror.

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

Task 5. Channel Contractor Inquiries to the Contracting Officer.

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Requiring Activity requesting information about the services required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the RFP is mailed and the contract is awarded.

Duty 3. Developing the COR Work Plan

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to develop a cost effective work plan and follow that plan to monitor contract performance. This plan must ensure that all required tasks are well defined and that all milestones are clearly flagged. There are four tasks associated with this duty.

Task 1. Know Your Duties and Responsibilities.

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer's Representative (COR), the technical or program person who is appointed to assist the Contracting Officer monitor contractor performance.



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The Contracting Officer may select and designate any Government employee, military or civilian, to act as the authorized representative in administering a contract. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases, the COR will be the same person that initiated the requirement. The COR doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by an Appointment Letter signed by the Contracting Officer.

Step 1. Review the COR Appointment Letter.

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations of the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.

Step 2. Review the contract.

Once award has been made, the COR will receive a copy of the contract. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:



- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/PWS (Section C)** – The PWS is the basis for most contract monitoring activities.
- **Deliveries or Performance (Section F)** – This section designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – This section identifies the COR, provides inspection, acceptance and payment information and other data useful during performance of the contract.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirements.

Note the above format applies only to formal contracts. Orders/contracts placed under Simplified Acquisition Procedures or issued using commercial procedures will have a different format, however the key information noted above will be found somewhere in the document.

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Task 2. Establish Files.

The COR is expected to maintain a separate file for each contract he/she oversees. At a minimum, the COR contract files shall contain a copy of the following documents:

- The contract and any amendments.
- All correspondence with the contractor, the Contracting Officer, or other program officials dealing with this contract.
- All reports submitted by the contractor.
- Reports of inspections and site visits.
- The COR Appointment Letter signed by the Contracting Officer.

Task 3. Develop and Follow a Work Plan.

Planning at the outset of the project is a necessary step in effective contract administration. This planning is needed to ensure that the intended administrative steps are consistent with the specific procurement. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action.



The planning should be based on a review and analysis of the project and award requirements. Include, for example, an analysis of the need for and timing of performance and cost reviews, inspections, scheduled delivery of Government-supplied items, subcontractors, key personnel issues, monitoring of the contractor's compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the contractor to arrive at a common understanding of what will be expected. A post-award conference may be scheduled by the Contracting Officer to assure that all parties are aware of requirements, responsibilities, and procedures. Developing a Work Plan involves the following:

- Read and understand the award document, and ensure that the contractor does the same.
- Develop a post-award milestone chart in coordination with the Contracting Officer and contractor.
- Read and act promptly on progress reports.
- Identify potential areas of conflict.
- Review progress and possible problems with the Contracting Officer regularly.
- Prepare the Work Plan.

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Sample Work Plan Format	
Contract Title:	
Contractor:	
Key Contractor Personnel	
List of COR Files	

Description of Work to be Performed	
Assigned Tasks	Task Milestones
1. 2.	

Task 4. Notify the Contracting Officer of Problems.

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the only official with the authority to change or modify a contract. The Contracting Officer is the Government's authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change, or modify a contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract. The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract.

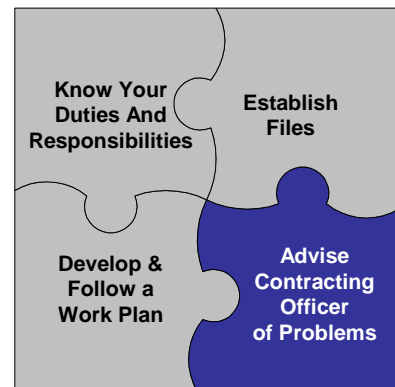
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Duty 4. Supporting the Post Award Orientation and Debriefing Unsuccessful Offerors

There are two events that normally occur shortly after contract award. The first is a meeting between the Government and the successful contractor called the Post Award Orientation. The second event is the debriefing of unsuccessful offerors, a series of meetings between the Government and the firms that were not selected for award. The COR normally performs three tasks in support of these events.

Task 1. Provide Support for the Post Award Orientation.

The Post Award Orientation is held to ensure that both parties have a clear and mutual understanding of all contract requirements. The Post Award Orientation also is used to identify and resolve potential problems; introduce the Government's representatives; furnish notices and other data to the contractor and otherwise set the stage for a good working relationship under the contract. Generally, the Post Award Orientation is a structured meeting chaired by the Contracting Officer. However, in less complex contracts, the initial meeting between the contractor and the COR serves the same purpose. The nature and complexity of this task will depend upon the nature and complexity of the contract and the manner in which the Contracting Officer decides to conduct the Post Award Orientation. If the contract is complex and a formal Post Award Orientation is to be held, the Contracting Officer may ask the COR to prepare a written issue or discussion paper in preparation for the Orientation. This should be accomplished as follows:



Step 1. Prioritize all performance issues.

All issues of concern should be addressed and prioritized based on potential risks to the

contractor or the Government. Select the issues at greatest risk to performance.

Step 2. Develop solutions.

Develop solutions or other recommendations. Document these in a clear and concise manner. Often the Post Award Orientation is held at the Government's place of performance. Consequently, the COR may also be requested to make administrative arrangements and provide administrative support to the meeting. The COR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.

Suggested Post Award Orientation Agenda
<p>Introduce the participants. At the opening of the conference, the chairperson introduces each attendee by name and title, along with a brief explanation of the role that person will play in contract administration. The contractor makes these introductions for the contractor team.</p>
<p>Explain the purpose of the conference. Go over the agenda, but also emphasize that the conference is not intended to change or alter the contract in any way. Emphasize that the only way the contract will be changed or altered is by a written modification signed by the Contracting Officer.</p>
<p>Summarize the roles of Government key personnel. Clarify the limits, authorities, roles, and responsibilities of each Government representative. Ask the contractor to advise the Government of the roles, responsibilities, limits, and authorities of each contractor representative. Emphasize:</p> <ul style="list-style-type: none"> - That the Contracting Officer is the only official that can change or alter the contract. - No action may be taken at the orientation that in any way changes or alters the contract. - There is no obligation to make any contract adjustments as a result of an action taken by a Government representative unless the action has been specifically authorized in the representative's letter of appointment or by the contract itself.
<p>Provide general instructions. Provide general contract administration instructions to include information necessary for the contractor to understand his or her risks and the Government's risk. Address contractor responsibilities for management and supervision of the work force, protection and control of Government property, data, and reports, compliance with contract clauses, and other appropriate areas of concern. Advise contractors of the proper routing of correspondence, i.e. matters pertaining to technical performance may be addressed directly to the COR or Requiring Activity and matters pertaining to questions of fact dealing with contractual terms and conditions must be sent to the Contracting Officer.</p>
<p>Discuss prohibition against personal service contracts. Stress the fact that supervision of contractor employees rests solely with the Contractor. Contract employees are to avoid all actions that might give the appearance that they are Government employees. While in government work areas, all contracted employees must display a badge or other appropriate identification media containing his or her name and the name of the company, wear and display a building pass, when applicable, and include the company's name in his or her email display.</p>
<p>Provide presentations and address questions. At this point appropriate Government officials may provide a variety of presentations. Topics may include delivery requirements, labor policies, environmental considerations, safety, protection of Government property, monitoring methods, acceptance procedures, payment procedures, and other relevant topics. A general discussion of Performance Based Contracting may be appropriate. If the contract is subject to the Service Contract Act, discuss the contractor's responsibilities under the Act. Questions can either be raised during the presentation or held until the end of all of the presentations. Responses to questions should be accurate and complete, and statements made do not bind the Government in any way that alters the contract.</p>
<p>Discuss Past Performance Documentation Provide a discussion of how past performance will be documented and the ramifications of poor performance. This is particularly important and appropriate for a contractor with limited experiences with DoD contracts.</p>

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Ensure that contractor understands all contract milestones, terms and conditions.
Discuss any other issues that may impact performance.

Task 2. Participate in the Post Award Orientation.

The COR will participate in the Post Award Orientation either as the chair or a member of the Contracting Officer's team. In either case, the COR will be expected to provide information in his/her areas of expertise, respond to questions and identify further action items. Before the orientation, the Contracting Officer should provide guidance on how questions will be handled. The COR should ensure that any information provided is consistent with the terms and conditions of the contract. In all discussions with the contractor, the COR should be careful not to bind the Government in any way that alters the contract. Any areas disputed by the contractor must be recorded and resolved by the Contracting Officer. This is true not only during the Post Award Orientation, but also throughout the life of the contract.

In some cases, the Post Award Orientation can be handled by letter or even telephonically if relatively little information needs to be conveyed. The following is an example of a Post Award Orientation Letter.

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Sample Post Award Orientation Letter

TO: Gary Green, Project Manager, XYZ Power Co.

FROM: Al Jones, Contracting Officer

SUBJECT: Contract No. DADAXX-03-C-1234

To avoid any potential difficulties, I am writing to point out a requirement of the subject contract that has led to problems in other contracts. Also, I would like to clarify the contract completion date and identify the Government personnel who will play a role in the contract's administration.

To install the four pieces of equipment required in contract line item #4, you will need to have a power outage in the west wing of Building 569, a heavily populated office building. Please note that paragraph 2.a(1) of the statement of work requires that this power outage take place on Sunday, a Federal holiday, between the hours of midnight and 6:00 a.m. In addition, paragraph 2.a(5) of the statement of work requires that you provide me with seven calendar days' notice of your need for this outage. Send the original notice to Mr. Smith (see below).

The reason for the preceding requirement is that we have computers on-line 24 hours a day in that wing of the building, as well as other operations, that cannot be disrupted.

Since performance time is expressed in the contract as 120 calendar days after contract award, I want to affirm the date for contract completion as January 30, 20XX.

Mr. Howard Smith is my representative for the technical aspects of this contract. Accordingly, he is referred to as the Contracting Officer's Representative (COR). He is not authorized to make any changes to the contract as written. He has the authority to inspect and accept the equipment installation services for the Government.

Any changes to the contract will be in the form of an official, signed modification.

Sincerely yours,

Al Jones
Contracting Officer

Task 3. Participate in the Debriefing of Unsuccessful Offerors.

Unsuccessful Offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors what areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.

Duty 5. Monitoring Contractor Performance

Monitoring contractor performance is the heart of the COR duties. The COR has the primary responsibility to see that the technical objectives of the contract are met. In cost type contracts, the COR has additional duties regarding costs. Contract monitoring is divided into three tasks.

Task 1. Monitor Contract Performance.

Performance monitoring involves contract administration activities that the Contracting Officer, COR and other Government personnel use to ensure services acquired under contracts conform to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques.

Under a contract, the obligation of both parties is to perform as specified in its terms and conditions. Not all contracts, however, are performed as specified or within their required timeframes. Poor performance or late deliveries under a contract may cause costly delays in a program. Thus, the Government monitors contract performance to ensure that required services are delivered on time.

The Quality Assurance Surveillance Plan (QASP) specifies how Government quality assurance surveillance of the contract tasks will occur. The QASP should focus on the quality of the contractor performance and not just on the steps taken or procedures used to provide that service. The QASP should include an appropriate use of pre-planned inspections, correspondence reviews, customer surveys, validation of complaints, audits and random unscheduled inspections. The QASP is a form of guarantee that the Government receives the services for which it contracted and pays only for the services it receives. It is the method by which the Government determines if the contractor meets the performance standards in the contract. It also provides guidelines for how and when surveillance will be performed.

Contractors should be briefed on surveillance requirements and responsibilities at the post award conference. Surveillance should be comprehensive, systematic, and well documented. It is important to review and discuss the contractor's plan for maintaining an acceptable quality level under the contract. In fact, in many cases, contractors are required to submit a Quality Control Plan to the Government prior to the post award conference. One way to document surveillance is through use of a surveillance checklist. The extent of surveillance is determined by the surveillance schedule established in the QASP. It should be sufficient to systematically and fairly evaluate the contractor's total performance throughout the performance period. Where surveillance results show good performance consistently, the amount of surveillance may be adjusted accordingly. This saves the government money, reduces oversight burdens on the contractor, and recognizes the contractor's level of performance. When performance is deficient, the COR should promptly notify the Contracting Officer, who in turn, will notify the contractor.

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The COR should establish a system to track corrective action. The steps in contract monitoring are as follows:

Step 1. Determine what needs to be monitored.

The COR normally monitors technical issues, performance, adherence to the schedule, and cost (in cost contracts). The COR will also be involved with statutory and regulatory compliance (Drug-Free Workplace, Privacy Act, Service Contract Act) through observation and responding to complaints.

Step 2. Select the techniques used for monitoring.

In addition to the QASP, meetings, phone calls, reports, and contact with other Government officials all play a role in contract monitoring. The COR should maintain a record of all contacts with the contractor.

Step 3. Implement and execute the QASP.

The COR implements the QASP and other monitoring activities and provides appropriate feedback to the contractor and the Contracting Officer.

Task 2. Ensure that an appropriate relationship is maintained with all contract employees.

Government personnel are also generally prohibited from directly supervising contractor personnel. Most service contracts within the MEDCOM, except those for health care providers, are categorized as **nonpersonal services contracts**. A nonpersonal services contract recognizes that an arms-length relationship must exist between the government and the contractor. Both the statement of work and the actual administration of the contract must avoid any situation that results in the government directly supervising the contractor or the contractor's employees.

Step 1. Ensure that contractor personnel are appropriately identified.

It is also important for contractor personnel to clearly identify themselves as contractor personnel when attending meetings, answering government phones and working in areas where their contractor status may not be obvious. ID badges, nameplates, and signature blocks should indicate the individual is a contract employee. All documents or reports produced by the contractors must also be suitably marked as contractor products.

Step 2. Ensure that appropriate guidance is provided to contractor personnel.

In today's environment, a number of contract employees work within government facilities and while the contract describes their duties and responsibilities in broad terms, i.e. "provide patient appointment services", "provide housekeeping services" or "provide medical maintenance support", many of their day-to-day tasks are established by individual work orders or work requests issued by government personnel. These work orders/work requests must comply with the contract and should be limited to identifying what needs to be done and establishing an appropriate completion date. Once the work order/work request is issued, the government should limit further involvement to acceptance or rejection of the final product. Any hands-on involvement by the government in the execution of the work order/work request, i.e. providing detailed guidance on how the task is to be accomplished, constitutes supervision and is prohibited.

Step 3. Avoid other supervisory functions.

Under no circumstance may a government employee take any action that could be classified as administrative supervision of a contract employee. Examples include establishing salary rates,

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implementing disciplinary action, approving or disapproving leave, approving time cards or approving employees selected to work on a government contract. The government may, however, if consistent with the contract, review resumes for the purpose of determining whether or not a potential contract employee meets contract criteria, require contract employees to sign in/out or otherwise record their time in a log for the purpose of determining if hours required by the contract are actually being worked, require the contractor to inform the government of scheduled leaves and demand a suitable backup or replacement, and other tasks required for good management of the contract, as long as the government official does not place himself or herself in the role of approving or disapproving the action. If you have any questions on the proper relationship with contract personnel, consult your Contracting Officer for advice and assistance.

Task 3. Respond to Requests from the Contractor.

There are times when the Contracting Officer's Representative (COR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the contractor during the performance of a contract. The COR's response must always be consistent with the contract. A COR can best handle contractor requests by performing the following three steps:

Step 1. Identify all contractual terms that allow contractor requests.

The COR should be familiar with all contractual terms that allow the contractor to request some action by the Government. This information will be found in the contract or the COR Appointment Letter. If there is any doubt, the COR must consult the Contracting Officer.

Step 2. Determine the contractor's obligations.

In addition to knowing what constitutes a proper request from the contractor, the COR must also be aware of when and how the request should be presented. This information should also be available in the contract.

Step 3. Provide a response that is timely.

The COR should respond to the contractor's request within the timeframe set by the contract, or the request should be forwarded to the Contracting Officer in sufficient time to permit a timely response.

Task 4. Manage Constructive Change Situations.

A constructive change arises whenever, by informal action or inaction of the Government, the contract changes without going through the required legal or regulatory formalities. The common causes of constructive changes include inadequate or latently defective specifications, improper interpretations of specifications, overly strict inspections, Government-caused delays, or improper technical direction.

In drafting correspondence to the contractor and in oral communication, the COR must exercise care not to accidentally generate the basis for claims or delays. When communicating with contractor personnel or when conveying technical or assessment information, it is critical that the COR not instruct, supervise, or attempt to control contractor efforts except as specifically authorized in the contract SOW.

Reasonably open and honest communication between the COR and the contractor can enhance performance. Professional discussions of options and alternative approaches are also necessary. However, the COR must remember, that there is a contract which defines rights and obligations

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of the parties. All communications with the contractor must be viewed in this light. The contractor has a right to proceed in any manner that is consistent with the terms of the contract. Excessive involvement of the COR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the contractor's rights under the contract. Even the appearance of unauthorized direction to the contractor, when none was intended, can lead to contract claims or other problems. Consequently, the COR must be discrete. Advice should be sought from the Contracting Officer if there is any question about the effect of any statement on the contractor's obligation to perform.

Step 1. Continue to monitor the validity of the Performance Work Statement.

Careful planning and development of the Performance Work Statement and other supporting documents will be obvious during contract administration. A good Performance Work Statement will minimize constructive changes. On the other hand, any ambiguities and inconsistencies in the initial contract will set the stage for constructive changes. If any are found, immediately bring these to the attention of the Contracting Officer.

Step 2. Know what the contract requires.

The COR must know what the contract requires. Erroneous interpretation of specifications and overly strict inspections may lead to constructive changes. The COR must base all actions upon what the contract says, not what it ought to say. If in doubt, ask the Contracting Officer for advice and assistance.

Step 3. Keep proper records.

Accurate, up-to-date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the contract.

Step 4. Notify the Contracting Officer if a potential constructive change situation arises.

If a potential constructive change situation does occur, immediately notify the Contracting Officer. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Contracting Officer will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.

Duty 6. Accepting or Rejecting Services

The inspection and acceptance process may be continuous where the services are continuous (housekeeping, ground maintenance, etc.). On the other hand, inspection may only occur once when the contractor provides a single service of short duration (producing a report). In any event, the result of the COR's surveillance or inspection will produce one of two outcomes. Either the service will be determined to be acceptable or unacceptable.

Task 1. Acceptance.

Acceptance occurs when an authorized Government representative examines the services provided, compares the services provided to the requirements of the contract, and is satisfied that the services conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the services to be performed, and provided adequate oversight during contract performance, the result is usually conforming services. The COR can accept services on behalf of the Government, if authorized

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by the COR Appointment Letter. Acceptance can occur in two ways. The preferred method is through the DFAS Wide Area Work Flow – Receipts and Acceptance System (WAWF-RA). WAWF-RA is a paperless system that enables contractors to create and transmit invoices electronically. Individuals authorized to accept services then receive notification of pending actions and can accomplish acceptance using digital signature. The other method of acceptance is by preparing a written receiving report, normally after receipt of the vendor's invoice. The preferred form for the receiving report is the DD Form 250, Material Inspection and Receiving Report. A sample of the DD 250 and instructions for completing it are provided in [Appendix D](#). SF 1034, Public Voucher for Purchases and Services Other than Personal, may also be used for services when billing is based upon labor and materials. More information on invoicing, acceptance, and payment procedures, including a discussion of common problems and errors is found in the [Commercial Vendors Handbook](#) available electronically at the Defense Finance and Accounting Service (DFAS) web site. Detailed information and procedures on the use of the WAWF-RA System is available at [MEDCOM Resources Management Website](#). Late submission of the DD Form 250 (or other acceptance document) normally results in the Government having to pay interest on the contractor's invoice.

Task 2. Rejection.

If the services do not comply with the contract or meet the AQL, a notice of rejection should be promptly provided to the contractor. The COR can reject services if authorized by the COR Appointment Letter. Otherwise, the COR must recommend rejection to the Contracting Officer or another official that is authorized to reject services. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the Contracting Officer whenever services are rejected. The COR should provide the Contracting Officer with documentation on the number of observations made, the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. The DD Form 250 can be used to document rejection.

Task 3. Evaluate the Contractor's Rejection Reply.

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming services, or challenge the deficiency assessment. If the COR is authorized to reject services, he/she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (contractor challenges the assessment of defective services) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of the contractor's corrective action plan, the impact of accepting non-conforming services or whether or not the contractor's rebuttal is valid.

Duty 7. Completing Other COR Support Tasks

The COR performs or participates in seven other tasks that play an essential role in successful contract performance. These are discussed below.

Task 1. Administer Government Property.

Normally, contractors furnish all equipment and material necessary to perform Government contracts. However, there are times when it is in the best interest of the Government to provide Government furnished property to the contractor. For example, the Government usually

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provides office space, computers and office furniture to contractor employees performing at the Government site. When Government property is provided, the COR frequently will be asked to advise or assist the Contracting Officer in administering its use.

Step 1. Supervise the initial transfer of Government property.

Ensure that an inventory is conducted prior to signing the equipment over to the contractor. Ensure adequate property control procedures are in effect.

Step 2. Monitor the contractor's use of Government property.

Report loss, damage or destruction of Government property to the Contracting Officer. Also report any incidents of unauthorized use.

Step 3. Supervise the return of Government property.

Supervise the return of Government property upon contract completion or when no longer required by the contractor.

Task 2. Provide Technical Support for Contract Modifications.

A modification is a written alteration of any aspect of the contract including the PWS, period of performance, quantity, price or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in three different aspects of the modification process.

Step 1. Identify any circumstance that may require modification to the contract.

These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer. PRWeb is used to forward modification requests to the Contracting Officer.

Step 2. Provide the Contracting Officer with a technical evaluation of the proposed change.

This evaluation should be completed with the same attention to detail used in developing the initial requirement. This evaluation should contain a thorough analysis of the affects of the proposed change on the other areas of the contract.

Step 3. Assist the Contracting Officer in the negotiation.

Assist the Contracting Officer in the negotiation of the change with the contractor, if necessary.

Task 3. Manage Performance Problems.

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibilities of both the Government and the contractor and to avoid actions that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely affect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the

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event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following:

- Providing notice to the contractor of the particular deficiency and obtaining a commitment for appropriate corrective action.
- Extending the schedule of work if excusable delays in performance are involved.
- Withholding payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminating the contract either for convenience, cause or default (see next task).

The COR should follow these steps when faced with performance problems.

Step 1. Document all instances of inadequate performance.

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government usually has a difficult time correcting the problem. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in contract termination if they are allowed to progress.

Step 2. Notify the Contracting Officer.

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation. When it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

Step 3. Provide technical support to the Contracting Officer.

The Contracting Officer has a number of ways of managing contractor performance problems, ranging from an informal meeting with the contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences when the situation reaches the point that the Contracting Officer must initiate Termination for Default procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.

Task 4. Provide Technical Support for Terminations.

The Government has a unique right to terminate a contract for **convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item or service is no longer needed, the contract is no longer affordable, it is impossible for the contractor to perform as specified in the contract (through no fault of the contractor) or there has been a radical change in the requirement that goes beyond the contractor's expertise. Terminations for Convenience allow the contractor to submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Officer and the contractor. The settlement agreement is finalized in a modification to the contract.

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The Government also has a right to terminate a contract for **default** based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination the contractor has a right only to payment for delivered and accepted services. When acquiring items deemed to be commercial, default terminations are called "Termination for Cause". The COR's responsibilities in either a Termination for Convenience, Termination for Default or a Termination for Cause are essentially the same.

Step 1. Identify any condition or event that may trigger a termination.

Early identification of a problem, whether poor performance, a change in requirements, or a lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.

Step 2. Notify the Contracting Officer.

Notify the Contracting Officer as soon as possible that a termination may be required.

Step 3. Provide technical support to the Contracting Officer during negotiations.

Assist the Contracting Officer by providing technical expertise during the termination process to include assisting in negotiations, if required.

Task 5. Advise the Contracting Officer on Options.

The exercise of an option is not an automatic process. There are a number of actions that must be accomplished prior to exercising a contract option.

Step 1. Conduct market research.

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current cost/price of the same or similar services. The COR must also determine if there have been significant technological changes in the marketplace.

Step 2. Formally request that the option be exercised.

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion of the impact on continuity of operations and the cost to the Government if the option is not exercised; and other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continued need for the services and that funds are available. A Purchase Request certifying funds must accompany the written request. Just as was done for the initial Purchase Request, the request to exercise the option is forwarded to the contracting office using PRWeb.

When a decision is made that it is not appropriate to exercise an option, the COR shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the COR by telephone or electronic transmission when notification is sent to the contractor's business office.

Task 6. Document Past Performance.

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a

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powerful motivator for contractors to maintain high quality performance, but it also increases the probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. There is also a federal past performance data base called the Past Performance Information Retrieval System (PPIRS). The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

Step 1. Determine whether a formal evaluation is required.

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

Step 2. Document past performance information.

Evaluations are required to be prepared at the time work under the contract is completed. The contract should specify the manner in which the evaluation is done, which Government officials are involved in the evaluation and documentation process, what will be included in the documentation, and the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor. Normally, performance assessment information must be submitted to the Contracting Officer no later than 30 days after the completion of the period covered by the evaluation.

Step 3. Rate past performance.

The COR, as the person most familiar with the contractor's performance, should prepare the initial evaluation. The contract will specify the manner in which the contractor's performance will be rated. The following is a list of sample rating areas.

- **Quality** – Did the services meet the requirements of the contract?
- **Timeliness** – Was the delivery schedule met?
- **Cost Control** – Did the contractor manage costs in an appropriate manner?
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?
- **Customer Satisfaction** - This rating area looks at the satisfaction of the end users. The Quality Assurance Surveillance Plan should contain the procedures for receiving customer feedback on contractor performance. This can be done through either telephone calls by the COR; use of written survey forms, complaint boxes in strategic locations, or other means of measuring end user satisfaction; or use of sample random surveys. A customer satisfaction survey is an excellent method of measuring contractor performance from the perspective of the end user. Random surveys are best used when it is not cost effective to survey all end users. Either the Government or private information vendors may conduct the survey. The COR should evaluate the end user's comments to determine if the contractor reasonably tried to meet their demands within the contract requirements.

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- **Key Personnel** - Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection officials. This information is critical when a newly formed company is bidding on a contract and its past performance history is based on the past performance of the key personnel.

The following table provides an example of past performance rating factors:

Sample Rating Factors	
Unsatisfactory (Red)	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element contains serious problems(s) for which the contractor's corrective actions appear or were ineffective. Supporting narrative should explain why performance is not satisfactory and provide specific instances where the contractor's corrective actions were ineffective.
Marginal (Yellow)	Performance does not meet some contractual requirements. The contractual performance of the element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented. Supporting narrative should identify the specific areas where the contractor did not meet the contractual requirements and identify the problems areas for which the contractor has not yet identified corrective actions.
Satisfactory (Green)	Performance meets the contractual requirements. The contractual performance of the element being assessed contains some minor problems for which corrective actions taken by contractor appear or were satisfactory.
Very Good (Purple)	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective. Supporting narrative should identify the areas where the contractor exceeded the contractual requirements to the government's benefit.
Exceptional (Dark Blue)	Performance meets contractual requirements and exceeds many requirements to the government's benefit. The contractual performance of the element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective. Supporting narrative should identify the many areas where the contractor exceeded the contractual requirements to the government's benefit.

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Task 7. Participate in Contract Closeout.

A contract is completed when all services have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable.

The COR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on MEDCOM awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future MEDCOM projects. Centralized performance data maintained by HCAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

Additional Readings

Acquisition planning and developing requirements documents

The Federal Acquisition Regulation¹

- Part 7 - Acquisition Planning
- Part 10 -Market Research
- Part 11 - Describing Agency Needs
- Part 15 (15.304) - Evaluation factors and significant sub-factors
- Part 16 - Types of Contracts
- Part 22 (22.10) - Service Contract Act
- Part 32 (32.7) - Contract Funding
- Part 37 - Service Contracts
- Part 46 - Quality Assurance

OMB Circular A-76, Revised Supplemental Handbook: Performance of Commercial Activities²

OFPP Guide to Best Practices for Performance-Based Contracting²

DoD Guidebook for Performance-Based Services Acquisitions²

Requiring Activity actions during the solicitation process

FAR 3.104 - Procurement Integrity¹

FAR 5.1 - Dissemination of Information¹

FAR Part 15 - Contracting by Negotiations¹

Developing the Work Plan

FAR 37.602-2 - Quality Assurance for Service Contract¹

OFPP Best Practices Guide for Contract Administration²

Supporting the Post award orientation

FAR 42.5 Post Award Orientation¹

Monitoring Contract performance

FAR 12.208 - Contract Assurance¹

FAR 12.402 - Acceptance¹

FAR 43.104 - Notification of Contract Changes (Constructive Changes)¹

FAR Part 42 - Quality Assurance

OFPP Best Practices Guide for Contract Administration²

The COR Appointment Letter

The Contract Document

The Contract Quality Assurance or Surveillance Plan

Acceptance or rejection of services

FAR Part 46 - Quality Assurance¹
DFARS, Appendix F - Material Inspection and Receiving Report³
FAR 52.232.25, - Prompt Payment¹
DFAS Contractor Payment Handbook⁴
Wide Area Workflow Overview and Training⁵

Other COR Support Tasks

FAR Part 45 - Government Property¹
FAR Subpart 17.2 - Options¹
FAR Part 49 - Termination of Contracts¹
DoD Guide to Collection and Use of Past Performance Information²

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at the "Guidebooks and Handbooks" Section of the AT & L Knowledge sharing website <http://web.deskbook.osd.mil/>
3. Available on-line at <http://farsite.hill.af.mil/>
4. Available on-line at <http://www.dfas.mil/commpay/contractorpayment/>
5. Available on-line at <http://www.cs.amedd.army.mil/medcomrm>

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CHAPTER 4. CONTRACTING FOR HEALTH CARE PROVIDERS

Overview

The acquisition of health care providers, while similar in nature to other service acquisitions, uses a number of unique processes and involves a number of highly technical considerations not found in other service acquisitions. This chapter details the steps necessary to ensuring a successful direct health care provider acquisition. Throughout this Chapter, the term Customer or Requesting Activity is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

Key Terms

Health Care Provider

Personnel participating in clinical patient care (doctors, nurses, laboratory technicians, etc.) are considered Health Care Providers (HCP). Also included are individuals involved in family advocacy and other clinical counseling programs (social workers, psychologists, psychiatrists, and other comparable professionals who have advanced degrees in counseling or related academic disciplines and who meet all requirements for State licensure and board certification requirements) even when these individuals are not working within a medical treatment facility. Individuals whose duties are primarily administrative or clerical are not considered direct health care providers. For example, a receptionist at a clinic who has no medical training and whose duties consist of answering phones, greeting patients and giving directions, is not a direct health care provider, even though he/she may be "involved" in the patient care process.

Health Care Providers

Innovative Medical Acquisition Program (iMAP)

HCAA developed the iMAP Program to provide business advice on solving health care staffing challenges and to develop innovative acquisition solutions to the MEDCOM. The iMAP team is located at HCAA's Center for Health Care Contracting with regional offices located at each of the RCOs. The iMAP has developed a toolbox of contract instruments to facilitate the HCP contracting process. This toolbox includes Multiple Award Task Order Contracts, Federal Supply Schedules, Contracts with Individuals and Native American 8(a) Set-Asides.

Nonpersonal Services

Service contracts are classified as nonpersonal when contract personnel are not subject to the supervision and control usually prevailing in relationships between the Government and its employees. When classifying a contract as nonpersonal, both the contract terms and the manner in which the contract is administered must be reviewed. HCPs that are acquired on a nonpersonal services basis are not subject to the Federal Tort Claims Act, i.e. they can be directly liable for claims alleging negligence. Consequently, they must maintain their own medical malpractice insurance.

Personal Services

Personal Services contracts are those that create an employee-employer relationship between the government and the contractor's personnel. Normally, the government is prohibited from awarding personal service contracts. However, a special exception exists for HCPs. HCPs that are acquired using a personal services contract receive much of their day-to-day supervision and

control from the government. This supervision includes work assignments, scheduling, standards, procedures and other technical supervision of their performance. However, HCPs are not actual employees of the government and there are limitations on the level of supervision that the government can provide. Administrative supervision of the provider, i.e. establishing compensation rates, disciplinary action, promotions, hiring/firing, approving leave, etc, is the responsibility of the contractor. HCPs are afforded the same Federal Torts Claims Act protection regarding claims alleging negligence as a DoD employee. Consequently they are not required to maintain medical malpractice insurance.

Performance Based Service Contracting (PBSC)

Performance-based contracting is intended to ensure that the required performance quality levels are achieved and that payment is related to the degree that the services rendered meet the contract standard. Performance-based contracts state the Government's need in terms of what is required (the results) rather than the manner in which the contractor is to perform (method). Performance-based contracting includes a measurable performance standard and a quality assurance plan; specific procedures for reductions in contract fee or price when services are not performed; and should include performance incentives where appropriate. PBSC is the preferred method of contracting for HCP services. [Chapter 1](#) of this Desk Reference provides detailed procedures for developing a PBSC.

Purchase Request

A Purchase Request (PR) is a form or a document that is submitted to the Contracting Officer to initiate a requisition for the purchase of services or supplies. This form will include the amount of money allotted and accounting classification number for the requirement, a description of requirement and necessary signatures. As appropriate, the Purchase Request will include a detailed purchase description, statement of work or specifications, delivery schedule, solicitation evaluation factors, estimate of the cost/price and/or a quality assurance plan.

Duties and Responsibilities

HCP contracts can range from the very complex, i.e. contracting for an entire clinic, to moderately complex, i.e. contracting for an entire service, to relatively simple, i.e. contracting for an individual provider. While the steps followed for each of these different levels of complexity are essentially the same, HCAA has streamlined the processes involved in contracting for individual providers.

Duty 1. Developing and Documenting the Requirement

Long before the Government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the MEDCOM. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. While HCAA has streamlined many of the processes required to successfully acquire Individual Health Care Providers, proper planning is still essential in order to prevent or resolve potential problems early in the process. As the complexity of an acquisition increases, the level of effort afforded to the planning process will also increase. There are six tasks that must be accomplished during acquisition planning.

Task 1. Acquisition Planning and Concept Development.

Step 1. Identify the needs of the Government.

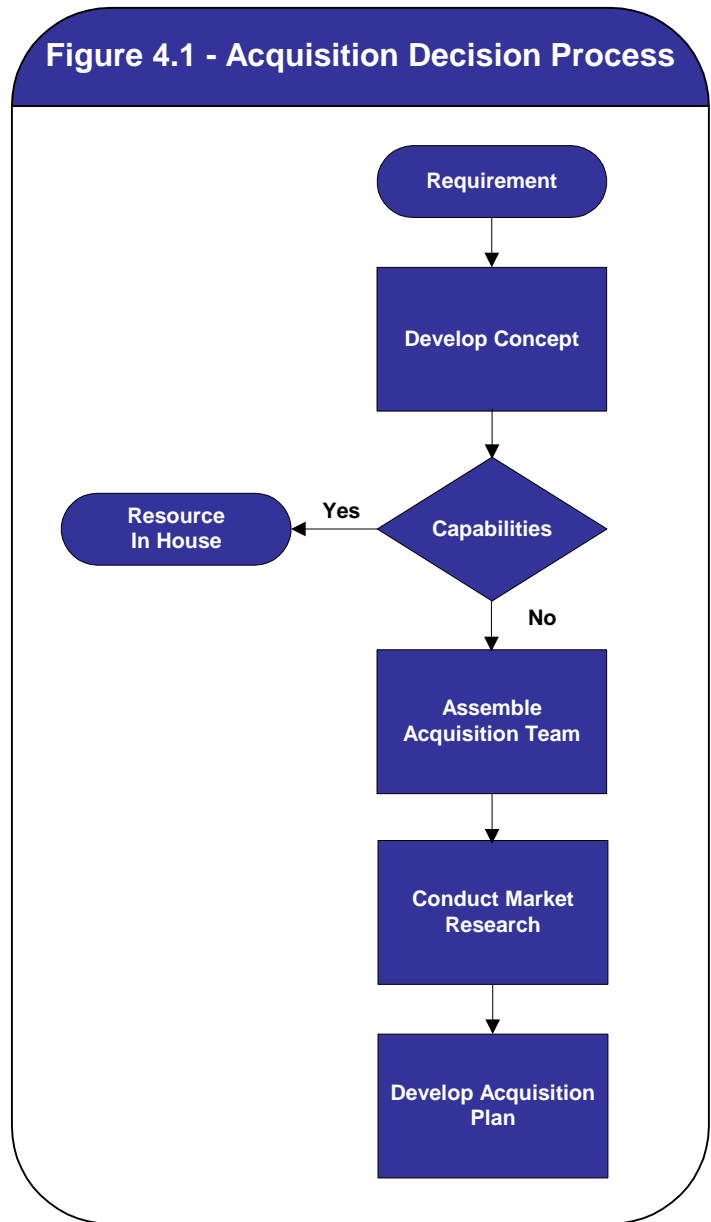
Concept development is the first step in any acquisition. The Requiring Activity determines that additional resources are required and defines in broad terms what this effort entails. A plan or concept is developed that reflects consideration of MEDCOM in-house capabilities. Just like any Performance Based Service Contract, an Integrated Acquisition Team is formed early in the process. This process normally starts with the Requiring Activity contacting the HCAA Contracting Officer.

There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs, and budget documents.
- Surveys of requiring activities.
- Meetings to plan, program, and budget for agency missions.
- New scientific studies.
- Changes in policy or regulations.
- Changes in previous or existing contracts.
- The expiration of current contracts.
- In-depth literature searches.
- Discussions with technical and health care personnel, both within and outside the Government.

The budget process must also be considered during concept development. The team must ensure that adequate funding will be available to support the effort, or must consider tailoring the effort to meet available funding. Once the concept has been formulated, the appropriate management staff must review it for:

- Program relevance
- Need
- Merit
- Priority
- Timeliness



Step 2. Determine the correct supporting contracting activity.

Several different contracting activities provide contracting support to the MEDCOM. It is important to identify, during concept development, which is the appropriate supporting contracting office for the services under consideration. This information is necessary in order to begin to assemble the acquisition team and to develop the acquisition plan. For all HCP requirements, the supporting HCAA Contracting Office will provide contracting support.

Step 3. Assemble the Acquisition Team

A team approach is the cornerstone to a successful acquisition. There are far too many technical, legal and regulatory considerations for one or two people to accomplish this process on their own. Additionally, decisions made early in the acquisition process will have a large effect on the overall outcome of the process. Failure to include all the decision makers early in the process could lead to significant delays or a less than desirable outcome. At a minimum, the Acquisition Team will consist of the following individuals:

- The requiring activity's technical representative. This is the individual most knowledgeable of the requirement. The technical representative will be responsible for documenting the requirement and preparing most of the paperwork necessary to start the acquisition process;
- An appropriate management official from the requiring activity;
- The contract specialist who will develop most of the contract documents needed for the acquisition;
- The Contracting Officer;
- The proposed COR, if different from the technical representative, should also be part of the Acquisition Team.

The Acquisition Team begins its work by identifying what problem or need it is trying to address and how that solution supports the activity's overall mission objectives and performance goals. It is important that the team avoid focusing on the status quo. Just because the Pharmacy has always had seven Pharmacists or twelve Pharmacy Techs does not necessarily mean that that is the correct solution.

Step 4. Perform market research.

The Acquisition Team uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market Research helps identify services that are available to satisfy the Government's needs, determine potential sources of these services, and estimate cost of these services to the Government. The Team can gather market research information from a variety of sources to include:

- Other government agencies that provide medical services (Veterans Administration, Air Force, Navy, Coast Guard, Public Health Service, Bureau of Indian Affairs, etc.)
- Professional and Technical Associations ([American Dental Association](#), [American Nurses Association](#), [Midwives Alliance of North America](#), [American College of Healthcare Executives](#), [Joint Commission on Accreditation of Healthcare Organizations](#), etc.)
- Compensation Websites ([Salary.com](#), [Bureau of Labor Statistics National Compensation Survey](#), [Salary Wizard](#), [Homefair.com](#), etc.)
- Contractor Websites – a complete list of all contractors currently holding a Federal Supply Schedule for Professional & Allied Healthcare Services are available from the [GSA e-Library Website](#). You can access this information by entering Schedule Number 621 I.

- Reviewing current contracts.
- Reviewing past performance information. When considering past performance information, review the quality of services, timeliness of performance, cost control, business practices and performance of key personnel.

Market research may also include discussions with potential contractors. These discussions may serve to determine interest, scientific approaches, technical capabilities, and state-of-the-art solutions relevant to the subject area. Since the government's requirement is not yet defined at this point in the process, discussion with industry is not only permissible, but encouraged. However, in holding such discussions, care must be taken not to disclose specific advance information on a proposed acquisition that may give a contractor an unfair advantage. While it may be necessary to disclose some general information regarding the government's intention, the purpose and focus of these meetings should be to obtain information from the contractor.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should be taken into account. When considering past performance information, review the quality of services, timeliness of performance, cost control, business practices and performance of key personnel.

The Requiring Activity should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSDBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSDBU is a valuable source of information on potential small and disadvantaged business sources. He/she can advise if there is a mandatory source for the required service and can help the Requiring Activity better understand the various federally mandated socioeconomic programs.

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps to resolve problems early in the acquisition cycle. While very few acquisitions within the MEDCOM require a formal acquisition plan, the Integrated Acquisition Team should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that will need to be documented. The Acquisition Plan Format can be found in [Appendix B](#).

Task 2. Develop the Performance Work Statement.

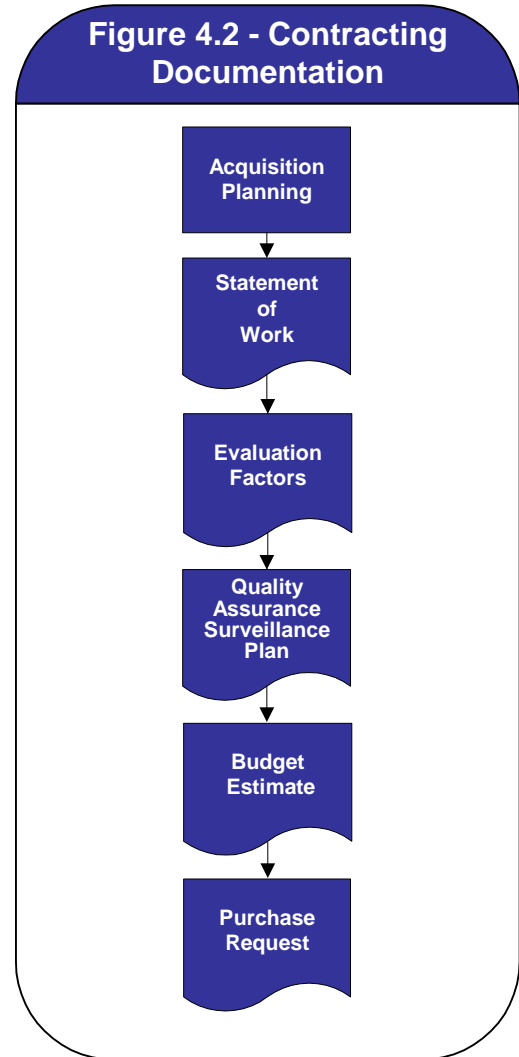
Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written Performance Work Statement should contain a clear and explicit description that reduces problems and enhances the quality of the offers submitted. It should also describe requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written PWS will avoid delays, save administrative efforts, and reduce the chance of a protest or claim against the Government. Carefully planning the PWS will save time and will make it possible to develop a concise, trouble-free solicitation. If you have not already done so, please read Chapter 2 for a detailed analysis of how to develop a performance based statement of work. Sample PWS for a wide variety of individual HCPs are available at the [iMAP Website](#). These can be tailored to meet the needs of most requirements.

Step 1. Write the Performance Work Statement or Statement of Objectives

The PWS describes the desired output in clear, simple, concise and legally enforceable terms. It should include exhibits and regulations if they help to better convey to the contractor what needs to be done. A performance oriented PWS should not contain detailed procedures unless absolutely necessary. Focus on the end result of the service, not the process.

Begin with a detailed outline that makes it easier to focus on content, to spot inconsistencies, redundancies, and preclude gaps. Draft the PWS one part at a time and include enough details to communicate clearly with the reader. The Acquisition Team should explain and illustrate salient points wherever it is necessary to convey the correct meaning. Because each acquisition is unique, each PWS must be tailored to the specifics of the project. The elements of a PWS will vary with the objective complexity, size, and nature of the acquisition. In general, it should contain the following sections:

- **Point of Contact** – Name, title, address, phone number, fax number and email address.
- **Date** – Effective date of the PWS (to track changes and revisions).
- **Agency/Activity** – Requesting organization.
- **Title** – Short, unique and descriptive title of the service required.
- **Definitions** – Any special terms or phrases that are used in the PWS that may not be generally understood or have a unique meaning.
- **Background** - Provides a description of the requiring activity’s organization, how the requested services support the organization’s mission and explains why the acquisition is being pursued. If appropriate, it explains how this project relates to past, current, or future projects. It should also include a summary of statutory program authority and applicable regulations.
- **Objectives** - Provides a concise overview of the requiring activity’s goals and expectations of the services requested.
- **Scope** - Provides an overall, non-technical description of the work to be performed. Identifies and summarizes the various phases of the project, and defines its limits in terms of specific objectives, time, special provisions, or limitations. Contractor responsibilities and the expected results of the project are often summarized here.
- **Specific Tasks** - Spells out in detail, what is expected of the contractor. Describes the specific tasks, objectives and deliverables required under the contract. Each task is titled and numbered sequentially. Complex tasks are broken down into subtasks. If the contract involves multiple phases, these phases and the effort required in each phase are identified. Tasks should be performance based, i.e., they should define the work in terms of “what” is required rather than “how” the work is to be performed. They should enable assessment of work performed against a measurable standard. While the delivery schedule or period of



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performance is normally detailed in a separate section, it may also be included here if necessary for clarity. The criteria for acceptance of all deliverables should also be given in this section.

- **Contract Type** – Recommends the type of contract (firm fixed-price, time & materials, cost plus fixed fee, etc.)
- **Place of Performance** – States the building or location where performance is to occur.
- **Delivery Schedule/Period of Performance** – The delivery schedule/period of performance is specified here. Delivery schedules can be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for services, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified, or an Indefinite Delivery/Indefinite Quantity Contract can be used.
- **Contract Deliverables** – Specifies precisely what items are to be delivered both during performance of the contract and at completion. If the deliverable is a task, the criteria for accepting or rejecting that task must also be detailed. If the deliverable is a report, this section should discuss what topics are to be addressed, the report format, the criteria to be used in accepting reports, the number of copies the contractor should submit, and to whom they should be submitted.
- **Identification of Contractor Personnel** – When contractor personnel will be working at a Government site, the PWS must include a requirement that contractor personnel clearly identify themselves as a contractor employee. The name of their company should be part of their email address, all correspondence and all identification badges, desk plates, etc. Additionally, contractor personnel must be required to identify themselves as contractor personnel when attending meetings, answering Government telephones, or working in situations where there is a potential that their actions could be construed as official Government acts.
- **Government Furnished Support** – Lists any property, equipment, or supplies that the Government will provide to the contractor for performance of this contract.
- **Security** – Describes the physical security level required for the specific work to be done, security clearance requirements of contractor personnel, and other security related topics. If the contractor will require access to classified information, the Requiring Activity will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Contracting Officer for inclusion in the solicitation. This form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award.
- **Access to Government Computers** - The Requiring Activity must address the degree to which contractor personnel will have access to Government computers – either hardware or software, and include the appropriate ADP position sensitivity designation in the PWS.
- **Inspection and Acceptance** – Describes the criteria that will be used to inspect and accept contract services (see “Prepare the Quality Assurance Surveillance Plan” on page 94).
- **Special Considerations** – Includes any special consideration, unique requirements or additional information that would help contractors prepare their proposals. Examples include possible follow-on work, potential conflicts of interest, travel requirements, and applicable agency standards.

Individual HCPs - In addition to the above subjects, the Integrated Acquisition Team will need to consider the following additional areas when acquiring individual HCP services:

- **Personal/Nonpersonal Services** – In general, personal service contracts are less expensive than nonpersonal service contracts. The provider is not required to maintain medical malpractice insurance, both risk and the level of effort required by the contractor is reduced since day-to-day supervision and control of the HCPs is provided by the government and the licensure requirements for personal service HCPs are more flexible (nonpersonal service HCP must have a current license from the state where the contract performance is occurring; whereas personal service HCPs can be licensed by any US state, District of Columbia, Commonwealth of Puerto Rico, Guam or the US Virgin Islands). However, this must be weighed against the increased effort and risk required by the government. Personal service contracts are normally used for individual providers. Other HCP requirements may be either personal, nonpersonal or a combination of the two depending upon the complexity and the degree of government supervision that is likely to occur.
- **Health and immunization requirements** – HCPs performing within Military Medical Treatment Facilities (MTF) are subject to the same health and immunization requirements as government workers in these facilities.
- **Delivery of healthcare to children under 18 years of age** – All personnel must have a current criminal background check prior to providing unsupervised care to children.
- **License and certification requirements** – PWS must identify all requirements in regards to licenses, certifications, and Drug Enforcement Administration Certification.
- **Other qualifications** – PWS must also identify education, experience and required communication skills i.e. “providers shall be able to read, write and speak English well enough to effectively communicate with patients and other MTF staff”.
- **Training requirements** – PWS must identify any orientation or training requirements that must be completed prior to commencing work and any continuing education requirements. The PWS should also indicate which training, if any, will be provided by the government. In addition to the cost of the training, the PWS should also clarify the extent to which time spent in training is billable against the contract.
- **Standards of personal appearance** - HCPs performing within Military Medical Treatment Facilities (MTF) are subject to the same personal appearance standards as government workers in these facilities.
- **Hours of Performance** – the PWS should indicate the hours of operation and the extend that shift scheduling will be used
- **Procedures for evaluation of providers** – PWS should indicate if the government desires to interview HCPs prior to performance and whether this will occur before award (i.e. as part of the proposal evaluation process) or after award.
- **Special incentives** – The PWS should include the details of any special incentives provided by the government i.e. relocation expense reimbursements, recruitment bonuses, and/or retention bonuses.

Overseas Requirements: There are a variety of additional factors that must be considered when contracting for services to be provided overseas. These include the following:

- **Contractor's Past Experience** – Contracting for services to be performed outside the United States is subject to a wide variety of additional laws, regulations and rules not applicable to contracts performed in the United States. These include Status of Forces Agreements (SOFA), Non-Combatant Evacuation Orders (NEO), foreign tax laws and treaties and may require approval by government entities in the foreign country. Consequently, the acquisition teams should consider adding contractor past performance in the country where services are to be performed as an evaluation factor.

- **Logistical Considerations** – In general, recruiting for individuals to perform services in an overseas theater, takes longer than filling comparable positions in the U.S. These longer lead times need to be taken into account in both planning and in the PWS. Additionally, the Acquisition Team will need to provide specific details in the PWS regarding compensation for relocation expenses, whether or not dependents will be authorized, what privileges (commissary, PX, banking, etc.) will be available to the contractor and his/her family.
- **Additional Information** - Additional information on overseas requirements can be found at the following websites: [Income Tax Treaties \(UK, Germany, Japan\)](#), [DoD Contractor Personnel Office, HQ, USAREUR](#), [U.S. Department of State](#), and [U.S. Embassies International Information Programs](#). Information on overseas requirements is also available from the specific HCAA Contracting Offices – Center for Health Care Contracting (various areas), European Regional Contracting Office (Europe), Pacific Regional Contracting Office (Korea and Japan).

The following is an example of a PWS for an HCP requirement.

<p>FAMILY MEDICINE PHYSICIANS PERFORMANCE WORK STATEMENT</p> <p>1. GENERAL.</p> <p>1.1. DESCRIPTION OF WORK.</p> <p>1.1.1. The contractor shall provide two Board Certified Family Medicine Physicians for the Department of Family Practice (DFP) at Madigan Army Medical Center (MAMC), Tacoma, Washington. Physicians are responsible for the examination, diagnosis and treatment of the full range of outpatients seen in the DFP and must possess sufficient initiative, interpersonal relationship skills and social sensitivity such that he/she can relate constructively to a variety of patients from diverse backgrounds.</p> <p>1.1.2. This is a Personal Services Contract (PSC). Contract personnel performing under this contract shall perform services under the control and general supervision of the Chief, DFP or his/her designated representative.</p> <p>1.1.3. Reserved.</p> <p>1.1.4. Performance Measures.</p> <p>1.1.4.1. Outcome. The contractor will provide qualified personnel who will fulfill the requirements to provide general medical care at a standard enabling the MAMC to provide such services at a high level of quality.</p> <p>1.1.4.2. Standards. Acceptable measures include: fill rate of 94% per year; employee turnover rate of 33% per year; substantiated patient complaints-max 2 per year; no physician initiated cancellations of treatment except as medically required by patient; only prescribing medication on the hospital formulary; contractor providing personnel exceeding the minimum qualification standards; no inappropriate prescriptions; compliance with hospital policy and procedures; complete documentation of patient records; timely patient follow-up when necessary; timely submission by contractor of required reports and documentation.</p> <p>1.1.4.3. How measured. Department supervisory personnel will monitor provider performance through government information systems and records, patient records, customer service information, contractor reports and time sheets.</p> <p>1.2. QUALIFICATION REQUIREMENTS.</p> <p>1.2.1. Must possess a Degree as a Doctor of Medicine or Doctor of Osteopathy from a school in the United States or Canada recognized and approved by the accrediting body of the American Medical Association.</p>	<p>Health Care Providers</p>
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1.2.2. Must be Board Certified by the American Board of Family Practice.

1.2.3. Have a minimum of one-year experience as a Family Practitioner in the previous three years and be skilled in recognizing various medical pathologies that require referral to specialists for diagnostic and treatment procedures.

1.2.4. Have a current unrestricted license to practice medicine in any State, District of Columbia, or any territory of the United States and be able to obtain privileges through the Credentials Committee and Commander at the facility within which they will work.

1.2.5. Must possess and maintain a current Drug Enforcement Administration (DEA) registration number.

1.2.6. Have a current Basic Cardiac Life Support (BCLS) (required) and Advanced Cardiac Life Support (ACLS) certification.

1.2.7. Be able to read, write, and speak English well enough to effectively communicate with patients and other HCPs.

1.2.8. Contract HCPs shall be required to meet Continuing Medical Education (CME) requirements. The government will not reimburse for these costs. The COR may approve contractor HCPs to attend MTF CME classes on a space available basis.

1.2.9. The contractor shall ensure contract HCPs have received Occupational Safety and Health Administration (OSHA) required training for the position in which they will perform, and that training currency is maintained. Documentation of such training shall be provided to the Contracting Officer's Representative (COR).

1.3. ADMINISTRATIVE.

1.3.1. Use of short-term rotating HCPs seriously detracts from continuity of patient care that is of utmost importance. Periods of not less than 6 months duration shall be provided by any primary HCP working under this task order. Substitutes are permitted during absences of the primary HCP. The contractor shall have adequate pre-credentialed/pre-privileged replacement HCPs available in such instances so a lapse in coverage does not occur. Substitutes shall be as qualified and privileged as the primary HCP. Substitutes are not allowed so the HCP can accept another assignment or to meet the needs of the Contractor. The credentialing/privileging process takes between 30-45 days. Any lapse in coverage may be considered grounds for termination for cause.

1.3.2. Neither uniformed personnel nor Government civilian employees shall be employed to perform services under this contract.

1.3.3. A non-compete condition in the contractor's employment agreement with its employees that prevents employees of the incumbent from being employed, or accepting offers of employment, by the new contractor on the follow-on task order hinders the government's ability to accomplish the mission of providing continuity of quality medical care to beneficiaries. By submitting a proposal for a task-order resulting from this RFQ the offeror agrees to not enforce any non-compete provisions, if any, against any employee that accepts an offer of employment with the follow-on contractor to provide the same services covered by the provisions of this task-order and will not seek reimbursement from the government.

1.3.4. Orientation and Training.

1.3.4.1. Prior to working, contract HCPs will be provided a government paid orientation to familiarize contract HCPs with the policies and procedures of the MTF. Orientation attendance will be required of all contract HCPs and will be scheduled by the Contracting Officer's Representative (COR) or Department Chief during normal duty hours.

1.3.4.2. The contractor shall ensure that contract HCPs are knowledgeable of the policies and procedures of their specific place of duty and of the medical activity. The contractor shall ensure contract HCPs receive any staff training required by the MTF as a precondition/condition to performance. Such training may include instruction on automation processing, quality assurance policies and local in-service and safety briefings. This training shall be conducted during the scheduled shift of the contract HCP.

1.3.4.3. The government may elect to provide specialty training to contract HCPs at government expense, or make specialty training available in a non-paid status. Such training may require a performance commitment on the part of the contract HCP and the contractor as agreed upon by all parties. If the contract HCP receiving training at government expense does not honor such commitment, the contractor may be required to reimburse the government a prorated portion of the training costs for the time the contract HCP does not perform as agreed. Such training agreements will be designated by modification to the task order.

1.3.4.4. Composite Health Care System (CHCS). The government will provide training to contract HCPs in the CHCS and other procedures that the medical activity's staff is required to use. Access to such patient data systems is an "Automated Data Processing Sensitive" position requiring compliance with AR 380-19 and AR 380-67. Refer to the Additional Information section "ADP Security Requirements" in this task order for further guidance.

1.3.5. Reports. The contractor shall submit reports to the COR or contracting officer as requested for use in monitoring contractor performance. Such reports may include, but are not limited to, personnel recruitment/credential status, projected losses, HCP locations, etc.

1.3.6. Safety. Contract HCPs comply with all installation safety regulations. Such regulations include, but are not limited to, general safety, fire prevention, and waste disposal. Copies of these regulations are on file in the medical activity safety office or may be obtained through the COR.

1.3.7. Security.

1.3.7.1. The Contractor shall ensure that all contract HCPs comply with the local installation requirements for vehicle registration and operation on the military facility. Any vehicle operated by the contractor or its employees in performance of this task order must have the minimum liability coverage required by the state.

1.3.7.2. Contract HCPs shall comply with installation and MTF personnel identification and access requirements. The contractor is responsible for absences of contract HCPs due to expired identification and access documents.

1.3.7.3. The contractor shall be responsible for any keys issued by the government to contract HCPs for use in the MTF. The keys shall not be duplicated. The contractor shall be financially responsible for the replacement of any lost keys and any associated locks. Lost keys and/or locks shall be reported to the issuing party, Department Chief, or COR immediately upon recognition of the loss. No unauthorized personnel shall be allowed entry into the locked area. Contract HCPs shall lock all areas for which they possess a key when they are not using the area and at the close of the work period.

1.3.7.4. Safeguarding Material. The contractor shall be responsible for safeguarding all government property provided for contractor use. The contractor shall safeguard information of a confidential or sensitive nature. Neither the contractor nor any of its contract HCPs shall disclose or cause to be disseminated any information concerning the operation of the MTF that could result in or increase the likelihood of the possibility of breach of security or interrupt the continuity of operations or which breach the requirements of the Federal Privacy Act of 1974. However, the contractor may be required to provide testimony or disposition in cases of due process action.

1.3.8. Health. All contract HCPs performing services under this task order shall comply with the health and immunization requirements as stated in the Additional Instructions section "Health and Immunization Requirements" in this task order at the time of initial request for clinical privileges and annually thereafter. Backup/replacement contract HCPs shall be required to provide equally current certification of health at the time of initial request for clinical privileges, and annually thereafter. The expense for all physical examinations to comply with the health requirements shall be borne by the contractor at no additional cost to the government.

1.3.9. Contracting Officer's Representative (COR). The COR will be appointed in writing by the Contracting Officer after the task order is awarded. The Contracting Officer will provide a copy of this designation and COR contact information to the Contractor.

1.4. HOURS OF PERFORMANCE.

1.4.1. If award is priced based on an annual salary (billable monthly), contract HCPs shall work a minimum of 1,920 hours and a maximum of 2,080 hours for each twelve-month period. Requirements will be stated on the task

order in number of months. If award is priced hourly, the number of hours required are as reflected in the task order. Specifying the number of months allows for determination of price based on an annual salary, which can be invoiced monthly by the contractor. The range of hours specified shows the minimum and maximum number of hours the contract HCP must work over the performance period (i.e., one year). This allows flexibility of work schedule based on MTF workload requirements. If the contract HCP does not meet the minimum required hours the contractor will be decremented for the hours not worked. This will occur on the final invoice. The per-hour decrement is based on the average hourly wage, calculated by dividing the extended price for one Full Time Equivalent (FTE) (12 months) by the minimum number of hours required. The amount to be decremented is calculated by multiplying the average hourly wage by the difference between the minimum hours required and the number of hours worked. Hours worked includes hours to which paragraphs 1.4.3. (Closures) and 1.4.4. (Organizational Activities) apply if priced on an annual salary basis only. The department for which the HCP works will keep a log of the number of hours worked to ensure the HCP works within the range of hours specified.

1.4.1.1. The Chief, DFP or his/her designee will schedule the Contractor's duty hours. Contractor may be scheduled to work flexible hours to support the DFP hours of operation; generally between 0730 and 1930 weekdays primarily (M-F), but may include weekends and holidays. Shifts may be in increments of 8 hours or 10 hours a day, for a 40-hour workweek. A 1-hour unpaid break will be given during the shift as determined by the clinic schedule. This task order provides one level of compensation regardless of when the hours are worked, i.e. weekends, holidays, evening shifts, etc.

1.4.1.2. This position requires the contract HCP to be on-call one-week end a month. The contract HCP will be required to carry a pager and respond back to the MTF within one hour of being notified.

1.4.1.3. The Government may allow the Contract HCP the flexibility of arranging his/her appointments; however, complete administrative control and jurisdiction of the patient shall remain with the Government.

1.4.1.4. Contract HCPs shall not have worked, other than as required by this task order, in the 8 hours prior to their shift.

1.4.2. ABSENCES. The contract physician is allowed up to 4 weeks off per year, which covers vacation, CME and sick leave and must be coordinated with the C, DFP or his/her designated representative 8 weeks in advance of a proposed absence. The contract physician will not be absent more than fourteen (14) consecutive days except for TDY.

1.4.2.1. No replacement is needed for planned absences and for up to three consecutive days of unplanned absences. Unplanned absences for longer than 3 days will require replacement that meets all qualification requirements under the terms of this task order. In the event of an unplanned absence, the government reserves the right to extend the period beyond three days, however until such extension is granted the contractor must take steps to meet the requirement.

1.4.2.2. Unscheduled Absences shall be called into the COR or the Department Chief (or designated representative) by the contract HCP within the first 2 hours of each duty day that he/she is unable to report to work.

1.4.3. Closures. Closures. During anticipated or unanticipated clinic closures, the contractor will only be paid for hours actually worked.

1.4.4. Organizational Activities. If determined appropriate by the department or MTF, contract HCPs may be invited to participate in organizational events (i.e., organization days, grand openings, holiday parties, etc.) as their place of duty in a paid status. This is subject to contractor approval.

1.4.5. The contractor shall provide full coverage for the required hours of performance. The government prefers permanent HCPs to perform the required services. However, the contractor may use temporary short-term contract HCPs initially until permanent contract HCPs are recruited. This period should not exceed two months from the start of performance. In the event it does, this may reflect in past performance reports at the discretion of the contracting officer.

1.4.6. Holidays.

1.4.6.1. The following is a list of legal federal holidays as referred to elsewhere in the task order.

New Year's Day, January 1st
Martin Luther King's Birthday, 3rd Monday in January
President's Day, 3rd Monday in February
Memorial Day, Last Monday in May
Independence Day, July 4th
Labor Day, 1st Monday in September
Columbus Day, 2nd Monday in October
Veteran's Day, November 11th
Thanksgiving Day, 4th Thursday in November
Christmas Day, December 25th

NOTE: Any of the above holidays falling on a Saturday will be observed on the preceding Friday; holidays falling on a Sunday will be observed on the following Monday.

1.4.6.2. The military may designate a weekday as a training holiday if doing so would provide a four-day holiday weekend (e.g., Thanksgiving weekend, Friday is usually a military training holiday). This may result in the closure of some clinics or departments, negating the need for contractor services on such days. Known training holidays for the base year of this task order (FY03) are 11 OCT 02, 29 NOV 02, 14 DEC 02, 31 DEC 02, 17 JAN 03, 14 FEB 03, 23 MAY 03, 3 JUL 03, 29 AUG 03. Subsequent year training holidays will be identified in the modifications exercising each task order option year.

1.4.7. Contractor may be required to travel to military medical treatment facilities within the Western Regional Medical Command (WRMC), to include the states of Alaska and California and provide primary healthcare services on a temporary basis (TDY). The length of the TDY will not be any longer than two weeks (14 days) at a time, and may not exceed four weeks (28 days) in a year. This may include nights, weekends and/or holidays. TDY expenses will be reimbursed to the contractor in accordance with the terms and conditions of the contract. Reimbursement of such costs will be limited to the amounts authorized government personnel in accordance with the rates determined by the Department of Defense Per Diem Committee and are not subject to overhead or profit. If the provider will be staying in government billeting, the COR or an individual designated by the COR will arrange lodging and the COR will inform the contractor when lodging arrangements are made. If government lodging is not available the COR will notify the contractor, and the contractor shall be responsible for making other lodging arrangements. All other arrangements must be made by the contractor, who will then bill and be reimbursed as discussed in the PWS.

1.5. CONDUCT.

1.5.1. The contract HCP shall record the time worked according to procedures determined by the MTF.

1.5.2. The chief of the department where services are being performed, or his/her representative, will define the scope of practice. Contract HCPs shall not introduce new procedures or services without prior approval of the Department Chief or representative. In disagreements or deviations from established or new protocols, the Department Chief, or representative, will be the deciding authority.

1.5.3. Contract HCPs shall comply with MTF policies regarding personal appearance and conduct.

1.5.4. Contract HCPs shall abide by federal and local MTF regulations and requirements concerning the nature of limited privileged communication between patients and the HCP as may be necessary for security and personnel reliability programs. They shall also abide by federal and local MTF regulations concerning the confidentiality of patient records, as embodied in federal statutes including the Privacy Act of 1974 and the Health Insurance Portability & Accountability Act of 1996. All regulations referenced are available for review from the COR, MTF, or the Contracting Officer. All medical records and reports will remain the property of the government.

1.5.5. Contract HCPs shall abide by MTF bylaws, JCAHO, DoD and Medical Department regulations with regard to Utilization Review and Quality Assurance directives, including, but not limited to, in-service training, maintenance of records, performance evaluation, release of medical information.

1.5.6. Contract HCPs shall make use of all appropriate equipment; supplies and services made available by the government and shall make referrals and seek consultations, as deemed necessary, for the optimal care of the patients.

1.5.7. Impaired Contract HCPs.

1.5.7.1. At any time during the performance of this contract, the Contracting Officer, COR, or the department Chief may direct the contractor to immediately remove any contract HCPs whose actions or impaired state raises reasonable suspicion that clear and present danger of physical harm exists to a patient, other contract HCPs, government personnel or to the impaired individual. This provision will be used in emergency situations only and not for the purpose of bringing performance issues or other non-urgent concerns to the attention of the contractor. The COR or contract HCP's supervisor may request contract employees believed to be impaired to submit to government provided drug/alcohol testing. If the employees refuse such testing, the Contracting Officer may request that the contractor replace the individual.

1.5.7.2. If a removal occurs, the COR will contact the contractor's point of contact within 24 hours, who will formally meet with the COR and/or other hospital management personnel to discuss further action in accordance with the MTF Quality Assurance and Inspection (QA&I) Plan. A review of the basis for removal will be made by the Contracting Officer and the COR within 3 working days.

1.5.7.3. If, after any investigation deemed necessary by government representatives and discussions with the contractor's representative, the COR and Contracting Officer conclude that the contract HCPs impairment requires permanent removal from performance under the contract, the Contracting Officer will notify the contractor that permanent removal is required. In the event of disagreements between the government and the contractor's representative concerning matters of impaired contract HCPs, the decision of the Contracting Officer will be final. During the period of time between the removal on a suspicion of impairment by government personnel and the final decision of the Contracting Officer, the contractor agrees to provide a backup/replacement contract HCP in accordance with the terms of this contract.

1.5.8. Inquiries. Contractor personnel shall not respond to any media inquiries. Any inquiries from the media shall be immediately relayed to the COR, who will relay them to the MTF Commander. There shall be no interviews, comments, or any other response without the knowledge and approval of the MTF Commander. Other than routine inquiries from external agencies, all other inquiries and complaints shall be brought to the attention of the contract HCP's government supervisor.

1.6. CONFLICT OF INTEREST.

1.6.1. The Contractor/contract HCPs shall not bill the patient for services rendered under this contract. The Contractor/contract HCPs shall be prohibited from receiving compensation of any kind for patients treated, procedures performed, or any other actions performed, except under the terms and conditions of this contract, at the rate specified.

1.6.2. The contractor or contract HCPs shall not, while performing services under this contract, advise, recommend, or suggest to persons eligible to receive medical care at Government expense that such persons should receive care from the contractor or contract HCPs at any place other than as designated under this contract.

1.6.3. Contract HCPs are not prohibited by reason of their employment under this task order from conducting private practice provided there is no conflict with the performance of services under this contract. The contracting officer will unilaterally resolve any issues concerning potential conflicts.

1.6.4. The contractor or contract HCPs shall not use Government facilities or other Government property in connection with conducting a private practice.

1.6.5. Confidentiality of Information. Unless otherwise specified, all financial, statistical, personnel, and/or technical data which is furnished, produced or otherwise available to the contractor during the performance of this task order are considered confidential business information and shall not be used for purposes other than performance of work under this contract. The contractor shall not release any of the above information without prior written consent of the Contracting Officer. The Contractor/contract HCPs shall not use patient care rendered

pursuant to this task order as part of a study, research project, or publication.

1.7. LICENSE AND CREDENTIALS REVIEW OR PRIVILEGING.

NOTE: Upon award of task order the contractor shall immediately contact the Credentials office or COR as outlined below. Contractor shall notify the administering contract specialist within two working days of award of task order that such contact has been made and that the contractor understands the submission requirements.

1.7.1. The Contractor shall submit a CV or resume of the proposed provider(s) to the COR for review prior to beginning the credentialing process. The MTF may request to interview applicants prior to placement in the MTF by the contractor. The MTF may pay for travel expenses for applicants from outside the local area.

1.7.2. Licensing and other qualification documents for contract HCPs not requiring privileging shall be submitted to the COR as required for review prior to the contract HCP beginning work.

1.7.3. The MTF Commander must grant privileges to contract HCPs for whom privileging is required prior to HCPs providing any services. The privileging process shall be in accordance with all requirements in ARs 40-66 and 40-68, as amended. The privileges granted by the MTF will be sufficient to allow for performance of all specific tasks identified in this contract. Information on the credentialing/privileging process is contained in chapter 4 of AR 40-68. Any failure to meet these requirements is considered nonperformance and the basis for termination for cause.

1.7.4. Credentialing/Privileging Process.

1.7.4.1. For privileged providers, the Credentials Office at Madigan Army Medical Center will provide an instruction packet containing forms and a detailed listing of required documentation. It is the Contractor's responsibility to contact the Credentials Management Coordinator at (253) 968-2252 or the Credentials Assistant at (253) 968-3162 and request a package and appropriate Delineation of Privileges form. For non-privileged providers, the contractor shall contact the COR to request a list of the necessary documents.

1.7.4.2. The Contractor is responsible for completing the entire credentials packet and returning it in hard copy format no less than 30 days prior to start of services unless otherwise specified by the Contracting Officer. Fax copies are NOT acceptable unless approved in advance by the Credentials office. DO NOT submit an incomplete package without first coordinating with the Credentials Office. The MTF will not assist the contractor in obtaining any needed information. Additionally, the Contractor shall provide all necessary information. Please do not instruct the individual provider to bring or otherwise provide information unless the Credentials office grants approval. Incomplete packages delay the credentialing process resulting in delay of the providers start date.

1.7.4.3. Prime Source Verification is the responsibility of the Contractor. The Contractor shall provide either an original letter from the educational institution or certifying body attesting to the successful completion of specialty training or certification. Attestation of telephonic verification on Contractor letterhead is also acceptable and shall reflect the following information:

- Date of verification
- Name of individual and agency contacted
- City, State, Phone Number and verification made (i.e., degree (type and dates)
- Internship (type and dates)
- Residency (name and dates of specific program)
- Fellowship (name and dates of specific program)
- Board certification (date certified and expiration date if applicable)
- Licensure/certification/registration (current, inactive, expired) to include date granted, expiration date and confirmation that the licensure/certification/registration is in good standing.

1.7.4.4. The Contractor shall verify successful credentialing/privileging with the Credentials office prior to the arrival of any provider. Again, providers may NOT begin work until the credentialing/privileging process is complete.

1.7.4.5. The Contractor shall, on a continuing basis, verify all information submitted to MAMC for the purpose of credentialing/privileging. During the term of the contract, the Contractor shall notify the Credentials office upon

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becoming aware of any information that may compromise the provider's credentials at MAMC. This includes, but is not limited to, information linking the provider with chemical dependency, a felony, or malpractice. The information will be reviewed by the Credentialing Committee and may result in the rescinding of privileges.

1.7.4.6. For Contractor information, the credentialing committee meets periodically throughout the month, usually weekly on Thursday morning. Prior to documents appearing before the committee, they must be reviewed by various departments. In order for the committee to consider submissions on the date scheduled, the Contractor must submit accurate, completed packets by the time specified in the contract. Documents cannot arrive in the credentials office the day before the board meets and be expected to be presented to the board.

1.7.5. The contractor shall not employ any individual to provide direct healthcare services whom, within 5 years prior to employment:

1.7.5.1. Has had his/her clinical privileges limited, suspended, or revoked by any healthcare facility, public or private, anywhere in the world.

1.7.5.1.1. This prohibition does not apply to any individual whose clinical privileges, although originally limited, suspended or revoked by a healthcare facility were subsequently fully reinstated by the healthcare facility.

1.7.5.1.2. Limitation of clinical privileges, as used in this paragraph, refers to a partial withdrawal/reduction of clinical privileges as a result of a determination that or pending investigation to determine whether an individual has engaged in unprofessional conduct or substandard medical practice or is incompetent to perform certain medical practices.

1.7.5.2. Is the subject of a current or pending hearing or appeal brought by any healthcare facility, public or private, anywhere in the world, which may result in the limitation, suspension, or revocation of the individual's clinical privileges.

1.7.6. Requirements for privileging or for licensing verification are the same for replacement contract HCPs as for contract HCPs they are replacing.

1.7.7. The MTF Commander is the sole authority that can revoke or otherwise restrict the privileges of any contract HCP who he/she determines is not qualified to perform the contract services.

1.7.8. Once privileges are granted, subsequent actions taken concerning the privileges of contract HCPs, including any limitation on privileges, will be governed by the procedures in AR 40-68. Action that suspends, revokes, places in abeyance, or otherwise restricts the privileges of the contract HCP results in that contract HCP not being authorized to perform under the contract. Such action does not excuse the contractor from performing. A replacement contract HCP must be provided according to the terms of this contract.

1.7.9. Adverse actions on contract HCP privileges, once the Commander takes action, may be appealed locally by the contract HCP under the provisions of AR 40-68, but may not be appealed by the contractor.

1.8. Professional Liability.

1.8.1. This is a personal services contract. Contractor employees are subject to supervision and direction of designated government officials, and will work within the same employer-employee relationship that exists for government employees. Malpractice allegations against contractor employees based upon performance of this task order will be processed in accordance with government policy for allegations against its own employees. The government is a self-insurer for malpractice liability. Contractor employees are not required to carry malpractice insurance, and the government will not reimburse or otherwise pay for such insurance should any be purchased.

1.8.2. Responsibility and Procedures.

1.8.2.1. If any suit or action is filed or any claim is made against the contract HCP which occurred as a result of work performed by the HCP under this contract, the HCP shall immediately notify the contractor and the Contracting Officer and the department chief and promptly furnish them copies of all pertinent papers received.

1.8.2.2. The HCP shall cooperate with the government, without further compensation, in the processing, review, settlement, or defense of the suit, action, or claim; and, authorize government representatives to settle or defend the claim and to represent the HCP in, or take charge of, any litigation involved in such an action. The contract HCP may, at the contract HCP's own expense, participate in defense of such claim or litigation.

1.9. QUALITY MANAGEMENT.

1.9.1. Quality Control Plan (QC): The contractor is required to follow the current QC program in place at the MTF to ensure that the medical services are provided at a level of quality that meets MTF standards.

1.9.2. Quality Assessment and Improvement (QA&I). The Government will monitor the contractor's performance under this task order using the QA&I procedures established by the medical activity and pursuant to the Contract Terms and Conditions - Commercial Items, Inspection/Acceptance clause. Additionally, the contractor's performance is subject to scheduled and unscheduled review by the QA&I Committee as defined by the medical activity Quality Assurance (QA) Plan and AR 40-68.

1.10. CONTRACTOR REPRESENTATION.

1.10.1. The Contractor shall designate an on-site representative. This representative may be employed under another contract/task order with the contractor at MAMC. At least ten working days prior to performance start date, the Contractor shall provide in writing to the COR, contractor representative information as stated below. Changes in the on-site representative, at any time after the task order commencement, shall be in writing to the COR at least five working days prior to the change. If at any time there is only one HCP working in the facility for the contractor, someone other than this HCP must be designated as the company representative and this representative may be off-site.

1.10.2. The contractor's representative shall meet with the COR on a monthly basis or when requested by the COR to discuss any problems that the contractor's personnel may be experiencing during the performance of this contract. Problems experienced by the Government with the contractor's performance will be discussed and resolved. Unresolved problems will be referred to the contracting officer for resolution.

1.11.3. The contractor shall provide points of contact (POCs) information for administration of the contract during normal business hours and after normal business hours. The POC for other than normal business hours will be contacted only in the event of emergencies. Accordingly, the named individual(s) should possess sufficient corporate authority to effectively deal with emergency situations and the telephone number provided should be functioning at all times other than normal business hours. If there are different POCs for different conditions, such as weekdays, weekends, holidays, etc., clearly provide such information.

2. DEFINITIONS/ACRONYMS.

2.1. DEFINITIONS. Following is a list of basic definitions.

2.1.1. ANCILLARY PERSONNEL: This includes all HCPs with the exception of Medical Doctors (MD) and Doctors of Osteopathy (DO).

2.1.2. BACKUP PERSONNEL: Pre-approved contract HCPs designated to move into the position of the primary contract HCP to perform required services for the duration of his/her absence.

2.1.3. BENEFICIARIES OF THE MILITARY HEALTHCARE SYSTEM. Those individuals entitled to care at the MTF in accordance with AR 40-3.

2.1.4. CLINICAL PRIVILEGES: Authorization by the government to provide specific patient care and treatment services in the organization, within well defined limits, based on the individual's license, education, training, experience, competence, judgment and physical and mental health.

2.1.5. COMPOSITE HEALTHCARE SYSTEM (CHCS): An automated medical information system which will provide integrated support for the functional work centers of inpatient and outpatient care facilities, patient administration, patient appointments and scheduling, nursing, laboratory, pharmacy, radiology, and clinical dietetics.

2.1.6. **CONTRACTING OFFICER:** A person with the authority to enter into, administer, and/or terminate contracts/task orders and make related determinations and findings.

2.1.7. **CONTRACTING OFFICER'S REPRESENTATIVE (COR):** A government employee selected and designated in writing by the Contracting Officer to act as his/her designated representative in administering a contract.

2.1.8. **NEW CONTRACT HCP.** A new contract HCP for purposes of accreditation includes contract HCPs under new contracts, including contract HCPs previously accredited Troop Care or Technical Expert status under other contracts; new applicants proposed for hire; and contract HCPs who changed positions within the same contract. Contract HCPs shall work full-time, principal duties shall be troop care or technical expert qualifying duties, and said contract HCPs shall serve the U.S. Forces exclusively in order to be granted Troop Care or Technical Expert status.

2.1.9. **ORDERING CONTRACTING OFFICER.** A Contracting Officer designated to place task orders against an existing contract.

2.1.10. **PHYSICIAN:** Medical healthcare providers possessing a doctorate degree as a Medical Doctor (M.D.) or Doctor of Osteopathy (D.O.).

2.1.11. **PRIVILEGING PROCESS:** Process established by the MTF and AR 40-68 for granting clinical privileges to HCPs.

2.1.12. **QUALITY ASSESSMENT AND IMPROVEMENT.** Those actions taken by the Government to check services to determine if they meet the requirements of the JCAHO, U.S. Army Medical Command, quality assurance and risk management program, and ensure that the contract HCPs comply with the terms and conditions of the contract.

2.1.13. **QUALITY CONTROL.** Those actions taken by a contractor to control the performance of services to ensure that they meet the requirements of the contract.

2.1.14. **REPLACEMENT PERSONNEL:** Contract HCPs selected to fill a position for the duration of the contract period that was previously occupied by another contract HCP.

2.1.15. **TRICARE:** A regionalized, tri-service, contractor-supported, DoD-managed healthcare system.

2.2. ACRONYMS/ABBREVIATIONS. Following is a list of basic acronyms/abbreviations used in this task order.

ADP	-	Automated Data Processing
AR	-	Army Regulation
BCLS	-	Basic Cardiac Life Support.
BLS	-	Basic Life Support
CFR	-	Code of Federal Regulations
CHAMPUS	-	Civilian Health and Medical Program of the Uniformed Services
CHCS	-	Composite Health Care System
CLIN	-	Contract Line Item Number
CME	-	Continuing Medical Education
CONUS	-	Continental United States
COR	-	Contracting Officer's Representative
CPR	-	Cardiopulmonary Resuscitation
DA	-	Department of the Army
DCCS	-	Deputy Commander for Clinical Services
DEA	-	Drug Enforcement Administration
DoD	-	Department of Defense
DODI	-	Department of Defense Instruction
ECFMG	-	Educational Commission for Foreign Medical Graduates
EFT	-	Electronic Funds Transfer

EKG	-	Electrocardiogram
FAR	-	Federal Acquisition Regulation
FBI	-	Federal Bureau of Investigation
FL	-	Form Letter
FTE	-	Full Time Equivalent
HCP	-	Healthcare Provider
HIPAA	-	Health Insurance Portability & Accountability Act of 1996
IRC	-	Installation Record Check
MCC	-	MEDCOM Contracting Center
MEDCOM	-	Medical Command
IV	-	Intravenous
JCAHO	-	Joint Commission on Accreditation of Healthcare Organizations
LOSS	-	Line of Sight Supervision
KO	-	Contracting Officer.
MEDDAC	-	Medical Department Activity
MTF	-	Medical Treatment Facility
NACI	-	National Agency Check with Inquiries
NCOIC	-	Noncommissioned Officer in Charge
OCONUS	-	Outside the Continental United States
OIC	-	Officer in Charge
OSHA	-	Occupational Safety and Health Administration
PAD	-	Patient Administration Division
Pam	-	Pamphlet
PAR	-	Performance Assessment Report
PBWS	-	Performance Based Work Statement
PCF	-	Practitioner's Credentials File
PCO	-	Procurement Contracting Officer/Procuring Contracting Officer
PL	-	Public Law
PPIMS	-	Past Performance Information Management System
QA	-	Quality Assurance
QA&I	-	Quality Assessment & Improvement
QC	-	Quality Control
RFQ	-	Request for Quote
RPO	-	Radiation Protection Officer
SF	-	Standard Form
SOW	-	Statement of Work
TAB	-	Therapeutic Agents Board
USPS	-	United States Postal Service

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3. GOVERNMENT FURNISHED PROPERTY.

3.1. The Government will provide use of all available MTF facilities and support services, materials, publications and forms, equipment, and specialty clothing required for task order performance (except as designated in the task order). Contract HCPs shall keep government furnished supplies, equipment, and work areas in a safe, orderly and clean condition. Contract HCPs shall notify the Government whenever maintenance of equipment is required. Personal long distance calls are not authorized and the cost of all personal long distance calls made will be deducted from the Contractor's invoice.

3.2. The government will provide an MTF identification card. Contractor personnel must comply with MTF policy regarding the identification cards.

3.3. Any space used by contract HCPs in performance of this task order may be used for other purposes during their absence. Items of clothing, personal effects, or equipment may not be able to be secured at all locations. The government will not incur any liability for theft, damage to, or loss of such personal items.

3.4. Emergency Contract HCP Healthcare. The MTF will provide Emergency healthcare for injuries occurring while on duty. The contractor shall reimburse the government for such services.

4. CONTRACTOR FURNISHED SUPPLIES/SERVICES:

4.1. Uniforms. The Contractor shall provide or insure contract HCPs have their own stethoscopes and white smocks.

4.2. Rubber stamps. The Contractor shall provide or insure contract HCPs have their own rubber stamps in accordance with MTF policy.

5. SPECIFIC TASKS.

5.1. The HCP is responsible in using accepted medical standards. Independently evaluates, diagnoses, and provides medical treatment to a broad-aged range of patients enrolled in the family medicine clinic. Determines the need for tests and provides emergency care to accident victims. Properly documents all medical treatment. Provides clinical direction and training to nursing, technician, and other support staff.

5.2. The HCP shall be responsible for patient records by properly documenting in and reviewing/signing the final record.

5.3. The HCP shall obtain and retain unrestricted privileges to practice medicine within the specialty of Family Medicine.

5.4. The HCP will serve as Attending for the Family Practice Clinic when requested/scheduled. The DFP Attending provides medical over-sight for residents and non-physician providers and provides assistance and recommendation in the diagnosis and management of a variety of medical problems when requested by residents and non-physician providers.

5.5. The HCP may serve as Attending for inpatient medical teams when requested/scheduled and is expected to be proficient in the care of acute hospitalized patients.

5.6. In the primary care setting, performs a wide range of medical duties covering primary care, general internal medicine, pediatrics, obstetrics and gynecology. Many patients have multiple interacting and acute chronic medical problems such as diabetes, hypertension, asthma, arthritis and cancer. Examines patients, orders and evaluates the full range of radiology and laboratory tests, makes diagnosis and prescribes appropriate treatment to include drugs, inoculations, nursing and dietary care. Refers to appropriate specialty clinic only when required for evaluation and/or treatment. Provides prescription renewal and telephonic consultative services as needed. Periodically provides episodic care to patients. Evaluates and treats patients with multiple complicated problems who were screened and referred by the Emergency Room for follow-up.

5.7. The HCP may teach and provide consultation to other health care providers (nurse practitioners, physician's assistants, medical students, interns and residents) and may be asked to serve as a leader of a health care team comprised of other physicians, non-physician providers, residents, interns and ancillary support staff. Provides medical, consultative services and chart review for quality assurance purposes.

5.8. The HCP's services may be divided as follows:

Clinical Care = 85%

Instruction/Teaching = 15%

6. APPLICABLE TECHNICAL ORDERS, SPECIFICATIONS, REGULATIONS, AND MANUALS.

6.1. Following is a list of basic publications applicable to this contract. Current issues of many DA publications and forms can be accessed at <http://www.usapa.army.mil>. Publications and forms not on the internet can be obtained from the MTF.

6.1.1. The Publications have been coded as mandatory or advisory. The Contractor is obligated to follow those coded as mandatory only to the extent that they apply to this contract. Supplements, amendments, or changes to these mandatory publications may be issued during the life of the contract. Advisory publications may be used for information and guidance but are not binding for compliance.

6.2. Publications:

6.2.1. Mandatory:

Public Law 91-596 29 Dec 70 Occupational Safety and Health Administration

Public Law 104-191 dated 21 Aug 96 Health Insurance Portability and Accountability Act of 1996

Current Edition Joint Commission for Accreditation of Healthcare Organizations (JCAHO) Manual

Applicable MTF Standard Operating Procedures (SOPs) and Policies

AR 40-1	Composition, Mission, and Functions of the Army Medical Department
AR 40-2	Army Medical Treatment Facilities and General Administration
AR 40-3	Medical Services: Medical, Dental, and Veterinary Care
AR 40-4	Army Medical Department Facilities/Activities
AR 40-5	Preventive Medicine
AR 40-48	Non-Physician Healthcare Providers
AR 40-66	Medical Records Administration
AR 40-68	Quality Assurance Administration
AR 40-330	Rates Codes, Expense and Performance Reporting Systems, Centralized Billing, and Medical Service Accounts.
AR 40-407	Nursing Records and Reports
AR 40-501	Standards of Medical Fitness
AR 40-562	Immunizations and Chemoprophylaxis
AR 340-21	The Army Privacy Program (05 Jul 85)
AR 380-19	Information Systems Security
AR 380-76	The Department of the Army Personnel Security Program
AR 385-40	Accident Reporting and Records and HSC Supplements
AR 600-85	Alcohol & Drug Abuse Prevention and Control Program

6.2.2. Advisory:

AR 310-25 Dictionary of United States Army Terms

MEDCOM Pam 25-31 Index of Command Administrative Publications (15 AUG 01)

6.3. The following is a listing of forms that may be required, and may customarily be used by a HCP performing services.

6.3.1. Standard Forms.

SF 88	-	Report of Medical Examination
SF 93	-	Report of Medical History
SF 504	-	History Part I
SF 505	-	History Part ii
SF 506	-	Physical Examination
SF 507	-	Clinical Record, Report on or Continuation of Standard Care
SF 509	-	Doctor's Progress Notes
SF 513	-	Consultation Sheets
SF 515	-	Clinical Record - Tissue Examination
SF 519-A	-	Radiographic Report
SF 519-B	-	Radiologic Consultation Request Form
SP 520	-	Electrocardiographic Record
SF 522	-	Request for Administration of Anesthesia and Performance Operations and Other Procedures
SF 523	-	Authorization for Autopsy
SF 541	-	Cytology
SF 546	-	Chemistry I
SF 547	-	Chemistry II
SF 548	-	Chemistry III
SF 549	-	Hematology
SF 550	-	Urinalysis
SF 551	-	Serology
SF 552	-	Parasitology
SF 553	-	Microbiology I
SF 557	-	Miscellaneous Lab Work
SF 558	-	Emergency Care and Treatment
SF 600	-	Chronological Record of Medical Care

6.3.2. Department of Army.

DA 16	-	Request for Examination and Treatment
DA 3894	-	Hospital Report of Death
DA 3910	-	Death Tag
DA 4106	-	Report of Unusual occurrence
DA 4256	-	Clinical Record - Doctor's Orders
DA 4582-R	-	IA Admission Record
DA 4700	-	Nuclear Medicine Report
DA 5008	-	Telephone Medical Advice/Consultation Record

6.3.3. Department of Defense.

DD 577	-	Signature Card (must be signed prior to the performance of services under this contract.)
DD 689	-	Individual Sick Slip
DD 1289	-	DoD Prescription - to be used for only one (controlled or regular)
DD 2161	-	Referral for Civilian Medical Care

7. ADDITIONAL INSTRUCTIONS

7.1. HEALTH AND IMMUNIZATION REQUIREMENTS

7.1.1. The HCP shall receive a general physical examination prior to commencement of services at his/her own cost unless otherwise eligible for care in the MTF. Ten (10) calendar days before beginning services under this contract, the HCP shall provide the COR a physical examination certificate. The certification shall state the date on which the physical examination was completed, the name of the physician who performed the examination, and shall indicate whether or not all tests listed below were passed. The physician performing the examination shall sign this

certification. For the purposes of this paragraph, a physical examination administered more than 12 months prior to performance of the contract will not be considered adequate. The physical examination shall include the following:

- a. Test for the antibody to HIV (Human Immunodeficiency Virus) with documented results of the test.
- b. A history to show that the HCP has completed a primary series of immunization with tetanus and diphtheria toxoids and that a booster dose is current (within the past 10 years).
- c. A test for immunity to the hepatitis (Type B) virus with documentation of the results. A profile shall be established to show immune status to hepatitis. Non-immune Healthcare Workers (lacking anti-HB(c) or anti-HB(s)) shall be required to complete an immunization series with a Hepatitis-B vaccine (e.g., Recombivax, Engerix).
- d. Serologic evidence of immunity to measles and rubella or documentation of immunization with measles, mumps, and rubella (MMR) vaccine using the following guidelines:
 - 1) Employees born before 1957 without documentation of previous vaccination with MMR should receive one dose.
 - 2) Employees born in or after 1957 who have received one dose of MMR previously shall receive one booster dose.
 - 3) Employees born in or after 1957 without documentation of any previous vaccination with MMR should receive two doses of vaccine, separated by no less than one month.
- e. Serologic evidence of immunity to varicella or documented history of illness or immunization.
- f. For personnel who do not have proof of having completed a primary series, completion with enhanced potency inactivated poliovirus vaccine (eIPV) is recommended. Reliable history of spending early childhood and attending elementary schools in the United States since may suffice as clinical history of polio immunization, but requires physician documentation in the record of the history and examination.
- g. The HCP shall be screened before employment and annually for tuberculosis by a tuberculin skin test using the Mantoux technique. (The TINE test is disallowed as a substitute.) A skin test result of 10 mm of indurations or more shall be required to have a chest roentgenogram and an evaluation performed. A tuberculin skin test of 10 mm of indurations or more will require documentation providing an assessment of the patient (status of infection- active, inactive; need for preventive treatment or not as determined by age, history of BCG (Bacillus Calmette-Guerin) vaccination; duration of skin test positivity, etc).
- h. If all of the immunizations and tests set forth in the preceding paragraphs have not been completed, the HCP shall provide a certificate providing evidence of immunizations and tests that have been completed or started and shall provide a schedule for the completion of unfinished immunizations and lab tests. After the schedule is completed, the HCP must provide an updated and complete certificate. Failure to complete the immunizations as scheduled may be grounds for the Contracting Officer, upon the advice of the MTF commander or his clinical staff, to determine that the HCP is not an acceptable individual to perform services under this contract.
- i. The Contracting Officer, with the explicit case-by-case approval of the MTF commander, is empowered to make exceptions to these requirements, for example, in the event of vaccine shortage or bona fide religious exceptions, but nothing herein shall be construed as an imperative or directive upon the Contracting Officer to make such exceptions.

7.1.2. While performing direct healthcare services under this contract, if the HCP experiences a parenteral (e.g., needle-stick or cut) or mucous membrane exposure (e.g., splash to the eye or mouth) to blood or bloody body fluids, the HCP shall receive prompt treatment at his/her own cost. The medical treatment facility (MTF) will evaluate the source of exposure for risk of Hepatitis-B, Hepatitis-C, and Human Immunodeficiency virus (HIV) and will provide a report of the findings to the HCP. It shall be the HCPs responsibility to acquire appropriate treatment as needed to possibly include Tetanus-Diphtheria booster, Immune Globulin, Hepatitis-B vaccine booster, or Hepatitis-B Immune Globulin. The HCP shall be responsible for acquiring initial testing and if the source of exposure was unknown,

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positive, or considered at high risk for HIV infection, follow-up testing 3, 6, and 12 months after exposure. In the event of a confirmed or highly suspected parenteral exposure to HIV, the HCP is responsible for obtaining appropriate counseling and for consulting private infectious disease specialist for consideration of any postexposure prophylaxis (e.g., AZT). The Government may require the HCP to provide evidence of the status of treatment.

7.1.3. The HCP shall receive the current influenza immunization provided by the MTF during the Fall influenza immunization program unless documented by a physician to be medically contraindicated.

7.1.4. Failure to meet the requirements stated herein, or when test results determine the HCP has a contagious disease, the Contracting Officer may, upon the advice of the MTF commander or his clinical staff, determine that the HCP is not an acceptable individual to perform services under this contract.

7.2. REQUIREMENTS FOR MEDICAL LICENSE/CERTIFICATION AND DRUG ENFORCEMENT ADMINISTRATION (DEA) CERTIFICATE

7.2.1. The HCP shall follow any medical license and DEA certification requirements specified in this contract to perform in military facilities. The HCP shall meet all applicable licensing and certification requirements.

7.2.2. The contract HCP shall possess and maintain a valid, unrestricted license to practice medicine in one of the 50 United States, District of Columbia, Commonwealth of Puerto Rico, Guam, or U.S. Virgin Islands and be able to obtain privileges at the MTF(s) through approval of the Credentials Committee.

7.3. ADP SECURITY REQUIREMENTS.

7.3.1. Since the HCP shall have access to and/or process information requiring protection under the Privacy Act of 1974, these positions are considered "ADP Sensitive" positions. Compliance with DoD Directive 5200.28, DoD 5200.2-R, AR 380-19, and AR 380-67 is mandatory for ADP Sensitive positions. Therefore, a National Agency Check with Inquiries (NACI) is required for the HCP. The HCP shall fully adhere with the provisions of referenced publications by making an appointment (through the COR) with the appropriate security organization at the installation. The HCP will be fingerprinted and required to complete the appropriate forms, usually a Standard Form 85-P, Questionnaire for Public Trust Positions. The HCP is advised that a positive report is needed as a condition of employment under this contract. The HCP shall apply for the NACI within three (3) workdays after start of performance.

7.4. CRIMINAL HISTORY BACKGROUND CHECK REQUIREMENT

7.4.1. This clause is MANDATORY for those personnel involved in the delivery of healthcare to children under the age of 18 on a frequent and regular basis.

7.4.2. The Government will conduct a criminal background check on the HCP in accordance with the procedures set forth in PL 101-647, Section 231; PL 102-190, Section 1094; DoD Directive 5200.28, Enclosure 6, paragraph E6.4.1.2; DoD Directive 5200.2-R; and DODI 1402.5. The HCP is responsible for ensuring background check submittals are initiated in accordance with the MTF procedures prior to providing services at the MTF, and that he/she is properly cleared and meets the requirements of the law. Background checks shall be based on fingerprints of individuals obtained by a law enforcement officer designated by the provost marshal on a properly completed FD Form 258 (FBI US Department of Justice Fingerprint Card) together with SF 85P (Questionnaire for Public Trust Positions), and on inquiries conducted through the Federal Bureau of Investigation (FBI) and State Criminal History Repository check, and a local Installation Record Check if required. The procedures for completing the required background check are outline in the Department of Defense Instruction (DODI) 1402.5, dated January 19, 1993; Subject: Criminal History Background Checks on Individuals In Child Care Services; Enclosure 6, paragraph E6.4, Government Contract Employees. (DODI 1402.5 is available on the Internet at: <http://www.dtic.mil/whs/directives/corres/html/14025.htm>). Time required for the HCP to be fingerprinted is billable under the contract.

7.4.3. If the contractor has a DoD affiliation such as living or working on an installation within the last 5 years, or is a family member of active duty military, an Installation Record Check (IRC) shall be conducted by DoD Component personnel at the installation level. No IRC is required on individuals without DoD affiliation. Upon favorable completion of the IRC, an individual may be selected to provide services to a minor child under line-of-sight

supervision (LOSS) until the required background checks are completed. Line-of-sight supervision is defined at DODI 1402.5, Enclosure 5.

7.4.4. Personnel may be employed under the contract pending completion of the background checks provided the activity uses line-of-sight supervision while minor children are in the care of that individual. The HCP shall be within line-of-sight supervision of a staff person whose background check has been successfully completed, or is in the presence of the child's parent or guardian.

7.4.5. All clearance requests shall be submitted in accordance with the applicable directives specific to the MTF. The name and address of the MTF security section representative or the COR shall be included in the request as the recipient of the results in accordance with MTF procedures. If neither position exists, the KO shall be designated to receive a copy of the results.

7.4.6. The HCP has the right to obtain a copy of the background check report. The HCP should contact the COR for a copy of the results. The HCP may challenge the accuracy and completeness of the information in the report by contacting the individual identified in the previous paragraph.

7.4.7. If the HCP has previously received a background check, proof of the check shall be provided or a new one obtained. A new investigation is required if a break in service to the Department of Defense results in a time lapse of more than 2 years. Re-verification shall be accomplished every 5 years.

7.4.8. Payment of fees incurred in the conduct of any criminal history background check is the responsibility of the Government.

Step 2. Prepare a justification for any requirements where competition will be limited.

If less than full and open competition is being recommended, the Requiring Activity must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is not used on this acquisition. A sample justification format can be found in [Appendix C](#).

Task 3. Prepare a Quality Assurance Surveillance Plan.

A Quality Assurance Surveillance Plan (QASP) provides a systematic, structured method for the Government to evaluate services that contractors are required to furnish. Government contract quality assurance shall be performed at such times (including any stage in the performance of services) and places (including subcontractors' plants) as may be necessary to determine that the services conform to contract requirements. The plan should specify all work requiring surveillance and the method of surveillance. Each contract shall designate the place or places where the Government reserves the right to perform quality assurance. The nature of the requirement, cost, criticality, the cost of a potential loss and other similar factors will determine the extent of the Quality Assurance Surveillance Plan and the place where it will be executed. Contract quality assurance is normally performed at destination when acquiring services.

The Quality Assurance Surveillance Plan can range from a one-time inspection to periodic in-process inspections. It is needed to ensure the government receives the quality of services called for under the contract, and pays only for the acceptable level of services received. Since the QASP is intended to measure performance against standards in the PWS, these interdependent documents must be coordinated. Accordingly, writing the two documents simultaneously is both effective and efficient.

- **Content** – A good QASP should include a surveillance schedule and clearly state the surveillance method(s) to be used. The detail in the QASP regarding a particular task should

be consonant with the importance of the task. The QASP should focus on the quality, quantity, and timeliness etc. of the performance outputs to be delivered by the contractor, and not on the steps required or procedures used to provide the product or service.

- **Style** – The QASP should be written using precise terms and clear, concise wording. Avoid using broad or vague statements or overly technical language. The QASP should be written in the active voice using task-oriented statements.
- **Method of Surveillance** – The method of surveillance must be consistent with the task. Take into consideration task criticality, performance requirements and standards, and the availability of someone to do the inspections.
 - **100 Percent Inspection** - This is only appropriate for infrequent tasks or tasks with stringent performance requirements, e.g., where safety or health is a concern. With this method, performance is inspected/evaluated at each occurrence. One hundred percent inspection is expensive and should be used on a very limited basis.
 - **Random Sampling** - This is usually the most appropriate method for recurring tasks. With random sampling, services are sampled to determine if the level of performance is acceptable. Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. Computer programs may be available to assist in establishing sampling procedures.
 - **Periodic Inspection** - This method, sometimes called “planned sampling,” consists of the evaluation of tasks selected on other than a 100 percent or random basis. It may be appropriate for tasks that occur infrequently, and where 100 percent inspection is neither required nor practicable. A predetermined plan for inspecting part of the work is established using subjective judgment and analysis of available resources to decide what work to inspect and how frequently to inspect it.
 - **Customer Input** – This could be used as a primary method where customers normally complain about poor performance. In other instances it can be used as a supplement to the other systematic methods. Complaints should be documented, preferably on a standard form.

Here is sample Quality Assurance Surveillance Plan for an individual HCP requirement.

Performance Objective	Performance Standard	Contract Reference	Method of Assessment
Comply with initial and annual health and immunization requirements	Comply with initial and annual health and immunization requirements 95% of the time	Paragraph 1.3.8, Basic Contract	COR Maintains Log

Provide credentials and qualification documents	Complies with Privileging requirements 95% of the time	Paragraph 1.7, Basic Contract	COR Maintains Log
Comply with Quality of Service	Comply with Standards of Performance 95% of the time	C.1.2.2.	COR Maintains Log
<u>STANDARD</u>	<u>MEASUREMENT</u>	<u>INCENTIVE</u>	
99% to 100%	Excellent	Document Past Performance Assessment Report, paying particular attention to performance that exceeds the standard.	
96% to 98%	Very Good		
95%	Satisfactory		
91% to 94%	Marginal		
90% or Less	Unsatisfactory		

Task 4. Prepare the Government Budget Estimate.

A government budget estimate is a detailed assessment of the cost to the Government for the contracted services. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractor’s proposals. Developing cost estimates is the responsibility of the Integrated Acquisition Team. Activity resource management personnel and the Defense Contract Audit Agency (DCAA), who has personnel co-located with HCAA can provide advice and assistance. The Government Budget Estimate is an internal Government estimate of what a contractor should propose based on the PWS. It is business confidential information that should not be discussed or shared with the contractor.

Government budget estimates are simple when the requirement is for individual HCPs. It can be based upon generally available information like price lists, historic data, market research, etc. Supplier’s GSA Schedules are an excellent source of pricing information as they contain itemized costs of a wide variety of labor categories. Previous contracts are often used as a basis of developing the Government Budget Estimate, however consideration must be given to any changes in the Performance Work Statement between the current and previous acquisition as well as any changes in market conditions. There are also a number of websites that provide information on current salaries. These include Salary.com, Bureau of Labor Statistics National Compensation Survey, Salary Wizard, and Homefair.com. For complex requirements an Independent Government Cost Estimate (IGCE) is prepared. The IGCE is a detailed analysis of the various cost elements associated with the acquisition that is used to estimate its cost or price. The IGCE may also be referred to as the Independent Government Estimate (IGE) or the Independent Cost Estimate (ICE). In general, the following steps are used to develop an IGCE:

Step 1. Determine direct labor costs.

Divide the effort into identifiable tasks or logical steps. List the categories of labor that will be required in each task or step and the level of expertise, training and experience required for each category. Estimate the per-day or per-month cost of each category of labor. The Requiring

Activity should be aware that the Service Contract Act might apply to this acquisition. The Service Contract Act specifies certain minimum salaries and fringe benefits that must be paid for specified categories of labor. Consult with your Contracting Officer on this issue. Estimate the total effort from each labor category by task in terms of person-days or person-months. Calculate the estimated direct labor cost.

Step 2. Calculate other direct costs (ODCs).

Estimate the amount and type of materials and supplies that will be required, and the cost of each. Estimate the type and cost of equipment that may have to be purchased. Identify any other elements of direct cost such as consultant services, computer rentals, subcontracts, etc., and estimate their cost. Estimate travel requirements, if any, and their costs. Use the Joint Travel Regulation for per diem rates. Total other direct costs equal the sum of all these costs.

Step 3. Calculate indirect costs.

Estimate the amount of overhead (OH) and general and administrative (G&A) expenses that will be charged.

Step 4. Calculate Profit/fee.

Profit/fee is the dollar amount over and above allowable costs that is paid to the contractor for contract performance. Profit/fee provides the motivation for the contractor to meet and exceed the goals of a contract. It also provides the financial capital necessary for a firm to remain a viable entity. Profit/fee stimulate efficient contract performance and attract the best capabilities of qualified large and small business concerns to Government contracts, consequently it is not in the best interests of the Government to strive for extremely low profits/fees. Profit/fee is normally dependent upon the complexity of the contract and the amount of risk.

The sum of direct labor, other direct costs, indirect costs and fee equal the anticipated cost/price of the contract. The Contracting Officer can assist in developing the IGCE. Additional information on the IGCE process can also be found at under the Contract Pricing Guide Section of the Under Secretary Of Defense for Acquisition, Technology and Logistics, website found at <http://www.acq.osd.mil>

Task 5. Prepare the Evaluation Factors.

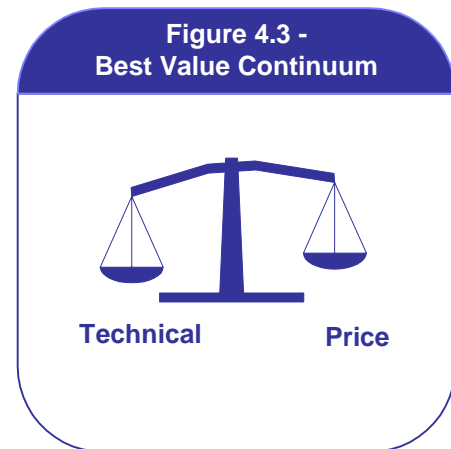
The Integrated Acquisition Team should prepare a list of factors that can be used to evaluate the contractors' proposals. These factors and sub-factors, along with the weights assigned to each factor and sub-factor are used to determine if the offeror can meet the Government's needs. They are also used to determine which offer is most advantageous to the Government. Only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors. They should be chosen carefully as they will have a major effect on the outcome of the acquisition.

When developing evaluation factors, the Integrated Acquisition Team must be aware of what is called the **best value continuum**. The Government can obtain best value by using any one or a combination of source selection approaches. Depending upon the nature and complexity of the acquisition, the relative importance of cost or price may vary. For example, where the requirement is clearly defined and the risk of unsuccessful contract performance is minimal, cost or price usually plays the dominant role in source selection. Where the requirement is not well defined, development efforts are required or performance risk is high, then technical approach and/or past performance will play a more dominant role in source selection.

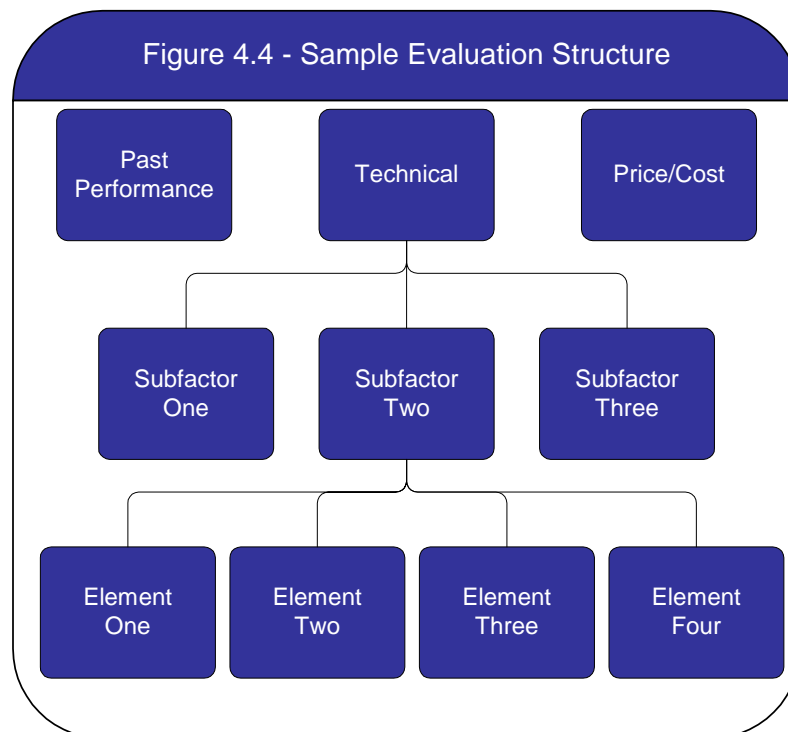
The best value continuum begins with the **lowest price technically acceptable source selection** approach. This is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. When using this approach, the evaluation factors and significant sub-factors that establish the requirements of acceptability are described. The Contracting Officer will include this information in the solicitation along with a notice that evaluations will be made on this basis. Once proposals are received, they will be evaluated for acceptability, but not ranked using non-cost/price factors. No **tradeoff** is permitted between cost/price and non-cost/price factors.

Continuing up the best value continuum, tradeoffs among cost/price and non-cost factors are permitted. However, the perceived benefits of the higher price must merit the additional cost. All evaluation factors and significant sub-factors that will be used for source selection and their relative importance must be clearly stated. The Integrated Acquisition Team must also include the rationale for these tradeoffs. Remember, only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

A sample evaluation structure is shown below.



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The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. Each evaluation factor must be definable in readily

understood qualitative terms and represent key performance areas. This is normally done using colors (e.g., red, amber, green) or by using adjectival terms (e.g., poor, fair, good, excellent). The following are common factors that are often included in solicitation evaluations:

- Past performance (**mandatory**).
- Understanding of the requirement.
- Technical approach to performing the work.
- Experience in performing similar work.
- Qualifications of technical personnel.
- Quality of the facilities to be used for performing the work.
- Quality assurance programs and plans.
- Management capabilities and organization for the proposed work.
- Scheduling and delivery-related controls.
- Subcontracting.
- Cost realism.
- Price (**mandatory**).

The following is a sample evaluation plan showing examples of both adjectival ratings and color ratings.

Sample Evaluation Plan		
Evaluation Factor	Evaluation	Adjectival Rating (Color Rating)
Factor 1. Key Personnel Qualifications.	Personnel not qualified	Unsatisfactory (Red)
	Personnel may be qualified but insufficient information provided	Susceptible to being made acceptable (with additional information) (Pink)
	Personnel meet requirements	Satisfactory (Yellow)
	Personnel meet all and exceed some requirements	Good (Green)
	Personnel exceed all requirements	Excellent (Dark Blue)

Factor 2. Technical Approach		
Sub-factor 2.1. Proposed Methodology	Methodology poor and unorganized. High risk of failure	Unsatisfactory (Red)
	Proposal demonstrates shallow understanding. Methodology has considerable risk.	Marginal (Pink)
	Proposal demonstrates acceptable understanding. Methodology has good probability of meeting performance requirements, but few, if any, strengths. Risk is moderate to high.	Satisfactory (Yellow)
	Proposal demonstrates good understanding. Methodology has high probability of meeting or exceeding performance requirements and has one or more major strengths. Risk is moderate to low.	Good (Green)
	Proposal demonstrates excellent understanding. Methodology has high probability of significantly exceeding performance requirements. Risk low	Excellent (Dark Blue)
Sub-factor 2.2. Management Plan		
Sub-factor 2.3. Knowledge and Task Understanding		
Factor 3. Past Performance		
Factor 4. Price		

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Task 6. Prepare the Purchase Request and Obtain Necessary Concurrence and Approval.

Step 1. Ensure that all documents are current, accurate, and complete.

At this point, the Integrated Acquisition Team should have a Performance Work Statement or Statement of Objectives, Budget Estimate or ICGE, Quality Assurance Surveillance Plan, Evaluation Factors, a list of potential sources (at least 3 if possible), and justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions. Do the requested services support a recognized mission or activity objective? Are the documents written in terms that accurately reflect the market's capabilities and procurement lead-times? Are they designed to obtain maximum competition and has sufficient consideration been given to quality assurance requirements? Do they satisfy the Government's needs in the most effective,

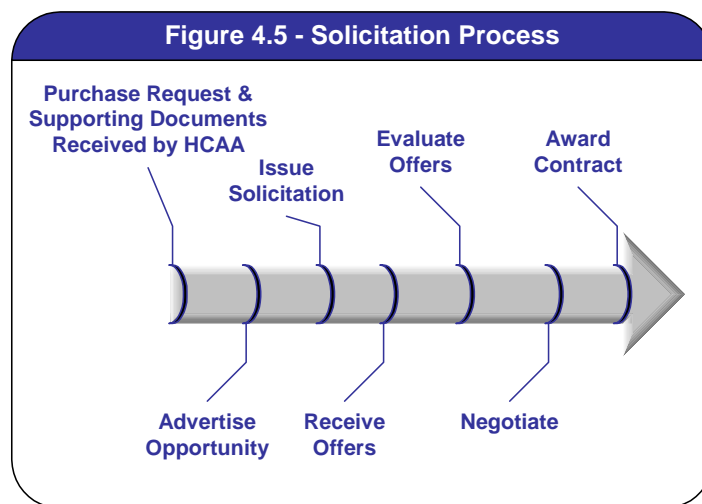
economical, and timely manner? Are the documents consistent with each other? Do the documents request sufficient information from the contractor to adequately evaluate a proposal? Do they request too much information from the contractor? Note that information that will not be evaluated should not be requested. Have performance-based requirements been used to the maximum extent possible?

Step 2. Prepare the Purchase Request and secure all necessary authorizations.

Once all supporting documents have been assembled and reviewed, it is time to develop the Purchase Request. Purchase Requests (PR) are created by the Requiring Activity using the web-based Acquiline PRWeb System. The Requiring Activity enters required information into the web-based PRWeb screens to include description of the requirement, purchase request number, issuing office, identification and description of each line item, delivery date, estimated costs, and suggested vendors. Supporting documentation, i.e. PWS or SOO, evaluation factors, QASP and IGCE, are attached to the PR and the entire Purchase Request Package is routed through approval and budget officials. For individual HCPs, a Healthcare Support Form, available at the [iMap Website](#), is also included. Once approval is received and funds are certified, the entire package is routed electronically directly into HCAA's automated contracting system, Procurement Desktop – Defense (PD²). Should any of the approving officials or the contracting office require additional information, the PR can be routed back to the initiator using PRWeb. Should the PR require subsequent amendment or, should the resulting contract require modification, PRWeb is again used to initiate the action. PRWeb can also be used by the Requiring Activity to obtain status information directly from PD². For additional information on using PRWeb, we suggest visiting the [Fort Hood Contracting Command's Website](#). This site contains detailed information on PRWeb, to include a copy of the PRWeb "Users Guide".

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Duty 2. Supporting the Solicitation Process



The Contracting Officer, with assistance from the rest of the Acquisition Team, will accomplish most of the actions required during the solicitation phase. As the Contracting Officer's technical advisor, the Requiring Activity will play a key supporting role during this period by performing five tasks.

Task 1. Participate in the Pre-Proposal Conference.

A Pre-Proposal Conference may be held to ensure that industry understands the Request for Proposals (RFP) and to clarify any areas of concern or confusion. The Contracting Officer conducts the Pre-Proposal Conference. The Requiring Activity assists the Contracting Officer in establishing the agenda and attends the conference to answer technical questions as directed by the Contracting Officer. If possible, the meeting should be recorded and the minutes of the conference should be distributed as part of an amendment resulting from the conference. Objectives of the Pre-Proposal Conference include the following:

- Clarify complicated work statements.
- Disseminate background data that offer further insight into the size and risks of the projects as well as complexity of the procurement.
- Discuss anticipated difficulties during contract administration, including any exceptional demands on a prospective contractor's capacity and capability.
- Disclose any ambiguities, errors, or omissions in the RFP that may later be corrected in a written amendment.
- Provide any additional information that is better presented at a conference or factors that may not have been known at the time the RFP was issued.

Task 2. Provide Pre-Award Technical Advice.

The Requiring Activity provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Requiring Activity is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the PWS or SOO, terms and conditions or delivery schedule. The Requiring Activity also plays a key role in technical evaluations.

Task 3. Participate in Technical Evaluations.

The Requiring Activity normally participates in Technical Evaluations and recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal and evaluate it against the criteria established by the solicitation. Note that proposals are evaluated against the solicitation criteria, not against each other. The evaluators describe strengths and weaknesses, identify potential items for negotiations and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is a meeting of the minds between the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may

request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Requiring Activity may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and by assisting the Contracting Officer review information from the Pre-Award Survey Report.

Task 4. Participate in Oral Presentations and Negotiations.

The Requiring Activity may participate in oral presentations, if conducted. Oral presentations are used to substitute for, or augment, written information. Oral presentations provide an opportunity for dialogue among the parties and can enhance the Government's understanding of the offeror's proposal. The offeror's capability, past performance, work plans or approaches, staffing resources, transition plans, or sample tasks are all suitable topics for oral presentations.

The Requiring Activity may also participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of its proposal (cost, price, technical approach, past performance, terms and conditions, etc.). Discussions do not have to be held, but when they are, they are tailored to each individual offeror.

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

Task 5. Channel Contractor Inquiries to the Contracting Officer.

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Requiring Activity requesting information about the services required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the RFP is mailed and the contract is awarded.

Duty 3. Developing the COR Work Plan

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to develop a cost effective work plan and follow that plan to monitor contract performance. This plan must ensure that all required tasks are well defined and that all milestones are clearly flagged. There are four tasks associated with this duty.

Task 1. Know Your Duties and Responsibilities.

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer's Representative (COR), the technical or program person who is appointed to assist the Contracting Officer monitor contractor performance.



The Contracting Officer may select and designate any Government employee, military or civilian, to act as the authorized representative in administering a contract. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases,

the COR will be the same person that initiated the requirement. The COR doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by an Appointment Letter signed by the Contracting Officer.

Step 1. Review the COR Appointment Letter.

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations of the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.

Step 2. Review the contract.

Once award has been made, the COR will receive a copy of the contract. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:



- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/PWS (Section C)** – The PWS is the basis for most contract monitoring activities.
- **Deliveries or Performance (Section F)** – This section designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – This section identifies the COR, provides inspection, acceptance and payment information and other data useful during performance of the contract.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirements.

Note the above format applies only to formal contracts. Orders/contracts placed under Simplified Acquisition Procedures or issued using commercial procedures will have a different format, however the key information noted above will be found somewhere in the document.

Task 2. Establish Files.

The COR is expected to maintain a separate file for each contract he/she oversees. At a minimum, the COR contract files shall contain a copy of the following documents:

- The contract and any amendments.

- All correspondence with the contractor, the Contracting Officer, or other program officials dealing with this contract.
- All reports submitted by the contractor.
- Reports of inspections and site visits.
- The COR Appointment Letter signed by the Contracting Officer.

Task 3. Develop and Follow a Work Plan.

Planning at the outset of the project is a necessary step in effective contract administration. This planning is needed to ensure that the intended administrative steps are consistent with the specific procurement. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action.



The planning should be based on a review and analysis of the project and award requirements. Include, for example, an analysis of the need for and timing of performance and cost reviews, inspections, scheduled delivery of Government-supplied items, subcontractors, key personnel issues, monitoring of the contractor's compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the contractor to arrive at a common understanding of what will be expected. A post-award conference may be scheduled by the Contracting Officer to assure that all parties are aware of requirements, responsibilities, and procedures. Developing a Work Plan involves the following:

- Read and understand the award document, and ensure that the contractor does the same.
- Develop a post-award milestone chart in coordination with the Contracting Officer and contractor.
- Read and act promptly on progress reports.
- Identify potential areas of conflict.
- Review progress and possible problems with the Contracting Officer regularly.
- Prepare the Work Plan.

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Sample Work Plan Format	
Contract Title:	
Contractor:	
Key Contractor Personnel	
List of COR Files	
Description of Work to be Performed	

Assigned Tasks	Task Milestones
1. 2.	

Task 4. Notify the Contracting Officer of Problems.

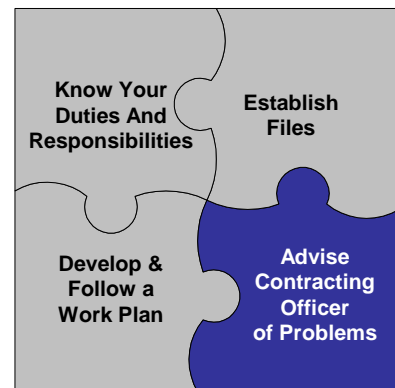
Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the only official with the authority to change or modify a contract. The Contracting Officer is the Government’s authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change, or modify a contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract. The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract.

Duty 4. Supporting the Post Award Orientation and Debriefing Unsuccessful Offerors

There are two events that normally occur shortly after contract award. The first is a meeting between the Government and the successful contractor called the Post Award Orientation. The second event is the debriefing of unsuccessful offerors, a series of meetings between the Government and the firms that were not selected for award. The COR normally performs three tasks in support of these events.

Task 1. Provide Support for the Post Award Orientation.

The Post Award Orientation is held to ensure that both parties have a clear and mutual understanding of all contract requirements. The Post Award Orientation also is used to identify and resolve potential problems; introduce the Government's representatives; furnish notices and other data to the contractor and otherwise set the stage for a good working relationship under the contract. Generally, the Post Award Orientation is a structured meeting chaired by the Contracting Officer. However, in less complex contracts, the initial meeting between the contractor and the COR serves the same purpose. The nature and complexity of this task will depend upon the nature and complexity of the contract and the manner in which the Contracting Officer decides to conduct the Post Award Orientation. If the contract is complex and a formal Post Award Orientation is to be held, the Contracting Officer may ask the COR to prepare a written issue or discussion paper in preparation for the Orientation. This should be accomplished as follows:



Step 1. Prioritize all performance issues.

All issues of concern should be addressed and prioritized based on potential risks to the contractor or the Government. Select the issues at greatest risk to performance.

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Step 2. Develop solutions.

Develop solutions or other recommendations. Document these in a clear and concise manner. Often the Post Award Orientation is held at the Government's place of performance. Consequently, the COR may also be requested to make administrative arrangements and provide administrative support to the meeting. The COR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.

Suggested Post Award Orientation Agenda
<p>Introduce the participants. At the opening of the conference, the chairperson introduces each attendee by name and title, along with a brief explanation of the role that person will play in contract administration. The contractor makes these introductions for the contractor team.</p>
<p>Explain the purpose of the conference. Go over the agenda, but also emphasize that the conference is not intended to change or alter the contract in any way. Emphasize that the only way the contract will be changed or altered is by a written modification signed by the Contracting Officer.</p>
<p>Summarize the roles of Government key personnel. Clarify the limits, authorities, roles, and responsibilities of each Government representative. Ask the contractor to advise the Government of the roles, responsibilities, limits, and authorities of each contractor representative. Emphasize:</p> <ul style="list-style-type: none"> - That the Contracting Officer is the only official that can change or alter the contract. - No action may be taken at the orientation that in any way changes or alters the contract. - There is no obligation to make any contract adjustments as a result of an action taken by a Government representative unless the action has been specifically authorized in the representative's letter of appointment or by the contract itself.
<p>Provide general instructions. Provide general contract administration instructions to include information necessary for the contractor to understand his or her risks and the Government's risk. Address contractor responsibilities for management and supervision of the work force, protection and control of Government property, data, and reports, compliance with contract clauses, and other appropriate areas of concern. Advise contractors of the proper routing of correspondence, i.e. matters pertaining to technical performance may be addressed directly to the COR or Requiring Activity and matters pertaining to questions of fact dealing with contractual terms and conditions must be sent to the Contracting Officer.</p>
<p>Discuss prohibition against personal service contracts. Stress the fact that supervision of contractor employees rests solely with the Contractor. Contract employees are to avoid all actions that might give the appearance that they are Government employees. While in government work areas, all contracted employees must display a badge or other appropriate identification media containing his or her name and the name of the company, wear and display a building pass, when applicable, and include the company's name in his or her email display.</p>
<p>Provide presentations and address questions. At this point appropriate Government officials may provide a variety of presentations. Topics may include delivery requirements, labor policies, environmental considerations, safety, protection of Government property, monitoring methods, acceptance procedures, payment procedures, and other relevant topics. A general discussion of Performance-Based Contracting may be appropriate. If the contract is subject to the Service Contract Act, discuss the contractor's responsibilities under the Act. Questions can either be raised during the presentation or held until the end of all of the presentations. Responses to questions should be accurate and complete, and statements made do not bind the Government in any way that alters the contract.</p>
<p>Discuss Past Performance Documentation Provide a discussion of how past performance will be documented and the ramifications of poor performance. This is particularly important and appropriate for a contractor with limited experiences with DoD contracts.</p>
<p>Ensure that contractor understands all contract milestones, terms and conditions. Discuss any other issues that may impact performance.</p>

Task 2. Participate in the Post Award Orientation.

The COR will participate in the Post Award Orientation either as the chair or a member of the Contracting Officer's team. In either case, the COR will be expected to provide information in his/her areas of expertise, respond to questions and identify further action items. Before the orientation, the Contracting Officer should provide guidance on how questions will be handled. The COR should ensure that any information provided is consistent with the terms and conditions of the contract. In all discussions with the contractor, the COR should be careful not to bind the Government in any way that alters the contract. Any areas disputed by the contractor must be recorded and resolved by the Contracting Officer. This is true not only during the Post Award Orientation, but also throughout the life of the contract.

Task 3. Participate in the Debriefing of Unsuccessful Offerors

Unsuccessful Offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors what areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.

Duty 5. Monitoring Contractor Performance

Monitoring contractor performance is the heart of the COR duties. The COR has the primary responsibility to see that the technical objectives of the contract are met. In cost type contracts, the COR has additional duties regarding costs. Contract monitoring is divided into three tasks.

Task 1. Facilitate the Privileging Process.

One of the first tasks that the COR will be required to perform is facilitating the privileging process. In some cases, this task may even occur prior to contract award. It is essential that this be accomplished as quickly as possible.

Step 1. Verify that all credentials packages are accurate, complete and prime source verification is completed as required.

The contractor is responsible for assembly of the credentials package, ensuring that all required forms, applications, certificates, etc are complete and accurate and prime source verified. Once received, the COR should review the credentials package carefully to ensure that all necessary items are included and that the package is complete before forwarding to the Credentialing Committee. The COR should immediately notify the contractor of any discrepancy.

Step 2. Coordinate with the Credentialing Committee as required.

While the granting of privileges is subject to standard procedures established by the Credentialing Committee, the COR should coordinate with this body to expedite the process to the extent possible. The COR should ensure that the Credentials Package is forwarded as soon as possible and that any questions or issues arising from the Credentials Committee review are addressed immediately. The COR is normally responsible for notifying the contractor when privileges are granted or denied.

Task 2. Monitor Contract Performance.

Performance monitoring involves contract administration activities that the Contracting Officer, COR and other Government personnel use to ensure services acquired under contracts conform

to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques.

Under a contract, the obligation of both parties is to perform as specified in its terms and conditions. Not all contracts, however, are performed as specified or within their required timeframes. Poor performance or late deliveries under a contract may cause costly delays in a program. Thus, the Government monitors contract performance to ensure that required services are delivered on time.

The Quality Assurance Surveillance Plan (QASP) specifies how Government quality assurance surveillance of the contract tasks will occur. The QASP should focus on the quality of the contractor performance and not just on the steps taken or procedures used to provide that service. The QASP should include an appropriate use of pre-planned inspections, correspondence reviews, customer surveys, validation of complaints, audits and random unscheduled inspections. The QASP is a form of guarantee that the Government receives the services for which it contracted and pays only for the services it receives. It is the method by which the Government determines if the contractor meets the performance standards in the contract. It also provides guidelines for how and when surveillance will be performed.

Contractors should be briefed on surveillance requirements and responsibilities at the post award conference. Surveillance should be comprehensive, systematic, and well documented. It is important to review and discuss the contractor's plan for maintaining an acceptable quality level under the contract. In fact, in many cases, contractors are required to submit a Quality Control Plan to the Government prior to the post award conference. One way to document surveillance is through use of a surveillance checklist. The extent of surveillance is determined by the surveillance schedule established in the QASP. It should be sufficient to systematically and fairly evaluate the contractor's total performance throughout the performance period. Where surveillance results show good performance consistently, the amount of surveillance may be adjusted accordingly. This saves the government money, reduces oversight burdens on the contractor, and recognizes the contractor's level of performance. When performance is deficient, the COR should promptly notify the Contracting Officer, who in turn, will notify the contractor. The COR should establish a system to track corrective action. The steps in contract monitoring are as follows:

Step 1. Determine what needs to be monitored.

The COR normally monitors technical issues, performance, and adherence to the schedule. The COR will also be involved with statutory and regulatory compliance (Drug-Free Workplace, Privacy Act, Service Contract Act) through observation and responding to complaints.

Step 2. Select the techniques used for monitoring.

In addition to the QASP, meetings, phone calls, reports, and contact with other Government officials all play a role in contract monitoring. The COR should maintain a record of all contacts with the contractor.

Step 3. Implement and execute the QASP.

The COR implements the QASP and other monitoring activities and provides appropriate feedback to the contractor and the Contracting Officer.

Task 3. Ensure that an Appropriate Relationship is Maintained with all Contract Employees.

Health care provider contracts can be written as either **nonpersonal services contracts** or **personal services contracts**. A nonpersonal services contract recognizes that an arms-length relationship must exist between the government and the contractor. Both the statement of work and the actual administration of the contract must avoid any situation that results in the government directly supervising the contractor or the contractor's employees. **Personal services contracts**, permit the government to exercise continuous technical control and supervision over contract employees. However, even with this type of contract, the government may not exercise administrative supervision over a contract employee.

Step 1. Ensure that contractor personnel are appropriately identified.

It is also important for contractor personnel to clearly identify themselves as contractor personnel when attending meetings, answering government phones and working in areas where their contractor status may not be obvious. ID badges, nameplates, and signature blocks should indicate the individual is a contract employee. All documents or reports produced by the contractors must also be suitably marked as contractor products. These measures apply to both personal and nonpersonal services contract employees

Step 2. Ensure that appropriate guidance is provided to contractor personnel.

In today's environment, a number of contract employees work within government facilities and while the contract describes their duties and responsibilities in broad terms, i.e. "provide laboratory technician services", "provide pharmacy technician services" or "provide medical technician services", many of their day-to-day tasks are established by individual work orders or work requests issued by government personnel. If the contract identifies the contract services as nonpersonal, these work orders/work requests must comply with the contract and should be limited to identifying what needs to be done and establishing an appropriate completion date. Once the work order/work request is issued, the government should limit further involvement to acceptance or rejection of the final product. Any hands-on involvement by the government in the execution of the work order/work request, i.e. providing detailed guidance on how the task is to be accomplished, constitutes supervision and is prohibited. If the contract identifies the contract services as personal, then the government can and should directly supervise the manner in which the task(s) is performed.

Step 3. Avoid other supervisory functions.

Under no circumstance may a government employee take any action that could be classified as administrative supervision of a contract employee. This is true regardless of whether the contract is nonpersonal or person. Examples of prohibited activities include establishing salary rates, implementing disciplinary action, approving or disapproving leave, approving time cards or approving employees selected to work on a government contract. The government may, however, if consistent with the contract, review resumes for the purpose of determining whether or not a potential contract employee meets contract criteria, require contract employees to sign in/out or otherwise record their time in a log for the purpose of determining if hours required by the contract are actually being worked, require the contractor to inform the government of scheduled leaves and demand a suitable backup or replacement, and other tasks required for good management of the contract, as long as the government official does not place himself or herself in the role of approving or disapproving the action. If you have any questions on the proper relationship with contract personnel, consult your Contracting Officer for advice and assistance.

Task 4. Respond to Requests from the Contractor.

There are times when the Contracting Officer's Representative (COR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the contractor during the performance of a contract. The COR's response must always be consistent with the contract. A COR can best handle contractor requests by performing the following three steps:

Step 1. Identify all contractual terms that allow contractor requests.

The COR should be familiar with all contractual terms that allow the contractor to request some action by the Government. This information will be found in the contract or the COR Appointment Letter. If there is any doubt, the COR must consult the Contracting Officer.

Step 2. Determine the contractor's obligations.

In addition to knowing what constitutes a proper request from the contractor, the COR must also be aware of when and how the request should be presented. This information should also be available in the contract.

Step 3. Provide a response that is timely.

The COR should respond to the contractor's request within the timeframe set by the contract, or the request should be forwarded to the Contracting Officer in sufficient time to permit a timely response.

Task 5. Manage Constructive Change Situations.

A constructive change arises whenever, by informal action or inaction of the Government, the contract changes without going through the required legal or regulatory formalities. The common causes of constructive changes include inadequate or latently defective specifications, improper interpretations of specifications, overly strict inspections, Government-caused delays, or improper technical direction.

In drafting correspondence to the contractor and in oral communication, the COR must exercise care not to accidentally generate the basis for claims or delays. When communicating with contractor personnel or when conveying technical or assessment information, it is critical that the COR not instruct, supervise, or attempt to control contractor efforts except as specifically authorized in the contract SOW.

Reasonably open and honest communication between the COR and the contractor can enhance performance. Professional discussions of options and alternative approaches are also necessary. However, the COR must remember, that there is a contract which defines rights and obligations of the parties. All communications with the contractor must be viewed in this light. The contractor has a right to proceed in any manner that is consistent with the terms of the contract. Excessive involvement of the COR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the contractor's rights under the contract. Even the appearance of unauthorized direction to the contractor, when none was intended, can lead to contract claims or other problems. Consequently, the COR must be discrete. Advice should be sought from the Contracting Officer if there is any question about the effect of any statement on the contractor's obligation to perform.

Step 1. Continue to monitor the validity of the Performance Work Statement.

Careful planning and development of the Performance Work Statement and other supporting documents will be obvious during contract administration. A good Performance Work Statement will minimize constructive changes. On the other hand, any ambiguities and inconsistencies in

the initial contract will set the stage for constructive changes. If any are found, immediately bring these to the attention of the Contracting Officer.

Step 2. Know what the contract requires.

The COR must know what the contract requires. Erroneous interpretation of specifications and overly strict inspections may lead to constructive changes. The COR must base all actions upon what the contract says, not what it ought to say.

Step 3. Keep proper records.

Accurate, up-to-date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the contract.

Step 4. Notify the Contracting Officer if a potential constructive change situation arises.

If a potential constructive change situation does occur, immediately notify the Contracting Officer. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Contracting Officer will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.

Duty 6. Accepting or Rejecting Services

The inspection and acceptance process may be continuous where the services are continuous (housekeeping, ground maintenance, etc.). On the other hand, inspection may only occur once when the contractor provides a single service of short duration (producing a report). In any event, the result of the COR's surveillance or inspection will produce one of two outcomes. Either the service will be determined to be acceptable or unacceptable.

Task 1. Acceptance.

Acceptance occurs when an authorized Government representative examines the services provided, compares the services provided to the requirements of the contract, and is satisfied that the services conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the services to be performed, and provided adequate oversight during contract performance, the result is usually conforming services. The COR can accept services on behalf of the Government, if authorized by the COR Appointment Letter. Acceptance can occur in two ways. The preferred method is through the DFAS Wide Area Work Flow – Receipts and Acceptance System (WAWF-RA). WAWF-RA is a paperless system that enables contractors to create and transmit invoices electronically. Individuals authorized to accept services then receive notification of pending actions and can accomplish acceptance using a digital signature. The other method of acceptance is by preparing a written receiving report, normally after receipt of the vendor's invoice. The preferred form for the receiving report is the DD Form 250, Material Inspection and Receiving Report. A sample of the DD 250 and instructions for completing it are provided in [Appendix D](#). SF 1034, Public Voucher for Purchases and Services Other than Personal, may also be used for services when billing is based upon labor and materials. More information on invoicing, acceptance, and payment procedures, including a discussion of common problems and errors is found in the [Commercial Vendors Handbook](#) available electronically at the Defense Finance and Accounting Service (DFAS) web site. Detailed information and procedures on the use of the WAWF-RA System is available at [The MEDCOM's Resource Management Website](#).

Late submission of the DD Form 250 (or other acceptance document) normally results in the Government having to pay interest on the contractor's invoice.

Task 2. Rejection.

If the services do not comply with the contract or meet the AQL, a notice of rejection should be promptly provided to the contractor. The COR can reject services if authorized by the COR Appointment Letter. Otherwise, the COR must recommend rejection to the Contracting Officer or another official that is authorized to reject services. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the Contracting Officer whenever services are rejected. The COR should provide the Contracting Officer with documentation on the number of observations made, the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. The DD Form 250 can be used to document rejection.

Task 3. Evaluate the Contractor's Rejection Reply.

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming services, or challenge the deficiency assessment. If the COR is authorized to reject services, he/she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (contractor challenges the assessment of defective services) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of the contractor's corrective action plan, the impact of accepting non-conforming services or whether or not the contractor's rebuttal is valid.

Duty 7. Completing Other COR Support Tasks

The COR performs or participates in seven other tasks that play an essential role in successful contract performance. These are discussed below.

Task 1. Administer Government Property.

Normally, contractors furnish all equipment and material necessary to perform Government contracts. However, there are times when it is in the best interest of the Government to provide Government furnished property to the contractor. For example, the Government usually provides office space, computers and office furniture to contractor employees performing at the Government site. When Government property is provided, the COR frequently will be asked to advise or assist the Contracting Officer in administering its use.

Step 1. Supervise the initial transfer of Government property.

Ensure that an inventory is conducted prior to signing the equipment over to the contractor. Ensure adequate property control procedures are placed in effect.

Step 2. Monitor the contractor's use of Government property.

Report loss, damage or destruction of Government property to the Contracting Officer. Also report any incidents of unauthorized use.

Step 3. Supervise the return of Government property.

Supervise the return of Government property upon contract completion or when no longer required by the contractor.

Task 2. Provide Technical Support for Contract Modifications.

A modification is a written alteration of any aspect of the contract including the PWS, period of performance, quantity, price or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in three different aspects of the modification process.

Step 1. Identify any circumstance that may require modification to the contract.

These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer. PRWeb is used to forward modification requests to the Contracting Officer.

Step 2. Provide the Contracting Officer with a technical evaluation of the proposed change.

This evaluation should be completed with the same attention to detail used in developing the initial requirement. This evaluation should contain a thorough analysis of the affects of the proposed change on the other areas of the contract.

Step 3. Assist the Contracting Officer in the negotiation.

Assist the Contracting Officer in the negotiation of the change with the contractor, if necessary.

Task 3. Manage Performance Problems.

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibilities of both the Government and the contractor and to avoid actions that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely affect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following:

- Providing notice to the contractor of the particular deficiency and obtaining a commitment for appropriate corrective action.
- Extending the schedule of work if excusable delays in performance are involved.
- Withholding payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminating the contract either for convenience, cause or default (see next task).

The COR should follow these steps when faced with performance problems.

Step 1. Document all instances of inadequate performance.

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government usually has a difficult time correcting the problem. Do

not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in contract termination if they are allowed to progress.

Step 2. Notify the Contracting Officer.

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation. When it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

Step 3. Provide technical support to the Contracting Officer.

The Contracting Officer has a number of ways of managing contractor performance problems, ranging from an informal meeting with the contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences when the situation reaches the point that the Contracting Officer must initiate Termination for Default procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.

Task 4. Provide Technical Support for Terminations.

The Government has a unique right to terminate a contract for **convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item or service is no longer needed, the contract is no longer affordable, it is impossible for the contractor to perform as specified in the contract (through no fault of the contractor) or there has been a radical change in the requirement that goes beyond the contractor's expertise. Terminations for Convenience allow the contractor to submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Officer and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has a right to terminate a contract for **default** based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination the contractor has a right only to payment for delivered and accepted services. When acquiring items deemed to be commercial, default terminations are called "Termination for Cause". The COR's responsibilities in either a Termination for Convenience, Termination for Default or a Termination for Cause are essentially the same.

Step 1. Identify any condition or event that may trigger a termination.

Early identification of a problem, whether poor performance, a change in requirements, or a lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.

Step 2. Notify the Contracting Officer.

Notify the Contracting Officer as soon as possible that a termination may be required.

Step 3. Provide technical support to the Contracting Officer during negotiations.

Assist the Contracting Officer by providing technical expertise during the termination process to include assisting in negotiations, if required.

Task 5. Advise the Contracting Officer on Options.

The exercise of an option is not an automatic process. There are a number of actions that must be accomplished prior to exercising a contract option.

Step 1. Conduct market research.

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current cost/price of the same or similar services. The COR must also determine if there have been significant technological changes in the marketplace.

Step 2. Formally request that the option be exercised.

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion of the impact on continuity of operations and the cost to the Government if the option is not exercised; and other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continued need for the services and that funds are available. A Purchase Request certifying funds must accompany the written request. Just as was done for the initial Purchase Request, the request to exercise the option is forwarded to the contracting office using PRWeb.

When a decision is made that it is not appropriate to exercise an option, the COR shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the COR by telephone or electronic transmission when notification is sent to the contractor's business office.

Task 6. Document Past Performance.

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases the probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. There is also a federal past performance data base called the Past Performance Information Retrieval System (PPIRS). The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

Step 1. Determine whether a formal evaluation is required.

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

Step 2. Document past performance information.

Evaluations are required to be prepared at the time work under the contract is completed. The manner in which the evaluation is done is usually provided in the contract which will specify which Government officials are involved in the evaluation and documentation process, what

information will be included in the documentation, and indicate the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor. Normally, performance assessment forms must be submitted within 30 days of the completion of the performance period being evaluated.

Step 3. Rate past performance.

The COR, as the person most familiar with the contractor's performance, should rate the initial evaluation without bias. The contract will specify the manner in which the contractor's performance will be rated. Performance assessment forms can be submitted electronically to all HCAA offices using the format found at the [iMap Website](#). The following is a list of sample rating areas.

- **Quality** – Did the services meet the requirements of the contract?
- **Timeliness** – Was the delivery schedule met?
- **Cost Control** – Did the contractor manage costs in an appropriate manner?
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?
- **Customer Satisfaction** - This rating area looks at the satisfaction of the end users. The Quality Assurance Surveillance Plan should contain the procedures for receiving customer feedback on contractor performance. This can be done through either telephone calls by the COR; use of written survey forms, complaint boxes in strategic locations, or other means of measuring end user satisfaction; or use of sample random surveys. A customer satisfaction survey is an excellent method of measuring contractor performance from the perspective of the end user. Random surveys are best used when it is not cost effective to survey all end users. Either the Government or private information vendors may conduct the survey. The COR should evaluate the end user’s comments to determine if the contractor reasonably tried to meet their demands within the contract requirements.
- **Key Personnel** - Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection officials. This information is critical when a newly formed company is bidding on a contract and its past performance history is based on the past performance of the key personnel.

The following table provides an example of past performance rating factors:

Sample Rating Factors	
Unsatisfactory (Red)	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element contains serious problems(s) for which the contractor’s corrective actions appear or were ineffective. Supporting narrative should explain why performance is not satisfactory and provide specific instances where the contractor’s corrective actions were ineffective.

Marginal (Yellow)	Performance does not meet some contractual requirements. The contractual performance of the element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented. Supporting narrative should identify the specific areas where the contractor did not meet the contractual requirements and identify the problems areas for which the contractor has not yet identified corrective actions.
Satisfactory (Green)	Performance meets the contractual requirements. The contractual performance of the element being assessed contains some minor problems for which corrective actions taken by contractor appear or were satisfactory.
Very Good (Purple)	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective. Supporting narrative should identify the areas where the contractor exceeded the contractual requirements to the government's benefit.
Exceptional (Dark Blue)	Performance meets contractual requirements and exceeds many requirements to the government's benefit. The contractual performance of the element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective. Supporting narrative should identify the many areas where the contractor exceeded the contractual requirements to the government's benefit.

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Task 7. Participate in Contract Closeout.

A contract is completed when all services have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on MEDCOM awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future MEDCOM projects. Centralized performance data maintained by HCAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

Additional Readings

Acquisition planning and developing requirements documents

The HCAA Innovative Medical Acquisition Program Website¹

The Federal Acquisition Regulation²

- Part 7 – Acquisition Planning

- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 12 – Acquisition of Commercial Items
- Part 15 (15.304) – Evaluation Factors and Significant Sub-Factors
- Part 16 – Types of Contracts
- Part 22 (22.10) – Service Contract Act
- Part 32 (32.7) – Contract Funding
- Part 37 – Service Contracts
- Part 46 – Quality Assurance
- DFARS 237 – 104 Personal Service Contracts⁴
- OFPP Guide to Best Practices for Performance-Based Contracting³
- DoD Guidebook for Performance-Based Services Acquisitions³

Requiring Activity actions during the solicitation phase

FAR 3.104 – Procurement Integrity²
FAR 5.1 – Dissemination of Information²
FAR Part 15 – Contracting by Negotiations²

Developing the Work Plan

FAR 37.602-2 - Quality Assurance for Service Contract²
OFPP Best Practices Guide for Contract Administration³

Supporting the Post award orientation

FAR 42.5 Post Award Orientation²

Monitoring Contract performance

FAR 12.208 - Contract Assurance²
FAR 12.402 – Acceptance²
FAR 43.104 - Notification of Contract Changes (Constructive Changes)²
FAR Part 42 - Quality Assurance²
OFPP Best Practices Guide for Contract Administration³
The COR Appointment Letter
The Contract Document
The Contract Quality Assurance or Surveillance Plan

Acceptance or rejection of services

FAR Part 46 - Quality Assurance²
DFARS, Appendix F - Material Inspection and Receiving Report⁴
FAR 52.232.25, - Prompt Payment²
DFAS Contractor Payment Handbook⁵
Wide Area Workflow Overview and Training⁶

Other COR Support Tasks

FAR Part 45 - Government Property²
FAR Subpart 17.2 – Options²
FAR Part 49 - Termination of Contracts²
DoD Guide to Collection and Use of Past Performance Information³

Notes:

1. Available on-line at <http://www.cs.amedd.army.mil/imap>
2. Available on-line at <http://www.arnet.gov/far>
3. Available on-line at the "Guidebooks and Handbooks" Section of the AT & L Knowledge Sharing Website <http://web.deskbook.osd.mil/>
4. Available on-line at <http://farsite.hill.af.mil/>
5. Available on-line at <http://www.dfas.mil/commpay/contractorpayment/>
6. Available on-line at <http://www.cs.amedd.army.mil/medcomrm>

CHAPTER 5. CONTRACTING FOR SUPPLIES AND EQUIPMENT

Overview

Contracting is a recognized means of obtaining the supplies and equipment that an agency requires to perform its mission. In contrast to service contracting, the bulk of Government contracting activities occur during the pre-award phase when contracting for supplies and equipment. Except for major buying activities, post-award activities associated with the acquisition of supplies and equipment consists mainly of inspection and acceptance. Throughout this Chapter, the term Requiring Activity is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

Key Terms

Commercial Items

Commercial items are items that are customarily used for non-governmental purposes. Commercial items are those that are sold, leased or licensed to the general public, or have been offered for sale, lease or license to the general public. Items not yet available in the commercial marketplace but can be expected to be sold in the commercial marketplace in time to meet the Government's requirement are also considered commercial items.

Design Specifications

Design Specifications detail the exact dimensions, materials, composition, physical and chemical requirements of the product to be furnished. The contractor must provide the item as specified, but the Government bears the responsibility for ensuring that following these specifications will produce the desired result.

Federal Supply Schedules

The Federal Supply Schedule Program, directed and managed by the General Services Administration, provides Government Agencies with a simplified process for obtaining common supplies and services at prices associated with volume buying.

FOB Destination

Free on board (FOB) destination means that the seller or consignor selects the mode of transportation and delivers the supplies or equipment to the final delivery place designated by the Government. Unless otherwise specified in the contract, the seller or consignor is responsible for the cost of shipment and the risk of loss/damage during shipment.

FOB Origin

Free on board (FOB) origin means that the seller or consignor is only responsible for placing items on a conveyance (means of transportation). Unless otherwise specified in the contract, the buyer or consignee (i.e. the Government) is responsible for the cost of shipment and the risk of loss.

Performance Specifications

Performance specifications describe the end item in terms of output, function, or operation. The contractor is responsible for determining the specific design necessary to achieve the performance levels stated. Performance specifications are preferred over design specifications.

Reports of Discrepancies

Reports of Discrepancies (ROD) are initiated whenever supplies or equipment are received that do not comply with the contract (wrong item, wrong quantity, damaged, etc.) A ROD is also initiated to report non-receipt of items. Standard Form 364 is utilized to complete the Report of Discrepancy.

Supplies

Supplies are defined by the Federal Acquisition Regulation (FAR) as including all property except land or interest in land.

Warranties

A warranty is a promise given by the contractor regarding the nature, usefulness, or condition of the supplies or services furnished under a contract. Warranties normally provide a contractual right for the correction of defects, notwithstanding any other contract provision. Warranties also establish a time period for exercising this right. Where available, the Government should take advantage of commercial warranty provisions normally offered by contractors rather than designing unique warranty provisions. However, the use of warranties is not mandatory, and should only be used when in the best interest of the Government.

Duties and Responsibilities

Duty 1. Developing and Documenting the Requirement

Long before the Government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. There are six tasks that must be accomplished during acquisition planning.

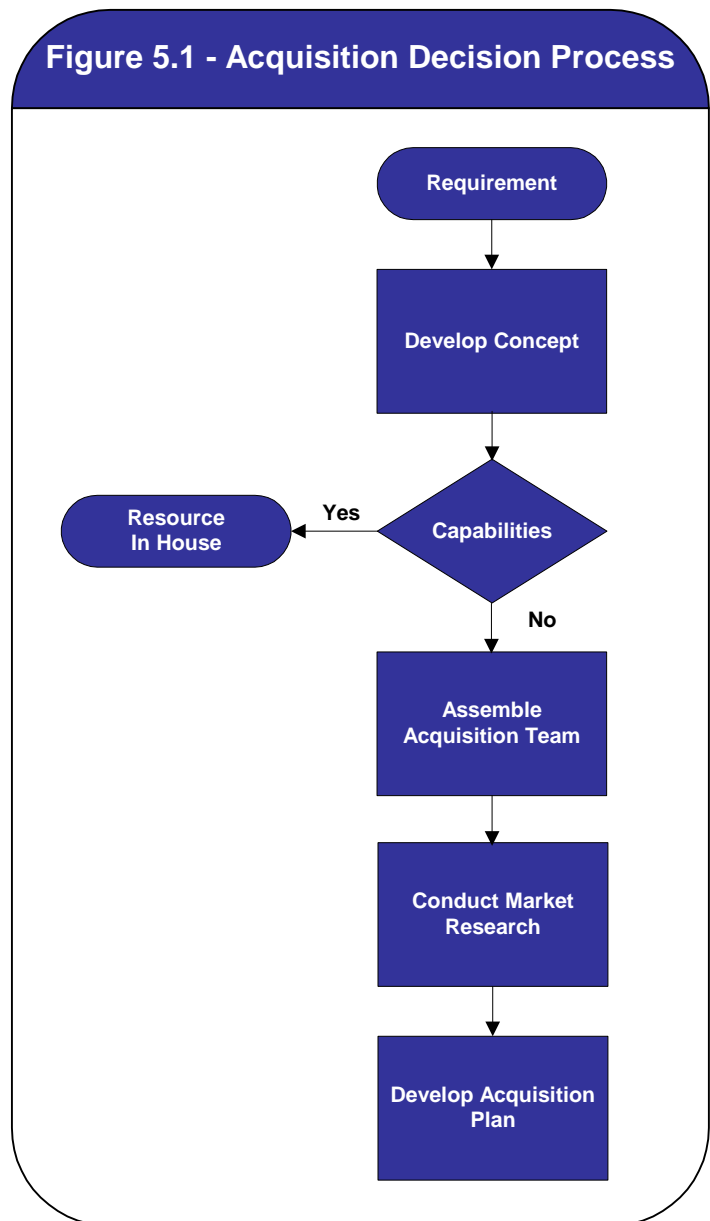
Task 1. Acquisition Planning and Concept Development.

The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the MEDCOM. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the item being acquired. Early planning is the most effective method of preventing or resolving potential problems.

Step 1. Identify the needs of the Government.

Concept development is the first step in any acquisition. The Requiring Activity determines that supplies or equipment is required and defines in broad terms what these supplies or equipment are to accomplish. Early in this process, the Requiring Activity should seek assistance and begin coordination with the supporting Contracting Officer. There are a number of sources for the initial identification of a requirement. These include:

- Review of scientific and medical literature.
- Surveys of requiring activities.
- Participation in meetings to plan, program, and budget for agency missions.
- Changes in policy, or regulations.
- Changes in previous/existing contract.
- Expiration of current contracts.



- Discussions with technical and medical personnel, both within and outside the Government. The concept development phase is intimately connected with the budget process. Keep in mind that there is a specific order of preference for sources that must be followed when obtaining supplies and equipment. These must be taken into account during acquisition planning. Once the concept has been formulated, the appropriate management staff must review it for the following:

- Relevance
- Need
- Merit
- Priority
- Timeliness

Step 2. Determine the correct supporting contracting activity.

Several different contracting activities provide supply and equipment contracting support to the MEDCOM. It is important to identify, during concept development, which is the appropriate supporting contracting office for the supplies or equipment under consideration. This information is necessary in order to begin to assemble the acquisition team and to develop the acquisition plan. For all ***non-medical*** supply and service requirements, contracting support will be provided by the local Army Contracting Agency (ACA) Contracting Office. For ***medical*** supply and equipment requirements, MEDCOM activity's primary source of contracting support will be the Defense Supply Center Philadelphia (DSCP). DSCP offers a variety of programs providing wide product choice and prices based upon volume purchases. These programs include the Pharmaceutical Prime Vendor Program, the Medical Surgical Prime Vendor Program and the ECAT Program, which currently includes laboratory supplies, dental supplies, optical supplies and some equipment items. For medial supplies and equipment not available through DSCP, the contracting support will be provided by supporting HCAA Contracting Office.

Step 3. Assemble the Acquisition Team

A team approach is the cornerstone to a successful acquisition. There are far too many technical, legal and regulatory considerations for one or two people to accomplish this process on their own. Additionally, decisions made early in the acquisition process will have a large effect on the overall outcome of the process. Failure to include all the decision makers early in the process could lead to significant delays or a less than desirable outcome. At a minimum, the Acquisition Team will consist of the following individuals:

- The requiring activity's technical representative. This is the individual most knowledgeable of the requirement. The technical representative will be responsible for documenting the requirement and preparing most of the paperwork necessary to start the acquisition process;
- An appropriate management official from the requiring activity;
- The contract specialist who will develop most of the contract documents needed for the acquisition;
- The Contracting Officer;
- The proposed COR, if different from the technical representative, should also be part of the Acquisition Team.

Step 4. Perform market research.

The Requiring Activity uses market research to obtain a greater understanding of the market

place and to obtain information required by the acquisition plan. Market Research helps the Requiring Activity identify products that are available to satisfy the Government's needs, determine potential sources for these products, and estimate their cost to the Government. The Requiring Activity can gather market research information from a variety of sources to include:

- Discussions with commercial experts and other knowledgeable individuals regarding market capabilities and business practices.
- Reviewing the results of other recent market research information. The Internet and web sites of other Government agencies often provide extremely useful information.
- Publishing formal requests for information in the [Federal Business Opportunities Website](#) or technical/scientific journals.
- Querying Government and commercial databases.
- Reviewing source lists from other agencies or associations, company catalogs or product literature.
- Holding a pre-solicitation conference.

Market research may also include discussions with potential contractors. These discussions may serve to determine interest, scientific approaches, technical capabilities, and state-of-the-art solutions relevant to the subject area. Since the government's requirement is not yet defined at this point in the process, discussion with industry is not only permissible, but encouraged. However, in holding such discussions, care must be taken not to disclose specific advance information on a proposed acquisition that may give a contractor an unfair advantage. While it may be necessary to disclose some general information regarding the government's intention, the purpose and focus of these meetings should be to obtain information from the contractor.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should be taken into account. When considering past performance information, review the quality of products, timeliness of deliveries, reliability of the items, and business practices (i.e. did the company honor the warranty, was service responsive, etc).

The Requiring Activity should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSDBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSDBU is a valuable source of information on potential small and disadvantaged business sources. He/she can advise if there is a mandatory source for the required supplies and can help the Requiring Activity better understand the various federally mandated socioeconomic programs.

During the Market Research Phase, close coordination between the Requiring Activity, the Contracting Officer and other members of the acquisition team is extremely important. These individuals can provide valuable information about contracting lead-times, potential sources of information and potential problem areas.

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition

documents. The acquisition plan also identifies and helps resolve problems early in the acquisition cycle. While very few acquisitions within MEDCOM require a formal, written acquisition plan, the Requiring Activity should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that need to be documented. The Acquisition Plan Format can be found in [Appendix B](#).

Task 2. Develop the Specification or Purchase Description.

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written specification or purchase description should be clear and concise. It should describe the requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written specification or purchase description will avoid delays, save administrative efforts and reduce the chance of a protest or claim against the Government. Carefully planning the specification or purchase description will save time and will make it possible to develop a concise, trouble-free solicitation.

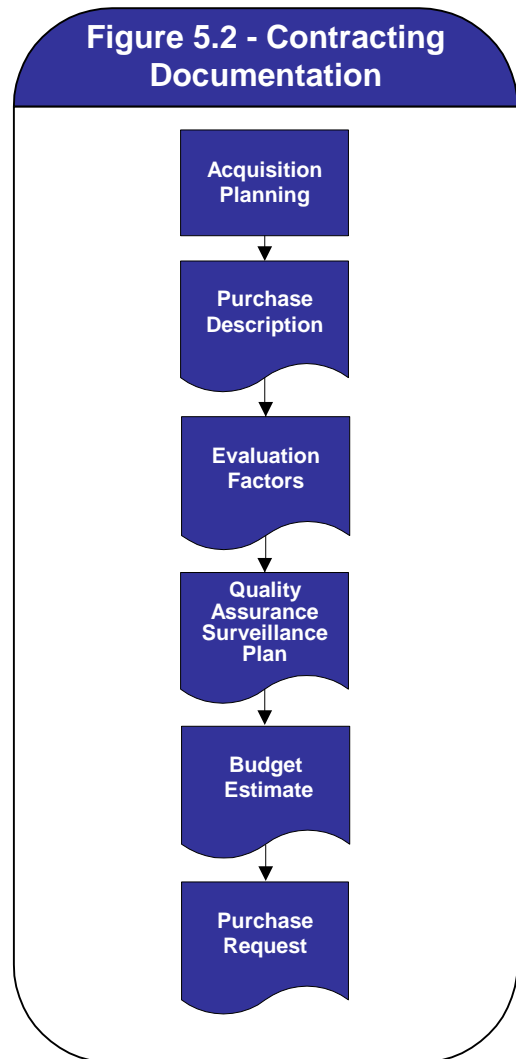
Step 1. Write the Specification or Purchase Description

The description of agency needs must contain sufficient detail for potential offerors to know what products will meet the Government's need. Generally, the Requiring Activity should describe the type of product to be acquired and explain how the agency intends to use the product. One method of describing the Government's needs for a supplies and equipment is through a **Purchase Description**. A purchase description is a statement of essential and physical characteristics and functions (salient characteristics) required to meet the Government's needs. If necessary to describe the government's requirement, a purchase description may include a reference to a Brand Name that has been predetermined to possess the salient characteristics required by the Government (Brand Name of Equal). In some cases, a **Specification** is used. Specifications are detailed descriptions of the technical requirements for a material product. These should state only the minimum essential needs of the

Government and be designed to promote full and open competition. Specifications can be written either as design specifications, performance specifications, or a combination of both.

The Specifications or Purchase Descriptions for supplies and services will include the following:

- **Point of Contact** - Include the name, title, address, phone number, fax number and email address.
- **Effective Date** - Date of specification or purchase description. This is essential in order to track changes and revisions.



Supplies & Equipment

- **Agency/Activity** - Identifies requesting organization.
- **Nomenclature** - Noun nomenclature of the desired item.
- **Description** - The description must contain sufficient detail for potential offerors to know what products may be suitable. The description should include the type of product to be acquired and an explanation of how the product will be used. The description should be stated in terms of performance requirements and/or physical characteristics. Include as appropriate, accessories, initial operating supplies, training, maintenance, and warranty requirements.
- **Delivery Schedule** - The delivery schedule should be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for supplies or equipment, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified. Where there is a need for a supply or equipment item, but either the quantity required or the necessary delivery schedule is not know, an Indefinite Delivery/Indefinite Quantity contract can be used.
- **Inspection and Acceptance** - Describe the criteria that will be used to inspect and accept the supplies or equipment and the place of inspection and acceptance.
- **Special Considerations** - Include any special consideration, unique requirements or additional information that would help contractors prepare their proposals.

The following is an example of a Brand Name or Equal Purchase Description:

Cabinet, Instrument, Optic Lens Measuring, XYZ Optical Model X224 or Equal

Salient Characteristics:

Cabinet must accept all conventional brands of trial lens sets.

Cabinet must be equipped with a fold down top to protect lenses from dust and provide a stable writing surface.

Cabinet must be equipped with a minimum of 3 additional storage drawers.

Cabinet must be equipped with locking casters.

Overall dimension of cannot exceed 48”H X 24”L X 18”D

Step 2. Prepare a justification for any requirements where competition will be limited.

If less than full and open competition is being recommended, the Requiring Activity must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is not used on this acquisition. A sample justification format can be found in [Appendix C](#).

Task 3. Determine Inspection and Acceptance Criteria.

Inspection and acceptance of commercial items are normally accomplished at destination. The Government relies upon the contractor to perform quality control and assurance. The Government accepts the item as is, but retains the right to inspect or test at its option. If the item is found to be defective, the Government has the right to require repair or replacement within a reasonable time. Other options are available to the Government for more complex items or non-

commercial items e.g., inspection at origin, acceptance testing, and first article approval. Your Contracting Officer can provide additional information on these options.

Task 4. Prepare the Government Budget Estimate.

A government budget estimate is a detailed assessment of the price the Government can expect to pay for contracted supplies and equipment. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractor's proposals. Developing this estimate is the responsibility of the Requiring Activity. However, the Contracting Officer and activity resource management personnel can provide advice and assistance. This is business **confidential** information that should not be discussed or shared with the contractor. Government budget estimates for commercially available products are normally based upon generally available information like price lists, historic data, market research, etc.

Task 5. Prepare the Evaluation Factors.

If the Government's requirement can be met by the lowest priced offer that meets all technical requirements, this task only requires the Requiring Activity to document what criteria will be used to determine whether or not the product meets technical requirements. This could be as simple as reviewing product literature supplied with the contractor's proposal or could entail having the contractors provide a demonstration. If the Government intends to procure the item(s) using best value procedures, then evaluation factors, sub-factors, and their relative weights must be established and documented. Evaluation factors should be chosen carefully as they will have a major effect on the outcome of the acquisition. Only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. The following are common factors that are often included in solicitation evaluations:

- Past performance (**mandatory**).
- Understanding of the Government's Requirement.
- Salient characteristics of item offered and ability to meet the Government's minimum essential needs.
- Experience in supplying similar products.
- Qualifications of technical personnel.
- Quality of the facilities to be used.
- Quality assurance programs and plans.
- Training, maintenance, and warranty offered.
- Scheduling and delivery-related controls.
- Subcontracting and make-or-buy plans.
- Environmental objectives, including consideration for environmentally preferred products.
- Price (**mandatory**).

Task 6. Prepare the Purchase Request and Obtain Necessary Concurrence and Approval.

Step 1. Ensure that all documents are current, accurate, and complete.

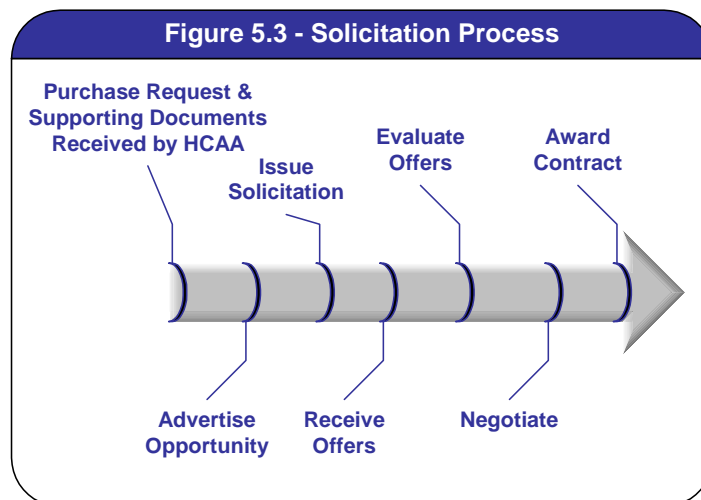
At this point, the Requiring Activity should have a Specification or Purchase Description, Budget Estimate, Inspection and Acceptance Criteria, Evaluation Factors or criteria for determining suitability of offered products, a list of potential sources (at least 3 if possible), and justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions - Are the documents written in terms that accurately reflect the market's capabilities and procurement lead-times? Are they designed to obtain maximum competition? Do they satisfy the Government's needs in the most effective, economical, and timely manner? Are the documents consistent with each other? Do the documents request sufficient information from the contractor to adequately evaluate a proposal? Do they request too much information from the contractor? Note that information that will not be evaluated should not be requested. Have performance specifications been used to the maximum extent possible?

Step 2. Prepare the Purchase Request and secure all necessary authorizations.

Once all supporting documents have been assembled and reviewed, it is time to develop the Purchase Request (PR). Purchase Requests going to either an ACA Contracting Office or an HCAA Contracting Office are created using the web-based Acquiline PRWeb System. The Requiring Activity enters required information into the web-based PRWeb screens to include description of the requirement, purchase request number, issuing office, identification and description of each line item, delivery date, estimated costs, and suggested vendors. Supporting documentation, i.e. specifications of purchase description, evaluation factors or technical acceptability criteria, inspection and acceptance procedures and budget estimate are attached to the PR and the entire Purchase Request Package is routed through approval and budget officials. Once approval is received and funds are certified, the entire package is routed electronically directly into HCAA's or ACA's automated contracting system, Procurement Desktop – Defense (PD²). Should any of the approving officials or the contracting office require additional information, the PR can be routed back to the initiator using PRWeb. Should the PR require subsequent amendment or, should the resulting contract require modification, PRWeb is again used to initiate the action. PRWeb can also be used by the Requesting Activity to obtain status information directly from PD². For additional information on using PRWeb, we suggest visiting the Fort Hood Contracting Command's Website. Detailed information on PRWeb, to include a copy of the PRWeb "Users Guide" is available at [Fort Hood Contracting Command's Website](#). These procedures are not used for Prime Vendor, ECAT or direct ordering from the Defense Supply Center Philadelphia. Guidance on using DSCP systems is available from DSCP.

Duty 2. Supporting the Solicitation Process



The Contracting Officer, with assistance from the rest of the Acquisition Team, will accomplish most of the actions required during the solicitation phase. As the Contracting Officer's technical advisor, the Requiring Activity will play a key supporting role during this period by performing five tasks.

Task 1. Provide Pre-Award Technical Advice.

The Requiring Activity provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Requiring Activity is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the statement of work, terms or delivery schedule. Should the requirement warrant a Pre-proposal Conference, which would normally only be held for unique or complex requirements, the Requiring Activity would assist the Contracting Officer by establishing the agenda and attending the conference to answer technical questions as directed by the Contracting Officer.

Task 2. Participate in Technical Evaluations.

Normally technical evaluations consist of one or more technical experts reviewing the product literature, other material submitted by the offerors, or a product demonstration if required by the RFP, to determine if the products offered meet the criteria and/or salient characteristic stated in the RFP. If a product is found to be unacceptable, the reviewer(s) must document why in terms of the criteria stated in the RFP as these are the only factors that can be used for rejection.

If the product is to be selected using the best value process, then the technical evaluation process takes on a more formal structure. Technical experts from the Requiring Activity participate in Technical Evaluations and recommend other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal, describe strengths and weaknesses, identify potential items for clarification and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is a meeting of the minds between the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Requiring Activity may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and/or by assisting the Contracting Officer review information from the Pre-Award Survey Report.

Task 3. Participate in Oral Presentations and Negotiations.

Since the MEDCOM normally buys commercial supplies and equipment, oral presentations, if conducted will normally be limited to product demonstrations. Negotiations, if held will normally focus on price. If either of these events are held, the Requiring Activity will normally participate. The Contracting Officer will establish specific ground rules prior to meeting with the contractor. These should include the objective of the meeting, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

Task 4. Channel Contractor Inquiries to the Contracting Officer.

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. During the solicitation process, firms may contact the Requiring Activity requesting information about the supplies or equipment required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the RFP is mailed and the contract is awarded.

Task 5. Participate in the Debriefing of Unsuccessful Offerors.

Unsuccessful offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors which areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.

Duty 3. Monitoring Contract Performance

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to understand his/her duties and responsibilities. The COR must also develop an organized approach to carrying out these duties and responsibilities and maintain an open line of communications with both the contractor and the Contracting Officer. There are four tasks associated with this duty.

Task 1. Know Your Duties and Responsibilities.

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer's Representative (COR), the technical or program person who is appointed to assist the Contracting Officer monitor contractor performance.



The Contracting Officer may select and designate any Government employee, military or civilian, to act as the authorized representative in administering a contract. In most cases, that individual will have been involved with the acquisition from the very beginning. In many cases, the COR and the individual who initiated the acquisition will be the same person. The COR

doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by an Appointment Letter signed by the Contracting Officer.

Step 1. Review the COR Appointment Letter.

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations of the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.

Step 2. Review the contract.

Once award has been made, the COR will receive a copy of the contract. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:



- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides a brief description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/Specification (Section C)** – This section provides a detailed description of the item(s) being acquired.
- **Deliveries or Performance (Section F)** – This section designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – This section identifies the COR, provide inspection, acceptance and payment information and other data useful during performance of the contract.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirements.

Note the above format applies only to formal contracts. Orders/contracts placed under Simplified Acquisition Procedures or issued using commercial procedures will have a different format, however the key information noted above will be found somewhere in the document.

Task 2. Establish Files.

The COR is also required to maintain a separate file for each contract they oversee. The COR contract file should contain a copy of the following:

- The contract and any modifications
- All correspondence with the contractor, the Contracting Officer and any other program

- officials regarding the contract
- The COR Appointment Letter
- Inspection reports and acceptance/rejection documents
- Any other document pertinent to the contract.

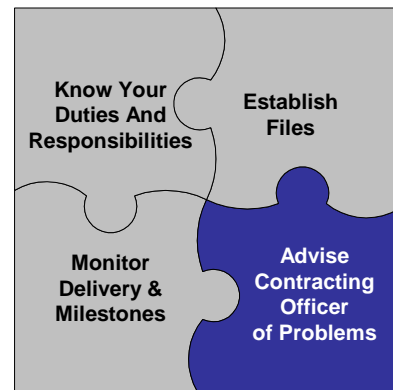
Task 3. Monitor Delivery.

Normally, the COR's primary responsibilities on supply or equipment contracts focus on monitoring delivery, inspection of deliverables and product acceptance or rejection. Consequently, the amount of planning on these types of contracts is usually not extensive. However, the COR will need to be aware of all contract milestones and establish procedures to ensure that the contractor complies with these milestones.



Task 4. Advise the Contracting Officer of Problems.

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the only official with the authority to change or modify a contract. The Contracting Officer is the Government's authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change, or modify the contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract.



The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract.

Supplies & Equipment

Duty 4. Accepting or Rejecting Supplies or Equipment

Inspection and acceptance of commercial items are normally accomplished at destination. The Government relies upon the contractor to perform quality control and assurance. Upon receipt, supplies are checked for quantity and any apparent damage that may have occurred in transit. The form, fit and function are normally accepted as is, but the Government always has the right to inspect or test at its option. If the item is found to be defective, the Government has the right to require repair or replacement within a reasonable time.

Task 1. Acceptance.

Acceptance occurs when the authorized Government representative examines the supplies or equipment, compares the supplies or equipment to the requirements of the contract, and is satisfied that the products conform to contractual requirements. The COR can accept supplies on behalf of the Government if authorized by the COR Appointment Letter. Acceptance can occur

in two ways. The preferred method is through the DFAS Wide Area Work Flow – Receipts and Acceptance System (WAWF-RA). WAWF-RA is a paperless system that enables contractors to create and transmit invoices electronically. Individuals authorized to accept supplies and equipment then receive notification of pending actions and can accomplish acceptance using digital signature. The other method of acceptance is through preparation of a written receiving report, normally after receipt of the vendor's invoice. The preferred form for the receiving report is the DD Form 250, Material Inspection and Receiving Report. A sample of the DD 250 and instructions for completing it are provided in [Appendix D](#). The Commercial Vendors Handbook found at <http://www.dfas.mil/commpay/contractorpayment/>, the Defense Finance and Accounting (DFAS) Website, contains additional information on invoicing, acceptance, and payment procedures, including a discussion of common problems and errors. Detailed information and procedures on the use of the WAWF-RA System is available at <http://www.cs.amedd.army.mil/medcomrm>. Late submission of the DD Form 250 (or other acceptance document) normally results in the Government having to pay interest on the contractor's invoice.

Task 2. Rejection.

If the supplies or equipment do not comply with the contract, a notice of rejection should be promptly provided to the contractor. The COR can reject supplies and equipment if authorized by the COR Appointment Letter. Otherwise, the COR recommends rejection to the Contracting Officer or another official that is authorized to reject the products. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the Contracting Officer whenever products are rejected. The COR should provide the Contracting Officer with documentation on the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. The DD Form 250 can be used to document rejection.

Task 3. Evaluate the Contractor's Rejection Reply.

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming supplies or equipment, or challenge the deficiency assessment. If the COR is authorized to reject products, he or she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (contractor challenges the assessment of defective products) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of a contractor's corrective action plan, the impact of accepting non-conforming products or whether or not the contractor's rebuttal is valid.

Duty 5. Completing Other COR Support Tasks

The COR performs or participates in six other tasks that play an essential role in successful contract performance. These are discussed below.

Task 1. Provide Technical Support for Contract Modification.

A modification is a written alteration of any aspect of the contract including the specification or purchase description, delivery requirement, quantity, price, or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the

Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in two different aspects of the modification process.

Step 1. Identify circumstances that may necessitate a modification.

Identify any circumstance that may require modification to the contract. These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer. PRWeb is used to forward modification requests to the Contracting Officer.

Step 2. Provide the Contracting Officer with technical support.

Provide the Contracting Officer with a technical evaluation of the proposed change. This evaluation should contain a thorough analysis of the effects of the proposed change on the other areas of the contract. It should be done as thoroughly as the initial requirement determination. The Contracting Officer may also ask the COR to assist in negotiations with the contractor.

Task 2. Manage Performance Problems.

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibilities of both the Government and the contractor and to avoid actions that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely affect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following

- Provide notice to the contractor of the particular deficiency and obtaining a commitment for appropriate corrective action.
- Extend the delivery schedule if excusable delays in performance are involved.
- Withhold payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminate the contract either for convenience, cause or default (see next task).

The COR should follow these steps when faced with performance problems.

Step 1. Document all instances of inadequate performance.

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government usually has a difficult correcting the problem. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early may end in contract termination if they are allowed to progress.

Step 2. Notify the Contracting Officer.

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation and when it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

Step 3. Provide technical support to the Contracting Officer.

The Contracting Officer has a number of ways of managing contractor performance problems, ranging from an informal meeting with the Contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences where the situation reaches the point that the Contracting Officer must initiate Termination procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.

Task 3. Provide Technical Support for Terminations.

The Government has a unique right to terminate a contract for **convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item is no longer needed or the contract is no longer affordable. A Termination for Convenience may also be appropriate if it is impossible for the contractor to perform as specified in the contract (through no fault on the part of the contractor) or there has been a radical change in the requirement that goes beyond the contractor's expertise. Terminations for Convenience allow the contractor to submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Officer and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has a right to terminate a contract for **default** based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination, the contractor only has a right to payment for delivered and accepted products. When acquiring commercial supplies and equipment, default terminations are called "Terminations for Cause". The COR's responsibilities in either Terminations for Convenience, Terminations for Default or Terminations for Cause are essentially the same.

Step 1. Identify any condition or event that may trigger a termination.

Early identification of a problem, whether it is poor performance, a change in requirements, or a lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.

Step 2. Notify the Contracting Officer.

Notify the Contracting Officer as soon as possible that a termination may be required.

Step 3. Provide technical support to the Contracting Officer during negotiations.

Assist the Contracting Officer by providing technical expertise during the termination process to include assisting in negotiations, if required.

Task 4. Advise the Contracting Officer on Options.

The exercise of an option is not an automatic process. There are a number of actions that must be accomplished prior to exercising a contract option.

Step 1. Conduct market research.

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current price of the same or similar supplies. The COR must also determine if there have been significant technological changes in the marketplace.

Step 2. Formally request that the option be exercised.

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion of the impact on continuity of operations and the cost to the Government if the option is not exercised; and other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continuing need for the supply and that funds are available. A Purchase Request certifying funds must accompany the written request. Just as was done for the initial Purchase Request, the request to exercise the option is routed through approving and budget officials and forwarded to the contracting office using PRWeb.

When a decision is made that it is not appropriate to exercise an option, the COR shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the COR by telephone or electronic transmission when notification is sent to the contractor's business office.

Task 5. Document Past Performance.

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases the probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. There is also a federal past performance database called the Past Performance Information Retrieval System (PPIRS). The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

Step 1. Determine whether a formal evaluation is required.

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

Step 2. Document past performance information.

Evaluations are required to be prepared at the time work under the contract is completed. The manner in which the evaluation is done is usually provided in the contract which will specify which Government officials are involved in the evaluation and documentation process, what information will be included in the documentation, and indicate the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor. Normally, performance assessment forms must be submitted within 30 days of the completion of the performance period being evaluated.

Step 3. Rate past performance.

The COR, as the person most familiar with the contractor's performance, should rate the initial evaluation without bias. The contract will specify the manner in which the contractor's performance will be rated. The following is a list of sample rating areas.

- **Quality** – Did the contractor meet the requirements of the contract?
- **Timeliness** – Did the contractor meet the delivery schedule?
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?
- **Management of Key Personnel** - Were key personnel designated? Was there a high turn-over of key personnel? Were they reasonably available to address issues? Were they responsive to the government's demands?

Sample Rating Factors	
Unsatisfactory (Red)	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element contains serious problems(s) for which the contractor's corrective actions appear or were ineffective. Supporting narrative should explain why performance is not satisfactory and provide specific instances where the contractor's corrective actions were ineffective.
Marginal (Yellow)	Performance does not meet some contractual requirements. The contractual performance of the element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented. Supporting narrative should identify the specific areas where the contractor did not meet the contractual requirements and identify the problems areas for which the contractor has not yet identified corrective actions.
Satisfactory (Green)	Performance meets the contractual requirements. The contractual performance of the element being assessed contains some minor problems for which corrective actions taken by contractor appear or were satisfactory.
Very Good (Purple)	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective. Supporting narrative should identify the areas where the contractor exceeded the contractual requirements to the government's benefit.

Exceptional (Dark Blue)	Performance meets contractual requirements and exceeds many requirements to the government's benefit. The contractual performance of the element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective. Supporting narrative should identify the many areas where the contractor exceeded the contractual requirements to the government's benefit.
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Task 6. Participate in Contract Closeout

A contract is completed when supplies have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all supplies have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on MEDCOM awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future MEDCOM projects. Centralized performance data accessed by HCAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

Additional Readings

Acquisition planning and developing requirements documents

The Federal Acquisition Regulation¹

- Part 7 – Acquisition Planning
- Part 8 – Required Sources of Supplies and Services
- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 12 – Acquisition of Commercial Items
- Part 16 – Types of Contracts
- Part 32 (32.7) – Contract Funding
- Part 46 – Quality Assurance

Requiring Activity actions during the solicitation phase

FAR 3.104 – Procurement Integrity¹

FAR 5.1 – Dissemination of Information¹

FAR Part 15 – Contracting by Negotiations¹

Acceptance or rejection of services

FAR Part 46 – Quality Assurance¹

DFARS, Appendix F – Material Inspection and Receiving Report³

FAR 52.232.25, Prompt Payment¹

DFAS Contractor Payment Handbook⁴

Wide Area Workflow Overview and Training⁵

Other COR Support Tasks

FAR Subpart 17.2 – Options¹

FAR Part 49 – Termination of Contracts¹

DoD Guide to Collection and Use of Past Performance Information²

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at the “Guidebooks and Handbooks” Section of the AT & L Knowledge Sharing Website <http://web.deskbook.osd.mil/>
3. Available on-line at <http://farsite.hill.af.mil/>
4. Available on-line at <http://www.dfas.mil/commpay/contractorpayment/>
5. Available on-line at <http://www.cs.amedd.army.mil/medcomrm>

GLOSSARY

Acquisition Order of Preference

When acquiring goods and services, there is a designated order of preference that must be followed. The following sources must be considered for all government acquisitions, in the order indicated: existing government inventory; mandatory sources of supply, i.e., UNICOR (also known as Federal Prison Industries) and Nonprofit Agencies Employing People who are Blind or Severely Disabled (also known as the Javits-Wagner-O'Day Program or JWOD); existing contracts, e.g., GSA Schedules; small, minority-owned businesses; small businesses; and finally, large businesses.

Acquisition Team

One of the first steps of any acquisition is to identify those individuals that will be involved in the acquisition process and to begin organizing these individuals into a cohesive acquisition team. Each team will be different depending upon the complexity of the acquisition. At a minimum, the team will consist of the Program Manager or Responsible Management Official from the Requiring Activity, the Contracting Officer and the Contract Specialist. Additional members of the team may include technical experts, legal advisors the end user (if different from the requiring activity, financial personnel and just about anyone that can contribute to the success of the acquisition. Other team members may include the Head of the Contracting Activity, the Principal Assistant Responsible for Contracting, the Competition Advocate, the Associate Director for Small and Disadvantaged Business Utilization, and the Contracting Officer's Representative.

Acquisition Thresholds

Many acquisition actions, i.e. what procedures to be used, what clauses are included, etc., are keyed to the dollar value of a requirement. This is determined by looking at the entire dollar value of the resulting contract (to include any options). It is prohibited to split a requirement into smaller acquisitions for the purpose of avoiding an acquisition threshold.

Administrative Contracting Officers (ACO)

Contracting Officers may authorize other individuals to act in their behalf. An Administrative Contracting Officer is a Contracting Officer designated in writing to administer the contract.

Anti - Deficiency Act

No officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Anti-Deficiency Act, 31 U.S.C. 1341), unless otherwise authorized by law. Violating the Anti-Deficiency Act is a very serious offense that may result in criminal penalties.

Associate Director of Small and Disadvantaged Business Utilization

The Associate Director of Small and Disadvantaged Business Utilization (ADSDBU) provides advice and counsel to the Command on all small business matters. The ADSDBU also develops strategies to ensure maximum participation in the Command's contracting program by small

businesses, small disadvantaged businesses, women-owned small businesses and historically black colleges and universities and minority institutions.

Blanket Purchase Agreement (BPA)

A BPA is an agreement that is written with suppliers that are capable of providing anticipated repetitive needs for supplies and services. A BPA, in effect, is a charge account with a supplier. Under a BPA, separate acquisitions are made according to detailed, but simple procedures. No single purchase can exceed the simplified purchase threshold.

Bona Fide Need Rule

Funds can only be obligated to fund a bona fide need of the current fiscal year. There are several exceptions of this rule to include:

- **Fiscal Year Contracts** - The contracting officer may initiate a contracting action properly chargeable to funds of the new fiscal year before these funds are available provided that the contract includes the “Availability of Funds” Clause.
- **Nonseverable Services** – Services that produce a single or unified outcome, product or report are considered nonseverable. Contracts for nonseverable services can cross fiscal years, but must be totally funded out of appropriations current at the time of contract award.
- **Severable Services** – Under a current exception applicable to DoD, contracts for severable services may also cross fiscal years, however the total period of performance cannot exceed one year (this does not preclude the use of options as these are funded as if they are a new contract). Contracts for severable services can be totally funded by an appropriation current at the time of contract award. They can also be funded by using funds from two different fiscal years provided that the contract contains the “Availability of Funds” Clause covering the appropriation for the follow-on fiscal year.

Collusive Bidding and Other Antitrust Violations

Collusive bidding, price fixing, and other antitrust violations are express or implied agreements between independent competitors, which limit competition. Examples: agreements to allocate business among competing firms; joint ventures by independent competitors which effectively reduce available competition; no bids from obvious competitors; and, token bids from obvious competitors.

Commercial Items

Commercial items are supplies and services generally available for sale or lease by the general public, i.e. not designed to meet a unique government application. The government prefers to buy commercial products and services and has developed special procedures that simplify the purchase of commercial items and more closely mirrors buying practices used by commercial industry. Most health care supplies, services and equipment are considered commercial items.

Competition

Federal Law requires that full and open competition be used to acquire goods and services, except for a limited number of exceptions. Competition utilizes market forces to ensure the government receives favorable pricing. Competition allows the government to receive offers from a wide variety of prospective suppliers. This increases the probability that the government

will receive offers fully meeting its need. It also facilitates the promotion of new, innovative and state-of-the-art solutions. There is a common misconception that the use of full and open competition often results in the government having to “settle” for inferior products or services. This is simply not true. A well-written statement of work, combined with valid offer evaluation criteria, will ensure the government’s needs are met. Competition maximizes the probability that these needs will be met at the best possible price.

Competition Advocate

The role of the Command’s Competition Advocate is to foster competition consistent with public law and the established goals of the Command. The Competition Advocate is a key player in acquisition planning.

Conflicts of Interest

Basically, the policies governing conflicts of interest prohibit an employee from participating “personally and substantially” as a Government employee in a matter, procedure, determination or contract in which any of the following individuals or organizations has a financial interest:

- The employee, or a member of the employee’s household including the employee’s spouse or the employee’s minor child,
- An organization in which the employee serves as an officer, director, trustee, partner, or employee; or,
- A person or organization with which the employee is negotiating for prospective employment or has an arrangement for prospective employment.

If you feel that any of these circumstances may exist or if you feel that circumstances would cause a reasonable person with knowledge of the relevant facts to question your impartiality in a matter, you should not participate in that matter until you have consulted with your ethics advisor.

Contract

A contract is a legally binding relationship between two or more parties obligating the seller to furnish supplies or services and the buyer to pay for them. All contracts consist of three elements: an ***offer*** to provide something of value, usually goods or services; ***acceptance*** of that offer and communication of that acceptance to the offeror; and ***consideration***, something of value exchanged by the parties to bind the contract. In order to be enforceable, a contract must have a ***legal purpose*** and must be signed by parties that have the ***authority*** to bind the entity that they are representing (for government contracts, only Contracting Officers have this authority).

Contract Types

The government uses two basic types or families of contracts - fixed-price and cost-reimbursement. Within each family there are several different variations, i.e. fixed price with economic price adjustment, cost plus fixed fee, cost plus incentive fee, etc., however, the essential characteristics within each family are the same. The Contracting Officer, after consulting with the customer, will determine the contract type most appropriate for the requirement, or this may be determined through negotiations between the Contracting Officer and the prospective contractor. In any event, the customer needs to understand the

characteristics of each major contract type as this can significantly affect acquisition planning and contract administration duties. The two contract types differ in two key respects - the relative amount of risk placed on the government and on the contractor, and the degree of contract management or administration that is required.

Contracting Authority

Only Contracting Officers have the authority to enter into contracts or otherwise direct non-federal government firms and institutions, to provide goods and services, which will require the expenditure of government funds or other resources. Contracting Officers serve as an agent of the government when negotiating and awarding contracts, or, when making changes and modifications to contracts. This authority is not delegable to other individuals.

Contracting Officers

A Contracting Officer is an individual expressly authorized to enter into, administer and/or terminate contracts. Contracting Officers are appointed in writing by the PARC.**Error! Bookmark not defined.** Contracting Officers act as the HCAA focal point for customer service, communications and product delivery. They coordinate with customers to plan and execute acquisition strategies. Contracting Officers are responsible for ensuring that all contract actions comply with appropriate laws, executive orders, regulations and other applicable procedures, including clearances and approvals. They are also responsible to ensure that both the government and the contractor comply with the terms and conditions of the contract.

Contracting Officers may authorize other individuals to act on their behalf. For example, a Contracting Officer may authorize another Contracting Officer to perform contract administration functions on a contract. This individual then becomes the Administrative Contracting Officer or ACO. A Contracting Officer may also designate an individual to function as a Contracting Officer's Representative, an individual who assists the Contracting Officer in administering the contract.

Contracting Officer's Representative (COR)

A COR is an individual appointed, in writing, by a Contracting Officer that monitors the technical or performance aspects of a contract and performs other duties specified by the Contracting Officer. The COR may only perform those tasks stated in the appointment letter.

Contract Specialist

The Contract Specialist is an acquisition professional who works directly for the Contracting Officer. The Contract Specialist performs most of the day-to-day functions required to advertise and award government contracts, i.e. synopsisizing (advertising) the requirement, preparing contract documents for the Contracting Officer's review and approval, answering questions from prospective contractors, etc. The Contract Specialist is also responsible for assisting the Contracting Officer in the administration of the contract.

Cost Type Contracts

Sometimes, a requirement cannot be specified with the certainty required for a fixed-price contract. In the absence of this certainty, potential contractors have no way of estimating the price of the work with the degree of accuracy needed for fixed-price contract risk. Nor, is

HCAA able to determine the accuracy of a proposed price. **Cost-reimbursement contracts** are used when the uncertainties involved in contract performance are of such magnitude that cost of performance cannot be estimated with sufficient reasonableness to permit use of fixed-price type contracts. Like the fixed-price contract, there are several variations.

In cost contracts, the contractor's risk is minimal. The contractor only agrees to a "best effort". No guarantee is given. Failure to do the specified work will not be a breach of contract, nor will it cost the contractor any money as long as a "best effort" was provided. On the other hand, the government's risk is high. It has no guarantee that it will get the specified work. If the work is not completed and the maximum costs have been reimbursed to the contractor, the government has two choices, both equally unsatisfactory. It can elect not to add funds to the contract and, essentially terminate the effort without receiving the desired product, or it can add money to the contract in the hope that the additional funds will be sufficient to achieve the expected result. Cost type contracts require a greater effort on the part of the government in monitoring performance. Appropriate oversight is required to ensure that the contractor is actually providing a best effort and that the contractor is judiciously expending funds and controlling cost.

Delivery Orders/Task Orders

Delivery orders/task orders are orders issued under a pre-existing indefinite delivery contract such as a Federal Supply Schedule. Delivery orders/task orders normally expedite the acquisition process and allow the government to take advantage of prices associated with the anticipated volume of the entire contract rather than an individual purchase. Delivery orders are used to order supplies. Task orders are used to order services

Fixed Price Contracts

These contracts are normally used for commercial items or requirements where the government can describe its needs in a clear-cut, unambiguous manner sufficient for prospective contractors to develop a fair and reasonably priced proposal in which they assume only reasonable risk. The most common fixed price contract is the **firm fixed-price contract**. In a firm fixed-price contract, the contractor agrees to deliver all supplies or services at the times specified for an agreed upon price. This price cannot be changed (unless the contract is modified). Profit is determined by the contractor's ability to control costs relative to the contract price. If the contractor's costs exceed the contract price, the contractor must absorb the difference. Firm fixed-price contracts place maximum risk on contractors and little or no risk on the government. There are several other variations of fixed price contracts. Essentially these operate much the same as a firm fixed price contract, but they contain predetermined provisions for price adjustments. For example, a fixed-price contract with economic adjustment type contract permits the contract price to change based upon some external factor, i.e. change in a designated economic indicator. The government's contract monitoring requirements on fixed price contracts are usually limited to ensuring that the contractor meets the requirements of the contract. Fixed price contracts are the predominate type of contract used by HCAA.

Government Purchase Card

Normally, purchases below \$2500, also known as the micro-purchase threshold, are accomplished by using the Government Purchase Card. This allows the requiring activity to purchase routine items below \$2500 using a card issued to someone in the organization. Over

the years, the command has realized an increased reliance on the card by many of our customers whose missions require timely receipt of supplies and services.

Gratuities

Gratuities are defined as gifts, entertainment, or favors generally given to enhance the relationship between the offeror and the Government employee, rather than to bribe. Government employees are prohibited from accepting gratuities on the premise that gifts, entertainment, or favors, no matter how innocently offered and received, may be a source of embarrassment both to MEDCOM and to the employee involved. For example, the practice of contractors bringing large quantities of food items (donuts, pizza, etc) every time they visit is an improper gratuity that may give the impression that the objective judgment of the recipient has been affected and could erode public confidence in the integrity of the relationship between MEDCOM and the private corporation.

Head of the Contracting Activity (HCA)

The HCA is the General Officer who has the overall responsibility for the effective and legal execution of the organization's acquisition program. Currently, the Assistant Surgeon General/Chief of Staff for Force Sustainment is the Head of the Contracting Activity for HCAA.

Indefinite-Delivery Contracts

The government uses indefinite-delivery contracts it does not know the exact quantity or delivery requirements at the time the contract is finalized. There are three types of indefinite-delivery contracts. **Definite-quantity** contracts specify the total amount of supplies or services that will be required, but permit delivery to be scheduled as required. The government is obligated to purchase the entire amount of supplies or services specified in a definite-quantity contract. **Indefinite-quantity** contracts permit the government to place subsequent orders for an indefinite quantity of supplies or services. The contract must state both a minimum and a maximum quantity. The government is obligated to purchase this minimum quantity. A **requirements** contract is used when the government anticipates recurring requirements but cannot reasonably determine the quantity that will be required. The contractor is only furnished with a reasonable estimate. The government does not have an obligation to purchase any supplies or services under a requirement contract, however, if it purchases any of the designated supplies or services, it must purchase them using this contract.

Integrity of the Procurement Process

The term "integrity of the acquisition process" means allowing private sector firms to compete for the Government's business on a scrupulously fair basis. The emphasis here is on the word "fair." Not only is fairness a prerequisite in Government acquisition due to the Government's unique position as representative of the American people, but fairness also helps ensure that the Government will obtain its supplies and services at the best price available.

Government personnel who are associated with the acquisition process have a responsibility to protect its integrity, maintaining fairness in the Government's treatment of all contractors or potential contractors. Procurement officials are subject to additional requirements and restrictions regarding conduct while in the employ of the Government and after they leave Government employment. These requirements and restrictions are complex, subject to change and beyond the scope of the desk reference. In general, if you had anything to do with a procurement, from

developing the Statement of Work, to the evaluation of proposals, to monitoring technical performance of the contract, then you are probably a procurement official. If this is the case, it is your responsibility to learn the restrictions placed upon you by visiting with the Command's ethics advisor.

MEDCOM personnel must protect acquisition information from unauthorized disclosure. This is a particular concern considering the large number of contractor personnel working in our facilities. Care must be taken to ensure that contractor personnel are not involved in acquisition decisions or privy to acquisition sensitive information that would give their firm an unfair competitive advantage. If a contractor participates in the development of a statement of work or otherwise participates in the development of an acquisition requirement, that individual's company should be precluded from competing for the award of that contract.

Legal Advisor

A Government Legal Counsel provides to the acquisition team regarding the legality of proposed contract actions. He/she will also review the solicitation, proposed contract and other support documents to determine legal sufficiency.

Multiple Award Contract

Multiple award contracts are indefinite-delivery contracts that are awarded to more than one contractor. The successful contractors then compete among themselves for follow-on task orders. Once awarded, multiple award contracts streamline the contracting process, reduce acquisition lead times and are particularly advantageous for large requirements where it is beneficial to have several contractors providing goods or services. An example of a multiple award contract is our IMAP (Innovative Medical Acquisition Program) contracts where we have awarded contracts covering all health care providers required by the MEDCOM.

Options

Options provide the government with the ability to order additional quantities or additional periods of service beyond those established in the initial contract. Normally, options pre-establish the quantity, price, and delivery schedule for these additional products or services. Options are used when there is a clearly defined quantity or requirement for the product or service, but due to funding rules or other restrictions, the goods or services cannot be ordered at the time of contract award. Prior to exercising an option, the Contracting Officer, with the assistance of the client, must determine that this is in the best interests of the government. The Contracting Officer must ensure that the conditions present when the original products or services were ordered did not change to a degree that would make the initial procurement strategy inappropriate. At a minimum, market research must be conducted to look at the current extent of competition, particularly from small and small disadvantaged business firms, the prevailing market price for similar goods and services, and the current status of the incumbent contractor to include his or her financial and management capacity, and the quality of the goods and services that are being provided.

Personal Services Contracts

Contracts may also be classified based upon the relationship that is established between the government and the contractor's employees. Contracts where the government exerts direct

supervision or otherwise establishes an employer – employee relationship with the contractor's employees, which are known as personal services contracts, are generally prohibited. However, the Department of Defense (DoD) has special authority to establish personal services contracts with health care providers. Under these contracts, the government directly supervises all technical aspects of the services performed. (See Chapter 5, "Supervising Contractor Personnel" for additional information on this subject.

Principal Assistant Responsible for Contracting (PARC)

The PARC is a directorate level senior staff official responsible for establishing policy and administrating the medical contracting program within the MEDCOM.

Purchase Orders

Purchase orders are used to buy supplies or services that do not exceed \$100,000 (\$5 million for commercial items). The process normally begins with the government requesting a quotation to supply goods or services and potential suppliers responding to this request. However, from a legal standpoint, a quotation is not considered an offer (see paragraph on the "Nature of a Contract", above). An offer is not made until the government issues the purchase order. Acceptance occurs when the contractor agrees to the terms and conditions of the purchase order by signing the document, begins work, or delivers the requested supplies or services. A binding contract does not exist until the contractor accomplishes one of these actions. Purchase orders are normally issued on a fixed-price basis. Unpriced purchase orders may be issued in rare occasions where the price cannot be predetermined, i.e. for the repair of an item where the item must be disassembled to determine the extent of repair needed. However, even unpriced purchase orders contain a ceiling price that cannot be exceeded without further authorization. Unpriced purchase orders must be funded to the ceiling price.

Purchase Request

A Purchase Request (PR) is a form or a document that is submitted to the Contracting Officer to initiate a requisition for the purchase of services or supplies. This form will include the amount of money allotted and accounting classification number for the requirement, a description of requirement and necessary signatures. As appropriate, the Purchase Request will include a detailed purchase description, statement of work or specifications, delivery schedule, solicitation evaluation factors, estimate of the cost/price and/or a Quality Assurance Surveillance Plan.

Requiring Activity

The requiring activity is normally the end user(s) of the goods or services. The requiring activity is most familiar with the requirement and as such, is responsible for developing the technical requirements of the acquisition, determining the evaluation criteria that will be used to evaluate contractor proposals and will normally be involved in monitoring the technical aspects of contract performance. The number of individuals from the requiring activities that will be involved in a particular acquisition will vary according to its complexity. At a minimum, a member of the requiring activity's management team and/or a technical representative will participate in the acquisition. In more complex requirements, a separate project manager may be designated and multiple technical specialists, to include those from other activities may be used. The Contracting Officer's Representative usually comes from the Requiring Activity, but that is not always the case.

Role of Small Business

The role of small business is vital to the economic health of the United States and readiness of the military forces. Small businesses comprise the greatest number of businesses in the United States and offer the largest number of employment opportunities. Most innovations come from small businesses. Microsoft and Apple Computer delivered their greatest innovations, when they were small businesses. This is why, if we are looking for the greatest owner involvement, innovation, lower overhead expenses, and fuel for the economic power of the United States, it is paramount that small businesses be provided every reasonable opportunity to fulfill the needs of the Federal Government. If you have any questions or would like to learn more about the Command's Socioeconomic Programs, you should contact our Associate Director of Small and Disadvantaged Business Utilization.

Simplified Acquisitions

Simplified Acquisition Procedures (SAP) are used to buy government requirements below \$100,000 (\$5 million for commercial items). SAP were developed to reduce the time and expense required to obtain goods and services, reserving more formal acquisition procedures for only high dollar value acquisition. Simplified Acquisition Procedures include the use of purchase orders, delivery orders/task orders, blanket purchase agreements, and government purchase cards. SAP are normally done on a competitive basis. Request for quotes, proposals and purchase orders are processed electronically to the extent possible. Simplified acquisitions over \$2500 must be made from small businesses unless a contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. Purchases under \$2500, are exempt from small business considerations.

Sole or Limited Sources

There are times when it is impossible or impractical to solicit for goods and services on a full and open competitive basis. In these cases, the government will request proposals from only one or a limited number of sources. The use of "Other Than Full and Open Competition" is the least desirable method of acquiring goods and services. Other than full and open competition procedures may only be used in limited circumstances and require detailed justification. This justification must be supported by verifiable facts and clearly demonstrate why the government's requirement cannot be met by full and open competition. The dollar value of the acquisition and the nature of the justification will determine the level at which the justification must be approved. This may involve high-level officials and may add considerable time to the acquisition process. If you require additional information on the role of competition in federal contracting, or anticipate having a future acquisition requiring the limiting of competition, you should contact the HCAA Competition Advocate or your Contracting Officer.

Unauthorized Commitments

An unauthorized commitment is an agreement made to bind the Government by an employee of the Government that does not have the authority to do so. Only a Contracting Officer, operating within the limits of their authority, may obligate the Government. Although the Government is not bound by the acts of unauthorized individuals, such acts bring discredit to the activity, strain relationships with the vendor community and in general, generate considerable addition

paperwork. Individuals responsible for unauthorized commitment could be held personally liable and/or be subject to disciplinary action.

Unsolicited Proposals

An unsolicited proposal is a written proposal for a new or innovative idea that is submitted to an agency on the initiative of the offeror for the purpose of obtaining a contract with the government. It cannot be submitted in response to any type of solicitation on the part of the government. In order to be accepted by the government, an unsolicited proposal must meet all of the following criteria:

- Be innovative and unique.
- Be independently originated and developed by the offeror.
- Be prepared without government supervision.
- Include sufficient detail for a determination of benefit to the government.
- Not be an advance proposal for a known requirement.

APPENDIX A. HCAA KEY PERSONNEL CONTACT INFORMATION

<u>Position</u>	<u>Telephone Number</u>
Commander	(210) 221-3298
Deputy Commander (Chief of Staff)	(210) 221-3298
Competition Advocate	(210) 221-3298
Associate Director, Small and Disadvantaged Business Utilization	(210) 221-4415
Chief, Center for Health Care Contracting	(210) 221-5609
Chief, European Regional Contracting Office	011 49 6371 86 7964 or 6021
Chief, Great Plains Regional Contracting Office	(210) 916-1931 or 3876
Chief, North Atlantic Regional Contracting Office	(202) 782-1274 or 1250
Chief, Pacific Regional Contracting Office	(808) 433-3503 or 4487
Chief, Southeast Regional Contracting Office	(706) 787-6793 or 5674
Chief, Western Regional Contracting Office	(253) 968-4919 or 4911
HCAA Website:	http://hcaa.medcom.amedd.army.mil/

APPENDIX B - ACQUISITION PLAN FORMAT

Background of the Acquisition

- **Purpose of the Contract** - Briefly describe the general requirements of the contract, including the requirement document that may authorize the program/project.
- **Need** - Discuss the need for the project.
- **Background History** - Describe the background and necessity of the acquisition. Include prior, present, and planned efforts in the program area and closely related work that has been supported by DoD and other Federal agencies. Describe and give the results of the literature searches.
- **Alternatives to the Acquisition** - Discuss efforts made to determine if existing projects, supplies, or materials would satisfy the requirement. Include any in-house efforts, searches and clearinghouse reviews conducted to avoid duplication of effort.
- **Project Risk** - Discuss major areas of project risk, including technical, cost, and schedule risk. Describe what efforts are planned to reduce risk. If an acquisition that is planned to be awarded using other than full and open competition represents a significant portion of a proposed contractor's business, discuss the effect on technical capability, schedules, changes in contractor workload, and related effects on cost.
- **Estimated Cost** - Determine an estimate of the total cost to perform the proposed contract and an estimate for individual phases or areas of the work. An estimate of technical staff hours and direct material required to perform the service should be included. An Independent Government Cost Estimate (IGCE) may be appropriate.
- **Project Funding** - Include a summary of funds expected to be obligated for the entire project by fiscal year and phases. Include expenditures for previous years. Discuss the probability of obtaining future-year funding and/or what specific managerial action can be taken to ensure future funding.
- **Requiring Activity** - Identify the program personnel who have key roles in planning the proposed acquisition. At a minimum, give the name, title, full mailing address, email address and telephone number of a Point of Contact.

Objectives of the Acquisition

- **Statement of Work, Performance Work Statement, Statement of Objective, Specification or Purchase Description** - Describe exactly, but succinctly, what is to be done and when it is to be done. Detail why the agency is undertaking the acquisition and all the individual requirements that must be accomplished in order for the acquisition to be successful. Determine what supplies services or equipment are required, who will use these products, and how they will be used. For equipment items consider provisions for initial operating supplies, maintenance, and training. Also determine if modifications to the building will be required to accommodate the new piece of equipment.
- **Period of Performance** - Specify number of months (or other time period) required for total performance and, if appropriate, for each phase of the work. Indicate the proposed starting date and required date of delivery for each deliverable.
- **Reporting/Delivery Requirements** - Describe the basis for establishing the delivery/reporting requirements and include the anticipated deliverables and time(s) for delivery and place of delivery.
- **Replication, Dissemination or Use of Results** - Describe who will use it, how it will be

used, and what format the results should follow. Include a description of the system for delivering the results.

- **Data, Data Rights, Patents, Copyrights and Licensing** - Discuss the data to be developed. Specify what data should be delivered and what data should remain in the contractor's possession. Discuss how the data will be used, maintained, disclosed, and disposed of by the contractor. Discuss what data will be subject to the Privacy Act or Confidentiality of Information clause. Discuss data to be delivered with limited rights, data where title would not vest in the Government, and anticipated copyrights or patents. Discuss whether or not the data will permit any follow-on acquisitions to be competitive.
- **Phasing** - Briefly describe discrete tasks or stages of accomplishment that are appropriate to phasing. Describe the performance evaluation criteria for each phase before proceeding to the next.
- **Special Terms and Conditions** - Identify any special terms or conditions that should be included in the contract. For example, consider if the contractor will require access to classified information.

Plan of Action

- **Sources for Solicitation** – Potential sources may be known based upon participation in previous participation in the Command's acquisition program. Sources may also be identified based upon their reputation in a particular field of interest. Appropriate business scientific journals are a good source of information on new suppliers. Most contracting opportunities will also be advertised in Federal Business Opportunities (FedBizOpps.com). The Associate Director for Small and Disadvantaged Business Utilization (ADSDBU) is a valuable source of information on small and small disadvantaged businesses that may be potential sources. The Associate Director will also be involved in determining whether or not an acquisition will be targeted as a set-aside for one of the federally mandated socioeconomic programs.
- **Justification for Other Than Full and Open Competition** - A full, factual explanation of why it is impossible or impractical to obtain full and open competition for the acquisition is required and must be developed whenever competition will be limited.
- **Post-award Administration and Monitoring** - Detail the milestones that require periodic evaluation of the contractor's progress. Discuss any formal management systems to be used in contract monitoring. Discuss plans for post-award or Preconstruction Conferences and site visits. Delineate the timing of the periodic status reports.
- **Technical Evaluation Plans** - Discuss the plans for technical evaluation of the proposal. Give the name, title, full address, email address and telephone number of each evaluator who has agreed to serve as a member of the Source Selection Evaluation Board (SSEB). Discuss potential conflict of interest situations.
- **Technical Proposal Instructions and Evaluation Criteria** - Include any instructions or information that will help the contractor prepare a technical proposal. Also, outline a system for evaluating technical proposals, the evaluation criteria, and the relative weights assigned to each.
- **Reference Material** - List and describe study reports, plans, drawings, and other data to be made available to the contractor for use in preparation of proposals and/or in performance of the contract. Information should also be provided as to whether such material is currently available and, if not, when it will become available.
- **Contract Type** - Provide the rationale for recommending a particular type. Explain plans for

multiple awards, options and incremental funding.

- **Government Furnished Material/Facilities** - Indicate material and facilities that will be furnished to the contractor and any associated problems that may be encountered. Discuss possible inequities that may arise in furnishing the materials or facilities. Discuss Contracting Officer screening efforts for availability of these items through GSA excess-property schedules.
- **Socioeconomic Programs** - Discuss preliminary liaison with the ADSDBU to determine if the acquisition is appropriate for the various socioeconomic acquisition programs; i.e., small business or disadvantaged business set-asides.
- **Data for Future Acquisition** - The Requiring Activity should state whether or not, at the conclusion of the proposed contract, it is anticipated that another acquisition action will be required. If so, the kinds and amounts of technical data required from the proposed contract should be indicated to assure competition in future acquisitions. Measures should be taken to prevent the contractor from becoming a sole source because the Government lacks the data, drawings, techniques, test results, etc., to permit a full and open competition on future acquisitions.
- **FedBizOpps.com Announcement** - Draft a statement to announce the solicitation in the FedBizOpps.com.
- **Special Approvals/Coordination/Clearances** - Copies of required clearances and approvals should be part of the planning documentation. Areas of concern in this regard are human use, animal use, recombinant DNA actions, etc.
- **Safety and Environmental Considerations** - All acquisition actions must consider and report on the possibility of environmental and safety issues in the work to be supported.
- **Security** – If the contractor will require access to classified information, the Requiring Activity will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Contracting Officer for inclusion in the solicitation. This form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award
- **Access to Government Computers** - Address the degree to which contractor personnel will have access to Government computers – either hardware or software, and determine the appropriate ADP position sensitivity designation in the PWS.
- **Other Considerations, as Applicable** - Discuss special contract clauses, if required. Discuss circumstances such as the effect of a protest on a previous acquisition, special public law or regulatory requirements that place restrictions on this acquisition, special geographical restrictions, and use of a special type of synopsis. Address necessity for a Pre-Proposal or Preconstruction Conferences, pre-award surveys, or pre-award site visits.

APPENDIX C - JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

(Office Symbol)

MEMORANDUM FOR Commander, U.S. Health Care Acquisition Activity ATTN:

SUBJECT: Justification for Other Than Full and Open Competition;
Document Number:

The undersigned has identified (Name and address of company) as the only source capable of meeting the Government's requirement and/or schedule as described herein.

- a. Description of item or service and the required delivery schedule.
- b. The minimum essential characteristics or unique features of the item. (If requesting a service, fully describe all services to be performed.)
- c. Describe why each feature, item characteristic, or essential service is required by the Government and why only the suggested source is capable of supplying the item or service. Provide comparisons of each feature required with those offered by other firms in the marketplace.
- d. Justify the need for the stated delivery schedule (if limiting competition is based upon delivery time). Compare delivery schedules provided by other sources, if known.
- e. State whether the requested item or service has been purchased previously, and if so, state the purchase order, agreement, or document number under which the previous purchase was made.
- f. The type and degree of market survey conducted.
- g. Description of similar products and the reason why those products do not meet the mission requirements.
- h. Describe any measures being taken to foster competition for future acquisitions of the same item or service.
- i. State the estimated price of the requirement.

Date _____

Requesting Official

Date _____

Approving Official
(Commander,
Deputy Commander,
XO, Div Chief)

APPENDIX D - MATERIAL INSPECTION AND RECEIVING REPORT (DD FORM 250)

A sample DD Form 250, Material Inspection and Receiving Report and instruction for completing this document are show on the following pages:

MATERIAL INSPECTION AND RECEIVING REPORT						Form Approved OMB No. 0704-0248
The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0248), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.						
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.						
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO. DADA10-00-D-XXXX		ORDER NO. 00XX	6. INVOICE NO./DATE XXX 7 AUG 00		7. PAGE OF 1 1	8. ACCEPTANCE POINT D
2. SHIPMENT NO. ABC 0001	3. DATE SHIPPED 1 JUL 00	4. B/L (if applicable) TCN (if applicable)		5. DISCOUNT TERMS 1% - 20 NET 30		
9. PRIME CONTRACTOR CODE (cage code) RIGHT-WAY SERVICES, INC 1 MEDICAL DR SURGICAL CITY, NY 12345- ATTN: JANE DOE, ACCOUNTS RECEIVABLE			10. ADMINISTERED BY CODE (DODAAD) MEDCOM CONTRACTING CENTER ATTN: MCAA-C 2107 17TH STREET; BLDG 4197 FORT SAM HOUSTON, TX 78234-5015			
11. SHIPPED FROM (If other than 9) CODE (See Block 9)			FOB:	12. PAYMENT WILL BE MADE BY CODE DFAS SA-FPV OPLOC 500 McCULLOUGH AVE SAN ANTONIO, TX 78215-2100		
13. SHIPPED TO CODE COMMANDER U.S. Army MEDDAC ATTN: HSTO-ER FORT ANYWHERE, MI 24589-0000			14. MARKED FOR CODE 210202000000747439PE438000000252H45WXAGW45B9H035 5N301WXUG42041133			
15. ITEM NO. 0001AA	16. STOCK/PART NO. DESCRIPTION (Indicate number of shipping containers - type of container - container number.) E.R. PHYSICIAN SERVICES AT ACUTE CARE HOSPITAL PERIOD OF PERFORMANCE: 1 - 31 JUL 00 TOTAL: \$7,500.00 THIS CLOSES ORDER 00XX ONLY; BASIC REMAINS ACTIVE WITH 2 OPTION YEARS		17. QUANTITY SHIP/REC'D* 100.00	18. UNIT HRS	19. UNIT PRICE 75.000	20. AMOUNT 7,500.00
21. CONTRACT QUALITY ASSURANCE a. ORIGIN <input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents. DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: _____ TITLE: _____ MAILING ADDRESS: _____ COMMERCIAL TELEPHONE NUMBER: _____			b. DESTINATION <input type="checkbox"/> CQA <input checked="" type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents. (DATE) _____ (SIGNATURE) _____ DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: JOHN H DOE TITLE: CF, E.R BRANCH MAILING ADDRESS: POLAR HOSPITAL 123 SURGICAL LANE FT ANYWHERE, MI 24589-0000 COMMERCIAL TELEPHONE NUMBER: 123-456-7890		22. RECEIVER'S USE Quantities shown in column 17 were received in apparent good condition except as noted. (DATE) _____ (SIGNATURE) _____ DATE RECEIVED _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: JOHN H DOE TITLE: CF, E.R BRANCH MAILING ADDRESS: POLAR HOSPITAL 123 SURGICAL LANE FT ANYWHERE, MI 24589-0000 COMMERCIAL TELEPHONE NUMBER: 123-456-7890 <small>* If quantity received by the Government is the same as quantity shipped, indicate by (X) mark; if different, enter actual quantity received below quantity shipped and encircle.</small>	
23. CONTRACTOR USE ONLY						

Completion Instructions

- Block 1. 13 digit contract number, and four digit call/order number, where applicable.
- Block 2. Shipment number. Example: ABC0001 or ABC0001Z.
- Block 3. Actual or estimated shipment date.
- Block 4. Government or commercial bill of lading transportation control number.
- Block 5. Discount terms in percentages and days allowed.
- Block 6. Invoice number and actual or estimated date of submission.
- Block 7. Consecutive page numbers.
- Block 8. Enter "S" for source acceptance point or "D" for destination acceptance point.
- Block 9. Contractor name, address and CAGE code.
- Block 10. Contract Administration Office address and DoD Activity Address Directory (DoDAAC) code number.
- Block 11. Address, FOB and code of "shipped from" location.
- Block 12. Payment office name, address and code as stated in contract.
- Block 13. "Shipped to" address and code from contract.
- Block 14. "Marked for" address and code from contract.
- Block 15. CLIN or SUBCLIN item number as cited in contract.
- Block 16. Item name, stock and/or part number and description.
- Block 17. Quantity shipped.
- Block 18. Abbreviated unit of measure.
- Block 19. Unit price.
- Block 20. Extended amount.
- Block 21. To be completed by Quality Assurance Representative.
- Block 22. To be completed by receiving activity.
- Block 23. Contractor use only.

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