

DFARS Procedures, Guidance, and Information

PGI 236—Construction and Architect-Engineer Contracts

(Revised September 20, 2011)

PGI 236.2—SPECIAL ASPECTS OF CONTRACTING FOR CONSTRUCTION

PGI 236.203 Government estimate of construction costs.

(1) Designate the Government estimate as “For Official Use Only,” unless the information is classified. If it is, handle the estimate in accordance with security regulations.

(2) For sealed bid acquisitions—

(i) File a sealed copy of the Government estimate with the bids. (In the case of two-step acquisitions, this is done in the second step.)

(ii) After the bids are read and recorded, remove the “For Official Use Only” designation and read and record the estimate as if it were a bid, in the same detail as the bids.

PGI 236.213 Special procedures for sealed bidding in construction contracting.

For additive or deductive items—

(1) Use a bid schedule with—

(i) A first or base bid item covering the work generally as specified; and

(ii) A list of priorities that contains one or more additive or deductive bid items that progressively add or omit specified features of the work in a stated order of priority. (Normally, do not mix additive and deductive bid items in the same solicitation.)

(2) Before opening the bids, record in the contract file the amount of funds available for the project.

(3) Determine the low bidder and the items to be awarded in accordance with the procedures in the clause at [252.236-7007](#), Additive or Deductive Items.

PGI 236.273 Construction in foreign countries.

(b) When a technical working agreement with a foreign government is required for a construction contract—

(i) Consider inviting the Army Office of the Chief of Engineers, or the Naval Facilities Engineering Command, to participate in the negotiations.

DFARS Procedures, Guidance, and Information

PGI 236—Construction and Architect-Engineer Contracts

(ii) The agreement should, as feasible and where not otherwise provided for in other agreements, cover all elements necessary for the construction that are required by laws, regulations, and customs of the United States and the foreign government, including—

- (A) Acquisition of all necessary rights;
- (B) Expeditious, duty-free importation of labor, material, and equipment;
- (C) Payment of taxes applicable to contractors, personnel, materials, and equipment;
- (D) Applicability of workers' compensation and other labor laws to citizens of the United States, the host country, and other countries;
- (E) Provision of utility services;
- (F) Disposition of surplus materials and equipment;
- (G) Handling of claims and litigation; and
- (H) Resolution of any other foreseeable problems that can be appropriately included in the agreement.