

Acquisition of Services

More than 50 percent of DOD contract dollars are obligated for the acquisition of services. The Federal Acquisition Regulation (FAR) in Subpart 37.101 defines a service contract as a contract “that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.” The laws, regulations, and policies that apply to service contracts are complex and voluminous. This brochure provides a simple and easy reference to major “do’s and don’ts” for contracting and program officials.



HOW TO USE THIS BROCHURE

The guidance in this brochure is not intended to be all inclusive. Use it as a basic checklist of major “do’s and don’ts” you should be aware of during acquisition planning, contract formation, and contract management and administration.



Acquisition of Services

An overview of major rules and processes for service contracting



Acquisition Planning

1

DO:

- Maintain an up-to-date inventory of service contracts and identify contracts that are expiring to complete re-procurement actions in time to avoid lapse of services.
- Establish and use an Integrated Project Team (IPT) to develop the statement of need and an acquisition plan that complies with FAR Part 7.
- Perform market research to the extent required by past experience, urgency, estimated dollar value and complexity of the services that are to be acquired.
- Make sure that the requirement satisfies a valid need for the service rather than simply to spend budget dollars.
- Make sure that funds are available.
- Ensure that none of the services are inherently governmental activities.
- Consider the use of internal DOD contract vehicles to satisfy requirements for services prior to placing an order against another agency's contract vehicle.
- Publicize the requirement in FedBizOpps as required in FAR Part 5.

DON'T:

- Use an overly broad statement of work (SOW) or statement of objective (SOO) that may not result in meaningful competition or an overly restricted SOW or SOO that could limit competition.
- Disclose internal planning information and estimates to incumbent contractors or any other potential offeror.
- Limit small business participation by unnecessary and unjustified bundling of service requirements.
- Exceed the five year limitation on contracts for advisory and assistance services, and task and delivery order contracts.



Contract Formation

2

DO:

- Obtain competition when placing orders under GWACs, MACs and FSS contracts.
- Use performance based service acquisition techniques as the preferred method when contracting for services, and structure requirements with clear outcomes and performance standards that can be monitored during contract performance.
- Use incentives (including award term provisions) that will result in desired contractor performance and can be effectively administered with available staff and resources.
- Ensure the solicitation document provides all relevant background information and data to aid in proposal preparation and offset any unfair competitive advantage possessed by the incumbent performer.
- Use past performance as a discriminator to select the best contractor.
- Ensure the results of the technical evaluation of proposals are well-documented and a convincing rationale exists for the award decision.

DON'T:

- Disclose source selection or proposal information to anyone who is not specifically authorized to receive it.
- Place an order for a service requirement that is outside the scope of work of the basic IDIQ Contract, GWAC, MAC or FSS Contract.
- Issue a contract to a firm or organization that has a potential conflict of interest without taking steps to mitigate its effect on the Government and document actions taken.
- Assume that a potential offeror's characterization of past performance is accurate without performing appropriate reference checks.
- Evaluate proposals in a manner that is inconsistent with the published evaluation criteria.



Contract Management and Administration

3

DO:

- Manage contracts to ensure that the Government retains inherently governmental decision making authority, and there is an appropriate separation of responsibilities between contractor and Government employees.
- Ensure Government-furnished property and/or information is provided in accordance with the contract terms and conditions.
- Ensure that contractor invoices/vouchers are carefully reviewed and processed in a timely manner.
- Monitor contractor performance against cost, schedule and quality requirements in the contract or Quality Assurance Surveillance Plan.
- Notify the DOD Inspector General's Office of any suspected fraud, waste or abuse at the following site: www.dodig.osd.mil.
- Ensure use of unilateral change orders is confined to urgent circumstances and that appropriate controls are in place to ensure their prompt definitization.
- Initiate contract closeout procedures as soon as contract performance has ended.

DON'T:

- Manage non-personal service contracts in a manner that creates an "employer-employee relationship."
- Ask the contractor to perform work outside the scope of the current contract unless authorized through an official contract modification or direction by the Contracting Officer.
- Accept contractor-reported results without periodic independent verification.
- Allow contractor performance problems to go undetected or undocumented, or fail to take appropriate corrective action to protect the Government's interests.
- Accept gifts from contractors or act in any manner that would create even the appearance of a conflict of interest.

