

AIR FORCE ACQUISITION CIRCULAR

This Air Force Acquisition Circular (AFAC) is issued pursuant to the authority of FAR 1.301 and amends the 1996 Edition of the AFFARS. Reproduction is authorized.

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ITEM SUMMARIES

Item I—Air Force Research Laboratory (AFFARS Cases 97-05 and 98-02)

The Air Force consolidated Armstrong Laboratory, Phillips Laboratory, Wright Laboratory, Rome Laboratory, the Air Force Office of Scientific Research, and HQ AFMC Science and Technology Directorate into a new organization titled Air Force Research Laboratory effective 31 October 1997. The AFFARS was amended by Contracting Policy Memo (CPM) 97-C-16 to reflect these changes. These changes are incorporated into the AFFARS by this AFAC and CPM 97-C-16 is superseded. Changes were made to AFFARS Parts 5301, 5302, 5306, 5307, and 5319.

Item II—Air Force Operational Test and Evaluation Center (AFFARS Case 97-04)

CPM 97-C-12 amended AFFARS 5301.601-91, and 5306.501 to provide contracting authority for the Air Force Operational Test and Evaluation Center. These changes are incorporated into the AFFARS by this AFAC and CPM 97-C-12 is superseded.

Item III—Training (AFFARS Case 99-06)

AFFARS 5301.6 is revised to update contingency contracting training, general training for non-contracting personnel awarded limited warrants, and expanding Simplified Acquisition Procedures authority for non-contracting personnel.

Item IV—Clearance Processes (AFFARS Case 97-10)

The Air Force completely rewrote clearance requirements supporting PEO and DAC Programs under AFFARS subpart 5301.90, "Clearance Process." The AFFARS was amended by CPM 98-C-01 to reflect these changes. These changes are incorporated into the AFFARS by this AFAC and CPM 98-C-01 is superseded.

Item V—AFMC Reorganization (AFFARS Case 98-20)

CPM 98-C-18 revised AFFARS 5302, 5306.501, and 5319.201 to reflect Air Force Materiel Command's reorganization. The Aeronautical Systems Center-Operating Location Eglin AFB and the Air Force Development Test Center organizations at Eglin AFB were merged forming the new Air Armament Center. Also, Human Systems Center at Brooks AFB was redesignated the 311th HSW and was aligned under Aeronautical Systems Center. These changes are incorporated into the AFFARS by this AFAC and CPM 98-C-18 is superseded.

Item VI—Competition Exception for International Agreements (AFFARS Case 99-02)

AFFARS 5306.302-4 is revised to comply with DFARS Change Notice 19981209 that implements Section 841 (b) of the FY98 National Defense Authorization Act. Section 841 (b) repealed the requirement for the competition advocate to approve documentation prepared by the Head of the Contracting Activity, for use of other than competitive procedures, when the terms of the international agreement have the effect of requiring such procedures.

Item VII—Using Federal Supply Schedules and Agency-Head Responsibilities (AFFARS Case 98-11)

CPM 98-C-07 added AFFARS 5307.103 and 5308.404 to address the applicability of acquisition plans and competitive procedures when using Federal Supply Schedules. These changes are incorporated into the AFFARS by this AFAC and CPM 98-C-07 is superseded.

Item VIII—Teaming (AFFARS Case 98-16)

AFFARS 5307.104 is revised to require acquisition planning for approved sole source efforts to include establishing a Government/Contractor team and involve Defense Contract Management Command and Defense Contract Audit Agency early in the acquisition process.

Item IX—Contract Duration (AFFARS Case 99-03)

AFFARS 5307.104-90 and 5343.102-90 are revised to decrease the complexity of contract administration and encourage timely contract closure. This revision applies to Air Force acquisition programs and encourages placing new work on new contract documents rather than extending old contracts.

Item X—Corrections of Administrative Errors (AFFARS Case 98-04)

AFFARS 5313.9002 that allows pen and ink corrections to certain contractual documents without a formal modification is deleted, as it is inconsistent with electronic commerce initiatives.

Item XI—Source Selection Authority Revision (AFFARS Case 99-05)

AFFARS Attachment 5315-3 is revised to permit MAJCOMs to establish Source Selection Authority levels for Other Contracting acquisitions less than \$500 million. CPM 00-C-01 is superseded.

Item XII—Award Fee Decision Process (AFFARS Case 98-15)

AFFARS 5316.401 is revised to provide guidance on allowing the contractor an opportunity to participate in the Government's award fee decision process.

Item XIII—Acquisitions Under the Economy Act (AFFARS Case 97-03)

CPM 98-C-09 added guidance to AFFARS Part 5317.502-90 concerning the applicability of the Economy Act. This change is incorporated into the AFFARS by this AFAC and CPM 98-C-09 is superseded.

Item XIV—Undefinitized Contractual Actions (UCAs) (AFFARS Case 98-14)

The requirement in AFFARS 5317.7402 to treat undefinitized change orders and UCAs for Foreign Military Sales as UCAs in every respect is deleted. This revision eliminates an Air Force requirement that is more restrictive than DFARS.

Item XV—Civilian Reserve Air Fleet (CRAF) Class Deviation 98-F-0001 (AFFARS Case 98-21)

Director of Defense Procurement approved a class deviation to Air Mobility Command's international airlift CRAF contracts permitting early payment to air carriers. This class deviation is incorporated into AFFARS 5332.903 and CPM 98-C-17 is superseded.

Item XVI—Personal Services (AFFARS Case 97-07)

DFARS 237.104 (b)(i) establishes a requirement for agencies to authorize who can sign the required determination and findings. Currently, AFFARS does not address this requirement. This revision corrects the oversight and states who can sign the determination and findings.

Item XVII—Weapon Systems Warranty (AFFARS Case 98-01)

CPM 98-C-03 revised AFFARS 5346.770 to implement the changes caused by Section 847 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85 and Director, Defense Procurement Memo 98-002). The changes repealed the requirement for contractor warranties on major weapons systems. These changes are incorporated into the AFFARS by this AFAC and CPM 98-C-03 is superseded.

Item XVIII—Contingency Contracting (AFFARS Case 98-09)

CPM 98-C-06 updated Appendix CC language in the areas of training, predeployment preparation, deployment/mobility kit, security, and simplified acquisition procedures. These changes are incorporated into the AFFARS by this AFAC and CPM 98-C-06 is superseded.

Item XIX—Contract Progress Schedules and Reports for Construction Contracts (AFFARS Case 98-19)

CPM 99-C-04 revised Appendix DD and 5336.291 (a) to change Air Force policy when to require the use of AF Form 3064. These changes are incorporated into the AFFARS by this AFAC and CPM 99-C-04 is superseded.

Item XX—SABER Delivery Orders (AFFARS Case 99-07)

CPM 99-C-05 revised Appendix DD to eliminate the requirement for the preparation and submission of independent Government cost estimates for Simplified Acquisition of Base Engineer Requirements (SABER) delivery orders anticipated to exceed \$100,000. These changes are incorporated into the AFFARS by this AFAC and CPM 99-C-05 is superseded.

Editorial Revisions

- (1) AFFARS 5307.390 (a) is changed to deleted an obsolete reference to an Air Force Pamphlet.
- (2) AFFARS 5308.802 (b) is changed to reflect updated office codes.
- (3) AFFARS 5317-2- The sample “Findings in Support of Authorization to Make Multiyear Contracts” is revised to reflect the correct U.S.C. citation.
- (4) AFFARS 5317.502-90 (f)(6) is changed to reflect an updated DoD Directive number.
- (5) Make a pen and ink revision in AFFARS 5325.7002-2 by changing the DFARS reference to DFARS 252.225-7014.

REPLACEMENT PAGES**Remove the Following Pages**

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Appendix DD-5 through DD-10
Appendix DD 19 and 20

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Appendix DD 19 and 20

EFFECTIVITY INSTRUCTIONS: This AFAC is effective March 31, 2000.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

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(6) Provide contracting staff support to PEOs to comply with Air Force regulations and also to respond to PEO consultation or assistance requests.

(f) As specified in this Supplement or delegated by the AFMC Center Commanders, the Senior Center Contracting Official (SCCO) shall exercise similar authorities and responsibilities to those specified in (e) above as a service to ASAF(A) in support of PEOs, DACs, and program managers for contracting actions that are below the thresholds specified for HQ AFMC Director of Contracting action. Additionally, in order to effectively use manpower resources, Center Commanders and their staffs shall provide the following additional contracting support to PEO Programs:

- (1) Centralized writing of contract documents (at locations where this service is available);
- (2) Distribution of contracts as required in FAR Subpart 4.2;
- (3) Cost and price analysis and should-cost review in accordance with FAR 15.404-1 and FAR 15.407-4;
- (4) Source selection support, training, and records maintenance required in 5315.3;
- (5) Support in using the Contractor Performance Assessment Reports, including training and records maintenance; and
- (6) Support for terminations and settlements in accordance with FAR Part 49.

All program offices are encouraged to use the Center Commander's centralized staff for consultation and guidance on contracting issues. This is strongly encouraged for issues or documents requiring higher level reviews and approvals.

(g) In addition to limitations and conditions applicable to and included with individual delegations, the following subparagraphs apply to all delegations of contracting authority and are published in this subparagraph to eliminate their repetition.

(1) Authorities delegated may be redelegated, unless expressly prohibited in individual authorizations.

(2) All redelegations, withdrawals, or rescissions of authority shall be in writing over the personal signature and title of the person vested with the authority. Delegations and redelegations shall be made to official positions and not to individuals by name, except in the case of designations of contracting officers and representatives of contracting officers. The implementing acquisition command Director of Contracting will, at the PEO's request, prepare written redelegations, withdrawals, or rescissions of authority for the PEO's signature.

(3) Delegations of authority do not affect the authority of the delegator to exercise any of the authority delegated or to issue instructions concerning the exercise of such authority.

(4) In the absence of a person occupying a position to which authority has been delegated, the authority may be exercised by the person who is occupying the position in an "acting" capacity. "Absence" means absent from the installation, on leave, or temporary duty travel. In cases of extreme emergency "absence" may be construed to mean absence from the office regardless of whereabouts, except it does not apply to redelegations of authority which must be accomplished by the person occupying the position to which authority has been delegated.

(5) The clearance approval authorized by delegations of authority shall be made in person by the individual(s) occupying the position to which the authority has been delegated. Execution of such approval by one individual for, or over the signature of, another is unauthorized. Persons serving in an acting capacity shall execute authority as delegated, over their own name with the signature element stating the capacity in which they are acting.

(6) When contracting authority is limited as to dollar amount, the limitation includes:

(i) Any contract instrument initially involving a sum in excess of the dollar limitation considering the aggregate of obligated and committed funds and any potential "connecting charge" or "termination liability" established in it;

(ii) Contracts firmly negotiated for the total cost of the program but which are funded for less than total cost of the program as firmly negotiated;

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(iii) The estimated dollar amount of supplies and services to be purchased during the contract period for requirements and indefinite quantity contracts. Such contracts are required to include on their face, as an administrative recital, a bona fide estimate of the aggregate amount;

(iv) Any contract instrument exceeding the dollar limitation which increases the allotment of funds for reimbursement under a cost-reimbursement or time-and-materials type of contract;

(v) Any contract modification either increasing or decreasing the value of the contract by more than the dollar limitations specified by the HCA, or designee;

(vi) Any contract modification containing both increases and decreases when the aggregate value of the changes exceeds the dollar limitations specified by the HCA or designee regardless of the net amount of the modification; and

(vii) Utility contracts when the estimated annual service charge plus the connection or termination charge, if any, exceeds the dollar limitation.

(7) Requirements aggregating more than the dollar amount of the contracting authority delegated shall not be broken down into more than one purchase transaction for the purpose of avoiding authority limitations.

(h) In AFMC, every program will normally have two Senior Center Contracting Officials (SCCOs) and two Buying Office Contracting Officials (BOCOs) comprising two teams. One team (a SCCO and a BOCO) will support the System Program Director (SPD) and the other will support either a System Support Manager (SSM) or a Development Support Manager (DSM). Unless otherwise specified, the team referred to as "the responsible SCCO/BOCO" will be the one where the contracting is actually being accomplished.

5301.601-93 Contracting support in emergency situations.

(a) Contracting support is an essential element of the Air Force response to contingency operations such as military action, natural disasters, and other similar situations. While the precise nature and scope of the contracting support to these contingencies is difficult to predict, it is clear that detailed planning and training are essential elements to effective contracting participation in these contingencies. In addition, because contingency operations may require temporary deployment of contracting officers to another command or theater, either CONUS or overseas, organizational responsibilities and the flow of contracting authority may also be affected. For JCS designated contingency operations or contingency exercises, the commander of the Air Force unified command component deployed in support of the operation or exercise is the HCA Designee for contracting actions in the AOR of the contingency.

(1) *Selection of contingency contracting officers.* Individuals selected as contingency contracting officers must meet all the requirements for appointment as a contracting officer contained in FAR 1.603.

(i) The Air Force Specialty Code (AFSC) 64PX and 6C0X1 personnel (and 1102/5 personnel supporting local contingency and emergency support plans) designated shall be awarded at a minimum a primary five level skill. The incumbents shall be trained in all aspects of contingency contracting as quickly as possible after assignment to the organization.

(ii) Uniform and civilian clothing requirements authorized for each deployment location and initiation of uniform allowance documents for enlisted personnel will be determined by the HCA. Authorization for use of civilian clothing must be specified on TDY orders and in compliance with use according to appropriate personnel and finance regulations.

(iii) Passports are required for each CCO. Each CCO shall obtain an official passport when initially designated a CCO. In order to allow sufficient time to process passport applications for short notice deployments, identify procedures, approval authorities, and other requirements that will facilitate expeditious processing of requests pursuant to DOD 1000.21-R, Passport and Passport Agent Services Regulation. When CCOs are deployed they must have their passports in their possession at all times.

(iv) Contact the HCA Designee, existing military installations within the deployment area, or, in the absence of these, the U.S. Embassy or Consulate in the host nation for guidance on contracting information or Host Country Support Agreements.

(2) *Appointment of contingency contracting officers.* The CCO's permanent duty station shall issue certificates of appointment appropriate for support of potential contingency operations.

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(2) AFSC 6C0X1 personnel possessing a contracting Level I or II certification in the Acquisition Professional Development Program (APDP); or

(3) Fully qualified civilians in the GS-1102 occupational series, possessing a Contracting Level I or II certification in the Acquisition Professional Development Program, who occupy a manning authorization listed under these specialty codes.

5301.603-2-90 Limited contracting officer authority.

Limited contracting officer authority may be granted for the following categories of personnel, including authority in contingency contracting situations (see table below).

(a) Military personnel in AFSCs 64PX and 6C0X1 and civilians in the GS-1102 occupational series who possess a minimum Contracting Level I certification may be granted limited contracting officer authority. (See row (a) in table below.)

(b) Contracting personnel who do not possess a Contracting Level I certification may be given a limited contracting officer warrant at the direction of the contracting squadron commander/base contracting officer. The warrant shall be limited to a dollar amount and method of award consistent with the training, contracting experience, and demonstrated business judgment of the individual. (See row (b) in table below.)

(c) When using other than micro-purchase techniques, noncontracting personnel, such as transportation personnel (limited to performance of contracting functions in accordance with DODD 4500.34R, AFR 75-17, and AFM 75-2), medical supply personnel, librarians, and chiefs of construction management may be granted limited contracting authority for transactions when the following conditions are present (see row (c) in table below):

(1) The personnel are in a middle to senior level position. Military personnel should be commissioned officers or non-commissioned officers E-6 and above and civilians should be GS-7 or above;

(2) The authority must contain a specific dollar limit per transaction and be limited to the method of award and to the commodity related to that specialty. For example, librarians should be authorized to buy books (commodity) from pre-priced blanket purchase agreements or the Federal Supply Schedule, but not construction materials, etc.;

(3) The personnel must have completed training appropriate to the type of the instrument and level of responsibility delegated. Waiver requests must be submitted in writing and approved by the Contracting Squadron Commander/Chief of Contracting or the MAJCOM/LGC/PKO.

(d) Personnel authorized to award micro-purchases must be appointed as specified in 5301.603-3 (b).

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Contracting Personnel Category	Micro-purchases Authority	FSS GSA/VA DOs	BPA Calls	Open Mkt. ≤\$25K*	Open Mkt. >\$25K*	IDIQ DOs	BOA Orders	Provisioning in DFARS Subpart 217.76
(a) With ≥ Level I Contracting Certification **	X	X	X	X	X	X	X	X
(b) Without Level I Contracting Certification **	X	X	X	X		X (Prepriced)		
(c) Contingency Contracting Officers Without Level I Contracting Certification	X	X	X	X	**	**	**	
(d) Non-Contracting	X	X <\$25,000	X (Prepriced) <\$25,000			(Prepriced <\$25,000)	***	

NOTE: This table identifies maximum authority by type of award document. Warrant must specify dollar amounts and any limitations in specific categories.

* \$25,000 limitation established because of synopsis and DD 350 reporting requirements.

** ≤\$200,000 contingency SAT.

*** Transportation personnel may issue orders against transportation BOAs.

5301.603-3 Appointment.

(a) Authority to appoint contracting officers is included in the authority of the HCA (see 5301.601-91) and the delegations of general contracting authority (see 5301.601-92 (a)). In order to provide a consistent system and delegations of authority to appoint contracting officers for PEO and DAC Programs, as well as Other Contracting (see 5302.101), the authority to appoint contracting officers is delegated to the MAJCOM, FOA, and DRU Directors of Contracting, with authority to redelegate to field activity Directors of Contracting.

(b) Contracting officer appointment authority for limited contracting officers may be delegated to the chief of each contracting office. The chiefs of contracting offices receiving such authority shall establish procedures for selection of qualified personnel, appointment, and termination of appointment. Contracting personnel must be appointed on a SF 1402 to award micro-purchases. Governmentwide purchase card holders must be appointed by a written delegation of contracting authority to award micro-purchases. In the Air Force Research Laboratory, authority may be redelegated to the first contracting official in the contract chain subordinate to the SCCO.

(c) The commander or deputy commander of a base, division, wing, and so forth, and, in the case of AFMC activities, the Director of Contracting (or equivalent) shall review and sign the request for designation of a contracting officer. However, if this individual is the appointing authority, the request shall be reviewed and signed by the officer (or civilian) immediately subordinate. Chief of the USAFE contracting centers shall sign such request for officers serving with the USAFE contracting centers. Appointing authorities for contracting officers have the authority to waive the qualification requirements stated in

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5301.603-2 when the best interests of the Air Force will be served. In such cases, the justification for granting the waiver shall be in writing and approved by the appointing authority. The request for designation of a contracting officer shall include:

- (1) A résumé of the applicant's qualifications, including any justification for waiver of DFARS 201.603-2 minimum requirements,
 - (2) A statement by the person signing the request that the qualifications in the résumé were verified against the applicant's personnel file and
 - (3) If the applicant is not an employee of the requesting activity and the applicant's qualifications are known, a statement that the applicant is qualified; and
 - (4) If the applicant is not an employee of the requesting activity and the applicant's qualifications are not known, a summary of an interview of the applicant and the chief or deputy chief of purchasing office. The summary shall include a statement that the applicant is qualified. If the applicant is located at a distance which makes it impractical and uneconomical to conduct an interview, this requirement shall be waived. Justification for not having an interview may be included. However, the statement that the applicant is qualified shall still be made.
- (d) Requests for designation of redistribution and marketing (R&M) personnel as a sales contracting officer shall be signed by the chief of the R&M activity and forwarded to the MAJCOM R&M staff office. Requests for designation of the chief of an R&M activity shall be initiated by the MAJCOM R&M officer or deputy R&M officer.
- (e) All appointments shall be reviewed at least once every five years by the appointing authority to determine whether each contracting officer has maintained professional proficiency and otherwise remains qualified. Warrant authority shall be terminated or reduced in scope, when appropriate.
- (f) Each appointing authority shall promptly distribute copies of instruments of appointment as follows:
- (1) Original to the individual appointed;
 - (2) One true copy to the individual appointed (to be furnished by that individual to the accounting and finance officer, if requested);
 - (3) One true copy to the activity having custody of the military personnel field record for permanent retention in the personnel file of each military contracting officer; and
 - (4) One copy to the servicing Civilian Personnel Office having custody of the civilian personnel records for input into the Personnel Data System-Civilians (PDS-C) of the type, date, and amount of the instrument.

5301.603-4 Termination.

Each appointing authority shall promptly distribute copies of the instrument terminating a contracting officer's authority to the addressees indicated in 5301.603-3 (f).

5301.690 Contracting authority of other personnel.

Only the following purchases may be made by individuals other than duly appointed contracting officers:

- (1) Micro-purchases in accordance with FAR Part 13, whether by imprest fund (see FAR Subpart 13.305), SF 44 (see FAR Subpart 13.306), governmentwide purchase card (see FAR Subpart 13.301), or other means, provided the individual has been trained in the use of the procedures and has written authorization from the contracting officer;
- (2) Purchases of fuel, oil, and repairs in accordance with AFI 23-202;
- (3) Emergency purchases of medical supplies and equipment in accordance with AFMAN 23-110, Volume 5, Chapter 16, Paragraph 11, followed by issuing a confirmatory purchase order by the base contracting office or a cash purchase receipt by a cash purchasing officer;
- (4) Partial tuition assistance in accordance with AFI 36-2306;
- (5) Tuition or registration fees for intergovernmental agency training;

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- (6) Nonappropriated fund custodians in accordance with AFMAN 64-302; and
- (7) Supplemental care referrals by the Director of Base Medical Services, in accordance with AFI 41-101, Chapter 3.

SUBPART 5301.90--CLEARANCE PROCESS**5301.9000 Scope and applicability.**

(a) This subpart establishes clearance requirements for negotiated contract actions supporting PEO and DAC Programs. Any MAJCOM FAR supplements to this subpart that apply to PEO and DAC Programs must comply with 5301.9004(f)(2).

(b) Clearance requirements for Other Contracting (see 5302.101) and for all sealed bidding actions are prescribed in MAJCOMs, FOAs and DRUs FAR Supplements or other documents. MAJCOMs, FOAs and DRUs shall use the policy (see 5301.9001), definitions (see 5301.9002), standards (see 5301.9003), and application (see 5301.9005-1 5301.9005-2, and MAJCOMs, FOAs and DRUs FAR supplements or other documents for thresholds) in this subpart. Beyond this common baseline, however, MAJCOMs, FOAs and DRUs may prescribe clearance procedures for Other Contracting that meet the individual command's needs.

5301.9001 Policy.

The objectives of the Air Force clearance process are to ensure that:

- (a) Competitive solicitations effectively implement approved acquisition strategies; and
- (b) Negotiations/contracts result in fair and reasonable business arrangements and are consistent with laws, regulations, and policies.

5301.9002 Definitions.

"Begin negotiations" means, for the purpose of noncompetitive acquisitions using traditional pricing, starting discussions with an offeror for the purpose of reaching agreement on all aspects of the proposal. Initiation of audits and fact-finding necessary to evaluate the proposal and develop the Government's negotiation objective do not constitute negotiations.

"Clearance" means:

- (1) For competitive acquisitions, approval to:
 - (i) Award without discussions; or
 - (ii) Request final proposal revisions in accordance with FAR 15.307.
- (2) For noncompetitive acquisitions, approval to:
 - (i) Begin negotiations if traditional pricing is used; or
 - (ii) Conclude negotiations if IPT pricing is used.

"Competitive acquisition" means any action that does not meet the definition in this subpart of "noncompetitive acquisition."

"Conclude negotiations" means, for the purpose of noncompetitive acquisitions, reaching final agreement with the contractor on price and terms and conditions associated with the contemplated contract action.

"Integrated Product Team (IPT) pricing" means the process of concurrent requirements refinement, proposal development, fact-finding, and preliminary agreement between the Government and contractor in a noncompetitive acquisition. In this process, the Government and contractor IPT members communicate in an on-going, structured manner from early planning stages through iterative model contract development and review of related cost or pricing data.

"Noncompetitive acquisition" means a "sole source acquisition" as that term is defined in FAR 6.003.

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“Request for Clearance (RFC)” means a memorandum, with appropriate attachments, prepared by the contracting officer to obtain clearance.

“Review” means analysis of records pertaining to the contract action to ensure that it meets applicable standards established in 5301.9003. The review is performed by individuals assigned the responsibility by the Clearance Reviewing Authority, and involves reviewer interaction with the contracting officer, program office personnel, and other acquisition personnel.

“Traditional pricing” means, for the purpose of noncompetitive acquisitions, the serial process of the Government defining the requirements and requesting a proposal; a contractor submitting a proposal to the Government; followed by Government review/evaluation of the proposal in order to establish an objective in preparation for negotiations.

5301.9003 Clearance standards.

Each clearance request, together with the supporting source documents, must clearly establish that:

- (a) The negotiation objective or Government position is fair and reasonable in terms of both price and contract terms and conditions; and
- (b) The contemplated business arrangement and the contract to be awarded are sound and in compliance with laws, regulations, and policies.

5301.9004 Roles and responsibilities.

(a) **Principal Deputy Assistant Secretary (Acquisition & Management) (SAF/AQ):**

- (1) Establishes and maintains the clearance process;
- (2) Directs actions to ensure the process achieves its objectives and is subject to continuous process improvement.

(b) **Deputy Assistant Secretary (Contracting) (SAF/AQC):**

- (1) Implements SAF/AQ direction, prescribing the clearance process in this subpart;
- (2) Periodically assesses the policies and thresholds for review and approval requirements; and
- (3) Makes recommendations to SAF/AQ.

(c) **Clearance Approving Authority (CAA).** The approving authority shall:

- (1) Ensure the objectives stated in 5301.9001 are achieved in each action approved; and
- (2) Consider the request for clearance and, if the request meets established standards, approve the request by signing a clearance document (see Attachment 5301-1 for format).

(d) **Clearance Reviewing Authority (CRA).** The reviewing authority shall:

- (1) Be the primary advisor to the approving authority with regard to the specific RFC and ensure that the approving authority has the information needed to make an informed decision; and
- (2) Review each RFC to ensure the action for which clearance is requested meets 5301.9003 standards. The reviewing authority shall identify deficiencies, assist in resolution, and advise the approving authority as appropriate.

(e) **Contracting officer.** The contracting officer is:

- (1) A member of the program manager’s team in planning the acquisition and managing its contractual aspects;
- (2) The leader of the team responsible for negotiating the contract price, terms, and conditions, consistent with FAR 15.405(a); and
- (3) The individual responsible for requesting clearance consistent with this subpart.

(f) **MAJCOMs.**

- (1) The MAJCOM shall implement the clearance process for PEO/DAC Programs by:

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(i) Performing solicitation reviews and functioning as the clearance reviewing authority. In AFMC, the headquarters shall provide clearance support to the PEOs and DACs in accordance with Attachment 5301-2;

(ii) Ensuring that the review function facilitates the award of contracts that satisfy user needs and effectively implement program management directives; and

(iii) Ensuring that advice, assistance, and clearances are consistent with laws, regulations, and policies.

(2) Any clearance procedures for PEO/DAC Programs established by MAJCOMs shall:

(i) Provide an independent assessment of proposed contractual actions and enable management to achieve the objectives of the clearance process stated in 5301.9001; and

(ii) Be consistent with 5301.9006 through 5301.9009.

(g) **Resolving disagreements.** Disagreements arising on aspects of a clearance shall be resolved at the lowest possible level. If resolution cannot be reached at a lower level, promptly elevate the matter to the next appropriate level. If not resolved at any lower level, SAF/AQ shall decide the matter.

5301.9005 General requirements.**5301.9005-1 Contract actions requiring review and approval.**

The contract actions identified below require clearance:

(a) An action intended to result in award of a negotiated contract or modification of any contract. Actions that create an undefinitized contractual action (UCA), undefinitized change order, or undefinitized long lead contract are excluded (see 5317.74 for UCA approval authorities);

(b) An action intended to result in definitization of a UCA, an undefinitized change order, or an undefinitized long lead contract, or in the pricing of previously unpriced actions:

(c) An action intended to result in issuance of a modification implementing a unilateral price determination;

(d) Priced orders issued under basic ordering agreements;

(e) An action intended to result in the exercise of an option if option exercise is not in strict accordance with the previously approved pricing arrangement or other contract terms and conditions; and

(f) Other individual actions specified by SAF/AQ.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM**5301.9005-2 Determining the value of contract actions.**

Determine the thresholds in Attachment 5301-2 as follows:

(a) Compute the total of the value of the basic portion of the instant acquisition plus:

(1) Any options (including those that are priced only on a not-to-exceed basis). For example, a basic contract for \$45 million with an option for \$40 million would exceed a threshold of \$50 million;

(2) Sums for provisioning. For example, a basic \$49 million contract for a system, with an additional \$1.5 million obligated or specifically committed for provisioning, would exceed a threshold of \$50 million; and

(3) The value of contingencies, such as ceilings, award fee, and performance incentives. For example, a FPIF contract with target price of \$47 million and ceiling of \$52 million or a multiyear contract where the value of the first program year is \$15 million and the value of all program years is \$60 million would exceed a threshold of \$50 million.

(b) Use the sum of the absolute values of the increases and decreases and not the net amount for modifications implementing both increases and decreases to the contract price. For example, an increase of \$45 million and a decrease of \$10 million would give the modification a "value" of \$55 million.

(c) Use the value of the contract being modified:

(1) when the action, whether or not considered to be within the general scope of the contract, significantly alters (e.g., restructures or rephases) the contract; and/or

(2) when the action involves the resolution of claims as a significant part of the consideration for a revised delivery schedule or reduced requirements.

(d) Use the cumulative value of all potential contracts in competitive acquisitions when multiple awards are contemplated. For example the following multiple award actions would exceed a threshold of \$50 million:

(1) Three individual awards resulting from a single solicitation/requirement, where each contract is for a separate item in the solicitation and each contract is valued at \$20 million.

(2) Two individual awards resulting from a single solicitation/requirement, where each contract is for a partial quantity of an item and one award is valued at \$20 million and one award is valued at \$35 million.

(3) Four individual awards resulting from a single solicitation/requirement with a value of \$100 million (even if a value of \$25 million is established for each individual contract), where the purpose is to issue identical contracts to all awardees.

(e) Use the maximum potential value of the contract if a Best Estimated Quantity (BEQ) applies for evaluation and award purposes.

(f) For noncompetitive clearance, use the negotiation objective inclusive of any requested settlement range. For competitive clearance, use the highest proposed amount in the competitive range.

(g) Requirements shall not be broken down into more than one purchase transaction for the purpose of avoiding clearance at a higher echelon.

5301.9005-3 Delegation of clearance authorities.

(a) Within AFMC, clearance authorities for PEO/DAC Programs are delegated to the individuals occupying the positions designated as the reviewing or approving authority in Attachment 5301-2. These authorities may not be redelegated except as specifically indicated in Attachment 5301-2.

(1) Where Attachment 5301-2 designates "AFMC/PK" as the reviewing authority, this authority may be exercised by the Director of Contracting or the Deputy Director of Contracting.

(2) The CRA for actions under \$500 million is the SCCO or BOCO where the contracting is actually being accomplished, even if the SM or DAC is located elsewhere.

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(3) When clearance authority is delegated by letter, modify the wording in the clearance document as appropriate. For example, if the PEO delegates clearance approval, then paragraph 1 of Attachment 5301-1 should read substantially as follows:

“As the clearance approving authority delegated by PEO letter dated *[insert date]*,...

I hereby approve the reference (b) request.”

(b) For PEO Programs managed outside AFMC, the CAA is the PEO. The CRA for these programs is the MAJCOM Director of Contracting;

(c) Commanders of procuring activities identified in 5306.304(a)(2) not specifically delegated authority in (a) and (b) above, but who have a need for clearance authority, shall submit a request for such authority to SAF/AQC through SAF/AQCS.

(d) For PEO/DAC Program contract actions identified in paragraph (a) that have a dollar value less than \$5 million:

(1) BOCOs may delegate solicitation review responsibility and CRA no lower than the contracting officer.

(2) SMs may delegate noncompetitive CAA no lower than the contracting officer or an equivalent level in the program management chain.

(3) Procedures in 5301.9006 through 5301.9009 do not apply.

5301.9005-4 Relationship between the clearance and source selection (5315.3) processes.

In source selections, the clearance process occurs during the course of the on-going source selection process. The following relationships apply:

(a) The source selection authority (SSA) performs the role and responsibilities of the CAA, except when SAF or SAF/AQ is the SSA for a PEO/DAC Program acquisition. In those cases, the SSAC chairperson, normally the PEO/DAC, shall be the CAA, unless the SSA specifies otherwise.

(b) Clearance is a necessary aspect of the decision to either:

(1) Issue a request for final proposal revisions; or

(2) Award without discussions.

5301.9006 Solicitation review.

(a) Competitive solicitations must be reviewed if the resulting contract action is expected to require clearance in accordance with 5301.9005-1. Solicitation amendments must be submitted for review if substantive changes are made, e.g., significant changes to Sections B, H, L, M. The reviewing authority for the contemplated clearance prescribed in Attachment 5301-2 shall be the reviewing authority for the solicitation. The CRA reviewer is responsible for performing the review and providing recommendations to the contracting officer.

(b) The contracting officer shall send a request for review, the solicitation, and supporting file to the reviewer before issuance. Review is required prior to release unless early release is authorized by the SSA or J&A approval authority. In such cases, the solicitation/supporting file is to be submitted to the reviewer concurrent with issuance. At a minimum, the supporting file consists of copies of the following documents:

(1) AP/SAMP;

(2) J&A (limited sources);

(3) Source Selection Plan/Technical Evaluation Plan (if applicable);

(4) Other applicable tabs of the AF Form 3019 (e.g., purchase request, determinations, synopsis, award fee plan).

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5301.9007 Content of the RFC.

(a) The contracting officer shall request the clearance review in a memorandum addressed to the CRA. The memorandum shall identify the approval being requested (e.g., approval to award without discussions, approval to begin negotiations) and shall include any pertinent acquisition information the contracting officer believes should be highlighted.

(b) The RFC shall include:

(1) For competitive acquisitions:

(i) The proposed award document;

(ii) Determination of adequate price competition in accordance with

FAR 5301.9009(c), if applicable;

(iii) The proposed request for final proposal revisions, if applicable;

(iv) Official contract file including all applicable file items in the AF Form 3019, Contract File Content Check-list;

(v) Source selection documentation, as applicable.

(2) For noncompetitive acquisitions:

(i) The proposed award document; if the contract action involves a contract modification, include a copy of the contract (conformed, if appropriate);

(ii) A preliminary price negotiation memorandum (PNM), in either standard narrative or briefing format. If a briefing format is used, it shall combine the briefing content requirements referenced in 5301.9009(c) and FAR 15.406-3 requirements. When a briefing format is used, a review of the final PNM by the CRA reviewer is required prior to award (see 5301.9008(c)(3)). The preliminary PNM will comply with the requirements of FAR 15.406-1 to the extent the required information is available at the time the RFC is submitted. It must set forth a description of the contractor's proposed position, any field pricing recommendations, and the Government's negotiation objective;

(iii) Official contract file including all applicable file items in the AF Form 3019, Contract File Content Check-list.

(iv) Presentation of clearance request in accordance with 5301.9009.

5301.9008 Clearance procedures.

(a) *General.*

(1) The contracting officer shall send the RFC to the CRA reviewer. The CRA reviewer will work with the contracting officer to correct any deficiencies in the package. The CRA will provide a recommendation to the CAA based on the CRA reviewer's analysis.

(2) The approving authority shall use the RFC and the reviewing authority's findings in deciding to approve the RFC, approve it with conditions, or disapprove it.

(i) The decision to approve the RFC or approve with conditions shall be documented by the approving authority signing a clearance document. The contracting officer shall document the contract file as to the specific actions taken to satisfy each condition.

(ii) The decision to disapprove the RFC shall be documented by the approving authority signing a letter to the contracting officer; the letter shall establish a date for submittal of the revised RFC and identify the issues that must be resolved before submittal.

(3) If clearance approval/approval with conditions is granted, no further communication with the clearance reviewing and approving authorities is required unless there is a need for a revised clearance. If there is doubt as to whether a revised clearance is needed, contact the CRA reviewer. Examples of circumstances that would require a revised clearance are:

(i) Exceeding the approved negotiation parameters;

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- (ii) Changing contract type/share ratio;
 - (iii) A major change in the quantity or the nature of the Government's requirements;
 - (iv) A major change in a contract term or condition (e.g., a warranty), if that term or condition was considered critical by the CAA when the RFC was approved;
 - (v) The addition of a significant term or condition;
- (4) If a revised clearance is needed, the contracting officer shall secure a revised clearance from the CAA, through and with the advice of the CRA as to form and method.
- (5) As part of the clearance review process, the CRA may impose a condition on the approval to require a follow-up review by the CRA reviewer prior to document distribution.

(b) **Competitive acquisitions.**

(1) For source selections, submit the RFC to award without discussions after the source selection team has arrived at a consensus that award without discussions is appropriate. The clearance review shall be accomplished before approval to award without discussions is secured from the SSA. For other competitive actions, submit the RFC after evaluation of proposals and contracting officer determination that award without discussions is appropriate.

(2) When requesting approval to issue a request for final proposal revisions for any competitive action, submit the RFC when discussions are concluded.

(c) **Noncompetitive acquisitions.**

(1) When traditional pricing is used, the RFC shall be submitted prior to the beginning of negotiations with the contractor. When IPT pricing is used, the RFC shall be submitted prior to concluding negotiations. Use of an IPT pricing approach presumes early and continuing involvement of the CRA reviewer for value-added insight during the process and to surface issues to the CRA and CAA, if necessary, prior to the formal RFC.

(2) No additional review or approval is required after clearance approval (or revised clearance approval) prior to contract award if the following criteria are met:

- (i) The RFC included a preliminary PNM in standard narrative format.
- (ii) The final settlement does not include revised or additional special contract requirements from those contemplated at time of clearance review and approval.
- (iii) No substantial deficiencies were noted by the CRA reviewer during clearance review (see (a)(5) above).

(3) If any of the above criteria are not satisfied, a subsequent review by the CRA reviewer is required before award can be made. For criteria (2)(i) and (2)(ii), the review shall be limited to the final PNM and/or the revised portions of the award document, as applicable. If the criterion in (2)(iii) is not met, the entire official contract file shall be submitted for review. Any requirements for subsequent CRA review, if known at the time of clearance review, shall be captured in a condition on the clearance document (reference paragraph 3 and Note 4, Attachment 5301-1). Section 5301.9004(g) applies to subsequent CRA reviews.

5301.9009 Presentation of clearance request.

(a) **General.** The clearance request presentation shall be provided in the form of a briefing or written report as directed by the CAA.

- (1) When a clearance briefing is presented, the CRA and/or the CRA reviewer may attend.
- (2) Conditions noted by the CRA must be clearly provided to the CAA.

(b) **Competitive acquisitions.** For source selections, the source selection briefing prepared for the SSA that addresses the status of the source selection and the approval being sought (award without discussions or issuance of request for final proposal revision) may serve as the presentation for clearance approval.

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(c) *Noncompetitive acquisitions.* Guidance on presentation content and sample briefing charts can be found in Part 1 of the Contracting Toolkit on the SAF/AQC Home Page of the World Wide Web at address:

<http://www.safaq.hq.af.mil/contracting>

Attachment 5301-1 Format for Clearance (Approval to Proceed)

For Official Use Only

Negotiation Sensitive or

Source Selection Information - See FAR 3.104

Clearance

Reference: (a) Clearance Number _____ (1)

(b) Request for Clearance dated _____

Subject: _____ (2)

1. As the clearance approving authority designated by AFFARS Attachment 5301-2, and based on the clearance reviewing authority's recommendation to me, I hereby approve the reference (b) request.

2. The Air Force negotiating team is authorized to negotiate a settlement not to exceed (3) \$ _____, the total objective of \$ _____ plus _____%, without additional approval by this office.

3. Conditions on this approval are: _____ (4)

(Signature/Date)

Name:

Title:

Office Symbol:

Notes:

(1) Enter identifying number (assigned by the CRA reviewer).

(2) Enter same subject as on the RFC.

(3) Enter the range in which the approving authority will forego personal involvement in the approval of a revised objective. This paragraph may be modified as appropriate. It only applies to noncompetitive acquisitions; omit for competitive acquisitions.

(4) List any conditions on the clearance (see 5301.9008(a)(2)(i), 5301.9008(a)(5) and 5301.9008(c)(2) and (3)). If there are no conditions, omit this paragraph.

**ATTACHMENT 5301-2 REVIEW AND APPROVAL THRESHOLDS FOR AFMC
REVIEW/APPROVAL AUTHORITIES
PEO/DAC PROGRAMS**

AUTHORITY LEVEL (1)

<u>ESTIMATED VALUE</u>	<u>RFP/CRA</u>	<u>CAA</u>	
		<u>COMP</u>	<u>NONCOMP</u>
< \$50M	BOCO	SSA	SM (2)
≥ \$50M to < \$500M	SCCO (3)	SSA	PEO/DAC (4)
≥ \$500M	AFMC/PK (5)	SSA	PEO/DAC (4)

NOTES:

(1) This attachment applies under \$5 million absent specific delegations established pursuant to 5301.9005-3(d).

(2) The SM may delegate noncompetitive clearance approving authority to the SSM or the DSM.

(3) The SCCO may delegate these authorities to the BOCO on a case-by-case basis.

(4) The PEO/DAC may delegate noncompetitive clearance approving authority to the SM on a case-by-case basis. The PEO/DAC shall notify the designated CRA when clearance approval is delegated.

(5) AFMC/PK may delegate these authorities to the SCCO on a case-by-case basis. AFMC/PK shall notify the PEO/DAC of such delegation.

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PART 5302—DEFINITIONS OF WORDS AND TERMS**SUBPART 5302.1—DEFINITIONS****5302.101 Definitions.**

“Acquisition Category (ACAT)” means one of three categories used to determine the milestone decision authority for an acquisition program as described in DOD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

“Air Force Acquisition Executive (AFAE)” means the senior corporate operating official for acquisition. The term is synonymous with Component Acquisition Executive (CAE), formerly referred to as the Service Acquisition Executive (SAE). The AFAE is the Assistant Secretary of the Air Force (Acquisition), ASAF(A), and is accountable to the Secretary of the Air Force. The ASAF(A) is also the Senior Procurement Executive (SPE).

“Automated Information System (AIS)” A combination of computer hardware and software, data, or telecommunications, that performs functions such as collecting, processing, transmitting, and displaying information. Excluded are computer resources, both hardware and software, that are: physically part of, dedicated to, or essential in real time to the mission performance of weapon systems.

“Base or installation commander” means an individual who functions in a command position and is responsible for a base or other Air Force installation having a base contracting office. This term includes the Logistics Group Commander for contracting related matters.

“Buying Office Contracting Official (BOCO)” means an individual within AFMC serving in the position of Chief of the Contracting Division in a System Program Office or Program/Product Directorate in support of a System Program Director, System Support Manager, Development Support Manager, or Commodity Manager. Unless specifically excepted, this term may include, at the option of the designated official, the deputy chief of the same office.

“Center Commander” means, in AFMC, the field activity commander of Aeronautical Systems Center, Air Armament Center, Air Force Flight Test Center, Air Force Research Laboratory, Arnold Engineering Development Center, Electronic Systems Center, Oklahoma City Air Logistics Center, Ogden Air Logistics Center, Sacramento Air Logistics Center, San Antonio Air Logistics Center, Space and Missile Systems Center, Warner Robins Air Logistics Center.

“Central acquisition” means the purchase of all requirements of specified supplies or services by a designated purchasing office for use throughout the Air Force.

“Chief of contracting office” means any person who has direct managerial responsibility for the operation of a contracting office as defined in FAR Subpart 2.1. Unless specifically excepted, this term may include, at the option of the designated chief, the deputy chief or acting chief of the contracting office.

“Designated Acquisition Commander (DAC)” means, in AFMC, the individual who supervises execution of programs that are not assigned to a PEO. The commanders of AFMC product centers, logistics centers, and the Air Force Research Laboratory act in this capacity. DACs, like PEOs, are accountable to the AFAE.

“Designee” means an individual authorized to perform any act or make determinations contemplated in the FAR, DFARS, or this Supplement when such authority is vested in the “Head of the Contracting Activity or Designee.” Designee may include one or more officials.

“Development System Manager (DSM)” means the lead individual at an AFMC product center when a single manager (SPD, PGM, or MGM) located at another center delegates a specific development task to a product center. The DSM reports directly to the single manager.

“Head of the Agency” means, pursuant to Secretary of the Air Force Orders (SAFOs) 100.1 and 650.4, the Assistant Secretary of the Air Force (Acquisition), ASAF(A), is authorized to act for and with the authority of the Secretary of the Air Force as head of the agency for acquisition matters, except for actions that, by the terms of a statute or

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delegation, must be done personally by the Secretary of the Air Force or the Under Secretary of the Air Force. In the absence of the ASAF(A), the Principal Deputy Assistant Secretary of the Air Force (Acquisition & Management), PDASAF(A&M), is authorized to act for and with the authority of the Secretary of the Air Force as head of the agency for acquisition matters.

“Local purchase” means the authorized purchase of materials, supplies, and services by an installation for its own use or the use of an installation or activity logistically supported by it. Local purchase is not limited to the immediate geographical area in which the purchasing installation is located. Except as specifically authorized by this Supplement, local purchase will be consolidated under one office at the Air Force installation.

“Major Program” means an acquisition program that is not a highly sensitive classified program (as determined by the Secretary of Defense) and that is: (1) designated by the Under Secretary of Defense (Acquisition and Technology) as a major defense acquisition program; or (2) estimated by the USD(A&T) to require an eventual total expenditure for research, development, test and evaluation of more than \$355 million in fiscal year 1996 constant dollars or, for procurement, of more than \$2.135 billion in fiscal year 1996 constant dollars. The term Major Program is synonymous with Major Defense Acquisition Program (MDAP). Major Programs fall into two categories: “Defense Acquisition Board (DAB)” and “Component.” The category is determined by the milestone decision approving authority.

“Major Automated Information System (MAIS) Acquisition Program” means an AIS acquisition program that is (1) designated by OASD(C3I) as a MAIS, or (2) estimated to require program costs in any single year in excess of \$30 million in fiscal year (FY) 1996 constant dollars, total program costs in excess of \$120 million in FY 1996 constant dollars, or total life-cycle costs in excess of \$360 million in FY 1996 constant dollars. MAIS Acquisition Programs do not include highly sensitive classified programs (as determined by the Secretary of Defense).

“Materiel Group Manager (MGM)” means, in AFMC, the single manager of a materiel group (e.g., Landing Gear) responsible for all cost, schedule, and performance aspects of a materiel group and related sustainment activities. MGMs have the same responsibilities as a weapon system or military system System Program Director (SPD).

“Ordering officer” means the individual authorized by a DOD contracting officer to issue specific calls or orders for supplies or services against prepriced blanket purchase agreements or other prepriced contracts. Such authority may include signature on a DD Form 1155 as an “ordering officer.”

“Other Contracting” means those efforts taken to support acquisition programs, maintain and repair fielded weapon systems, and support Air Force operations. The term includes, but is not limited to, contracts for local purchase and other operational support; replenishment spares; programmed depot maintenance; weapon system modifications which do not involve significant development; contractor logistics support; manpower and support; and science and technology (i.e., research, exploratory development or advanced development, and not intended for a system specific application (6.1, 6.2, or 6.3A funds)).

“Overseas command” means MAJCOMs located in possessions of the United States, and in Puerto Rico, Alaska, the Panama Canal Zone, and Hawaii, as well as those in foreign countries.

“Product Group Manager (PGM)” means, in AFMC, the single manager of a product group (e.g., Life Support) responsible for all cost, schedule, and performance aspects of a product group and related sustainment activities. PGMs have the same responsibilities as a weapon system or military system System Program Director (SPD).

“Program Director (PD)/Program Manager (PM)/System Program Director (SPD)” means the operating official responsible for the execution of a program within the approved Acquisition Program Baseline. This individual is accountable to the AFAE through the Program Executive Officer (PEO) if the program is a PEO Program, or through the Designated Acquisition Commander (DAC) if the program is a DAC Program.

“Program Executive Officer (PEO)” means the corporate operating official who supervises an assigned portfolio of mission-related programs. The PEO is accountable to the AFAE.

“Senior Center Contracting Official (SCCO)” means an individual in an AFMC direct reporting unit (i.e., Aeronautical Systems Center, Air Armament Center, Air Force Flight Test Center, Air Force Research Laboratory, Arnold Engineering Development Center, Electronic Systems Center, Oklahoma City Air Logistics Center, Ogden Air Logistics Center, Sacramento Air Logistics Center, San Antonio Air Logistics Center, Space and Missile

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Systems Center, or Warner Robins Air Logistics Center) serving in the position of Director of Contracting and reporting directly to the Center Commander. This authority may also be exercised by the Deputy Director of Contracting, Assistant Director of Contracting, and the Technical Assistant to the Director of Contracting.

“Single Acquisition Management Plan (SAMP)” means a concise, comprehensive program document which serves two functions: (1) it is the management plan program managers follow to successfully execute the acquisition of a requirement; and (2) it is the supporting documentation which enables a program decision authority to reach a milestone decision.

“Single Manager (SM)” means the general term used to describe System Program Directors (SPDs), Product Group Managers (PGMs), Materiel Group Managers (MGMs), and Technology Directors who are the individuals responsible for a system, product group, materiel group or major research area and report directly to a Program Executive Officer (PEO) or Designated Acquisition Commander (DAC).

“System Program Office (SPO)” means the integrated AFMC organization responsible for cradle-to-grave military system management.

“System Support Manager (SSM)” means the lead individual at an AFMC logistics center responsible for system sustainment when the single manager (SPD, PGM, or MGM) is located at another center. The SSM reports directly to the single manager.

“Technology Director” means the single manager responsible for a major research area and its portfolio.

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PART 5303—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**SUBPART 5303.1—SAFEGUARDS****5303.104-5 Disclosure, protection, and marking of proprietary and source selection information.**

(b) Each HCA or designee shall designate officials to assist individuals responsible for preparing material that may include source selection information.

(c)(1) The Deputy Assistant Secretary (DAS) (Contracting), the Associate and Assistant DAS (Contracting) (SAF/AQC); the division chiefs and deputy division chiefs of SAF/AQCX, AQCS, AQCO, and AQCP; and each HCA or designee identified in DFARS 202.101 and 5301.601-91 (b) may authorize persons or classes of persons access to proprietary or source selection information.

(2) The following individual persons or classes of persons are authorized access to proprietary and source selection information if necessary to perform their official duties:

- (i) Those persons, other than competing contractors, participating in a source selection subject to AFFARS Part 5315.3;
- (ii) Individuals within the Office of the Assistant Secretary of the Air Force for Acquisition (SAF/AQ); and
- (iii) Individuals within the Office of the General Counsel (SAF/GC).

5303.104-6 Restrictions on employment or business opportunity discussions between competing contractors and procurement officials.

(f) *Evaluation of recusal proposal.* ASAF(A) is the recusal approval authority for Program Executive Officers (PEOs), Designated Acquisition Commanders (DACs), and members of the Secretariat and Air Staff. PEOs and DACs are HCA designees with authority to approve recusal requests for procurement officials in programs under their cognizance. The Air Force General Counsel (SAF/GC) is the Air Force Designated Agency Ethics Official (DAEO). SAF/GC has authorized the Assistant General Counsel for Acquisition (SAF/GCQ) and the Judge Advocate General to advise and provide consultation to the Air Force officials having authority to approve recusal requests.

5303.104-9 Certification requirements.

(f) *Exceptions to certification requirements.*

(2) The contracting officer shall submit requests for waivers to the certification requirements in FAR 3.104-9 through the cognizant MAJCOM to SAF/AQCX for processing.

5303.104-10 Solicitation provision and contract clauses.

(c) If information received under the clause at FAR 52.203-10, Price or Fee Adjustment for Illegal or Improper Activity, indicates that a price or fee adjustment may be appropriate, the contracting officer shall submit a report to the Assistant General Counsel for Contractor Responsibility (SAF/GCR) in accordance with 5303.203. The report shall contain the information required in DFARS 209.406-3, as applicable.

5303.104-11-90 Processing violations or possible violations.

(a) PEOs and DACs are the designated authorities to review and take appropriate action on contracting officer reports concerning violations or possible violations related to programs under their cognizance. For Other Contracting, MAJCOMS shall designate an individual and establish procedures to review violations or possible violations reported by the contracting officers.

(b) The HCA or designee shall submit any agency head notifications in FAR 3.104-11 (f) directly to ASAF(A) for submittal to SAF/OS.

PART 5303—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

(c) Upon completing the processing of any disclosure of violations or possible violations, the contracting officer shall notify SAF/GCR in writing of the actions taken by the HCA, PEO, or DAC.

SUBPART 5303.2—CONTRACTOR GRATUITIES TO GOVERNMENT PERSONNEL**5303.203 Reporting suspected violations of the Gratuities clause.**

(a) The contracting officer shall obtain assistance from the servicing staff judge advocate in preparing reports required by this section. In addition to the requirements in DFARS 209.406-3, the report shall also include:

(1) An estimate of the amount of the gratuity allegedly given or offered to the Government officer or representative, and the cost incurred by the contractor in giving or offering such gratuity; and

(2) An analysis by the staff judge advocate of the facts and evidence presented in the contracting officer's report along with a statement of legal sufficiency.

(b) The staff judge advocate for the cognizant contracting activity shall submit three copies of the report to SAF/GCR, 1740 Air Force Pentagon, Washington, DC 20330-1740. A copy of the report and recommendations shall be forwarded to the MAJCOM Judge Advocate and Chief of Contracting for review, comment, and recommendation. MAJCOM comments and recommendations shall be sent to SAF/GCR and arrive not later than 30 days after the date of the contracting officer's report. MAJCOM/JA shall be responsible for coordinating MAJCOM actions.

5303.204-90 Treatment of violations.

(a) SAF/GCR is the agency designee with authority to conduct hearings, and to make findings of fact with respect to:

(1) Whether a gratuity was offered or given by a contractor or any agent or representative of such contractor to a Government officer or employee with a view towards securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of the contract; and

(2) Where appropriate, the amount of the costs incurred by the contractor in providing the gratuity.

(b) SAF/GCR is required to forward its findings and recommendations to the Assistant Secretary of the Air Force for Acquisition, who will take appropriate action after reviewing the findings and recommendations.

(c) The Office of the Judge Advocate General (HQ USAF/JA) will designate a JAG officer or attorney-advisor, who will be responsible for the presentation and management of the case for the Government in the event that SAF/GCR issues a notice of hearing to the contractor. To this end, the designated JAG officer or attorney-advisor will be responsible for the taking and defending of any dispositions, the presentation of testimony, evidence, and argument at the administrative hearing, the filing of any motions or other pleadings or documents for consideration by SAF/GCR or any other action necessary to represent the Government in the case.

(d) The contracting activity and the MAJCOM will provide witnesses and other support needed by the designated JAG officer or attorney-advisor presenting the Government's case.

SUBPART 5303.3—REPORTS OF SUSPECTED ANTITRUST VIOLATIONS**5303.301 General.**

(a) Air Force procedures for reporting possible violations of Federal criminal statutes relating to procurement, including reports of possible fraud, are prescribed in Subpart 5309.4.

(b) Submit reports of noncompetitive practices to SAF/AQCX for submission to the Secretary or process in accordance with Subpart 5309.4, as applicable.

PART 5306—COMPETITION REQUIREMENTS**5306.003 Definitions.**

As used in this part, “commencement of negotiations” means the following:

(a) For noncompetitive negotiations, the acquisition cycle may proceed up to, but not including, the start of discussions with offerors for the purpose of reaching agreement on all aspects of the proposal, including terms and conditions and the pricing arrangement. Audits and fact-finding necessary to evaluate the proposal and develop the Government’s negotiation objectives may be conducted.

(b) For competitive negotiations, the acquisition cycle may proceed up to, but not including, competitive range determination if the competitive range determination will result in the elimination of an offeror; and may otherwise proceed up to, but not including, issuing the request for final proposal revision.

SUBPART 5306.2 FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES**5306.202 Establishing or maintaining alternative sources.**

(b) (1) The following officials are authorized (nondelegable) to sign the Determination and Findings (D&F) in support of proposed actions in FAR 6.202 (a):

(i) The Assistant Secretary of the Air Force (Acquisition) (ASAF(A)) for all contractual actions requiring acquisition plan (AP) approval by the Senior Procurement Executive (SPE) (see 5307.104-90);

(ii) The PEO for all contractual actions for PEO Programs, except for those that require ASAF(A) approval under (b)(1)(i);

(iii) The DAC for all contractual actions for DAC Programs, except for those that require ASAF(A) approval under (b)(1)(i); and

(iv) HCAs, as specified in 5301.601-91, for all contractual actions for Other Contracting , except for those that require ASAF(A) approval under (b)(1)(i).

For contract actions under (b)(1)(i) above, the contracting officer shall submit the proposed D&F to SAF/AQCS concurrently with the request for AP approval. The contracting officer shall follow the J&A procedures in 5306.304-91 when processing the D&F. The solicitation shall not be issued until after the D&F is signed by the SPE. For AFMC PEO actions, the Senior Center Contracting Official (SCCO) shall be afforded three work days to review/comment on D&Fs prior to submission to the PEO. For AFMC DAC Programs and AFMC Other Contracting, Senior Center Contracting Official coordination shall be obtained on all D&Fs.

SUBPART 5306.3 OTHER THAN FULL AND OPEN COMPETITION**5306.302 Circumstances permitting other than full and open competition.****5306.302-2 Unusual and compelling urgency.**

(c) *Limitations.* The use of this authority shall not in itself dictate the use of an Undefined Contractual Action (UCA), nor must this authority be cited in order to issue a UCA.

5306.302-4 International agreement.

(c)(i) The document referred to in DFARS 206.302-4 (c)(i) should be titled, “International Agreement Competitive Restrictions (IACR).” The IACR shall contain the following signatures: the preparer, the technical office representative, and the contracting officer. The contracting officer will include the IACR in the contract file.

PART 5306—COMPETITION REQUIREMENTS

5306.302-7 Public interest.*(c) Limitations.*

(3) The contracting officer shall prepare the justification to support the determination and forward it through command channels to arrive at SAF/AQCS 30 calendar days prior to the scheduled solicitation release. AFMC contracting officers shall follow the J&A processing procedures in 5306.304-91. The solicitation shall not be released until after the determination has been made in writing.

5306.303 Justifications.**5306.303-1 Requirements.**

(d) The contracting officer shall forward a copy of the approved J&A to SAF/AQCO for any contract action which is subject to the Trade Agreements Act (see FAR Subpart 25.4) and will be awarded using other than competitive procedures pursuant to FAR 6.302-3 (a)(2)(i) or FAR 6.302-7.

(e) If award must precede SPE approval, the contracting office shall submit the J&A to SAF/AQCS no later than 30 days after contract award.

5306.303-2 Content.

(a) J&As must be stand-alone documents for approving contract actions that are specifically defined. Sufficient information must exist to make a determination that the contract requirements cannot be competed, or that less than full and open competition is the appropriate strategy. For example, use of general terms such as "special studies" and "modification upgrades," without a more detailed description is not sufficient for making a non-competitive determination. Contract actions must be sufficiently defined to provide clear limits to the J&A authority and to permit a clear relationship to be established between the action and the circumstances cited as requiring other than full and open competition.

(2) Include the type of contract.

(6) The J&A should describe all efforts made or to be made to ensure that offers are solicited from as many potential sources as possible. A Sources Sought Synopsis should be used where practical. A Notice of Contract Action (NOCA) shall be made as required in FAR Subpart 5.2 for each contract action unless a NOCA exception applies. Where results of the Sources Sought Synopsis or NOCA are available, they should be incorporated in the J&A.

(11) As part of the statement of actions, ensure that the following subjects are addressed:

- (i) Any actions taken to qualify additional sources and to obtain reprourement data;
- (ii) Applicability of system-level competition plans; and
- (iii) Explanation and rationale if no actions to foster future competition are planned.

5306.303-290 Justification review document.

(a) A justification for a proposed contract action requiring ASAF(A) approval shall contain a cover sheet entitled "Justification Review Document (JRD)."

(b) The JRD shall state the following information:

- (1) The name of the program, if applicable, or, if not, provide a succinct description of the items(s) being bought;

PART 5306—COMPETITION REQUIREMENTS

- (2) Whether the proposed contract action(s) is a PEO Program, DAC Program, or Other Contracting;
 - (3) Whether the J&A is individual or class;
 - (4) The estimated dollar amount of the proposed contract(s); and
 - (5) The specific authority for contracting without full and open competition.
- (c) The JRD shall include the typed names, titles, telephone numbers, and signatures of the following officials:
- (1) The contracting officer;
 - (2) The program manager or other individual responsible for the requirement if there is no program manager;
 - (3) The local legal representative;
 - (4) The local competition advocate;
 - (5) The Chief of Contracting Office; and
 - (6) As applicable, the PEO, DAC, MAJCOM Director of Contracting, or HCA-designated official .
- (d) For AFMC PEO actions, the Buying Office Contracting Official (BOCO) shall also sign the JRD. For AFMC DAC programs and Other Contracting within AFMC, the Senior Center Contracting Official shall also sign the JRD.
- (e) All individuals listed on the JRD shall review the J&A and provide comments as appropriate. The contracting officer shall verify all coordinations have been obtained and all comments have been resolved before forwarding the JRD to the PEO, DAC, MAJCOM Director of Contracting, or HCA-designated official for signature. A record of the coordinations shall be maintained in the contract file.

5306.304 Approval of the justification.

For a summary of approval levels for J&As, see Attachment 5306-1. A requirement shall not be split for the purpose of reducing the justification approval level. Notwithstanding any other requirements of this AFFARS subpart, review and approval of justifications by the competition advocate for AFMC Special Access Programs may be accomplished by an official described in FAR 6.304 (a)(3).

5306.304-90 Procedures for Class J&As.

(a) Class justifications and International Agreement Competitive Restrictions (IACR) documents may be used where identical justification is to be used only to support other than full and open competition procedures for a group of related contract actions for the same or related supplies or services. Each class J&A or IACR shall follow the same format in 5306.303-2 and must clearly establish for each contract:

- (1) The supplies and services that may be acquired;
- (2) Contractor(s) and contract type;
- (3) The estimated contract value; and
- (4) The time period for award and contract performance (including options);

NOTE: Information that is the same for multiple contracts need not be restated for each.

(b) Each contract action to be approved under a class J&A or IACR should be described as precisely as possible. For replenishment spares, a definite list of stock numbers or part numbers must be included or identified. Additional items cannot be acquired unless an amendment to the J&A or IACR is approved. If the NSN/part number changes due to an ECP, modification, etc. during the effective period of the J&A, reapproval is not required since these are not new items. The contracting office shall maintain a list of all approved items under the J&A or IACR. No parts should be included for which a planned competitive strategy will exist during the term of the J&A or IACR. The J&A should discuss potential for future competition for spare parts included in the list.

PART 5306—COMPETITION REQUIREMENTS

(c) When contracts under a class J&A or IACR will be based on demand generated requirements (e.g., indefinite-quantity and requirements contracts and level-of-effort contracts), use the best estimates of supplies and services. However, the J&A or IACR must state the maximum quantity that may be acquired.

(d) All contract actions within a class should fall within the same statutory authority. Where a different authority must be used for any contract action, a separate J&A should be prepared.

5306.304-91 Procedures for J&As requiring approval by the SPE.*(a) General procedures.*

(1) Submit justifications requiring approval by the SPE or the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management) (PDASAF(A&M)) to SAF/AQCS. SAF/AQCS transmits the approved justification to the contracting activity by memorandum entitled, "Final Acquisition Action Approval (FAAA)." Plan for 30 days for staffing and issuance of the FAAA after receipt by SAF/AQCS.

(2) The FAAA may include certain conditions on the approval, which are called FAAA exceptions. Exceptions marked with an asterisk stop the acquisition cycle until cleared by an amendment to the FAAA. Exceptions that are not marked by an asterisk do not stop the acquisition cycle and generally do not require an amended FAAA. SAF/AQCS monitors clearance of all FAAA exceptions.

(3) When an acquisition requires approval of both an acquisition plan (AP) and J&A, the documents should be submitted concurrently. For these combination actions, plan 45 days for staffing and issuance of the FAAA after receipt by SAF/AQCS.

(b) Specific procedures.

(1) For AFMC PEO Programs, the PEO (nondelegable) signs and submits the justification to SAF/AQCS prior to solicitation release. The SCCO shall be afforded three work days to review/comment prior to submittal to SAF/AQCS. SAF/AQCS shall begin internal review of the J&A upon receipt from the PEO. Within five work days of receiving the J&A from the PEO, SAF/AQCS shall send the PEO and program office written authorization to release the RFP on or after the 15th calendar day after the date SAF/AQCS received the justification. The contracting officer may release the solicitation on or after the specified date, unless directed otherwise by the PEO or SPE. If necessary, SAF/AQCS shall verbally communicate SPE direction to the PEO and program office to stop release of the solicitation, followed up by written cancellation or amendment of the authorization to the PEO. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised release date is specified in the amendment. After release of the solicitation, negotiations shall not commence (see 5306.003) until the FAAA is signed.

(2) For AFMC DAC Programs, the DAC shall sign the justification. Procedures for processing the J&A after signature are the same as for PEO programs, except all correspondence and documentation (e.g., authorizations to release the RFP) shall be sent to the SCCO. For AFMC DAC actions, all justifications requiring SPE approval shall be coordinated with the Senior Center Contracting Official prior to submittal to SAF/AQCS.

(3) For PEO Programs assigned outside of AFMC, the justification shall be submitted, after signature, to the MAJCOM Chief of Contracting who has been delegated the responsibility for initial reviews as a service to the ASAF(A). These justifications shall be forwarded to the PEO within 30 calendar days or when issues have been resolved, whichever occurs earlier. The MAJCOM's transmittal letter shall address any unresolved issues and include a recommendation regarding solicitation release. Within five work days of receiving the justification from the PEOs, SAF/AQCS shall send the PEO a written authorization to release the solicitation immediately, unless major issues precluding solicitation release have been identified and the SPE has directed that the solicitation not be released. SAF/AQCS shall verbally communicate SPE direction to stop release of the solicitation, followed up by written cancellation or amendment of the authorization. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised date is specified in the amendment. After the solicitation is released, negotiations shall not commence (see 5306.003) until the FAAA is signed.

(4) For Other Contracting, the HCA (see 5301.601-91) shall designate the official authorized to sign the justification. The HCA (or designee) may authorize solicitation release after the justification is reviewed for adequacy and forwarded to SAF/AQCS. For AFMC, the procedures for processing the J&A after signature are the same as for PEO programs. After the solicitation is issued, negotiations shall not commence (see 5306.003) until the FAAA is signed.

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(c) *Clearing FAAA exceptions.* The contracting officer is responsible for clearing the exceptions. For AFMC PEO actions, the contracting officer shall afford the SCCO three work days to review/comment on the documentation necessary to clear the exception prior to submittal. The contracting officer submits the documentation through the PEO to SAF/AQCS. For AFMC DAC actions and Other Contracting, the contracting officer is responsible for obtaining the Senior Center Contracting Official's coordination and submitting the clearance documentation through the DAC or Center Commander to SAF/AQCS.

5306.304-92 Procedures for J&A changes.

The following procedures are applicable to J&As that require ASAF (A) or PDASAF(A&M) approval. Procedures for processing changes to other J&As should be developed by each MAJCOM and should be consistent with these procedures.

(a) *Before FAAA approval.* Changes to the J&A may be initiated by the field contracting activity when requested by SAF/AQCS, or any Secretariat office during its review. These changes may be accomplished with change pages submitted to SAF/AQCS for inclusion in the final document. SAF/AQCS shall notify the PEO, DAC, or for Other Contracting the HCA-designated official of major issues affecting processing and approval of the J&A. Recoordination with the original signatures of the J&A necessitated by HQ or Secretariat review is not required.

(b) *After FAAA approval but before award.*

(1) If a change in circumstances impacts the basis for the J&A, the contracting officer, except for the conditions listed in (2), (3), and (4) below, shall submit an amended J&A. The amended J&A transmittal letter shall include a statement assessing the impact. Changes from the approved J&A shall be identified by striking out existing words and inserting revised words and using change bars in the right margin. An example of such a change would be if the user changed its requirements and now several responsible sources existed; or if the deployment strategy changed and instead of only one source existing that could meet worldwide requirements many regional sources were now capable of satisfying the requirements.

(2) An amended J&A is not required where there is a decrease in the estimated value of the effort and no change in scope.

(3) An amended J&A is not required where there is a decrease in the scope of the requirement but the reduction does not impact the basis for the J&A.

(4) An amended J&A is not required where there is an increase in the estimated value of the effort but no increase in scope, however, see (5) below.

(5) An amended J&A is required where there is an increase in the estimated value of the effort which causes the dollar value to exceed the authority of the approving official or the increase is due to a change in the scope of the requirement. In either case, an amendment to the J&A shall be submitted through the original approval authority to the appropriate approving official with the previously approved document attached. Changes from the approved J&A shall be identified by change bars in the right margin.

(6) For PEO and DAC Programs and AFMC Other Contracting, amendments shall be submitted to SAF/AQCS.

(c) *After award.*

(1) If a proposed in-scope change to a contract is expected to exceed the approved dollar value of the original J&A, an amended J&A shall be required where the total value of the effort will exceed the authority of the original J&A approving official. An amendment to the J&A shall be submitted to the appropriate approving official with the previously approved document attached. Changes from the approved J&A should be identified with bold text for additions, strikethrough for deletions, and change bars in the right margin.

(2) If a proposed change to a contract is to provide for new effort outside the scope of the original J&A, a new J&A shall be prepared as a stand-alone document except when the value of the new work plus original effort exceed an approved threshold (for example, \$10 million and \$50 million). In that case an amendment to the J&A shall be submitted

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to the appropriate approving official. For those cases that do not involve an approval threshold, the approval authority for the J&A shall be based on the estimated value of the new work.

(3) When a contract is awarded with an estimated dollar value (requirements, time-and-materials, cost type, etc.) and the amount obligated approaches the estimated value shown on the approved J&A, the contracting officer shall assess whether a J&A is required. If required, the contracting officer shall assess whether an amended J&A or new J&A is required.

(4) If the estimated value of the total contract (no change in scope) increases by 50 percent or more above the approved J&A amount, an amended J&A shall be submitted to the appropriate approving official with the previously approved document. Changes from the approved J&A should be identified with bold text for additions, strikethrough for deletions, and change bars in the right margin.

(5) For PEO and DAC Programs and AFMC Other Contracting efforts, amendments shall be submitted to SAF/AQCS. Except for AFMC, for Other Contracting, the amendment should be submitted through MAJCOM Chief of Contracting in the same manner as the original J&A.

(d) *Scope.*

(1) For IDIQ contracts for supplies, the value of the total estimated orders shall be used as the estimated value for the J&A. Additional quantities in excess of the maximum require an amendment or new stand-alone J&A for the additional quantities.

(2) The test of whether a particular action is within the scope or outside the scope of the contract action and the J&A should consider the following:

(i) For hardware/supplies contract actions, the quantity of the item covered by the J&A bounds an area of the scope. Additionally, the description of the synopsis, the SOW, and identification of exactly what is to be priced provides another boundary to scope. For example, when acquiring new aircraft, it is not unusual to also acquire data, support equipment, training, and price these items during initial negotiations. However, additional quantities, spares, and major upgrades are generally outside the scope of the initial contract action;

(ii) For service contracts actions, the period of performance or quantity of hours required covered by the J&A bounds the scope. If the number of hours is unknown, a dollar estimate can be used to define the scope of the action. The description of the synopsis, the SOW, and the effort to be priced and negotiated provides a second boundary to the scope. For example, task orders within the SOW using the correct labor categories at agreed rates generally will be in-scope and no additional J&A approval is necessary. However, use of labor categories not synopsized nor covered within the contract will generally be viewed as outside of the scope. Additionally, extensions beyond the period of performance would be an out of scope action;

(iii) Where contracts have a mix of hardware deliverables and service functions such as Interim Contracting Support (ICS) and logistics support, the contracting officer must periodically compare the contract to the approved J&A to make sure all actions are covered by the authority of the J&A. In making scope determinations the considerations in (i) should be applied to the hardware portion of the contract and the considerations in (ii) should be applied to the services function; and

(iv) Caution is advised to avoid associating the scope of the program with the scope of the J&A. Contracts may contain CLINs that have been set aside for future negotiations, some of which may be covered by the approved J&A and some may require a stand-alone J&A before they can be incorporated into the contract. Simply because a CLIN or SOW paragraph exists may not be determinative of whether an action is in-scope or out of scope. Contracting officers should seek legal advice before making these determinations.

(3) Some examples of changes and actions required:

(i) A J&A estimated and approved at \$8 million results in a contract award of \$9.5 million but scope of original J&A (quantity and/or effort) is unchanged. No amended or stand-alone J&A is required;

(ii) A J&A estimated and approved at \$8 million is resulting in a contract for \$11 million and the scope has not changed. Prior to award, an amended J&A must be submitted to the appropriate approving official. (The approving official authority was breached.);

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(iii) The J&A, for a cost type contract, cites an estimate of \$7 million. The contracting officer issues a change or increases the obligated funds to \$9 million with no change in the scope of the contract. No action required;

(iv) The J&A, for a cost type contract, cites an estimate of \$7 million. The contracting officer previously increased the obligated contract amount to \$9.5 million. The contracting officer plans two actions, one for \$3 million with no change in scope and another action six months in the future for \$5 million which will add new work. The contracting officer must submit an amended J&A to the appropriate approval official for the \$3 million action before obligating additional funds because the previous approving official's authority has been breached. However, for the \$5 million new effort, a stand-alone J&A is appropriate because it is outside the scope of the original J&A and does not involve an approval threshold;

(v) A contract was awarded for \$8 million (the amount of approved J&A). The contracting officer anticipates issuing a change to add work outside the scope of the contract for \$4 million. Because the value of the new effort causes the total effort to exceed an approval threshold, an amended J&A must be submitted by the contracting officer to the appropriate approving official; and

(vi) The J&A was estimated and approved for \$55 million. A contract was issued for this amount but two years after award, the contracting officer expects to issue a change raising the contract amount to \$90 million, and there has been no change in scope. The contracting officer needs to submit an amended J&A and explain the 50 percent increase in value.

5306.304-93 Requirements for J&A when Not-To-Exceed (NTE) options are used.

(a) Pursuant to FAR 17.207, a NTE option is not considered a priced option. Therefore, a synopsis in accordance with FAR 5.201 and a J&A are required before a NTE option is exercised.

(b) For sole source procurements, a NTE option can be exercised without processing a new J&A provided it meets the following conditions:

- (1) The option was synopsized with the basic contract;
- (2) The previous J&A was a Class J&A which covered the basic contract action and NTE option exercise;
- (3) The option was included in the contract action at the time of basic contract award; and
- (4) The effort is the same at option exercise date as it was at the time of synopsis, exclusive of in-scope changes.

5306.501 Requirement.

The organizations listed below have been designated "procuring activities" pursuant to FAR 6.501:

- Assistant Secretary of the Air Force (Acquisition) (SAF/AQ)
- Deputy Assistant Secretary (Contracting) (SAF/AQC)
- Air Combat Command
- Air Education and Training Command
- Air Mobility Command
- Air Force Materiel Command
 - Headquarters, Air Force Materiel Command
 - Aeronautical Systems Center
 - 311th HSW
 - PKW
 - Air Armament Center
 - Air Force Flight Test Center
 - Air Force Research Laboratory
 - Air Force Office of Scientific Research
 - Armstrong Research Site
 - Eglin Research Site
 - Phillips Research Site
 - Rome Research Site
 - Wright Research Site

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- Arnold Engineering Development Center
- Electronic Systems Center
 - 38th Engineering Installation Wing
 - Standard Systems Group
 - Materiel Systems Group
- Oklahoma City Air Logistics Center
- Ogden Air Logistics Center
- Sacramento Air Logistics Center
- San Antonio Air Logistics Center
- Space and Missile Systems Center
- Warner Robins Air Logistics Center
- Air Force Space Command
- Pacific Air Forces
- United States Air Forces in Europe
- 11th Support Wing
- Air Force Reserve Command
- Air Force Special Operations Command
- USAF Academy
- Air Force Operational Test and Evaluation Command

PART 5307—ACQUISITION PLANNING

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PART 5307—ACQUISITION PLANNING**SUBPART 5307.1—ACQUISITION PLANS****5307.103 Agency-head responsibilities.**

(c)(i)(C) Written acquisition plans (APs) shall be prepared for the following:

- (I) All system modifications when the estimated total acquisition cost of the modification is \$10 million or more;
- (II) Other acquisitions involving Other Contracting at the discretion of the principal staff officer responsible for contracting at the MAJCOM headquarters; and
- (III) Acquisitions that plan to use the Federal Supply Schedule (FSS) program. Use the estimated value of the entire planned requirement, including any portion using the FSS program, to determine applicability and approval level.

5307.103-90 Single Acquisition Management Plans (SAMPs).

SAMPs shall be prepared for all ACAT I and II programs as defined by DODD 5000.1, Defense Acquisition, and DOD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs. SAMPs are optional for all other programs and acquisitions. Whenever a SAMP is prepared, it shall meet the requirements of an acquisition plan as described in the FAR. In such cases, the SAMP approval process will be followed in lieu of the acquisition plan approval process described herein. The Air Force SAMP Guide and Acquisition Policy Memo 97-02 provide information on preparing and processing SAMPs.

5307.104 General Procedures

(c) In acquisitions where sole source approvals will be obtained, Air Force acquisition planning shall provide appropriate opportunities for the following:

- (1) involving Defense Contract Management Command and Defense Contract Audit Agency early in the acquisition process,
- (2) obtaining appropriate contractor input for use in the development of the acquisition strategy and of the abbreviated RFP or letter of solicitation,
- (3) establishing a Government/Contractor team (including executors and reviewers), committed on a real-time basis to streamlining the acquisition process and maintaining open communications;
- (4) teaming of the Government and Contractor in development of the proposal and model contract, leading to agreement on contractor effort and costs associated with the task(s); and
- (5) teaming of the Government and contractor during post-award contract performance to improve communications and develop efficient contract administration methods.

5307.104-90 Air Force procedures for acquisition plans.

(a) *General.* MAJCOMs, FOAs, and DRUs shall prescribe procedures for processing APs and shall establish review and approval levels for APs that do not require approval by the SPE, PEO, or DAC. SPE approval authority has been delegated, without power to redelegate, to the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management) (PDASAF(A&M)).

(b) *Approval requirements.*

(1) SPE approval is required for the following:

- (i) Major Automated Information Systems (MAIS) programs
- (ii) Any non-MAIS information technology acquisitions \geq \$120 million

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(iii) All other acquisitions ≥ \$500 million.

(2) For AFMC, acquisition plan approval authority is as follows:

PEO and DAC Programs and Other Contracting (Non Information Technology)

<u>Threshold</u>	<u>PEO Program</u>	<u>DAC Program</u>	<u>Other Contracting***</u>	<u>Review/Coordinate</u>
\$5M to < \$50M	SM*	SM*	Center CC (delegable)	BOCO/****
≥ \$50M to < \$500M	PEO	DAC	Center CC	SCCO
≥ \$500M	PDASAF(A&M)	PDASAF(A&M)	PDASAF(A&M)	SAF/AQC

Information Technology, Not Integral to a Weapon System

<u>Threshold</u>	<u>PEO Program</u>	<u>DAC Program</u>	<u>Other Contracting</u>	<u>Review/Coordinate****</u>
\$5M to < \$15/30M**	SM*	SM*	Center CC (delegable)	BOCO/****
≥ \$15/30M** to < \$120M and non-MAIS	PEO	DAC	Center CC	SCCO
≥ \$120M or MAIS*****	PDASAF(A&M)	PDASAF(A&M)	PDASAF(A&M)	SAF/AQC

* Single Manager (SM) includes System Program Director (SPD), Product Group Manager (PGM), and Materiel Group Manager (MGM), and Technology Director.

** \$15/\$30M means \$15M or more in any FY or \$30M or more for all program years.

***S&T acquisition less than \$500 million may use the simplified S&T combined AP and J&A format.

****For other contracting, the first contracting official in the contract chain subordinate to the SCCO

*****See AFFARS 53.202.101 for MAIS definition.

(3) For all commands except AFMC, review and approval levels for Other Contracting APs that do not require SPE approval shall be in accordance with Command procedures. For PEO Programs assigned outside AFMC, the PEO is the AP approval authority.

(4) SAMPs for ACAT I and II programs shall be approved by the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management). ACAT ID programs require additional approval by the Defense Acquisition Executive, and ACAT IA programs required additional approval by the OASD/C3I. For ACAT I and II programs, coordination is required from the Air Force Competition Advocate General. SAMPs prepared for ACAT III programs shall be approved by the PEO or DAC. See the Air Force SAMP Guide and Acquisition Policy Memo 97-02 for additional details on the required signatures for SAMPs.

(c) APs requiring Final Acquisition Action Approval (FAAA) by the SPE.

(1) SAF/AQCS furnishes SPE AP approval to the contracting activity by memorandum entitled, "Final Acquisition Action Approval (FAAA)," outlining any restrictions (exceptions) which have been imposed. SAF/AQCS prepares and processes FAAAs. SAF/AQCS shall monitor clearance of the exceptions noted in the FAAA. When an AP and justification and approval (J&A) require SPE approval, the J&A documentation should be submitted concurrently with the AP. Anticipate 45 days for staffing and issuance of the FAAA after receipt by SAF/AQCS.

(2) When AP approval by the SPE is required, the following procedures apply:

(i) APs requiring SPE approval shall be signed by the contracting officer, chief of the contracting office, and program manager. Additionally, for AFMC PEO actions, APs requiring SPE approval shall be signed by the BOCO and for AFMC DAC actions, by the Senior Center Contracting Official. The responsible PEO or DAC shall also sign the AP prior to submitting it to SAF/AQCS for SPE approval. For Other Contracting, signature shall be in accordance with command procedures.

(ii) For AFMC PEO Programs, the PEO shall forward the AP to SAF/AQCS prior to solicitation release. SAF/AQCS shall begin internal review of the AP upon receipt from the PEO and will release the document for SAF/AQ

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staffing. Within five work days of receiving the AP from the PEO, SAF/AQCS shall send the PEO and program office written authorization to release the solicitation on the 15th calendar day after SAF/AQCS received the plan. The contracting officer may release the solicitation on or after the specified date, unless directed otherwise by the SPE. SAF/AQCS shall verbally communicate SPE direction to stop release of the solicitation, followed up by written cancellation or amendment of the authorization to the PEO. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised date is specified in the amendment. After the solicitation is issued, negotiations shall not commence (see 5306.003) nor shall sealed bids be received until the FAAA is signed by the SPE.

(iii) For AFMC DAC Programs, procedures for processing the AP after signature by the DAC are the same as for PEO programs, except authorization and SPE directions will be sent to the Senior Center Contracting Official.

(iv) For PEO Programs assigned outside AFMC, the AP shall be submitted after signature to the MAJCOM Chief of Contracting who has been delegated the responsibility for initial reviews as a service to the ASAF(A). The AP shall be forwarded by the PEO to SAF/AQCS within 30 calendar days or when problems have been resolved, whichever occurs earlier. The MAJCOM's transmittal letter will address any unresolved issues and include a recommendation regarding solicitation release. Within five work days of receiving the AP from the PEO, SAF/AQCS will send the PEO contracting activity a written authorization to release the solicitation immediately, unless major issues precluding solicitation release have been identified and the SPE has directed that the solicitation not be released. SAF/AQCS shall verbally communicate SPE direction to stop release of the solicitation, followed up by written cancellation or amendment of the authorization. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised release date is specified in the amendment. After the solicitation is issued, negotiations shall not commence (see 5306.003) nor shall sealed bids be received until the FAAA is signed by the SPE.

(v) For Other Contracting, the HCA (or designee) may authorize solicitation release after the AP is reviewed for adequacy and forwarded to SAF/AQCS. For AFMC, the procedures for processing the AP after signature are the same as for PEO programs. After the solicitation is issued, negotiations shall not commence (see 5306.003) nor shall sealed bids be received until the FAAA is signed.

(vi) For acquisitions citing the authority in FAR 6.302-2 (unusual and compelling urgency), the contracting officer shall not release the solicitation until approval is received, except when approval will unreasonably delay the acquisition. When justified in accordance with FAR 6.302-2 (c)(1), the solicitation may be released and the acquisition cycle continued (including contract award) prior to the signing of the FAAA. The contracting activity shall request the FAAA as early as possible.

(vii) For full and open competition acquisitions that support quick reaction capability, the contracting officer may release the solicitation and continue the acquisition cycle up to, but not including contract award, prior to the signing of the FAAA. The contracting activity shall request the FAAA as early as possible.

(3) FAAAs are not used to obtain approval for SAMPs. Instead, signature by the approving official on the SAMP document constitutes approval.

(d) *Changes.* If a change occurs to the program which significantly affects the AP (e.g., scope, dollar value, contract type), the contracting officer shall submit a revised AP to the approval authority with a statement summarizing the changes. The revised AP should reflect the current status of the action(s) described. Changes in the AP shall be identified by a vertical bar in the right margin. [See AFFARS 5343.102 for approval requirements for contract changes for Air Force Acquisition Programs (ACAT programs - see AFFARS Part 2) which result in a contract performance extension by 50 percent or more of the original contract period of performance.]

5307.104-91 Acquisition Strategy Panels (ASPs).

(a) *General.* An ASP shall be held for all acquisitions that require a written acquisition plan in accordance with DFARS 207.103 (c) and 5307.103 (c)(i)(C), even if the acquisition plan requirement is satisfied by a Single Acquisition Management Plan (SAMP), except acquisitions for basic and applied research (6.1 and 6.2 funds) and replenishment parts. MAJCOMs, FOAs, and DRUs shall prescribe procedures for conducting ASPs. In general, each ASP should:

(1) Take place as early as possible in the acquisition planning process to develop a systematic and disciplined approach to achieve an efficient/effective acquisition; and

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(2) Address user requirements, final acquisition objectives, and the alternative methods to attain those objectives. The ASP shall address all relevant requirements of the written acquisition plan (see FAR 7.105) and any other considerations needed to fully assess the planned acquisition approach.

(b) *Responsibility for convening the ASP.* For PEO and DAC Programs, the System Program Director (SPD) has responsibility for convening the ASP. For other acquisitions, the contracting officer is responsible for initiating the ASP, which will be convened in accordance with MAJCOM, FOA, or DRU procedures.

(c) *ASP chairpersons.* SAF/AQ is the ASP chairperson for ACAT I programs; however, SAF/AQ may delegate this authority to PEOs/DACs. PEOs/DACs are the ASP chairperson for their assigned non-ACAT I programs; however, this authority may be delegated (see 5301.601-92 (d)). ASPs for other acquisitions in AFMC shall be chaired in accordance with procedures in the command supplement. In MAJCOMs other than AFMC, the MAJCOM Director of Contracting will chair the ASP. In other organizations, ASPs will be chaired in accordance with procedures in the organization's supplement. The ASP chairperson may designate another official to chair an ASP and may approve waivers to ASP requirements, in accordance with procedures in MAJCOM, FOA, or DRU Supplements. The rationale and approval for all ASP waivers must be documented in the contract file. When practicable, the AP/SAMP approval authority should be the ASP Chairperson.

(d) *ASP membership.* The ASP chairperson has responsibility for selecting ASP members, as follows:

(1) Legal, engineering, comptroller, and contracting communities and the user organization(s) shall be invited to participate;

(2) For acquisitions for ACAT programs, the ASP members will be from the applicable standing ASP created from the test, legal, operations, engineering, contracting/competition advocate, comptroller, logistics/sustainment, and program management areas and a representative of the Defense Contract Management Command; and

(3) Additional members should be invited as appropriate for the specific acquisition. The ASP chairperson should consider representatives from other disciplines, such as test and evaluation, logistics, manufacturing, quality assurance, competition advocate, base environmental, safety, and bioenvironmental and medical (occupational health).

(e) The ASP chairperson shall ensure that minutes are prepared and distributed to principal attendees and that written recommendations are provided to the program manager or other individual with responsibility for preparing the acquisition plan or Single Acquisition Management Plan (SAMP). Written acquisition plans or SAMPs should be consistent with ASP discussions and any recommendations. Copies of the ASP minutes, the written recommendations, and disposition of any written recommendations should be included in the contract file.

(f) The person responsible for convening the ASP should consider reconvening the ASP if significant changes in program baseline or acquisition strategy occur.

5307.105 Contents of written acquisition plans.

(a) *Acquisition background and objectives.* The AP preparer shall ensure that reviewers at all management levels have access to documents referenced in the AP. Accomplish this by providing the document, reproducing and attaching pertinent extracts, or quoting the reference within the body of the plan, whichever is most practical. Documents may be referenced provided they can be made available for immediate use if needed by the reviewing officials.

(1) *Statement of need.*

(A) Applicability of a Decision Coordinating Paper (DCP), Defense Acquisition Board (DAB), and/or Internal Service Reviews. Use the AP to develop the acquisition methodology contained in the DCP and to support review actions of the Air Force Systems Acquisition Review Council (AFSARC) or the DAB. The plan also becomes an integral part of the program management plan (PMP).

(b) *Plan of action.*

(4) *Contracting considerations.* APs shall include major component contract actions and all other contract actions which have a significant effect on the total acquisition.

(17) *Security considerations.* APs which contain information which should not be released outside the Government shall be marked "FOR OFFICIAL USE ONLY" and handled accordingly.

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(18) *Other considerations.* If any contract(s) under the AP will authorize decentralized ordering (i.e., ordering by a contracting office at any other location), describe the oversight procedures for tracking orders, enforcement of contract terms and conditions, and prevention/identification of abuses, such as issuance of out-of-scope orders.

SUBPART 5307.3—CONTRACTOR VERSUS GOVERNMENT PERFORMANCE**5307.306 Evaluation.**

(b) *Negotiation.* See 5308.705 (f) for procedures relating to cost comparison studies involving the acquisition of services from workshops for the blind or severely disabled.

5307.390 Implementation of the right of first refusal.

(a) For detailed procedures related to contracting officer responsibilities in implementing the right of first refusal, see Air Force Commercial Activities Program Instruction dated July 1998.

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PART 5308—REQUIRED SOURCES OF SUPPLIES AND SERVICES

PART 5308—REQUIRED SOURCES OF SUPPLIES AND SERVICES**SUBPART 5308.4—FEDERAL SUPPLY SCHEDULES**

5308.404 Using schedules

(b)(2) The competitive review and best value decision shall be documented and included in the order file. If an order exceeding the simplified acquisition threshold is not awarded competitively, then a Justification and Approval (J&A) must be prepared and approved using the same approval levels as AFFARS 5306.304.

(b)(4) To ensure that schedule contractors have a fair opportunity to submit offers to enter into a blanket purchase agreement (BPA), and to ensure that orders are placed with the schedule contractor that can provide the supply or service that represents the best value, it is the Air Force policy that Federal Supply Schedule (FSS) BPAs be established using competitive procedures. If a BPA is not established competitively among schedule contractors, then a Justification and Approval (J&A) must be prepared and approved using the same approval levels as AFFARS 5306.304. An order against a BPA that was not competitively established, but already has an approved justification does not require a separate justification.

(b)(6) For FSS BPAs and orders exceeding the simplified acquisition threshold, ordering offices shall consider small business participation as a selection factor.

SUBPART 5308.7—ACQUISITION FROM NONPROFIT AGENCIES EMPLOYING PEOPLE WHO ARE BLIND OR SEVERELY DISABLED**5308.705 Procedures.**

(a) Initial contacts by a workshop with a contracting office are generally to obtain information to use in determining whether or not it can produce a commodity or perform a service. These contacts can occur at any time and alone are not sufficient to suspend planned purchasing actions. This determination is made by the contracting activity after discussions with the Committee staff based on the procurement milestones and the Committee staff's estimate of when the item will be submitted to the Committee for its decision on the inclusion of the item on the Procurement List.

(b) Once a requirement has been identified as a candidate for addition to the Procurement List, the following steps are taken:

- (1) The contracting office identifies the requirement, working with the workshop and the central nonprofit agencies (CNAs), National Industries for the Blind (NIB), or the National Industries for the Severely Handicapped (NISH);
 - (2) The CNA requests the Committee staff to assign the requirement to a workshop for development;
 - (3) The Committee staff assigns the requirement to the workshop for development. The contracting office provides the workshop with a copy of the performance work statement (PWS) and applicable wage determination;
 - (4) The CNA helps the workshop develop a proposal;
 - (5) The CNA submits a pricing proposal concurrently to the contracting office and to the Committee staff for review;
 - (6) The Committee staff publishes a notice of intent to add the requirement to the Procurement List in the Federal Register. The contracting office is asked to comment on the price and perform a plant survey;
 - (7) The Committee staff reviews the price and informs the CNA of the results of the pricing reviews and plant survey;
 - (8) The CNA prepares a complete justification to the Committee staff, recommending addition to the Procurement List;
- and

(9) The Committee staff prepares an industry impact statement and submits a vote letter to the Committee members. When approved, the addition is published in the Federal Register and the procuring activity and the CNA is notified.

(c) If an existing contract has options, the contracting officer shall not forego the right to exercise such options in the interest of adding the service to the Procurement List.

PART 5308—REQUIRED SOURCES OF SUPPLIES AND SERVICES

(d) A workshop may have been assigned an item by the Committee staff, but it has not been added to the Procurement List by the time the solicitation is ready for release. In this event, the contracting officer shall contact the Committee staff and inform it of the intent to release the solicitation and provide the intended release date. The Committee staff will provide the status of its processing for the item. If a Committee decision is not expected by the intended release date, the contracting officer shall determine, based on the information received from the Committee staff, whether or not to delay issuance of the solicitation. Common sense shall be exercised in these instances; however, the contracting officer's judgment shall prevail in these cases.

(e) If the Committee staff indicates that it is in the final stages of processing the item for addition to the Procurement List, a solicitation shall not be issued without prior approval of SAF/AQCO.

(f) Certain additional factors are relevant when a cost comparison under AFP 26-12 is involved in determining whether or not a service will be purchased. In such cases, the in-house estimate shall be prepared and sealed prior to receipt of the workshop pricing data. Once the sealed in-house estimate is received, the procuring activity shall inform the CNA who will forward the workshop pricing package concurrently to the Committee and the procuring activity. The workshop pricing package shall cover the period plus two additional years. The Committee staff will discuss the package with the procuring activity and obtain its concurrence or nonconcurrence. The proposed action is then processed by the Committee staff for a decision by the Committee. If the Committee approves the addition, the staff will transmit to the procuring activity a "Notice of addition" which includes the approved prices. The cost comparison shall not be made until after receipt of the notification that the item has been added to the Procurement List. If the cost comparison results in retention of performance in-house, the Committee price has no consequence. If the resultant decision is to contract for performance, the contract shall be prepared and transmitted to the workshop for performance.

(g) Workshops are not currently authorized to participate in small business set-aside acquisitions, since they are nonprofit and do not meet the definition for a small business.

SUBPART 5308.8—ACQUISITION OF PRINTING AND RELATED SUPPLIES**5308.802 Policy.**

(b) The Air Force Communication and Information Center, Business Systems Division (AFCIC/SYS) is the central printing authority. Policy is published in AF Supplement to DoD Directive 5330.3, Defense Automated Printing Service. Contractors are not authorized to accomplish printing intended primarily for use by the Air Force. Therefore, contracting officers, through the Defense Automated Printing Service shall obtain approval from the Joint Committee on Printing prior to contracting for any printing, related supplies, and equipment. This includes contracts that require a contractor to operate Air Force owned printing equipment.

5308.890 Technical Order (TO) printing.

(a) When requirements for development of contents and preparation of TOs are to be included in a contract for supplies and services, the contracting officer shall determine whether an authorization is necessary to permit inclusion of a requirement for composition (defined in AFR 6-1, paragraph 4-3) in the contract. If an authorization is required, the contracting officer shall ensure that such authorization has been obtained and that the authorization number is included in the AFAD 71-531 series exhibits before inclusion of a requirement for these processes in the IFB, RFP, or contract.

(b) Requesting printing support.

(1) Immediately following contract award, the contracting officer shall request that printing support be provided. The request shall be made to SAF/AADIP through the CIM. The request shall include the printing specifications and estimated annual requirements for the life of the contract. The CIM, as further delegated, will prepare a requisition (SF 1) for term printing contract and submit detailed specifications to SAF/AAIP. The CIM will arrange for the GPO to establish a printing contract with a commercial printer, normally through the Regional Procurement Office serving the vicinity where the contract for supplies or services will be performed. Approximately 120 days will be required to establish a printing contract.

PART 5308—REQUIRED SOURCES OF SUPPLIES AND SERVICES

(2) Upon being informed that a printing contract has been awarded by the GPO, the CIM will obtain initial distribution decks (mailing labels) and quantity requirements, issue instructions for preparing the GPO Form 2511 (print order form for placing orders against GPO printing contracts), and request funds to support projected printing requirements.

(3) The contractor responsible for supplies or services shall deliver the package of manuscripts, illustrative material, lithographic negatives or camera-ready copy (if supported by a JCP authorization), etc., as required for printing of TOs to the cognizant Government quality assurance representatives (QAR). The QAR shall inspect and accept (or reject) the package for the Government. If rejected, the package shall be returned to the contractor for correction and resubmission.

(c) **Funding.**

(1) Before issuing orders against GPO printing contracts, evidence that funds are available to support print orders must be present. The Government representative responsible for monitoring these funds shall ensure that estimated dollar values of print orders issued do not exceed the value of funds obligated for this purpose.

(2) Funding adjustments shall be accomplished by the funding activity upon receipt of the GPO Form 400D, Invoice.

(d) The GPO is responsible for Government inspection and acceptance of the printed matter and assurance that distribution is according to instructions in the printing contract and print order. Reproducibles and/or negatives shall be returned to the contractor who prepared them for storing and updating, or as otherwise instructed by the contracting officer.

SUBPART 5308.70—COORDINATED ACQUISITION**5308.7002 Assignment authority.**

(a)(4) Heads of contracting activities or their designee are authorized to enter into continuing agreements with other Department of Defense activities for the performance of functional responsibilities related to contracting. The HCA or designee shall submit copies of formal agreements to SAF/AQCO.

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PART 5313—SIMPLIFIED ACQUISITION PROCEDURES

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PART 5313—SIMPLIFIED ACQUISITION PROCEDURES

(ii) The total price of the item does not exceed the ceiling price stated in the order; and

(iii) Delivery can be made C.O.D. within 60 days from the date of order;

and

(3) The order instructs the contractor to withhold shipment if all the foregoing conditions cannot be met and requests the contractor to advise of nonshipment and any counter offer concerning substitute item, price, or delivery date.

(b) For reporting purposes, only actual prices paid for the item shall be reported. When the order is placed, the ceiling price shall be entered by pencil on an appropriate control register. Bases preparing manual reports shall use the registers prescribed in AFM 70-333.

SUBPART 5313.5—PURCHASE ORDERS**5313.502 Unpriced purchase orders.**

The procedures in FAR 13.502 with respect to undefinitized purchase orders, also apply to undefinitized delivery orders placed against GSA contracts having time-and-materials or labor-hour type characteristics except that dollar limitations shall be in accordance with the GSA contract. However, this type of order shall be reported as a delivery order. See 5317.74 for policy and procedures pertaining to undefinitized contractual actions.

5313.503 Obtaining contractor acceptance and modifying purchase orders.

When the purchase order does not authorize any variation in quantity and there is a shortage on final shipment which will not impair the operation of the base, a formal modification to the purchase order is not required (AFR 177-102, paragraph 14-4).

5313.590 Delivery orders.

(a) The contracting officer has responsibility for scheduling deliveries under prepriced contract actions, when using the DD Form 1155 as a delivery order under indefinite-delivery contracts. However, to provide for efficient ordering of supplies and services, the contracting officer may issue blanket delivery orders that delegate the scheduling of deliveries to specific requiring activities. The blanket delivery order may not be issued for periods that exceed availability of funds.

(b) The contracting officer shall:

(1) Identify to the contractor all persons who are authorized to schedule deliveries and the dollar limitation per call for each person; and

(2) Ensure that the designated dollar limitations are not exceeded for calls or orders under these prepriced agreements.

SUBPART 5313.90—BASE CONTRACTING ADMINISTRATION OF SIMPLIFIED ACQUISITIONS**5313.9001 Follow-up.**

(a) AFM 70-332 prescribes the follow-up system applicable to requirements processed from automated customers. Activities requesting the supplies or services are responsible for notifying the contracting office when the supplies or services have not been received by 1300 hours of the sixth day following the scheduled delivery date.

(b) Upon notification of an apparently delinquent order, the contracting officer or a representative shall review the file and take positive follow-up action. Follow-up shall be done either verbally or by follow-up documents produced by the automated system. All follow-up action shall be documented in the order file.

(c) If after the follow-up action, the contractor fails to make delivery or cure the delinquency and has not justified the delay, the contracting officer shall take appropriate action to cancel the order if in the Government's best interests.

5313.9002 Reserved.

PART 5313— SIMPLIFIED ACQUISITION PROCEDURES

SUBPART 5313.91— SIMPLIFIED ACQUISITION PROCEDURES FOR MAINTENANCE AND CONSTRUCTION SERVICES

5313.9100 Scope of subpart.

This subpart prescribes simplified acquisition procedures to be used in contracting for maintenance and construction services relating to inoperative equipment and facilities.

5313.9101 Procedures.

After selection of a source, the contracting officer shall issue an unpriced purchase order in accordance with FAR 13.502. The purchase order shall include:

- (1) A statement instructing the vendor to immediately contact the contracting officer if the cost exceeds the amount established by the purchase order; and
- (2) Instructions that each invoice shall contain an itemized list of all replacement parts, their cost, and the labor to repair and place the item in a serviceable condition.

5313.9102 Alternatives.

The contracting method described in this subpart does not preclude the use of other methods provided they have been used successfully in the past and the time expended in obtaining a teardown and quote price from a vendor generally did not exceed ten days from the date the vendor picked up the item.

ATTACHMENT 5315-3

Table AAFMC Source Selection Authority (SSA) ThresholdsPEO and DAC Programs (non Information Technology)// Other Contracting*

<u>Threshold</u>	<u>SSA (Delegable^[1])</u>	<u>SSP Review</u>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10M to < \$50M	Single Manager ^[2]	BOCO//[See note 3]
≥ \$50M to < \$500M	PEO or DAC//Center CC	SCCO
≥ \$500M ^[4]	PDASAF(A&M)	SSAC Chairperson

Major Automated Information System (MAIS) Programs and non-MAIS Information Technology Acquisitions

<u>Threshold</u>	<u>SSA (Delegable^[1])</u>	<u>SSP Review</u>
SAT to < \$15/30M ^[5]	Single Manager ^[2]	BOCO//[See note 3]
≥ \$15/30M ^[5] to < \$120M and non-MAIS	PEO or DAC//Center CC	SCCO
≥ \$120M or MAIS	PDASAF(A&M)	SSAC Chairperson

^[1]Not delegable lower than the contracting officer.

^[2]Single Manager (SM) includes System Program Director (SPD), Product Group Manager (PGM), Materiel Group Manager (MGM), Technology Director (TD) and Wing Commander.

^[3]For Other Contracting, the first contracting official in the contract chain subordinate to the SCCO.

^[4]Except new ACAT ID programs entering EMD (ASAF(A))

^[5]\$15/\$30M means \$15M or more in any FY or \$30M or more for all program years.

*AFMC/CC may designate an SSA at a level other than those listed above for a specific "Other Contracting" acquisition of less than \$500 Million.

PART 5315—CONTRACTING BY NEGOTIATION

Table B**Other MAJCOMs, FOAs, DRUs Source Selection Authority Thresholds****Other Contracting***

<u>Threshold</u>	<u>SSA (Delegable⁽¹⁾)</u>	<u>SSP Review</u>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10M to <\$500M	Commanders ⁽²⁾	Per Command Guidance
≥ \$500M	PDASAF(A&M) ⁽³⁾	SSAC Chairperson

MAIS Programs and non-MAIS Information Technology Acquisitions

<u>Threshold</u>	<u>SSA (Delegable⁽¹⁾)</u>	<u>SSP Review</u>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10M to < \$120M and non-MAIS	Commanders ⁽²⁾	Per Command Guidance
≥ \$120M or MAIS	PDASAF(A&M)	SSAC Chairperson

TABLE B NOTE: If an acquisition is designated a PEO Program, the PEO is the SSA for thresholds below ASAF(A) (delegable⁽¹⁾).

⁽¹⁾Not delegable lower than the contracting officer.

⁽²⁾Commanders of MAJCOMs, FOAs and DRUs

⁽³⁾Except new ACAT ID programs entering EMD (ASAF(A))

*The MAJCOM/CC may designate an SSA at a level other than those listed above for a specific "Other Contracting" acquisition of less than \$500 Million.

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(1) Normally within 30 days after actual index values required by the EPA clause become available, the contracting officer shall calculate the amount of the EPA, advise all interested parties, and initiate a supplemental agreement with the contractor to recognize the EPA, unless otherwise required by the EPA clause.

(2) The calculated EPA shall be applied to the contract target cost, contract target price, and contract ceiling price as required by the EPA clause.

(3) The EPA and the Incentive Price Revision (IPR) clauses shall operate independently. As such, price adjustments under the EPA clause will not require special actions to adjust billing prices. Billing prices shall be handled strictly in accordance with the Incentive Price Revision clause. However, despite the operative independence of these two clauses, a significant EPA may signal that the contractor's actual cost experience is also deviating significantly from target and that the adequacy of the current billing prices should be investigated. It may also be an indication that the alternate progress payment liquidation rate should be increased.

(4) In investigating the estimated actual cost at completion pursuant to the Incentive Price Revision clause, economic forecasts developed in connection with previous EPA analyses may be used as one of the factors considered in revising the estimated actual cost to complete projections. Because of the difficulty of separating inflationary effects from other factors involved in actual cost changes, all factors must be considered in arriving at a revised total cost projection upon which to base a change in billing prices/unit prices for payment purposes. If the estimated actual cost at completion is substantially greater than target cost, a change in billing price may be negotiated in accordance with the IPR clause.

(b) *Firm-fixed-price contracts.* Normally within 30 days after actual index values required by the EPA clause become available, the contracting officer shall calculate the amount of the EPA, advise all interested parties, and initiate a supplemental agreement with the contractor to recognize the EPA, unless otherwise required by the EPA clause.

SUBPART 5316.3—COST-REIMBURSEMENT CONTRACTS**5316.306 Cost-plus-fixed-fee contracts.**

(c)(2) The contracting officer is the "designee" for signing Determination and Findings establishing the basis for application of the statutory price or fee limitation.

SUBPART 5316.4—INCENTIVE CONTRACTS**5316.401-90 General.**

(a) While the Government is solely responsible for determining the award fee to be paid, contractors shall be afforded appropriate opportunity to participate in the Government's award fee decision/determination process. The contractor's role in the Government's pre-decisional process may include, but is not limited to:

(1) an opportunity to review and comment on written evaluations;

(2) an opportunity to present contractor views on performance and on the amount of fee the contractor believes it has earned based on that performance; or

(3) an opportunity to attend as the Fee Determining Official (FDO) is briefed by evaluators and present comments on the evaluation but not to participate in the final decisionmaking/determination by the FDO.

5316.403 Fixed-price incentive contracts.

(c) *Billing prices.* When actual cost performance data is not directly reported to the contracting officer and the administrative contracting officer (ACO) has sufficient knowledge of such data, the contracting officer shall, whenever possible, delegate to the ACO authority to negotiate downward adjustments in billing prices (see FAR 42.302 (b)(6)). Contracting officers shall retain the authority to negotiate upward adjustments in billing prices.

SUBPART 5316.5—INDEFINITE-DELIVERY CONTRACTS**5316.503 Requirements contracts.**

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(d) *Limitations on use of requirements contracts for advisory and assistance services.*

(1) The contracting officer makes the determination in FAR 16.503 (d)(1) and shall include a copy with the acquisition plan or single acquisition management plan when it's processed for approval.

(2) The contracting officer makes the determination in FAR 16.503 (d)(2) when the advisory and assistance services are necessarily incident to, and not a significant component of, the contract.

5316.504 Indefinite-quantity contracts.

(a) *Description.* The rules for indefinite-quantity contracts also apply to indefinite-quantity contract line item numbers (CLINS) contained in other types of contracts.

(b) *Application.* Funds are obligated by each order, including the minimum, not by the contract itself.

(c)(2)(A) The contracting officer makes the determination in FAR 16.504 (c)(2)(A) and shall include a copy with the acquisition plan or single acquisition management plan when it's processed for approval.

(c)(2)(B) The Source Selection Authority makes the determination in FAR 16.504 (c)(2)(B) if, after evaluation of proposals, only one offeror is capable of providing the services.

(c)(2)(C)(ii) The contracting officer makes the determination in FAR 16.504 (c)(2)(C)(ii) when the advisory and assistance services are necessarily incident to, and not a significant component of, the contract.

5316.505 Ordering.

(a)(2) The contracting officer is the duly appointed ordering officer in FAR 16.505 (a)(2).

(b)(4) The head of the agency has designated the Air Force Competition Advocate General as the task order contract and delivery order contract ombudsman. This responsibility has been further delegated to the procuring activity competition advocates.

(c) *Limitation on ordering period for task order contracts for advisory and assistance services.*

(1) The contracting officer makes the determination in FAR 16.505 (c)(1).

(2) The contracting officer makes the determination in FAR 16.505 (c)(2).

5316.505-90 Decentralized ordering.

(a) For contracts that authorize decentralized ordering (i.e., ordering by a contracting office at any other location), the contracting officer with overall responsibility for the contract shall:

(1) Ensure that adequate control procedures are in place before any orders are authorized; and

(2) Exercise oversight of decentralized ordering throughout the period of performance under the contract to ensure that the procedures are followed.

(b) The control procedures shall ensure that ordering offices adhere to contract terms and conditions and prevent or identify any abuses, such as issuance of orders for items that are not covered in the basic contract. Control procedures should be tailored to the given circumstances. Generally, the control procedures should:

(1) Establish clearly defined line items;

(2) Place monetary limits on unpriced line items and other direct costs;

(3) Identify the contracting offices that are authorized to place orders and establish an aggregate order ceiling for each; and

(4) Require all decentralized orders to be submitted to the contractor through the contracting officer with overall responsibility for the contract. As an alternative, the responsible contracting officer may exercise control by issuing control numbers to each authorized ordering office. Control numbers may be transmitted by telephone or in writing.

(c) In exercising oversight, the responsible contracting officer shall:

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- (1) Review and track all orders placed under the contract to ensure that all items ordered are covered by the basic contract and that monetary limitations for each order and ordering office aggregates are not exceeded. The contracting officer shall not rely on status reports furnished by the contractor as the sole means of tracking orders; and
- (2) Conduct periodic management reviews to identify and correct any process or ordering deficiencies.
- (d) The order initiating contracting officer shall:
 - (1) Be responsible for ensuring all orders adhere to contract terms and conditions, that oversight of contractor performance is maintained, and that reporting to the responsible contracting officer is accomplished as required;
 - (2) Submit a duplicate copy of each executed order, at the time of execution, to the responsible contracting officer; and
 - (3) Submit a duplicate copy of each order modification, at the time of execution, to the responsible contracting officer.

5316.506 Solicitation provisions and contract clauses.

The contracting officer shall insert a clause substantially the same as the clause at 5352.216-9001, Awarding Orders Under Multiple Award Contracts, in solicitations and contracts for multiple award task and delivery order contracts.

SUBPART 5316.6—TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS**5316.603 Letter contracts.****5316.603-2 Application.**

- (c) See Subpart 5317.74 for policy and procedures pertaining to undefinitized contractual actions.

SUBPART 5316.7—AGREEMENTS**5316.703 Basic ordering agreements.****(c) Limitations.**

(1) Basic ordering agreements shall not be used for the acquisition of major systems, major modifications, or major operation and maintenance (O&M) programs. This prohibition does not apply to orders for the repair of battle or crash damaged aircraft.

(2) To minimize the number of BOAs with an individual contractor, BOAs shall provide for the purchase of authorized supplies and services covering as wide a range as practicable. Separate BOAs may be negotiated when the pricing arrangement will be on other than a firm-fixed-price basis, when it is necessary to restrict the use of the BOA to the acquisition of specific supplies or services, or when it is necessary to authorize the administrative contracting officer to issue orders.

(3) An activity having a requirement for a BOA is responsible for assuring that a BOA has not already been issued which will satisfy its requirement.

(d) *Orders.* Each BOA shall include a provision that requires the contractor to submit a price proposal for any unpriced orders, normally within 30 days after receipt of the order, but no later than 60 days after receipt. If the contracting officer determines that a longer period is necessary, the contract file shall be so documented. See Subpart 5317.74 concerning undefinitized contractual actions.

SUBPART 5316.90—REQUIREMENTS AND INDEFINITE-QUANTITY CONTRACTS**5316.9000 Definition.**

“Technical direction,” as used in this subpart, means the advisory process by which the contracting officer’s designated representative provides clarification to a contractor for accomplishing work under an order. Technical direction may be oral or in writing, but cannot, in itself, be contractually binding nor may it change the terms or conditions of the contract or order.

PART 5316—TYPES OF CONTRACTS

5316.9001 Policies.

(a) Requirements or indefinite-quantity contracts shall not be used:

(1) As a substitute for fully defining and pricing contract requirements or options prior to contract award, when it is feasible to do so; or

(2) When the definition of work that may be performed is excessively broad or fails to specify performance requirements.

(b) Orders may not be used to increase the scope, period of performance, or maximum dollar value of the basic contract. Such changes shall be made only by modifying the contract after obtaining appropriate justifications and approvals. Changes to individual orders may be made by modification to the order or by issuance of a new order, as appropriate.

5316.9002 Procedures.

(a) When issuing orders, the contracting officer shall:

(1) Ensure all orders and changes to an order are within the scope of the contract;

(2) In cost-reimbursement orders, establish in the order or contract a maximum fee that can be earned to avoid a cost-plus-percentage-of-cost arrangement;

(3) Use a standard form (e.g., the DD Form 1155) establishing a unique serial number and referencing the contract line item or subline item under which the order is being placed; and

(4) Document in the contract file, when multiple award contracts are involved, the basis for decisions resulting in the award of each order to a particular contractor. This decision should include documentation the contracting officer determines necessary to support the decision.

(b) Prior to award of a requirements or indefinite-quantity contract, the contracting officer shall establish procedures for users to request the issuance, award, or modification of an order.

(c) During performance of a requirements or indefinite-quantity contract, the contracting officer shall:

(1) Track the total of awards by Accounting Classification Reference Numbers (ACRN) and periodically review these to ensure the overall contract funding status or obligation/expenditure levels are appropriate for the contract; and

(2) Monitor contractor performance to ensure the required services (i.e., labor mix and type of effort) are being provided.

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- (d)(2) The following factors should be considered in the informal analysis of prices and the market:
- (i) The fact that the option price was part of the initial award;
 - (ii) The relationship of the option price to the price for the initial contract period;
 - (iii) The adequacy of competition at time of initial award as compared to that at the time of the option period;
 - (iv) Changes in the general economy that could affect cost of performance;
 - (v) Informal survey of other contracting activities as to any substantive changes in bid prices for similar services at their activities;
 - (vi) Potential saving in administrative costs by exercising the option as compared to the administrative cost of awarding a new contract; and
 - (vii) The contracting officer shall also make a determination of contractor responsibility before exercising the option (see FAR 9.103).

SUBPART 5317.5—INTERAGENCY ACQUISITIONS UNDER THE ECONOMY ACT

5317.502-90 Air Force requirements for placing orders.

(a) The Economy Act permits a Federal Agency to order supplies and services from another Federal Agency under certain conditions. The Act was designed to promote economy in Government operations by permitting efficient use of Government resources, even though they may be in another agency. This eliminates duplication of effort to build expertise in several agencies and allows a Federal Agency to take advantage of another Federal Agency's substantial experience in a specific area. The Economy Act also promotes the economy that results from consolidating requirements (i.e., quantity discounts and other tangible or intangible benefits).

(b) Orders to purchase supplies or services under contracts entered into or administered by another agency (or for supplies/services produced in-house by the servicing agency), may be placed with other agencies under the Economy Act only if:

- (1) The purchase is appropriately made under an existing contract that the servicing agency entered into, before the requesting agency's order was placed, in order to meet the requirements of the servicing agency for the same or similar goods or services;
- (2) The servicing agency is better qualified to enter into or administer the contract for such goods or services (or is producing the good or service in-house) because they possess capabilities or expertise not available within the Air Force;
- (3) The servicing agency is specifically authorized by law or regulation to purchase the goods and services on behalf of other agencies; or,
- (4) The purchase is authorized by an executive order or specifically allowed elsewhere in the FAR.

(c) The Air Force shall not place an order with another agency unless adequate supporting documentation, including a Determination and Findings (D&F), is prepared. This supporting documentation shall be prepared and developed by the requiring activity. Supporting documentation and general information about the servicing agency's contract will be used in the preparation of the Determination and Findings described in 5317.503-90.

(d) Interagency acquisitions are entered into by mutual agreement between the requesting agency and the servicing agency. If a requesting agency's order will interfere with the servicing agency's ability to meet its mission, the servicing agency may reject the order. The servicing agency can also reject the order if the requested supply or service is not within the scope of activities normally performed by the agency, within the scope of work of a particular contract, or if the order lacks adequate funding or required supporting data.

(e) The Economy Act may not be used to circumvent the conditions and limitations imposed on the use of Government funds appropriated for the procurement (i.e., expiration of funds at the end of a fiscal year). This applies to conditions and limitations affecting either the requesting or the servicing agency.