



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

Office of the Assistant Secretary

16 JAN 2002

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1-60

SUBJECT: Air Force Acquisition Circular (AFAC) 96-5 to Air Force Federal Acquisition Regulation Supplement - 1996 Edition


Attached is a copy of AFAC 96-5, which is effective 11 Jan 02. It will be accessible within a few days on our Hill AFB FAR Site, <http://farsite.hill.af.mil/>. This AFAC incorporates previously released interim policy changes and several AFFARS cases.

This is my opportunity to thank you for the intense level of support you've given to our customers since the attacks of 11 Sep 01. Your efforts are helping define "Agile Acquisition" for the future. We need you to continue "leaning way forward" to meet customers' needs by fully utilizing the tools and other capabilities provided in the FAR. If a specific strategy or procedure is not prohibited by the FAR or Executive Order, then it is considered permissible (See FAR 1.102-4(e)). You possess the majority of real initiatives and great ideas. I expect you to be creative and unrelenting in your pursuit of acquisition excellence.

In addition to field efforts to "lean forward," the Headquarters is leaning forward, too. SAF/AQCP is undertaking a complete re-write of the Air Force FAR Supplement in support of the Air Force's "Agile Acquisition" initiatives. This rewrite will be completed by July 2002. The objectives of this re-write are to: maximize the use of commercial practices and procedures; empower the Air Force acquisition community to the maximum extent possible; and provide best value products/services to our customers, while maintaining the public trust and fulfilling public policy objectives. The re-write process will result in an AFFARS that is more empowering and less restrictive than ever before.

I believe Fiscal Year 2002 will be a watershed year for Air Force Contracting and I look forward to serving with you. Keep up the great work!

Please refer any questions or comments about this AFAC to Ms. Betsy Ann Matich, SAF/AQCP, (703) 588-7026, DSN 425-7026 or e-mail her at: betsy.matich@pentagon.af.mil.


DARRYL A. SCOTT, Brig Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachment: AFAC 96-5

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.

CONTENTS

<u>Item</u>	<u>Title</u>	<u>Page</u>
I	Contracting Authority	2
II	Definitions	2
III	New Start Notification	2
IV	Contract Award Notification	2
V	Acquisition Plans and Single Acquisition Management Plans	2
VI	Congressional Notification	3
VII	Automated Web-Based Report System for DoD Property	3
VIII	Contractor Performance Assessment System (CPARS)	3
IX	Department of Defense Automated Contract Property Management System (CPMS)	3
X	AF Forms 3037 and 3039	3
XI	Contingency Operational Contracting Support Program (COPS)	3
	Editorial Revisions	3
	Replacement Pages	4-5

ITEM SUMMARIES**Item I - Contracting Authority (AFFARS Case 01-09 and Business Case 00-06)**

AFFARS 5301.601-91 and AFFARS 5301.601-93(a) is revised to incorporate the SAF/AQC memorandum, Head of Contracting Activity (HCA) Authority for Contingency Contracting, dtd 1 Oct 01. The memorandum clarified that Head of Contracting Authority (HCA) is not dependent on the geographic location of the contingency contracting officer's deployment.

AFFARS 5301.601-92 is revised to incorporate the current SAO 101.1, "Authority and Responsibilities of the Assistant Secretary of the Air Force Acquisition," and subsequent relegation memorandum by ASAF(A).

AFFARS 5302 is revised to correct the Head of Contracting Agency references to obsolete Secretary of the Air Force Orders (Safes) 100.1 and 650.1 and corrected to read SAO 101.1.

Appendix CC, CC-201 is revised to clarify that Headquarters Contracting Authority (HCA) is **not** dependent upon the geographic location of the contingency contracting officer's deployment.

Item II—Definitions (AFFARS Case 01-11 & Case 00-06)

AFFARS 5302 definitions for Automated Information System (AIS), Major Defense Acquisition (MDAP), Major Automated Information System (MAIS) Acquisition Program were revised to reflect the language in DoD 5000.

Item III—New Start Validation (AFFARS Case 00-01)

AFFARS 5304.803(b) and AFFARS 5332.702-90 are added to require the contracting officer to have the form completed prior to obligating funds.

Item IV—Contract Award Notification (AFFARS Case 01-07)

AFFARS 5305.303-91(b)(5) is revised to incorporate SAF/AQC Interim Change, Contracting Policy C-01-06. This change revises the time and date of when the successful offer and face value of an award will be provided to SAF/LLP to 1300 hours on the day before the anticipated award date.

Item V—Acquisition Plans and Single Acquisition Management Plans (AFFARS Case 01-02 and Case 01-08 w/addendum)

AFFARS 5307.103 is revised to add (h)(i) to require acquisition plans and Single Acquisition Management Plans involving conventional ammunition be sent to the Army Single Manager for Conventional Ammunition (SSMC) IAW DFARS 207.103(h)(i).

AFFARS 5307.103-90 is revised to add the approval authorities for ACT I, II and III Single Acquisition Management Plans (SAMPs) to correspond with the AMP Guide, and to reflect that delegation procedures are outlined in the Air Force AMP Guide.

AFFARS 5307.104-90(b)(1)(iv) is added to reflect SAF/AQ approval is required for all A-76 cost comparisons affecting 300 or more full-time equivalents (FTEs).

AFFARS 5307.104-90(b)(2) PEO and DAC Programs and Other Contracting (Non-Information Technology) is revised to reflect the approval authority for A-76 cost comparison studies affecting 300 or more full-time equivalents is PDASAF(AM) for PEO, DAC Programs and Other Contracting. Review and coordination are SAF/AQC.

AFFARS 5307.104-90(c)(2)(i) is revised to add that acquisition for A-76 cost comparisons affecting 300 or more FTEs, the Competitive Sourcing Management Steering Group Chairperson, and clarified to reflect for AFMC PEO actions, APs requiring SPE approval must be signed by the Buying Office Contracting Official and for AFMC DAC actions, by the Senior Center Contracting Official.

AFFARS 5307.104-91(c) is revised to reflect that SAF/AQ is the ASP chairperson for any A-76 cost comparisons that affect 300 or more FTEs, and may delegate this authority on individual cost comparisons.

AFFARS 5307.105(a)(1) is revised to reflect that the acquisition plan and SAMP are to be used to document the acquisition strategy in support of the ASP, the Overarching Integrated Product Team and Working Level Integrated Product Team and the DAB process.

AFFARS 5315, Attachment 5315-1, Tables A & B are revised to add the Source Selection Authority Thresholds for A-76 Cost Comparisons affecting 300 or more FTEs.

Item VI—Congressional Notification (AFFARS Case 00-12).

AFFARS 5317.108 is added to provide instructions for congressional reporting requirements for Energy Savings Performance Contracts with cancellation ceilings.

AFFARS 5341.201(i) is added to provide instructions for congressional reporting requirements for Energy Savings Performance Contracts with cancellation ceilings.

Item VII—Automated Web-Based Report System for DoD Property (AFFARS Case 01-03)

AFFARS 5345.505-14 is revised to reflect the automated web-based system used for reporting Government Furnished Property in possession of contractors.

Item VIII—Contractor Performance Assessment System (CPARS) (AFFARS Case 01-05)

AFFARS 5342.1501 is added requiring contracting activities to use the Navy CPARS tool to collect past performance information.

Item IX.—Department of Defense Automated Contract Property Management System (CPMS) (AFFARS Case 01-04).

AFFARS 5345.505-14 is revised to incorporate DoD's automated CPMS for collection of data on the types and quantities of government property in the possession of contractors.

Item X.—AF Forms 3037 and 3039 (AFFARS Case 01-10).

AFFARS 5347.372 is reserved, and AFFARS 5347.373(a) & (b) is revised to delete obsolete forms AF Forms 3037 and 3039.

Item XI. Contingency Operational Contracting Support Program (COCSP) (AFFARS Case Number 00-04).

AFFARS Appendix CC is revised in its entirety.

Editorial Revisions

(1) AFFARS 5301.304(b) revised to add where MAJCOM supplemental regulations are to be sent., 5301.603-3(4) revised to reflect the correct procedures for conducting telephone interviews, attachment 5301-2 revised to clarify PEO/DAC information on delegations, Attachment 5315-1, Tables A&B, 5307.104.90, & AFFARS 5317-7 are revised to reflect a table format.

- (2) AFFARS 5301, Table of Contents, corrected the page numbers.
- (3) AFFARS 5302 Revised definitions, as applicable.
- (4) AFFARS 5304.670-3 revised transmittal information for DD350s.
- (5) AFFARS 5305, Table of Contents, corrected page numbers.
- (6) AFFARS 5307.104-90. Corrected the reference in the notes in the tables., and AFFARS 5307, Table of Contents, revised page numbers for 5307.104.90 & 53.104-91.
- (7) AFFARS 5315.407-91-8, Recovery of funds, is revised to delete DoD 7220.9M and replace it with DoD 700.14-4.
- (8) AFFARS Attachment 5315-3, Table A, Note [1} revised to clarify that SSA is delegable not lower than the Contracting Officer; revised AFFARS 5315-1 and -2, revised AFFARS reference at note 2. AFFARS 5315-4 revised table and, 5315-5 revised to reflect the Standards of Conduct.
- (9) AFFARS 5317-1 revised to simplify the format, 5317.503-90 & 5324.7002 on Determination and Findings formats are revised IAW FAR 1.704.
- (10) AFFARS 5325, Table of Contents, corrected page numbers.
- (11) AFFARS 5325 revised Determination and Findings to correspond with requirements at DFARS.
- (12) AFFARS 5332.908 Contract Clauses, reserved. This change deleted the requirement to use AFFARS clause 5332.232-9000, Remittance Address.
- (13) AFFARS 5337, Table of Contents, corrected subparts 5337.103 & 5337.104.
- (14) AFFARS 5337.110 Solicitation provisions and contract clauses is revised to update AFP 26-12 to AFI 38-203
- (15) AFFARS 5343.102-90(b), Air Force Acquisition Programs Policy is revised to clarify existing contracts that are 50% beyond the period of performance must not be executed without the review and approval of the PEO or DAC.
- (16) AFFARS 5345.302-90 revised to update the AFI reference.
- (17) AFFARS 5347, Table of Contents, 5347.372 reserved.
- (18) AFFARS Appendix DD, Table of Contents, corrected page numbers, and corrected title of Atch DD-1.
- (19) AFFARS Appendix DD, para DD301(a)(4) is revised to delete the requirement for the project manager/inspector to include a preliminary independent cost estimate IAW SAF/AQC Contracting Policy Memo 99-C-05, and Atch DD-1 is revised to reflect FedBizOpps.
- (20) AFFARS 5343.102-90 clarified when PEO or DAC review should occur on ACAT Program modifications. the original contract period of performance are not exempted from the J&A requirements at para 5343.102-90(a).
- (21) Revised AFFARS Parts in AFAC 96-5 to change "SAF/AQCS" to read "SAF/AQCK" and "SAF/AQCO" to read "SAF/AQCP," as applicable.
- (22) Revised AFFARS Parts in AFAC 96-5 to change "shall" to "must," as applicable.
- (23) Revised AFFARS Parts in AFAC 96-5 to correct DCMC to DCMA.
- (24) Revised AFFARS Parts in AFAC 96-5 to reflect current FAR, DFARS, AFFARS and AFI references, as applicable.

REPLACEMENT PAGES

Remove the Following Pages

5301 Table of Contents, 1-ii
 1-1 through 1-21
 2-1 through 2-3
 4-1 through 4-4
 5305 Table of Contents, 5-i
 5-1 through 5-4
 5307 Table of Contents, 7-i
 7-1 through 7-5
 5315 Table of Contents, 15i through 15-iii
 15-1 through 15-32

Insert the Following Pages

5301 Table of Contents, 1-ii
 1-1 through 1-21
 2-1 through 2-3
 4-1 through 4-4
 5305 Table of Contents, 5-i
 5-1 through 5-5
 5307 Table of Contents, 7-i
 7-1 through 7-5
 5315 Table of Contents, 15-i through 15-iv
 53-1 through 15-33

5317 Table of Contents, 17-i and 17-ii
17-1 through 17-20

5325 Table of Contents, 25-i and 25-ii
25-1 Through 25-6

5332 Table of Contents, 32-i and 32-ii
32-1 through 32-6

5337 Table of Contents, 37i
37-1

5341 Table of Contents, 41-i
41-1

5342 Table of Contents, 42-i and 42-ii
42-1 through 42-4

43-1

45-1 through 45-4

5347 Table of Contents, 47-i
47-1

Appendix CC, Table of Contents, CC-i and CC-ii
CC-1 through CC-23

Appendix DD, Table of Contents, DD-i and DD-ii

DD-2 through DD-4, DD-6, DD-8 through DD-10, and DD-19

5317 Table of Contents, 17-i and 17-ii
17-1 through 17-20

5325 Table of Contents, 25-i and 25-ii
25-1 through 25-7

5332 Table of Contents, 32-i and 32-ii
5332-1 through 32-6

5337 Table of Contents, 37-I
37-1

5341 Table of Contents, 41-i
41-1

5342 Table of Contents, 42-i and 42-ii
42-1 through 42-5

43-1

45-1 through 45-4

5347 Table of Contents, 47-i
47-1

Appendix CC, Table of Contents, CC-i and CC-ii
CC-1 through CC-24

Appendix DD, Table of Contents, DD-i and
DD-ii

DD-2 through DD-4, DD-6, DD-8 through
DD-10, and DD-19

EFFECTIVELY INSTRUCTIONS: This AFAC is effective January 11, 2002.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

5301.603 Selection, appointment, and termination of appointment	1-9
5301.603-2 Selection	1-9
5301.603-2-90 Limited contracting officer authority.....	1-9
5301.603-3 Appointment	1-10
5301.603-4 Termination.....	1-11
5301.690 Contracting authority of other personnel	1-11

SUBPART 5301.90—CLEARANCE PROCESS **1-12**

5301.9000 Scope and applicability.....	1-12
5301.9001 Policy.....	1-12
5301.9002 Definitions.....	1-12
5301.9003 Clearance standards.....	1-13
5301.9004 Roles and responsibilities.....	1-13
5301.9005 General requirements	1-14
5301.9005-1 Contract actions requiring review and approval	1-14
5301.9005-2 Determining the value of contract actions	1-14
5301.9005-3 Delegation of clearance authorities.....	1-15
5301.9005-4 Relationship between the clearance and source selection (5315.3) processes	1-16
5301.9006 Solicitation review.....	1-16
5301.9007 Content of the RFC.....	1-16
5301.9008 Clearance procedures	1-17
5301.9009 Presentation of the clearance request.....	1-18

<i>ATTACHMENT 5301-1 FORMAT FOR CLEARANCE.....</i>	<i>1-19</i>
--	-------------

<i>ATTACHMENT 5301-2 REVIEW AND APPROVAL THRESHOLDS FOR AFMC</i>	<i>1-20</i>
--	-------------

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM**SUBPART 5301.1—PURPOSE, AUTHORITY, ISSUANCE****5301.101 Purpose.**

The Air Force Federal Acquisition Regulation Supplement (AFFARS or AF FAR Supplement) establishes uniform policies and procedures for the Air Force implementing and supplementing the Federal Acquisition Regulation (FAR), the Department of Defense FAR Supplement (DFARS), and other DOD publications concerning contracting.

5301.104 Applicability.

The AFFARS applies to all Air Force acquisition of supplies and services, which obligate appropriated funds.

SUBPART 5301.2—ADMINISTRATION**5301.201 Maintenance of the FAR.****5301.201-1 The two councils.**

Submit proposed revisions to the FAR, DFARS, or AFFARS through MAJCOMs to SAF/AQCP.

SUBPART 5301.3—AGENCY ACQUISITION REGULATIONS**5301.301 Policy.**

The AFFARS is prepared and maintained by the Chief, Contract Policy Division, Deputy Assistant Secretary (Contracting) (SAF/AQCP). MAJCOMs, FOAs, and DRUs identified in 5301.601-91 may issue FAR, DFARS, and AFFARS Supplements, if essential to their particular needs.

5301.303 Publication and codification

The Air Force has been assigned Chapter 53 of Title 48 Code of Federal Regulations (CFR). Supplements to FAR issued by Air Force activities **must** insert the number 53 before the primary citation. If the primary citation is to a single-digit part number, a zero is also inserted.

5301.304 Agency control and compliance procedures.

(a) MAJCOM, FOA, and DRU Director of Contracting **must** establish procedures to ensure that all FAR Supplements issued within their commands comply with the control and maintenance concepts in this subpart. Submit procurement policies, regulations, procedures, clauses, and forms that require approval by the Director, Defense Procurement to SAF/AQCP for processing. The request **must** include a detailed justification using the format in DFARS 201.201-1. SAF/AQCP will staff each request through the Secretariat and arrange for publication in the Federal Register. The requesting activity will be responsible for evaluating public comments and preparing a final package for SAF/AQCP to submit to the Director of Defense Procurement.

(b) MAJCOMs, FOAs, and DRUs **must** send an electronic copy of their FAR Supplement and changes, when they are issued, to the "FAR Site," Contracting Laboratory, Hill AFB (contact the Lab to arrange for FPT file transfer).

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

SUBPART 5301.4—DEVIATIONS FROM THE FAR**5301.402 Policy.**

(3) Submit deviation requests as follows: (i) MAJCOMs, FOAs, and DRUs must submit requests for class deviations and individual deviations from the six FAR/DFARS parts and subparts listed in DFARS 201.402 (1) to SAF/AQCP for processing to the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition and Technology), USD(A&T)DP for approval. (ii) The Head of a Contracting Activity (HCA) and those designees identified in 5301.601-91 are authorized to approve individual deviations for Other Contracting (see 5302.101). In addition, the Assistant Secretary of the Air Force (Acquisition), ASAF(A), who is the HCA for PEO and DAC Programs, has delegated the authority to approve individual deviations for contracts for PEO and DAC Programs to the AFMC Director of Contracting. This authority may be exercised by the Deputy Director. In AFMC, individual deviation authority for PEO and DAC Programs and Other Contracting may be redelegated to the Senior Center Contracting Official.

SUBPART 5301.5—AGENCY AND PUBLIC PARTICIPATION**5301.501 Solicitation of agency and public views.****5301.501-2-90 Procedures for publicizing in the Federal Register.**

(a) Proposed Federal Register notices must be typewritten and double-spaced (see 5301.303 for instructions on numbering supplemental material).

(b) Forward proposed Federal Register notices through the MAJCOM, FOA, or DRU Director of Contracting to SAF/AQCP.

SUBPART 5301.6—CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES**5301.601 General.****5301.601-90 Agency head.**

As Agency Head, the Secretary of the Air Force establishes policies for, directs, and supervises the Department's activities with respect to contracting and related matters. The General Counsel, as the Secretary's legal advisor, is the final authority on all legal questions. By delegation of authority from the Secretary, established policies are implemented and other appropriate instructions are issued to lower echelons by the Assistant Secretary of the Air Force (Acquisition), ASAF(A), and the Deputy Assistant Secretary (Contracting), SAF/AQC.

5301.601-91 Establishment of heads of contracting activities.

(a) The Assistant Secretary of the Air Force (Acquisition), ASAF(A), is HCA for PEO and DAC Programs. The commanders (and when the commander is absent, the vice commanders) of the following organizations are designated HCAs for Other Contracting only (see 5302.101):

- (1) Air Combat Command;
- (2) Air Education and Training Command;
- (3) Air Mobility Command;
- (4) Air Force Materiel Command;
- (5) Air Force Space Command;
- (6) Pacific Air Forces; and
- (7) United States Air Forces in Europe.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

HCA's may designate the headquarters staff officer with overall responsibility for contracting in the organization to exercise any delegable HCA authority (see the definition "Designee" in 5302.101). In addition, HCA's may designate an individual to approve justifications in FAR 6.304 (a)(3), provided the individual meets the requirements in FAR 6.304 (a)(3)(i) or (ii) and is in a position in the organization no lower than the procuring activity competition advocate who is designated to exercise the authority in FAR 6.304 (a)(2).

(b) The Deputy Assistant Secretary (Contracting), SAF/AQC, is the HCA for the following organizations:

- (1) 11th Wing;
- (2) Air Force Reserve Command;
- (3) Air Force Special Operations Command;
- (4) USAF Academy; and
- (5) Air Force Operational Test and Evaluation Center.

The commanders of these organizations are hereby designated the "designee" to the HCA (see 5302.101), with the power of redelegation not below the level of the staff officer with overall responsibility for contracting in the organization.

(c) The Commander of the Air Force component command tasked to support the "supported commander" (as defined in JP1-02) is the HCA designee for contracting actions executed by deployed Contingency Contracting Officers (CCOs) supporting a JCS-declared contingency operation or exercise, regardless of the geographic location of the CCOs deployment. However, for CCOs deployed for the sole purpose of augmenting an established contracting office, or contracting officers providing collateral support to the operation or exercise from their home base, the HCA remains as specified in AFFARS 5301.601-91(a) for that contracting office." AFFARS Appendix CC further describes the flow of contracting authority in support of overseas contingencies and exercises.

(d) Commanders of MAJCOMs, FOAs, and DRUs who are not designated HCA's but who have a need for one of the HCA authorities prescribed in the FAR, DFARS, or this Supplement must submit a request for such authority to the Deputy Assistant Secretary (Contracting), SAF/AQC.

5301.601-92 Delegation of general contracting authority.

(a) The Secretary of the Air Force by Secretary of the Air Force Order (SAFO) 101.1, effective 5 June 1999 delegated general contracting authority to the Assistant Secretary of the Air Force (Acquisition) (ASAF(A)). In a memorandum dated 30 Nov 99, ASAF(A) redelegated general contracting authority to the Principal Deputy Assistant Secretary (Acquisition & Management) (PDASAF (A&M)), the Deputy Assistant Secretary (DAS) (Contracting)), and the Associate Deputy Assistant Secretary (Contracting).. This authority is hereby redelegated by the DAS (Contracting) to the commanders of the organizations identified in DFARS Subpart 202.1 and 5301.601-91 for Other Contracting only (see 5302.101). All previous delegations of general contracting authority are rescinded. This delegation is a general one, and all other existing or future authority, to the extent that it would, expressly or by reasonable implication, limit the scope of this delegation or impose conditions or restrictions upon the exercise of the authority delegated, will be controlling over it. This authority may be redelegated in writing, with or without the authority to make successive redelegations and under such terms, conditions, and limitations as may be deemed appropriate. This general contracting authority includes authority to enter into, approve, terminate, and take all other appropriate actions with respect to contracts.

(b) ASAF(A) has delegated to the PDASAF(A&M) the following specific authorities:

- (1) Authority to approve, with authority to redelegate, acquisition plans (APs) and Single Acquisition Management Plans (SAMPs) as specified in 5307.104-90; and
- (2) Source Selection Authority (SSA), with authority to redelegate, for those Information Technology (IT) acquisitions designated as a Major Automated Information System (MAIS) and non-MAIS IT acquisitions not integral to a weapon system estimated at \$120 million or more.

(c) ASAF(A) and DAS (Contracting) retain general contracting authority for DAC and PEO programs. The following authorities for PEO and DAC Programs are hereby delegated by the DAS (Contracting):

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(1) Through Program Executive Officers (PEOs) designated by ASAF (A), to Buying Office Contracting Official (BOCO) under the PEO, the authority to enter into, approve, terminate, and take all other appropriate actions with respect to contracts (including change orders, supplemental agreements, and other amendments to contracts), letter contracts, and other contractual actions for assigned PEO Programs. This authority may be redelegated to contracting officers within or supporting the program office under such terms, conditions, and limitations as may be deemed appropriate.

(2) To Designated Acquisition Commanders (DACs), the authority to enter into, approve, terminate, and take other actions with respect to contracts (including change orders, supplemental agreements, and other amendments to contracts), letter contracts, and other contractual actions, for assigned DAC Programs. This authority may be redelegated with or without the authority to make successive redelegations and under such terms, conditions, and limitations as may be deemed appropriate.

(3) To the commanders of organizations identified in DFARS Subpart 202.1 and the FOAs and DRUs in 5301.601-91, the authority to enter into, approve, terminate, and take all other appropriate actions with respect to contracts (including change orders, supplemental agreements, and other amendments to contracts), letter contracts, and other contractual actions for any programs within their purview and not included in (c)(1) or (2) above. This authority may be redelegated with or without the authority to make successive redelegations and under such terms, conditions, and limitations as may be deemed appropriate.

(4) The authorities delegated in (c)(1), (2), and (3) above may be executed only by contracting officers appointed pursuant to 5301.603 and are subject to the clearance requirements in Subpart 5301.90.

(d) The ASAF(A) delegates the following specific contracting authorities to PEOs/DACs for their assigned programs:

(1) Chair Acquisition Strategy Panels (ASPs) in 5307.104-91 unless retained by SAF/AQ;

(2) Approve acquisition plans (APs) below the thresholds that require SPE approval (see 5307.104-90);

(3) Approve Justifications and Approvals (J&As) within statutory thresholds (see FAR 6.304 (a)(3));

(4) Approve clearance in accordance with Subpart 5301.90;

(5) Approve the issuance of undefinitized contractual actions (UCAs) and exercise other approvals in DFARS Subpart 217.74;

(6) Serve as source selection authority (SSA) for PEO and DAC Programs (non Information Technology (IT)) for source selections when the value of the instant contract is from \$50 million up to but less than \$500 million, and serve as SSA for non-MAIS and IT acquisitions not integral to a weapon system when the value of the instant contract is from \$15/30 million (\$15 million or more in any FY or \$30 million or more for all program years) up to but less than \$120 million.

(7) Normally serve as source selection advisory council (SSAC) chairperson when ASAF(A) is the SSA;

(8) Serve as Fee Determining Official (FDO) for award fee contracts, with authority to redelegate; and

(9) Approve Determination and Findings (D&F) below the thresholds that require ASAF(A) approval (see FAR 6.202 (a)).

(e) In support of ASAF(A) as the HCA for PEO and DAC Programs and to provide consistent, expert staff support on programs to PEOs and DACs, HQ AFMC Director of Contracting will exercise specific contracting authorities and responsibilities as a service for ASAF(A). For any PEO Program executed by MAJCOMs, FOAs or DRUs other than AFMC, these authorities and responsibilities will be exercised by the MAJCOM Director of Contracting. These authorities and responsibilities include:

(1) Participate in Acquisition Strategy Panels (ASPs) pursuant to 5307.104-91;

(2) Review requests for clearance and advise the approving authority pursuant to Subpart 5301.90;

(3) Appoint contracting officers within their commands and redelegate authority to appoint contracting officers pursuant to 5301.603;

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(4) Issue guidance in command FAR Supplements and contracting regulation supplements necessary to ensure consistency between contracting for PEO and DAC Programs and Other Contracting (see 5302.101) in dealing with industry and to avoid unnecessary proliferation of implementing instructions;

(5) Participate as a SSAC member, as appropriate; and

(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) will 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 will 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 must be in writing over the personal signature and title of the person vested with the authority. Delegations and redelegations must 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 must 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 must 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;

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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;

(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 must 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. See AFFARS 5301.601-91(c) for designation of HCA authority for contract actions in support of a JCS-declared contingency operation or exercise.

(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 must be awarded at a minimum a primary five level skill. The incumbents must 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 must 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.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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 must issue certificates of appointment appropriate for support of potential contingency operations.

(3) *Contracting organizational relationships.* CCOs deployed with a unit will support that unit's contracting needs; however, the CCOs will be under the functional control of the receiving air component to the unified command. The HCA Designee will provide authority and direction to the deployed CCOs.

5301.601-94 Legal review.

(a) When there is doubt or controversy about the interpretation or application of contracting statutes, policies, directives, and regulations, contracting offices must get legal advice. During all phases of major acquisitions, and particularly during the formative stages, legal advice should be sought to avoid or minimize legal problems. Each staff judge advocate is responsible for providing legal assistance and advice throughout the contracting process, but this can only be given to the extent that contracting personnel ask for it. The following are typical contracting situations in which legal assistance may be required:

(1) *Presolicitation.* Full and open versus other than full and open competition; required J&As; required Determination and Findings; selection of contract type; use of integrating contractor versus total system performance responsibility; availability of adequate data and data rights; delegations; unsolicited proposals; and drafting statements of work involving environmental services, particularly those requiring: asbestos removal, lead and lead-based paint abatement, polychlorinated biphenyls (PCBs) removal and/or disposal, underground storage tank removal/closure, and hazardous material disposal.

(2) *Solicitation and award.* Appropriate special clauses (e.g., warranties, options, milestones, incentives, indemnification, organizational conflicts of interest, consequential damages, savings provisions, patent and data rights, contract funding), provisions and clauses reflecting customary commercial practices, deviations, source selection criteria, determination of competitive range, clearances, alleged patent or copyright infringement, royalties, final proposal revision and closing negotiations, certified cost or pricing data, responsiveness, contractor responsibility, mistakes in bids, late bids and proposals, buy-ins, protests against award, bidders/offeror conferences and debriefings, and bonds and bailments.

(3) *Contract administration.* Allowable costs, suspensions/reductions of progress payments, and disallowances; advance agreements (see FAR 31.109); Cost Accounting Standards; defective performance (i.e., contractor or Government liability, latent defects, warranties, correction of deficiencies, excusable delays), defective pricing (10 U.S.C. 2306a); labor relations and statutes; prime and subcontractor claims; disputes and litigation; invention disclosure reports; information release (Freedom of Information Act); patent and data rights clause enforcement; Government-furnished property liability; conflicts of interest; debarments; suspensions; ratification; fraud; Public Law 85-804 claims; Congressional and GAO inquiries; contingent fee violations; amendment of delivery schedules; show cause, cure and delinquency notices; exercise of options; and compliance with contract provisions requiring adherence to one or more environmental laws.

(4) *Contract terminations and closeout.* Default notices, terminations for convenience, final contract release, and clearance of final patent and royalty reports.

(b) Commanders of MAJCOMs, FOAs, and DRUs must issue procedures which specify the monetary thresholds for obtaining required legal review by the appropriate staff judge advocate on contractual documents issued by their activities for Other Contracting (see 5302.101). The procedures may identify any areas in which "legal problems and matters" require consultation, coordination, or review by the staff judge advocate office regardless of the dollar amount of the contract.

(c) For PEO and DAC Programs, legal review by the local staff judge advocate is required for:

(1) All contracting documents that are expected to result in an obligation to the Government or a change in contract value of \$500,000 or more. However, legal review of unilateral orders issued against indefinite-delivery contracts (FAR 16.5) is not required, unless such orders are \$5 million or greater.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

- (2) Other documents specifically designated in other parts in the FAR, DFARS, or AFFARS for legal review; and
- (3) Documents below \$500,000 that the Senior Center Contracting Official and the local staff judge advocate agree should be reviewed.
- (d) If agreed to by the Senior Center Contracting Official and the local staff judge advocate, for PEO and DAC Programs, legal review need not be obtained for funding documents in which changes are made to revise the obligated amount and there is no change in other terms or conditions of the contract nor type of funds being used.
- (e) The Senior Center Contracting Official and the local staff judge advocate must consult to establish procedures for seeking and providing legal advice on other contracting matters pertaining to PEO and DAC Programs. The PEO, System Program Director (SPD), and either the System Support Manager (SSM) or Development Support Manager (DSM) must be consulted when establishing procedures related to assigned programs. The local staff judge advocate must consult with SAF/GCQ when the matter under review is likely to be brought to the attention of the PEO, CAE, or higher authority.
- (f) When legal review is required, it must be obtained before execution of the document and the record of review must be made on AF Form 3059, Staff Judge Advocate Coordination Sheet Procurement Contract, and placed in the official contract file.

5301.602 Contracting officers.**5301.602-1 Authority.**

Contracting officers are authorized to enter into and execute contracts funded either partially or completely with nonappropriated funds. In addition, contracting officers must provide technical guidance and assistance to nonappropriated fund custodians upon request.

5301.602-2 Responsibilities.

A contracting officer's representative (COR) is also referred to as Quality Assurance Evaluator (QAE), Quality Assurance Representative (QAR), Contracting Officer's Technical Representative (COTR), etc. AFI 63-124, Performance-Based Service Contracts addresses contracting and functional area personnel who are involved in all facets of service contracting, including Quality Assurance.

5301.602-3 Ratification of unauthorized commitments.

- (b)(3)(i) The authority to ratify an unauthorized commitment involving a PEO or DAC Program is delegated by the ASAF(A) to the PEO or DAC. This authority is not redelegable.
- (ii) The authority to ratify an unauthorized commitment involving Other Contracting (see 5302.101) of the organizations specified in DFARS Subpart 202.1 and 5301.601-91 (b) is delegated to the commander of these organizations, with authority to redelegate.
- (iii) In the event that the ratification approval authority was a party to the unauthorized commitment action, the approval authority must be one level above the ratification approval authority.
- (iv) When an unauthorized commitment occurs within a tenant organization, including those activities listed in 5301.601-91 (b), the host command must investigate, process, and, if appropriate, approve the ratification. The host command must provide copies of the ratification to the tenant's parent organization.
- (c)(7) The official delegated the authority to ratify unauthorized commitments must establish ratification procedures.

5301.602-90 Organizational placement of contracting officers.

Commanders and others having administrative supervision over contracting officers must bear in mind that acts exceeding the delegated powers of the contracting officer do not bind the Government and must refrain from directing contracting officers to take action which might expose the contracting officer to serious consequences. The office of the

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

contracting officer must be placed at a level in the local organization which will protect it from intraorganizational pressure to perform improper acts or expose the contracting officer to personal risk and the Air Force to criticism.

5301.603 Selection, appointment, and termination of appointment.**5301.603-2 Selection.**

In addition to the requirements in the FAR, contracting officer appointments must be limited to:

- (1) Commissioned officers who have been awarded Air Force Specialty Code (AFSC) 64PX;
- (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 must 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 (d) in table below):

- (1) The personnel are in a middle to senior level position. Military personnel should be commissioned officers or noncommissioned 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 prepriced 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).

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

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. Warrants 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 must 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) must review and sign the request for designation of a contracting officer. However, if this individual is the appointing authority, the request must be reviewed and signed by the officer (or civilian) immediately subordinate. Chief of the USAFE contracting centers must sign such request for officers serving

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

with the USAFE contracting centers. Appointing authorities for contracting officers have the authority to waive the qualification requirements stated in 5301.603-2 when the best interests of the Air Force will be served. In such cases, the justification for granting the waiver must be in writing and approved by the appointing authority. The request for designation of a contracting officer must 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 conducted by the chief or deputy chief of purchasing office. The summary will include a statement that the applicant was determined to be qualified. If the applicant is located at a distance which makes it impractical and uneconomical to conduct a personal interview, this interview may be conducted by telephone. Justification for not having an interview may be included. If it is not possible to conduct an interview, then the justification must be included. However, the determination and statement that the applicant is qualified must still be made.
- (d) Requests for designation of redistribution and marketing (R&M) personnel as a sales contracting officer must 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 must be initiated by the MAJCOM R&M officer or deputy R&M officer.
- (e) All appointments must be reviewed at least once every five years by the appointing authority to determine whether each contracting officer has maintained professional proficiency and remains qualified. If the appointing authority finds otherwise, warrant authority must be terminated or reduced in scope, as appropriate.
- (f) Each appointing authority must 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 must 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;

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

- (4) Partial tuition assistance in accordance with AFI 36-2306;
- (5) Tuition or registration fees for intergovernmental agency training;
- (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 MAJCOM, FOA and DRU FAR Supplements or other documents. All MAJCOMs, FOAs and DRUs must use the Policy, Definitions and clearance of this subpart standards, and the application guidance in 5301.9005-1, and 5301.9005-2. Beyond this common baseline, however, MAJCOMs, FOAs and DRUs may prescribe clearance procedures and thresholds 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

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

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.

“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 must:

- (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 must:

- (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 must 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;

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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 must implement the clearance process for PEO/DAC Programs by:

(i) Performing solicitation reviews and functioning as the clearance reviewing authority. In AFMC, the headquarters must 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 must:

(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 will 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 will 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.

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.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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 must 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.

(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, must submit a request for such authority to SAF/AQC through SAF/AQCK.

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

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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, must 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 must 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 must 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).

5301.9007 Content of the RFC.

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

(b) The RFC must include:

(1) For competitive acquisitions:

(i) The proposed award document;

(ii) Determination of adequate price competition in accordance with

FAR 15.403-1(c)(1)(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 Checklist;

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

(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 must 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 Checklist.

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

5301.9008 Clearance procedures.**(a) General.**

(1) The contracting officer must 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 must 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 must be documented by the approving authority signing a clearance document. The contracting officer must document the contract file as to the specific actions taken to satisfy each condition.

(ii) The decision to disapprove the RFC must be documented by the approving authority signing a letter to the contracting officer; the letter must 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;

(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 must 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 must be accomplished before

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

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 must be submitted prior to the beginning of negotiations with the contractor. When IPT pricing is used, the RFC must 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 must 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 must be submitted for review. Any requirements for subsequent CRA review, if known at the time of clearance review, must 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 must 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.

(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.

PART 5301—FEDERAL ACQUISITION REGULATIONS SYSTEM

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	[EPDAC (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 must 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 must notify the PEO/DAC of such delegation.

This page is blank.

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

“Acquisition Category (ACAT)” means the categories used to determine the milestone decision authority for an acquisition program based on its location in the acquisition process, dollar value, and complexity as described in Section 4.8 of DoDI 5000.2, Operation of the Defense Acquisition Systems .

“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)” means an acquisition program that acquires Information Technology (IT), except IT that involves equipment that is an integral part of a weapon or weapons system; or is a tactical communication system.

“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, and 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 Order 101.1, 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 delegation, must be

PART 5302—DEFINITIONS OF WORDS AND TERMS

done 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 Defense Acquisition Program (MDAP)” means an acquisition program that is not a highly sensitive classified program (as determined by the Secretary of Defense) and that is not designated a highly sensitive classified program by the Under Secretary of Defense (Acquisition, Technology, and Logistics)(USD(AT&I)) as an MDAP, or estimated by the USD(AT&L) to require an eventual total expenditure for research, development, test and evaluation of more than \$365 million in fiscal year (FY) 2000 constant dollars or, for procurement, of more than \$2.190 billion in FY 2000 constant dollars

“Major Automated Information System (MAIS)” means an AIS that is designated by ASD(C31) as a MAIS, or estimated to require program costs in any single year in excess of \$32 million in fiscal year (FY) 2000 constant dollars, total program costs in excess of \$126 million in FY 2000 constant dollars, or total life-cycle costs in excess of \$378 million in FY 2000 constant dollars. For the purpose of determining whether an AIS is a MAIS, separate AISs that constitute a multi-element program, make up an evolutionary or incrementally developed program, or make up a multi-DoD Component AIS program shall be aggregated and considered a single AIS.

“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 Manager (PM)/Program Director (PD)/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 Office (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 military or civilian official who has primary responsibility for directing several MDAPs and for assigned major system and non-major system acquisition programs. The PEO reports to and receives guidance and direction from 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, 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 three 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.

PART 5304—ADMINISTRATIVE MATTERS**SUBPART 5304.1—CONTRACT EXECUTION****5304.102 Contractor's signature.**

(d) *Joint ventures.* In addition to the requirements in FAR 4.102, to ensure a single point of contact for resolution of contractual matters and payments, the contracting officer must obtain a document signed by each participant in the joint venture as follows:

“The parties hereto expressly understand and agree as follows:

a. [Insert name, title, and company] is the principal representative of the joint venture. As such, all communications regarding the administration of the contract and the performance of the work thereunder may be directed to him or her. In the absence of [insert same name, title, and company as above], [insert name, title, and company of alternate] is the alternate principal representative of the joint venture.

b. Direction, approvals, required notices, and all other communications from the Government to the joint venture, including transmittal of payments by the Government, must be directed to [insert name, title, and company of principal], principal representative of the joint venture.”

SUBPART 5304.2—CONTRACT DISTRIBUTION**5304.201 Procedures.**

(a) Work requests to maintenance modification and overhaul contracts are to be included in the types of instruments covered in this section.

(b) The payment office copy of all FMS contracts (including purchase orders) and modifications must contain or be accompanied by the following notification:

“The contract payment office must not make any payment against any Foreign Military Sales line item in this contract/modification unless the contract payment office receives expenditure authority from the Security Assistance Accounting Center, Denver, CO 80279.”

5304.202 Agency distribution requirements.

(a) When shipments will be made on a commercial bill of lading to be converted to a Government bill of lading at destination (see FAR 42.1403 (a)), the contracting officer must send one copy of the official contractual document (contract, modification, amended shipping instruction (ASI), etc.,) to the transportation officer.

(b) For operational contracting, the contracting officer must:

(1) Furnish enough copies of the contractual document to the receiving/inspection unit to satisfy receiving/inspection report distribution requirements;

(2) If material is to be inspected at contractor's plant, the contracting officer must send two copies of the contractual document under a letter of transmittal to the Chief, Quality Assurance Division of the DCMA activity responsible for the contractor's plant; and

(3) When purchase information is not furnished through the USAF Standard Base Supply System, the contracting officer must send one copy of the contractual document to the appropriate stock control representative.

SUBPART 5304.4—SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY**5304.402-90 Security procedures for Air Force contracts.**

(a) AFI 31-601, Industrial Security Program Management, implements the industrial security program.

(b) When contract performance will involve classified information, the contracting officer must ensure that the DD Form 254, Contract Security Classification Specification, includes the complete mailing address of the security police activity (SPA) and the responsible MAJCOM security police. This requirement also includes Air Force Reserve and Air National Guard (ANG) bases.

(c) Promptly after contract award, the contracting officer must provide a copy of the DD Form 254 to each addressee on the DD Form 254. For contracts to be performed at ANG bases, a copy must be sent to the Air National Guard Support Center (ANGSC/SE), Andrews AFB, MD 20331-6008; for contracts to be performed overseas, to the Director of Security Policy, HQ USAFE/SPI, or HQ PACAF/SPI, as appropriate; and for contracts to be performed in Korea, to HQ USAFK/ACJ.

5304.404-90 Contract clause.

The contracting officer must insert the clauses at 5352.204-9000, Notification of Government Security Activity, and 5352.204-9001, Visitor Group Security Agreements, in classified solicitations and contracts (other than contracts for services on an "on call" basis, such as those with computer maintenance vendors) which require a DD Form 254 for performance on U.S. Government installations and overseas.

SUBPART 5304.6—CONTRACT REPORTING**5304.601 Record requirements.**

(a) AFI 64-105 addresses Contract Reporting and Contract Profit Reporting Systems.

(b) The Defense Information Systems Agency (DISA/WED22), 2721 Sacramento Street, Wright-Patterson AFB, OH 45433-5061, transmits all Air Force DD Forms 350, DD Forms 1057, and DD Forms 1547 to the Defense Contract Action Data System (DCADS) according to AFI 64-105.

5304.670-1 Definitions.

(c)(3) The Air Force Departmental Data Collection Points are:

For submission of forms: Defense Information Systems Agency (DISA/WED22), 2721 Sacramento Street, Wright-Patterson AFB, OH 45433-5061. For questions concerning policies or procedures: SAF/AQCK.

5304.670-3 Contracting office responsibilities.

(a)(1) Prepare DD Forms 350 using automated systems, if available. Operational activities use the Standard Procurement System (SPS), Air Force Material Command (AFMC) activities use the Acquisition Management Information System (AMIS) or Automated Contract Preparation System (ACPS).

(2) Submit DD Forms 350 to the Departmental Data Collection Point as follows so that all forms prepared during the month, including corrections, are submitted no later than the tenth day of the month following the report month:

- (i) Activities using SPS transmit DD Forms 350 information to the J001 System as directed by SAF/AQC.
- (ii) AFMC activities transmit DD Forms 350 data according to HQ AFMC procedures; and
- (iii) Other activities send legible copies of the form using United States mail.

(3) Transmit canceling or correcting DD Forms 350 according to (a)(2) above.

(b) Prepare and submit DD Forms 1057 according to the procedures in (a)(1) and (a)(2) above.

PART 5304—ADMINISTRATIVE MATTERS

5304.670-8 Security classification.

Contact SAF/AQCP for instructions on how to report data on classified contracts.

SUBPART 5304.8—GOVERNMENT CONTRACT FILES**5304.803 Contents of contract files.**

(a) *Contracting office contract file.* AF Form 3019, Contract File Content Checklist; AF Form 3020, Contract Memorandum of Transmittal; and AF Form 3021, Contract Memorandum of Transmittal (Advertised Procurement), are available for optional use in the contract file. If used, AF Form 3019 is for files of central acquisitions of \$25,000 or more unless the checklist on the reverse of the AF Form 3021 is used. AF Forms 3020 or 3021, as appropriate, may be included in the file when review and approval is requested at a level above the contracting officer, unless review is waived by the approval authority. Pending issuance of a revised form, the instructions at the top of AF Form 3020, concerning block 9 of the form, are to be considered deleted. If AF Form 3020 is used, contracting officers should complete block 9 instead of referring to the price negotiation memorandum.

(b) In accordance with SAF/AQ Memorandum, Congressional New Start Notification for Investment Appropriations (February 1, 2000) the “new start” validation form must be maintained with the purchase request in the official contract file.

5304.804-5 Detailed procedures for closing out contract files.

Accomplish the initial funds review within 30 days of contract completion and annotate the contract file to reflect dates of the review, funds status, and resulting actions taken by the ACO. In addition, accomplish a funds review whenever a major closeout milestone has been achieved.

SUBPART 5304.70—UNIFORM PROCUREMENT INSTRUMENT IDENTIFICATION NUMBERS**5304.7002 Procedures.**

Forward requests for changes to DFARS Appendix G, Activity Address Numbers, through the MAJCOM Director of Contracting to SAF/AQCP.

This page is blank.

PART 5305—PUBLICIZING CONTRACT ACTIONS

PART 5305—PUBLICIZING CONTRACT ACTIONS

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Title</u>	<u>Page</u>
SUBPART 5305.2—SYNOPSIS OF PROPOSED CONTRACT ACTIONS		5-1
5305.202	Exceptions	5-1
5305.204-90	Presolicitation Notices.....	5-1
5305.207	Preparation and transmittal of synopses.....	5-1
SUBPART 5305.3—SYNOPSIS OF CONTRACT AWARDS		5-1
5305.303	Announcement of contract awards	5-1
5305.303-90	General	5-1
5305.303-91	Procedures	5-2
SUBPART 5305.4—RELEASE OF INFORMATION		5-4
5305.404	Release of long-range acquisition estimates	5-4
SUBPART 5305.5—PAID ADVERTISEMENTS		5-4
5305.502	Authority.....	5-4

PART 5305—PUBLICIZING CONTRACT ACTIONS

PART 5305—PUBLICIZING CONTRACT ACTIONS**SUBPART 5305.2—SYNOPSIS OF PROPOSED CONTRACT ACTIONS****5305.202 Exceptions.**

(b) The contracting officer must submit requests for secretarial approval to SAF/SB. Include documentation explaining the impact of issuing an advance notice stating why the notice is not appropriate or reasonable and identify alternative actions to optimize the opportunity for small business participation.

5305.204-90 Presolicitation Notices.

(a) Responses received as a result of a notice of proposed sole source contract action must be handled in the following manner:

(1) The contracting officer must transmit the respondent's information to the technical personnel and must request a written technical assessment of the information submitted;

(2) The contracting officer must use the technical assessment and other pertinent information to evaluate the response. The contracting officer's evaluation must consider such factors as acquisition's history, availability of procurement data, contractor capabilities, and the technical assessment;

(3) The contracting officer must consult with the local competition advocate; and

(4) Contractor responses to the synopsis, technical assessments, and the contracting officer's evaluation must be included in the contract file.

(b) The contracting officer must notify potential offerors, who responded to a notice of proposed sole source contracting action, of the contracting actions resulting from the notice. Announcements of contract awards (see FAR 5.303) or letters to the responding potential offerors may be used. The contracting officer must send a letter to each responding potential offeror in all cases where the estimated contract value is \$2 million or greater.

5305.207 Preparation and transmittal of synopses.

(c) General format for item 17, Description.

(2)(i) In the absence of a National Stock Number (NSN), include the service stock number, if assigned. If a large number of individual items are to be included in the solicitation, this synopsis may list only the six items of highest value as long as the synopsis includes the number and nature of all other items being acquired.

SUBPART 5305.3—SYNOPSIS OF CONTRACT AWARDS**5305.303 Announcement of contract awards.**

The procedures and policies established for Congressional notification and public announcement of contract awards must be followed, as appropriate, for all awards to be made using Other Transaction, Grant and Cooperative Agreement Instruments that exceed \$5 million.

5305.303-90 General.

(a) Use the estimated amount of the contract to determine if awards for indefinite-delivery/indefinite-quantity, requirements, time-and-materials, labor hour, and similar contracts meet the DOD threshold for public announcement. If multiple awards are being made, and one award meets the threshold, announce all the awards.

(b) For source selections, if the winner is being announced without a concurrent award, submit the report and add the following statement in item (1): "Report is for announcement of source selection winner only. No award is being made now." When award is to be made, submit a new report, with the following statement in item (1): "Report is for contract award. Source selection winner was previously announced on [insert date]."

PART 5305—PUBLICIZING CONTRACT ACTIONS

(c) Information on awards must not be released and awards must not be made before the established release time of 1700 Washington, DC time on the award date specified in the DD-LA-(AR) 1279 report. This applies to all situations except for emergencies in accordance with 5305.303-91 (b)(4).

(d) Reports containing classified information must not be sent.

5305.303-91 Procedures.

(a) *Report format.* Prepare the report using organizational letterhead and standard letter format. Address the report to SAF/LLP. The REPLY TO THE ATTENTION OF block should contain the office symbol of the contracting office submitting the report. The SUBJECT is "1279 Report." Mark the report "FOR OFFICIAL USE ONLY." Use the following format, with each numbered item starting on a new line:

(1) Proposed release date. If the actual release date is uncertain, submit the report, inserting "WILL ADVISE," and then call SAF/LLP when the date becomes known. Exclude Saturdays, Sundays, and holidays. For source selections in which the winner is announced without concurrent award, see 5305.303-90 (b);

(2) Name and location of proposed contractor. Include street address, zip code, and county. For source selections, indicate information for all potential awardees without identifying the winner. See 5305.303-91 (b)(5). If more than one award is planned as a result of a source selection, state the number of awards planned;

(3) Face value of the action. List only the total face value of the action. If the face value is a not-to-exceed (NTE) or estimated amount, so state. Do not list funds cites here. For source selections, see 5305.303-91 (b)(5);

(4) Dollars obligated;

(A) If item (3) is less than \$50 million, list only the total dollars obligated for this action first and, of this amount, the total amount of money expiring at the end of the current fiscal year, second. Do not list fund cites.

(B) If item (3) is equal to or exceeds \$50 million, list on the first line the total dollars obligated for this action followed by the total amount of funds expiring at the end of the current fiscal year. On subsequent lines, provide a breakout of the total dollars obligated for this action, using a separate line for each fund cite in the following format: "AMOUNT/FUND CITE/EXPIRATION DATE." If multiple fund cites are involved, cite the three with the most dollars and state the number of remaining fund cites.

(5) Aggregate dollars obligated under the contract before this action;

(6) Aggregate face value of the contract prior to this action;

(7) Type of contract as defined in FAR Part 16. Do not use abbreviations. If more than one contract type, list the predominant contract type first;

(8) Item and quantity to be procured. Fully describe what is being bought in clear, nontechnical language. Abbreviations and acronyms should not be used. The weapon system, program, or project associated with the contract should be included in the description;

(9) Name and location of facility to perform the contract including street address, zip code, and county. Indicate whether the facility is a division, affiliate, or subcontractor of the proposed contractor specified in item (2) above. If the work will be done at more than one location, only list those locations, including subcontractors, where 25 percent or more of the work will be done. Indicate the percentage, rounded to the nearest whole percent, to be done at each of these locations;

(10) Number of firms solicited and the number of firms submitting bids/proposals. For modifications to previously reported contracts, enter "N/A;"

(11) Name and address of contracting activity;

(12) Name and telephone number of contracting officer most familiar with the contract action (provide both DSN and commercial numbers);

(13) Reserved;

PART 5305—PUBLICIZING CONTRACT ACTIONS

(14) Foreign Military Sales (FMS) information, if applicable. Indicate whether the contract relates to classified or unclassified FMS and identify the country/countries concerned on unclassified sales;

(15) Contract number (and modification or order number, if applicable);

(16) Information on any proposed local press release or any previous congressional interest;

(17) If formal source selection procedures are being used, state "Source Selection—Reporting Procedure Applies;"

(18) Scheduled contract delivery date;

(19) Solicitation issue date;

(20) For IFBs, list opening date, for RFPs, list negotiation completion date, and for UCAs, list award date; and

(21) Identification of Program Element Monitor (PEM). If item (3) is less than \$50 million, state "N/A." If item (3) equals or exceeds \$50 million, list the name, phone number, and office symbol of the PEM, or equivalent office of primary responsibility, in the Pentagon. If none, so state.

(b) *Notification Procedures.* Submit the report in accordance with the following procedures: (Accuracy of all information is paramount.)

(1) Submit the report to arrive by close of business three work days before the date of contractual action (contract award, option exercise, etc.), except for those cases in (3) and (4) below. Earlier submission to SAF/LLP is encouraged. Do not delay submittal because award date is not firm (see (a)(1) above). Timeliness is essential because at least three days are required for Air Force coordination prior to announcement of award. Congress is not notified prior to public release of the information;

(2) After a report has been submitted, report any changes in plans promptly by telephone to SAF/LLP, (703) 697-7950 or DSN 227-7950, who will relay these changes to SAF/PAM;

(3) Except when (4) below applies, submit the report on letter contracts to arrive in SAF/LLP three days before mailing or delivery to the contractor for signature. Identify these reports as "Advance Notification." The contracting officer must then advise the contractor of the earliest date approved for public announcement and must notify SAF/LLP by telephone when the contractor signs the letter contract and of any changes in the report;

(4) In emergency situations, when it is clearly in the public interest to award a contract at the earliest possible date and the three-day coordination would prejudice that interest, request SAF/LLP permission to deviate from reporting requirements. Prepare the report as usual and send it to SAF/LLP. Include the justification for immediate award in item (1). If the Congressional and public announcement cannot be made the same day as the award, the contracting officer must obtain the contractor's agreement to withhold public announcement of the award until 1700 hours (Washington, DC time) on the SAF/LLP approved day of Congressional and public announcement. Include in item (1) of the report a statement that this non-disclosure agreement has been made. The contracting officer will notify the contractor of the approved date of public announcement. The award may then be made without the three-day coordination. Emergency situations include supplies or services needed to protect lives or prevent destruction of property. Failure to provide for the three-day coordination in the contract lead-time is not adequate justification for waiver;

(5) Where source selection procedures are used, submit the report to arrive by close of business three workdays before the date of the award of the contract. Mark the report "Source Selection Information—See FAR 3.104" and include the information required by paragraph (a) above for each offeror under consideration by the Source Selection Authority (SSA). The report must not indicate which of the offerors has been selected for award or the face values of potential awards to the offerors. Instead of face values, provide one approximate face value of award as either "\$50 million or above" or "below \$50 million." The identity of the successful offeror and face value of award must be provided by telephone to SAF/LLP no later than 1300 hours (Washington, DC time) on the day before the anticipated award date. If SAF/LLP is not notified by 1300 hours the day before the anticipated award date, announcement of award may not be possible on the next day. If reporting of dollars obligated would also identify the source selection winner, provide a single estimated amount and include the winner's amount during telephonic notifications to SAF/LLP; and

(6) FAX reports only to the Office of the Secretary of the Air Force/Legislative Liaison (SAF/LLP) at FAX number (703) 697-3520/(703) 693-9453 or DSN 227-3520/223-9453. After sending, call SAF/LLP at (703) 697-7950 or

PART 5305—PUBLICIZING CONTRACT ACTIONS

DSN 227-7950 to confirm receipt. SAF/LLP will provide a copy to the Office of the Secretary of the Air Force/Public Affairs (SAF/PAM) for public announcement. Do not actually mail the report.

SUBPART 5305.4—RELEASE OF INFORMATION**5305.404 Release of long-range acquisition estimates.**

At least once each fiscal year, the head of the contracting activity or designee must determine whether to release long-range acquisition estimates in accordance with FAR 5.404.

SUBPART 5305.5—PAID ADVERTISEMENTS**5305.502 Authority.****(a) Newspapers.**

(1) Authority to approve the publication of paid advertisements in newspapers for proposed contracts has been delegated as follows:

(i) For AFMC, to the Senior Center Contracting Official; and

(ii) For other MAJCOMs and field operating agencies (FOAs), to the commander and vice commander with authority to redelegate expenditures of \$2,500 or less to the senior commander principally responsible for installation support at each base (or an individual acting in those positions). This authority must not be redelegated.

(2) Authority to approve the publication of paid advertisements for purposes of recruiting civilian employees has been delegated to the Director of Civilian Personnel, HQ USAF, the directors of civilian personnel at MAJCOMs, and separate operating agencies, and civilian personnel officers in charge of central civilian personnel offices. This authority must not be redelegated.

This page is blank.

PART 5307—ACQUISITION PLANNING

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Title</u>	<u>Page</u>
SUBPART 5307.1—ACQUISITION PLANS		7-1
5307.103	Agency-head responsibilities.....	7-1
5307.103-90	Single Acquisition Management Plans (SAMPS).....	7-1
5307.104	General Procedures.....	7-1
5307.104-90	Air Force procedures for acquisition plans.....	7-2
5307.104-91	Acquisition Strategy Panels (ASPs).....	7-4
5307.105	Contents of written acquisition plans.....	7-4
SUBPART 5307.3—CONTRACTOR VERSUS GOVERNMENT PERFORMANCE		7-5
5307.306	Evaluation.....	7-5
5307.390	Implementation of the right of first refusal.....	7-5

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

(c)(i)(C) Written acquisition plans (APs) must 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.

(h)(i) Submit the acquisition plan or Single Acquisition Management Plan to the address stated in DFARS 207-103(h)(i) and a copy of the transmittal memorandum to SAF/AQCK.

5307.103-90 Single Acquisition Management Plans (SAMPs).

SAMPs must be prepared for all ACAT I and II programs as defined by Section 4.8 of DODI 5000.2, Operation of the Defense Acquisition System. SAMPs are optional for all other programs and acquisitions. SAMPs for ACAT I and II programs must be approved by the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management)(PDASAF(A&M)). The acquisition strategy for ACAT ID programs requires additional approval by USD(AT&L), the acquisition strategy for ACAT IAM programs requires additional approval by ASD(C31), and the SAMP for ACAT IAC programs requires additional approval by AFAF(A). Signature by the approving official on the SAMP document constitutes approval. For all SAMPs requiring SAF/AQ or higher approval, coordination is required from SAF/AQC as the Air Force Competition Advocate General. SAMPs prepared for ACAT III programs must be approved by the PEO or DAC, unless the program exceeds the PEO/DAC acquisition plan approval threshold (see 5307.104-90(b)). In this case, the SAMP must be approved by PDASAF (A&M). Whenever a SAMP is prepared, it must meet the requirements of an acquisition plan as described in the FAR, and the SAMP approval process as stated in the Air Force SAMP Guide, must be followed in lieu of the acquisition plan approval process described herein. Delegation procedures are also outlined in the Air Force SAMP Guide.

5307.104 General Procedures

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

- (1) involving Defense Contract Management Agency 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.

PART 5307---ACQUISITION PLANNING

5307.104-90 Air Force procedures for acquisition plans.

(a) *General.* MAJCOMs, FOAs, and DRUs must prescribe procedures for processing APs and must 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)). The approval requirements below reflect normal expectations. Requests for case-by-case delegations PDASAF(A&M) must be compelling.

(b) *Approval requirements.*

(1) SPE approval is required for the following:

- (i) Major Automated Information System (MAIS) programs
- (ii) Any non-MAIS information technology acquisitions \geq \$120M
- (iii) All other acquisitions \geq \$500 million.
- (iv) All A-76 cost comparisons affecting 300 or more full-time equivalents (FTEs).

(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 commander	BOCO/****
\geq \$50M to < \$500M	PEO	DAC	center commander	SCCO
\geq \$500M	PDASAF(A&M)	PDASAF(A&M)	PDASAF(A&M)	SAF/AQC
A-76 \geq 300FTEs	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 commander	BOCO/****
\geq \$15/30M** to < \$120M and non-MAIS	PEO	DAC	center commander	SCCO
\geq \$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 5302.101 for MAIS definition.

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

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

(1) SAF/AQCK furnishes SPE AP approval to the contracting activity by memorandum entitled, "(FAAA)," outlining any restrictions (exceptions) which have been imposed. SAF/AQCK prepares and processes FAAAs. SAF/AQCK must

PAR T 5307---ACQUISITION PLANNING

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/AQCK.

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

(i) APs requiring SPE approval must be signed by the contracting officer, chief of the contracting office, and program manager (for A-76 cost comparisons affecting 300 or more full-time equivalents (FTEs), the Competitive Sourcing Management Steering Group (CSMSG) Chairperson). Additionally, for AFMC PEO actions, APs requiring SPE approval must be signed by the Buying Office Contracting Official (BOCO) and for AFMC DAC actions, by the Senior Center Contracting Official. The responsible PEO or DAC must also sign the AP prior to submitting it to SAF/AQCK for SPE approval. For Other Contracting, signature must be in accordance with command procedures prior to submitting to SAF/AQCK for SPE approval.

(ii) For AFMC PEO Programs, the PEO must forward the AP to SAF/AQCK prior to solicitation release. SAF/AQCK must begin internal review of the AP upon receipt from the PEO and will release the document for SAF/AQ staffing. Within five work days of receiving the AP from the PEO, SAF/AQCK must send the PEO and program office written authorization to release the solicitation on the 15th calendar day after SAF/AQCK received the plan. The contracting officer may release the solicitation on or after the specified date, unless directed otherwise by the SPE. SAF/AQCK must 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 must not release the solicitation until the FAAA is signed or a revised date is specified in the amendment. After the solicitation is issued, negotiations must not commence (see 5306.003) nor must 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 must 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 must be forwarded by the PEO to SAF/AQCK 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/AQCK 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/AQCK must 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 must 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 must not commence (see 5306.003) and sealed bids must not be received until the FAAA is signed by the SPE.

(v) For acquisitions citing the authority in FAR 6.302-2 (unusual and compelling urgency), the contracting officer must 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 must request the FAAA as early as possible.

(vi) 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 must request the FAAA as early as possible.

(d) *Changes.* If a change occurs to the program that significantly affects the AP (e.g., scope, dollar value, contract type), the contracting officer must 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 must be identified by a vertical bar in the right margin. [See 5343.102 for approval requirements for contract changes for Air Force Acquisition Programs which result in a contract performance extension by 50 percent or more of the original contract period of performance.]

PART 5307---ACQUISITION PLANNING

5307.104-91 Acquisition Strategy Panels (ASPs)

(a) *General.* An ASP must be held for all acquisitions that require a written acquisition plan in accordance with DFARS 207.103(d(i)) and 5307.103(d)(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 must 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

(2) Address user requirements, final acquisition objectives, and the alternative methods to attain those objectives. The ASP must 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)). SAF/AQ is the ASP chairperson for any A-76 cost comparisons that affect 300 or more full-time equivalents (FTEs); however, SAF/AQ may delegate this authority on individual cost comparisons. ASPs for other acquisitions in AFMC must 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) must 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 Agency ; 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 bio-environmental and medical (occupational health).

(e) The ASP chairperson must 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 must 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.

PART 5307---ACQUISITION PLANNING

(1) *Statement of need.*

(A) Applicability of a Decision Coordinating Paper (DCP), Defense Acquisition Board (DAB), and/or Internal Service Reviews. Use the acquisition plan and/or SAMP to document the acquisition strategy in support of the Acquisition Strategy Panel (ASP), the Overarching Integrated Product Team and Working Level Integrated Product Team and the DAB process.

(b) Plan of action.

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

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

(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.

PART 5315—CONTRACTING BY NEGOTIATION

PART 5315—CONTRACTING BY NEGOTIATION**TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Title</u>	<u>Page</u>
<u>SUBPART 5315.1 SOURCE SELECTION PROCESSES AND TECHNIQUES</u>		<u>15-1</u>
5315.101	Best value continuum.....	15-1
5315-101-1	Tradeoff process.....	15-1
5315.101-2	Lowest price technically acceptable source selection process.....	15-1
<u>SUBPART 5315.2 - SOLICITATION AND RECEIPT OF PROPOSALS AND INFORMATION</u>		<u>15-2</u>
5315.201	Exchanges with industry before receipt of proposals.....	15-2
5315.204-5	Part IV Representations and instructions.....	15-2
5315.207	Handling proposals and information.....	15-2
<u>SUBPART 5315.3—SOURCE SELECTION</u>		<u>15-2</u>
5315.300	Scope of subpart.....	15-2
5315.301-90	Definitions.....	15-3
5315.303	Responsibilities.....	15-4
5315.303-90	Air Force responsibilities.....	15-5
5315.303-91	Source selection organization structure.....	15-6
5315.304	Evaluation factors and significant subfactors.....	15-7
5315.305	Proposal evaluation.....	15-7
5315.306	Exchanges with offerors after receipt of proposals.....	15-10
5315.308	Source selection decision.....	15-10
5315.308-90	Air Force source selection documents.....	15-10
5315.308-91	Foreign military sales.....	15-11
<u>SUBPART 5315.4—CONTRACT PRICING</u>		<u>15-12</u>
5315.402	Pricing policy.....	15-12
5315.403	Obtaining cost or pricing data.....	15-12
5315.403-1	Prohibition on obtaining cost or pricing data.....	15-12
5315.404	Proposal analysis.....	15-13
5315.404-1	Proposal analysis techniques.....	15-13
5315.404-2	Information to support proposal analysis.....	15-13
5315.404-3	Subcontract pricing considerations.....	15-13

PART 5315—CONTRACTING BY NEGOTIATION

5315.404-4 Profit..... 15-14

5315.404-90 Price analysis and review technique for spares/support equipment (PARTS) 15-14

5315.406 Documentation..... 15-14

5315.406-1 Prenegotiation objectives..... 15-14

5315.406-3 Documenting the negotiation..... 15-15

5315.407 Special cost or pricing areas 15-15

5315.407-4 Should-cost review 15-15

5315.407-90 Formula pricing agreements (FPA)..... 15-15

5315.407-90-1 Description 15-15

5315.407-90-2 Policy..... 15-16

5315.407-90-3 FPA requirements 15-16

5315.407-90-4 Responsibilities 15-17

5315.407-90-5 FPAs negotiated by other DOD agencies 15-17

5315.407-91 Follow-up on contract audit reports 15-17

5315.407-91-1 General 15-17

5315.407-91-2 Definitions 15-18

5315.407-91-3 Responsibilities 15-20

5315.407-91-4 Tracking of contract audit reports 15-20

5315.407-91-5 Reporting of contract audit reports 15-21

5315.407-91-6 Resolution of contract audit reports..... 15-23

5315.407-91-7 Disposition of contract audit reports 15-23

5315.407-91-8 Recovery of funds..... 15-24

5315.407-91-9 Coordination with other agencies 15-24

5315.407-91-10 Contract audit follow-up for GAO reports..... 15-24

5315.470 Estimated data prices 15-24

SUBPART 5315.5-PREAWARD, AWARD, AND POSTAWARD NOTIFICATIONS, PROTESTS AND MISTAKES **15-25**

5315.506 Postaward debriefing of offerors 15-25

SUBPART 5315.6—UNSOLICITED PROPOSALS **15-26**

5315.606-90 Air Force procedures 15-26

ATTACHMENT 5315-1 STATUS REPORT ON SPECIFIED CONTRACT AUDIT REPORT, OPEN REPORT..... 15-27

ATTACHMENT 5315-2 STATUS REPORT ON SPECIFIED CONTRACT AUDIT REPORT, CLOSED REPORT 15-28

PART 5315—CONTRACTING BY NEGOTIATION

ATTACHMENT 5315-3 SOURCE SELECTION THRESHOLDS..... 15-29

ATTACHMENT 5315-4 SOURCE SELECTION EVALUATION MATRIX 15-31

ATTACHMENT 5315-5 SOURCE SELECTION CERTIFICATE..... 15-32

This Page is Blank

PART 5315—CONTRACTING BY NEGOTIATION**SUBPART 5315.1 SOURCE SELECTION PROCESS AND TECHNIQUES****5315.101 Best value continuum.**

In using the best value approach, the Government seeks to award to an offeror who gives the Air Force the greatest confidence that it will best meet our requirements affordably. This may result in an award being made to a higher rated, higher priced offeror where the decision is consistent with the evaluation factors and the Source Selection Authority (SSA) reasonably determines that the technical superiority and/or overall business approach and/or superior past performance of the higher priced offeror outweighs the cost difference. The SSA, using sound business judgment, bases the source selection decision on an integrated assessment of the evaluation factors, subfactors, and elements.

5315.101-1 Tradeoff process.

(a) Performance Price Tradeoff (PPT) permits tradeoffs between price/cost and the past performance evaluation for technically acceptable proposals. This technique may be applied in acquisitions which include an evaluation for technical acceptability as well as negotiated acquisitions for which price and past performance are the only discriminators. In PPT, tradeoffs do not occur on the basis of technical merit, but on the basis of the comparative assessment of offerors' past performance information and price/cost. The contracting officer is the source selection authority in PPT acquisitions unless the acquisition approving official designates otherwise.

(c) If threshold and objective performance requirements (see 5315.301-90) are identified in the Request for Proposals (RFP), the Air Force must communicate to offerors how a value analysis will be performed, comparing perceived benefit to the Government against associated cost or price. Generally, offerors' proposals that exceed threshold performance requirements provide added value to the Government. However, the SSA must determine in accordance with the evaluation factors, subfactors and elements whether or not exceeding the objective performance requirements at an associated cost or price provides the best overall affordable benefit to the Government. Section M of the RFP must be drafted to explicitly reflect the Government's intent in this regard. Although each RFP must be tailored to reflect the specific requirements of a particular acquisition, Section M of the RFP should reflect one of the following three alternatives:

(1) Identify the required threshold performance requirements but not any objective performance requirements and inform offerors that any features or technical offerings that enhance the system will be considered in the best value determination.

(2) Identify both threshold performance requirements and objective performance requirements and explicitly state that the Air Force reserves the right to evaluate and give evaluation credit for the proposed features that exceed either the stated thresholds or objectives.

(3) Identify both the threshold performance requirements and objective performance requirements and explicitly state that the Air Force reserves the right to evaluate and give evaluation credit for the proposed features that exceed the stated thresholds and offerors will not be given credit for performance beyond the objectives identified.

5315.101-2 Lowest price technically acceptable source selection process.

(b) When accomplishing a lowest price technically acceptable (LPTA) selection, the following procedures apply:

(1) Section M of the solicitation must state that award will be made to the lowest evaluated cost (price) offer that meets all the minimum mandatory criteria in the solicitation;

(3) The technical team must establish the evaluation factors prior to beginning evaluation of the offers. This evaluation plan should contain sufficient detail to justify a determination of minimum acceptability for each factor/subfactor;

S-90 (a) The technical team must document the evaluations in sufficient detail to explain each pass/fail decision; and

(b) The contracting officer must make the award decision and ensure all aspects of the award decision are documented. Information must be protected in accordance with 5315.207(b).

PART 5315--CONTRACTING BY NEGOTIATION

SUBPART 15.2 SOLICITATION AND RECEIPT OF PROPOSALS AND INFORMATION**5315.201 Exchanges with industry before receipt of proposals.**

(c) Early industry involvement and openness are the cornerstones of the Air Force's enhanced cooperative relationship with industry. Timely release of information to industry is essential to maximize the value of their inputs to the planning, requirements generation, and acquisition processes. This involves engaging industry during the drafting of solicitations through meetings and contracting business opportunity sites on the world wide web or other means. It will also include providing relevant program and/or estimated contract budget information (either approved or tentative) unless deemed inappropriate by the SSA. In competitive acquisitions, it is critical to balance the Government's obligation to ensure fair treatment and opportunities for all offerors, while protecting contractor proprietary, proposal and source selection information.

(8) The contracting officer may include a provision substantially the same as the provision at 5352.215-9001, Notice of Pre-bid/Pre-proposal Conference, in the request for proposal when a pre-proposal conference is contemplated in accordance with FAR 15.201. When access to classified documents is contemplated, the contracting officer may include a provision substantially the same as the basic provision with its Alternate I in the request for proposal.

5315.204-5 Part IV—Representations and Instructions.

(b) *Section L, Instructions, conditions, and notices to offerors or quoters.* When industrial security verification is required, include a statement that the offeror must possess the highest degree of security clearance stated in the DD Form 254, Contract Security Classification Specification. Insert in Section L a provision substantially the same as the provision at 5352.215-9000, Facility Clearance, in solicitations which contain a DD Form 254, Contract Security Classification Specification.

(5) Cost or pricing data or information other than cost or pricing information when required by FAR 15.403.

5315.207 Handling proposals and information.

(b) To maintain the effectiveness and integrity of the source selection process, information related to the source selection and offeror proposal information must be handled with the utmost discretion to avoid any compromise. "Source selection information (SSI)" and "Contractor bid or proposal information" are defined in FAR 3.104-3. SSI must be marked in accordance with FAR 3.104-5(c). Disclosure of proposal information and SSI must only be in accordance with FAR 3.104-5(a). The contracting officer controls disclosure of SSI generated as part of the evaluation of a proposal with the offeror during exchanges and the debriefing process. After award, the contracting officer has full authority to approve access to or release of source selection information.

SUBPART 5315.3—SOURCE SELECTION**5315.300 Scope of subpart.**

(a) This subpart establishes Air Force source selection policy. It implements FAR Subpart 15.3, Source Selection, and prescribes the responsibilities of the Air Force agency head for source selection contained in FAR 15.303(a).

(b) This policy applies to all competitive negotiated acquisitions conducted by Air Force contracting activities above the simplified acquisition threshold (SAT) and for which LPTA or PPT as described in 5315.101-1(a) and 5315.101-2 are not used. The following types of acquisitions are also exempt from this policy:

- (1) Basic research, and acquisitions where Broad Agency Announcements (BAAs) and Program Research and Development Announcements (PRDAs) are used to solicit proposals and award contracts.
- (2) Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) acquisitions
- (3) Architect-engineer services

(c) The Air Force source selection procedures guide is located on the Air Force Contracting Homepage. Air Force source selection procedures are separated into three categories based upon the dollar value and complexity of the acquisition.

PART 5315---CONTRACTING BY NEGOTIATION

SOURCE SELECTION PROCEDURES APPLICABILITY*

	<u>All source selections other than IT**</u>	<u>IT</u>
Basic Procedures	SAT to < \$10M	SAT to < \$15/30M***
Median Procedures	≥ \$10M to < \$100M	\$15/30M to ≤ \$120M
Agency Procedures	≥ \$100M	> \$120M

* For Source Selection Authorities, see Attachment 5315-3

**Information Technology (IT)

***\$15M or greater in a single fiscal year, or \$30M or greater for all fiscal years

Note: The AP/SAMP approving official (or SSA if AP/SAMP is not required) for Median Procedures may use Basic or Agency procedures, if it is in the Government's best interest to do so, based on the complexity of the acquisition or other considerations.

(d) Deviations. When the SSA is at SAF/AQ, deviations from this policy must be approved by the SSA and should be included in the Source Selection Plan (SSP). When submitted as part of the SSP, approval of the SSP constitutes approval of the requested deviation(s) unless otherwise noted by the SSA. For all other deviations from this policy, follow 5301.402 (3).

5315.301-90 Definitions.

(Note that the terms "weakness," "significant weakness," and "deficiency" are defined in FAR Part 15.001.)

(a) Evaluation Notice (EN): ENs are exchanges with offerors for purposes of clarifications, communications, or discussions. ENs which result from deficiencies in the offeror's proposal must be clearly identified to the offeror as deficiencies (see Form in Air Force Procedures Guide, Attachment 2).

(b) Objective Performance Requirement: Measurable, desirable capability or characteristic above the threshold. This is the capability or characteristic desired by the user and which the program manager would like to obtain. The objective should represent an operationally meaningful increment above the Threshold Performance Requirement.

(c) Performance Risk Assessment Group (PRAG): A group of experienced personnel assigned to accomplish the past performance evaluation. The PRAG assigns or recommends to the SSA a confidence assessment rating based on assessing performance risk. The confidence assessment measures the level of confidence the Government has in the offeror's ability to perform. The confidence assessment rating is established through a review and analysis of the offeror's recent, current and relevant contract performance.

(d) Proposal Analysis Report (PAR): A report that fully documents the results of the evaluation and the comparative analysis of offerors' proposals.

(e) Proposal Evaluation Report (PER): A report in simplified format which documents the source selection approach, description of the acquisition, evaluation results, comparative analysis of offerors, and the Source Selection Decision Document.

(f) Proposal Inadequacy: An aspect or omission from an offeror's proposal that may contribute to a failure in meeting specified minimum performance or capability requirements.

(g) Requirements Documents: All aspects of the RFP that convey the needs of the Government to offeror, including Statements of Objectives (SOOs), Statements of Work (SOWs), Performance Work Statements (PWSs), Technical Requirement Documents (TRDs) and System Requirement Documents (SRDs).

(h) Requiring Office: The office (normally a program management or equivalent organization) responsible for translating user requirements into the requirements documents that communicate those requirements to offerors within the RFP.

PART 5315--CONTRACTING BY NEGOTIATION

(i) Source Selection Advisory Council (SSAC): A group of senior Government personnel who provide counsel during the source selection process and prepare a comparative analysis of the Source Selection Evaluation Team's evaluation results, unless otherwise directed by the SSA.

(j) Source Selection Authority (SSA): Official designated to make the source selection decision.

(k) Source Selection Decision Document (SSDD): The document that reflects the SSA's integrated assessment and selection decision.

(l) Source Selection Evaluation Team (SSET): Group of Government and, if needed, approved non-Government personnel, representing the various functional disciplines relevant to the acquisition. The SSET evaluates proposals and reports its findings to the SSAC (if used) and the SSA.

(m) Source Selection Plan (SSP): A plan that describes how the source selection will be organized, how proposals will be evaluated and analyzed, and how source(s) will be selected.

(n) Strength: A significant, outstanding or exceptional aspect of an offeror's proposal that has merit and exceeds specified performance or capability requirements in a way beneficial to the Air Force, and either will be included in the contract or is inherent in the offeror's process.

(o) Threshold Performance Requirement: Minimum, measurable capability or characteristic required to satisfy the user's need. If a threshold is not achieved, that aspect of the offeror's proposal is deficient.

5315.303 Responsibilities.

(a) For Air Force source selections, the SSAs are as shown at Attachment 5315-3

(b) SSA must also:

(1) (i) Appoint the SSET chairperson(s) and the SSAC chairperson and PRAG chairperson (if the SSAC and PRAG are used);

(ii) Ensure the SSET is knowledgeable of policy and procedures for properly and efficiently conducting the source selection, as necessary; and,

(iii) Ensure all involved in the source selection are briefed and knowledgeable of Subsection 27(a) of the Office of Federal Procurement Policy Act (41 USC 423)(FAR 3.104) regarding unauthorized disclosure of source selection information.

(2) Review and approve the SSP;

(5) Review all necessary information to determine if award without discussions is appropriate; and approve release of Evaluation Notices and exclusion of any offeror from the competitive range; and

(6) Make selection decision and document the supporting rationale in the Source Selection Decision Document (SSDD);

(c) Contracting officer must also:

(1) Manage all business aspects of the acquisition. As the business advisor, the contracting officer is the principal advisor to the SSET on the conduct of the source selection;

(2) Ensure that the team membership remains consistent for all discussions with offerors;

(S-90) Process any required requests for delegation;

(S-91) Issue notice of source selection process initiation to appropriate parties at time of final RFP issuance. Notice must state that all communications regarding the source selection must be through the contracting officer. For Agency source selection procedures, make SAF/AQCK an addressee on this notice;

(S-92) Ensure required approvals are obtained, solicitation notifications are issued, and contract clause requirements are met before non-Government personnel are allowed to provide source selection support;

PART 5315---CONTRACTING BY NEGOTIATION

(S-93) Make competitive range determination, if discussions are necessary (see FAR 15.306(c));

5315.303-90 Air Force responsibilities.**(a) The SSET Chairperson must:**

- (1) Be responsible for the proper and efficient conduct of the source selection process;
- (2) Ensure personnel, resources, and time assigned to the source selection reflect the complexity of the program;
- (3) Be responsible for establishing effective liaison with the requiring office to ensure requirements are effectively addressed in terms of the requirements documents and with threshold/objective language, if used;
- (4) Appoint members to the SSET, subject to approval of the SSA. Substitutions may be approved by the SSET Chairperson subsequent to SSP approval and do not require an amendment to the SSP;
- (5) Ensure that all persons receiving source selection information are instructed to comply with applicable standards of conduct and sign the Source Selection Information Briefing Certificate (see Attachment 5315-5);
- (6) Recommend approval of the SSP to the SSAC Chairperson (if applicable) or to the SSA;
- (7) Ensure members of the SSET are knowledgeable of their responsibilities before any proposal is reviewed, including details on how the evaluation is conducted;
- (8) Review and recommend SSA approval of release of ENs through the contracting officer;
- (9) In conjunction with the contracting officer, prepare the SSDD for the SSA's signature, unless otherwise directed by the SSA;
- (10) Offer a recommended source selection decision for the SSA's consideration if requested by the SSA; and
- (11) Participate in debriefings to offerors.

(b) The SSET must:

- (1) Conduct an in-depth review and evaluation of each proposal, and any subsequent revisions, against the approved factors, subfactors, elements, and other solicitation requirements; and
- (2) When a briefing is used, prepare briefing charts that clearly summarize the evaluation results. Briefing charts be suitable to serve as the official record of SSET proceedings for median source selections in lieu of more formal documentation, such as the PAR. These briefing charts will be presented to the SSAC (if an SSAC is used). Otherwise, these briefing charts will be presented directly to the SSA.

(c) The SSAC Chairperson must:

- (1) Appoint SSAC members (other than Secretariat, HQ USAF, and joint service members) subject to SSA approval;
- (2) Ensure that SSAC members are knowledgeable of their responsibilities, involved from the beginning of the source selection process (e.g., acquisition strategy meeting), and instructed to comply with applicable standards of conduct and sign the Source Selection Information Briefing Certificate (see Attachment 5315-5); and,
- (3) Convene SSAC meetings to review the evaluation and findings of the SSET and to provide advice and/or analysis as requested by the SSA.

(d) The SSAC must:

- (1) Review the SSP prior to SSA review/approval;
- (2) Review the evaluation and findings of the SSET and provide advice and analysis as requested by the SSA;
- (3) Provide briefings and consultation at the request of the SSA;
- (4) Normally, provide comparative analysis unless the SSA does not require it; and
- (5) Offer a recommended source selection decision for the SSA's consideration, if requested by the SSA.

PART 5315--CONTRACTING BY NEGOTIATION

(e) The PRAG, comprised of Government personnel, must conduct the past performance assessment, keep the SSET Chairperson informed, and brief the SSAC, if used, and the SSA. Members of the PRAG are appointed by the PRAG Chairperson.

(f) Federally Funded Research and Development Centers (FFRDC). Because an FFRDC enjoys a unique relationship with its Government sponsor to provide long term technical support, an FFRDC employee may serve as a member of an SSET; however, an FFRDC employee may not serve as a chairperson of an SSET, member of the PRAG or SSAC, or as an SSA. If FFRDC personnel are used, subparagraph (g)(3) applies.

(g) Advisors. Advisors may be used as necessary to assist in the source selection evaluation. These advisors may be Government personnel or contractor personnel. Although advisors may assist in the evaluation and provide input regarding the strengths, weaknesses, proposal inadequacies, risks, and deficiencies in proposals, they must not determine ratings or rankings of offerors' proposals. If contractor personnel are used as advisors the following applies:

(1) Access to offeror proposals must be restricted to only those portions for which the advisor's expertise is required in the evaluation (e.g., software support contractor only reviews software hours proposed).

(2) The contracting officer must ensure that the necessary approval has been obtained in accordance with FAR Part 37.2.

(3) The solicitation must list contractors who will be used in evaluating the proposals and provide notice to prospective offerors that such contractor personnel will be used and the manner in which they will be used unless offerors object to release of proposal information to such contractors (see (5) below).

(4) Appropriate Organizational Conflict of Interest (OCI) clauses must be included under the contract through which the advisors are provided.

(5) If any of the above conditions are not met, or competing offerors object to the release of their proposal information to support contractors, the non-Government personnel must not be permitted to participate in the source selection or have any access to any source selection data, whatsoever.

(h) For Agency source selections for which PDASAF(A&M) or ASAF(A) is the SSA, SAF/AQCK shall:

(1) Serve as the Secretariat and HQ USAF action office for staffing all source selection actions, such as delegations, SSAC chairperson nominations, and SSPs; and

(2) Manage the coordination and approval of all source selection documents and facilitate resolution of contractual issues to ensure timely processing and approval within the Secretariat.

(i) Dedicated personnel. All Government personnel assigned as a source selection team member must consider this duty as their primary responsibility. Their source selection assignment must take precedence over all other work assignments. Supervisors are responsible for ensuring that other work assignments do not conflict with subordinates' source selection duties. Key members of the source selection team, such as the SSET Chairperson, the PRAG Chairperson and the contracting officer, must have source selection experience, if possible, and be designated early.

5315.303-91 Source selection organization structure.

The organization structure for each category of source selection is described below.

(a) Basic Source Selection Procedures. The acquisition team will normally consist of one technical member and one contracting member. If additional team members are required, it must be approved by an official at least one level above the contracting officer. The contracting officer is the source selection authority.

(b) Median Source Selection Procedures. The source selection organization must normally consist of the SSA and the SSET, which must include only those persons necessary to perform the evaluation of proposals against the stated evaluation factors and subfactors. The SSET consists of technical evaluators, contracting officer/buyers, PRAG (optional), cost or price analyst(s), and advisors. The SSA is as stated in Attachment 5315-3.

(c) Agency Source Selection Procedures. The source selection organization must normally consist of the SSA, SSAC and the SSET which must include only those persons necessary to perform the evaluation of proposals against the stated

PART 5315---CONTRACTING BY NEGOTIATION

evaluation factors, subfactors, and elements. The SSET consists of technical evaluators, contracting officer/buyers, PRAG, cost or price analyst(s), and advisors. The SSA is as stated in Attachment 5315-3.

5315.304 Evaluation factors and significant subfactors.

(b)(2) It is Air Force policy to establish the absolute minimum number of factors necessary for evaluation of proposals. Source selection factors may be subdivided into subfactors, that, in rare instances, may be further subdivided into elements if needed for Agency source selections. Evaluation factors and, if used, subfactors and elements are the basis for assessing each offeror's ability to meet the Government's needs. They are the uniform baseline against which each offeror's proposal is compared to determine the confidence the Government has that the offeror will be able to actually perform the work that the offeror proposes. They establish the level an offeror's proposal must meet in order to be judged acceptable. Factors and subfactors must be limited to those that are real discriminators. Evaluation factors, subfactors, and elements:

(i) Must be written in enough depth to communicate the measures of merit used to determine how the proposal will be evaluated and rating determined;

(ii) Must include only those specific program characteristics that are significant enough to have an impact on the source selection decision, such as those identified through program risk analysis;

(iii) Must be set forth in Section M of the draft and final RFPs, Evaluation Factors for Award. In addition, the relative importance of all factors, subfactors, and elements must be specified in Section M of the RFP; and

(iv) May be quantitative, qualitative, or a combination of both.

(c) Source selections must use the following four evaluation factors: Cost or Price, Past Performance, Mission Capability and Proposal Risk, except that for Basic source selections, evaluation of proposal risk is optional. The Mission Capability factor must be limited to six subfactors, unless additional subfactors are justified, documented in the SSP, and approved by the SSA. Proposal risk must be assessed at the Mission Capability subfactor level. Subfactors are not normally used for Past Performance and Cost or Price.

5315.305 Proposal evaluation.

(a) Air Force factor ratings and assessments focus on the proposal strengths, weaknesses, proposal inadequacies, deficiencies, risks, performance confidence, and affordability. For a sample evaluation matrix, see Attachment 5315-4. Offerors are required to meet all solicitation requirements, such as terms and conditions, representations and certifications, and technical requirements, in addition to those identified as factors, subfactors, or elements to be eligible for award. Section M of the RFP must inform offerors of this condition for award. The factor ratings and assessments are described as follows:

(1) Cost or price evaluation. Price or cost analysis is an assessment of affordability used to establish reasonableness or realism. The level of detail of analysis required will vary among acquisitions depending on the complexity or circumstances of the acquisition, including the degree of competition, the phase of the program, the type of product/services being acquired, and the contract type. In order to enable offerors to make informed decisions on how best to propose, every solicitation will contain a description of the method(s), techniques, and procedures by which cost or price will be analyzed. Price analysis is the preferred approach to be used.

(i) For cost-reimbursement contracts, the cost realism analysis that results in a probable cost is accomplished in accordance with FAR 15.404-1(d)(2) and must be presented to the SSA in addition to the proposed cost.

(ii) In fixed price contracting, cost realism analysis is not required except under the conditions specified in FAR 15.404-1(d)(3).

(iii) For all firm-fixed price (FFP) contracts where adequate price competition is anticipated, obtaining information other than cost or pricing data from offerors is discouraged and should occur in only rare cases (see FAR 15.403-3(b) and FAR 15.404-1(d)(3)). In the rare cases when it is necessary to request information other than cost or pricing data on FFP contracts, approval must be obtained from SAF/AQC. Submit requests for approval to SAF/AQCK for processing (see 5315.402(a)). This approval requirement does not apply to A-76 studies because of the cost comparison requirements between private offerors and the Government Most Efficient Organization (MEO).

PART 5315--CONTRACTING BY NEGOTIATION

(iv) To ensure the best possible evaluation, the entire Government evaluation team must have access to cost or pricing data and information other than cost or pricing data. Under appropriate circumstances, non-Government advisors may be permitted access as required.

(2) Past performance evaluation. Past Performance may be established as the most important evaluation factor and must be at least as important as the most important non-cost factor. Past performance evaluation is accomplished through assignment of a confidence assessment rating based on assessing performance risk. The risk assessment is accomplished by reviewing aspects of the offeror's relevant past performance, focusing on and targeting performance which is relevant to the Mission Capability subfactors and cost or price. The confidence assessment rating is established through an integrated analysis of the those risks and strengths identified at the subfactor level as determined by the offeror's recent, current and relevant contract performance. This integrated past performance confidence assessment is rated as its own factor. The SSA has the option of assigning the rating at the factor level based on the subfactor assessment, or may elect to have the PRAG recommend a factor level confidence assessment rating based on the subfactor assessment.

(i) The main purpose of the past performance evaluation is to appropriately consider each offeror's demonstrated record of contract compliance in supplying products and services that meet users' needs, including cost and schedule.

(ii) The recency and relevancy of the past performance information is critical in determining what contracts/programs should be evaluated and should be individually tailored for each acquisition. Current performance will have greater impact in the performance confidence assessment than less recent performance. In determining relevancy, consideration should be given but not limited to such things as product similarity, product complexity, contract type, program phase, contract environment, division of company proposing, and subcontractor interaction. The evaluation should be constrained to a few most recent and most relevant contracts/programs for a comprehensive review. Early identification and use of past performance information to enable Government evaluators to focus on this measure of the performance confidence assessment is critical. Offerors should be informed of the information used to assess past performance (subject to the restrictions in FAR 15.306(e)(4)) and be given the opportunity to recommend other information, if appropriate, that will provide recent relevant information.

(S-90) The past performance evaluation should concentrate on those aspects of the instant acquisition most critical to overall success. Evaluation of offerors' performance should focus on demonstrated performance in these specific areas. Evaluators should consider mitigating circumstances, such as process changes, that have resulted in improvements to previous performance problems. However, process changes should only be considered when objectively measurable improvement in performance has been demonstrated as a result of the changes.

(S-91) Past performance information may be obtained through the **Past Performance Automated Information System (PPAIS)**, questionnaires tailored to the circumstances of the acquisition, through Defense Contract Management Command Agency, through interviews with program managers and contracting officers, or other sources known to the Government. Data from previous source selections or contractor capability assessments should be used if the data is recent and relevant.

(S-92) In performing a past performance evaluation each offeror must be assigned one of the following ratings:

<u>Rating</u>	<u>Definition</u>
Exceptional/High Confidence	Based on the offeror's performance record, essentially no doubt exists that the offeror will successfully perform the required effort.
Very Good/Significant Confidence	Based on the offeror's performance record, little doubt exists that the offeror will successfully perform the required effort.
Satisfactory/Confidence	Based on the offeror's performance record, some doubt exists that the offeror will successfully perform the required effort.
Neutral/Unknown Confidence	No performance record identifiable (see FAR 15.305(a)(2)(iii) and (iv)).

PART 5315--CONTRACTING BY NEGOTIATION

Marginal/Little Confidence

Based on the offeror's performance record, substantial doubt exists that the offeror will successfully perform the required effort. Changes to the offeror's existing processes may be necessary in order to achieve contract requirements.

Unsatisfactory/No Confidence

Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort.

(3) Technical evaluation.

(i) The Mission Capability subfactors must be derived from requirements or objective and threshold performance requirements when used. Mission Capability ratings focus on the strengths and proposal inadequacies of the offeror's proposal. Mission capability must be evaluated using the following color ratings. Subfactor ratings must not be rolled up to an overall color rating. Through exchanges, the Government evaluators should be able to obtain the necessary information from offerors with interim Yellow/Marginal ratings to determine if the proposal inadequacies have been satisfactorily addressed. Yellow/Marginal ratings should be rare by the time of the final evaluation. Note that if an offeror's proposal demonstrates a material failure to meet a Government requirement, this is a deficiency in the offeror's proposal (see FAR 15.001).

<u>COLOR</u>	<u>RATING</u>	<u>DEFINITION</u>
Blue	Exceptional	Exceeds specified minimum performance or capability requirements in a way beneficial to the Air Force.
Green	Acceptable	Meets specified minimum performance or capability requirements necessary for acceptable contract performance.
Yellow	Marginal	Does not clearly meet some specified minimum performance or capability requirements necessary for acceptable contract performance, but any proposal inadequacies are correctable.
Red	Unacceptable	Fails to meet specified minimum performance or capability requirements. Proposals with an unacceptable rating are not awardable.

(ii) Proposal risk assessment focuses on the risks and weaknesses associated with an offeror's proposed approach. Assessment of risk is done at the subfactor (or element, if used) level, and includes potential for disruption of schedule, increased cost, degradation of performance, and the need for increased Government oversight as well as the likelihood of unsuccessful contract performance. For any risk identified, the evaluation must address the offeror's proposal for mitigating those risks and why that approach is or is not manageable. Note that if a combination of significant weaknesses leads to unacceptably high proposal risk, this is a deficiency in the proposal (see FAR 15.001, Definitions.) Proposal risk must be evaluated using the following ratings:

<u>Rating</u>	<u>Definition</u>
High	Likely to cause significant disruption of schedule, increased cost or degradation of performance. Risk may be unacceptable even with special contractor emphasis and close Government monitoring.
Moderate	Can potentially cause some disruption of schedule, increased cost, or degradation of performance. Special contractor emphasis and close Government monitoring will probably be able to overcome difficulties.

PART 5315---CONTRACTING BY NEGOTIATION

Low Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will probably be able to overcome difficulties.

5315.306 Exchanges with offerors after receipt of proposals.

All exchanges with offerors after receipt of proposals must clearly identify the types of exchanges, i.e., clarifications, communications, or discussions.

(c) A competitive range briefing must be conducted for Median and Agency acquisitions where the contracting officer recommends elimination of an offeror from the competitive range.

(d)(3) For all ACAT (see DoDI 5000.2) program source selections, the SSET, through the contracting officer, may provide to all offerors in the competitive range their rating status at the time of competitive range determination and must provide to all offerors in the competitive range their rating status at the end of discussions. The rating status must include the description of that offeror's strengths, weaknesses, proposal inadequacies, risks and deficiencies, if any remain. This may be accomplished by providing the offeror its own color and risk rating briefing charts (if accomplished) as they appear at the end of discussions with that offeror and should reflect the evaluation results of discussions. Rating status may also be provided to offerors on non-ACAT programs.

5315.308 Source selection decision.

A Source Selection Decision Document (SSDD) must be prepared for all Air Force source selections and must reflect the SSA's integrated assessment and decision. The SSDD must be the single summary document supporting selection of the best value proposal consistent with the stated evaluation criteria. The SSDD must clearly explain the decision and document the reasoning used by the SSA to reach the decision. The SSDD is fully releasable to the General Accounting Office and others authorized to receive proprietary and source selection information. When releasing a copy of the SSDD to offerors or to anyone not authorized to receive proprietary and source selection information, redacted material should be limited to that which is proprietary and that which must continue to be protected as source selection information. The need to redact such information is not a sufficient reason to refrain from preparing a properly written SSDD.

5315.308-90 Air Force source selection documents.

Required source selection documents.

(a) Source Selection Plan (SSP). The SSP is a key document in conducting the source selection. It should include applicable Program Management Directive (PMD) or other applicable guidance or direction and contain the elements described below to ensure timely staff review and SSA approval. The program/project office, with assistance from the contracting officer, must prepare an SSP for all source selections conducted under this policy. For Basic source selections, this plan need not be a separate document, nor must it include all the items listed in (3) below, but may be a description of the acquisition, the evaluation factors used and their relative importance, and be included in the Proposal Evaluation Report (PER).

(1) The SSP must be submitted sufficiently in advance of the planned acquisition action to permit review and approval by the SSA and early establishment of the source selection organization. In order to accelerate the acquisition, the SSP should be prepared and approved in conjunction with the AP/SAMP. Briefing charts may be used to document the SSP. If SAF/AQ or higher is the SSA, the SSP must be sent to SAF/AQCK for coordination and approval by SAF/AQ.

(2) When changes in acquisition strategy require a revision to the SSP, the requiring office will send the proposed revision through source selection channels to the SSA.

(3) The SSP must include the following sections or references to other documents containing this information if it is addressed in other official documents (whenever possible, refer to and attach supporting documents rather than repeating the information in the SSP):

(i) **ACQUISITION STRATEGY.** The SSP will include a summary of the acquisition strategy, including type(s) of contract(s) proposed, the incentives contemplated, milestone demonstrations intended, special contract clauses, etc. The SSP acquisition strategy must reflect the strategy in the AP/SAMP.

PART 5315---CONTRACTING BY NEGOTIATION

(ii) **SOURCE SELECTION ORGANIZATION.** Describe the proposed organization (see 5315.303-91). List recommended members by name, position title, or by functional area. The plan must identify other Government organizations that will participate in the source selection.

(iii) **PRESOLICITATION ACTIVITIES.** Describe the activities leading up to the release of the solicitation such as market research, draft solicitations, and synopsis. For the market research, discuss how it was used to achieve competition, including a discussion of screening criteria, if applicable.

(iv) **EVALUATION PROCEDURES.** Identify which evaluation procedures will be used, i.e., Basic, Median, or Agency Level procedures and any deviations from those procedures that have been approved for use.

(v) **EVALUATION FACTORS, SUBFACTORS and ELEMENTS.** Describe the evaluation factors, subfactors, and elements and their relative order of importance. (NOTE: This must be reflected verbatim in Section M of the RFP.)

(vi) **SCHEDULE OF EVENTS.** Identify the schedule for significant source selection activities in sufficient detail to allow the reviewing authorities to assess the practicality of the schedule.

(vii) **NON-GOVERNMENT PERSONNEL.** Address the use of non-Government personnel.

(b) Proposal Evaluation Report (PER). The objective of this report is to be simple and concise and to utilize existing documentation, e.g., evaluator worksheets, to the maximum extent possible. The PER is required for Basic source selections and must not be used for the other categories of source selection. The PER is written incrementally as the source selection progresses and documents the integrated assessment of Cost or Price, Past Performance, Mission Capability and Proposal Risk. Section I of the report provides a modified SSP with a description of the acquisition and evaluation factors used and their relative importance. Section II details the evaluation by offeror and should be used for debriefings. Section III is the comparative analysis of offerors. For those offerors excluded from the competitive range, this section will include the rationale for the competitive range determination. Section IV is the source selection decision document. Separate cost or price and technical reports are not required.

(c) Briefing charts.

(1) When a competitive range briefing is required, charts must be in sufficient detail to support the contracting officer recommendation. At this point in the process, there are frequently numerous issues to discuss with offerors. Therefore, it is especially important to explain clearly to the SSA which issues are of greatest significance, particularly those for which it may be necessary to issue ENs regarding deficiencies in the offeror's proposal.

(2) Charts for the SSA decision briefing are mandatory for Median and Agency source selections, but are not required for Basic. Charts presented to the SSA must include the integrated assessment of cost or price, performance confidence, color ratings for mission capability subfactors and a separate proposal risk rating for each subfactor. Only the final ratings are required to be shown (changes from the competitive range briefing, if conducted, to the source selection decision briefing should not be depicted). In addition, sufficiently detailed narrative descriptions of each offerors' strengths, weaknesses and risks must be included.

(d) Proposal Analysis Report (PAR). The objective of this report is to document the results of the SSET evaluation and to provide the comparative analysis of competitive offers. The PAR includes the integrated assessment of Cost or Price, Past Performance, Mission Capability and Proposal Risk. The PAR is required for Agency and optional for Median source selections, however all ACAT programs other than those for which Basic procedures are used require a PAR. For non-ACAT Median source selections, the SSA is the approval authority for use of a PAR.

5315.308-91 Foreign military sales (FMS).

(a) When the Air Force conducts a source selection for an FMS customer or in accordance with a cooperative agreement with a foreign Government, the policy of this supplement will be followed unless a deviation is approved in accordance with 5315.300(d).

(b) The FMS customer must not participate in the source selection process. Subject to approval by the SSA, representatives of the customer country may be called upon by the SSET or SSAC to clarify technical questions during evaluation of offeror proposals. The cost or price information or any part of an offeror's cost or price proposal must not be released to any representative of the FMS customer.

PART 5315---CONTRACTING BY NEGOTIATION

(c) Source selection decisions in international cooperative projects are the responsibility of the host nation in accordance with the terms of the cooperative agreement. All participating nations may be represented on the SSET and SSAC, but the SSA shall, after considering the advice of the SSET and SSAC, make the source selection decision.

SUBPART 5315.4—CONTRACT PRICING**5315.402 Pricing policy.**

(a) For firm-fixed price (FFP) competitive contracts where adequate price competition is anticipated (see 5315.305(a)(1)), approval to obtain information other than cost or pricing data (see FAR 15.402(a)(2)) from offerors must be obtained from SAF/AQC. Submit requests for approval to SAF/AQCK for processing. Requests should address the following:

- (1) Description of effort including estimated dollar value;
- (2) Discussion of why competitive forces were found to be inadequate;
- (3) Description of the information being requested from offerors;
- (4) Specific alternatives to obtaining this information that were considered or used and why those alternatives were not employed or their use was unsuccessful;
- (5) Detailed justification for why the information is needed, why the information is obtained from offeror(s), and the impact to the evaluation if the information is not obtained; and
- (6) Copy of solicitation language (i.e., Instructions to Offerors, Section L, or equivalent) which specifies the type of information being requested from offerors.

5315.403 Obtaining cost or pricing data.**5315.403-1 Prohibition on obtaining cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. 254b).**

- (c) Standards for exceptions from cost or pricing data requirements.
- (1) *Adequate price competition.*
 - (ii)(B) For AFMC activities, the Senior Center Contracting Official must be the approval authority required in FAR 15.403-1(c)(1)(ii)(B). For all other activities, the Chief of the Contracting Office is the approval authority.
 - (4) *Waivers.*
 - (i) When the HCA (see 5301.601-91) is SAF/AQC, submit waiver requests to SAF/AQCK. When the HCA is the Assistant Secretary of the Air Force (Acquisition), waiver requests must be processed through PEO/DAC channels to SAF/AQCK.
 - (ii) Requests for waiver of certified cost or pricing data must include, in addition to a clear description of the methods to be used to determine the price reasonable, the following additional information (when a subcontractor has refused to provide cost or pricing data to a prime contractor, each item of the information required must cover both the prime contract and subcontract):
 - (A) Contract type and number, RFP or purchase request number, including supplemental agreement number;
 - (B) A concise description of supplies or services being purchased;
 - (C) Any outside influences or time pressures;
 - (D) Complete company name and location;
 - (E) If applicable, a complete description of the data the contractor or subcontractor refuses to submit and the basis for refusal (include all correspondence);

PART 5315---CONTRACTING BY NEGOTIATION

(F) If applicable, names and titles of the contractor and/or subcontractor personnel contacted and the Government personnel making the contact; and

(G) A summary statement of the approval action being requested.

5315.404 Proposal analysis.**5315.404-1 Proposal analysis techniques.**

(b)(2)(v) Operational contracting activities must require the activity that prepared the Government estimate to review its accuracy and provide written review results before contract execution when the lowest acceptable cost proposal varies more than 20 percent from the Government estimate for new negotiated contracts or contract modifications exceeding the simplified acquisition threshold. The contracting officer must place in the contract file a statement of actions taken to resolve differences between the cost proposed and the Government estimate.

(c)(2)(iii) Anticipated decrements, or decrement factors, are the historical differences between vendors' and subcontractors' proposed prices and the actual prices negotiated with those vendors and subcontractors (e.g., the historical average decrement for a specific vendor or the average decrement for a certain commodity or commodity group). When performing cost analysis on material costs based on quotes or estimates, the contracting officer should consider anticipated decrements, or decrement factors, that may be achieved by the contractor when the contractor subsequently negotiates the purchase order or subcontract. If a contractor does not include decrement factor information in its initial cost or pricing data submission, the contracting officer should not rely on a subsequent finding of defective pricing but should specifically request decrement factor information to conduct a meaningful analysis (see 5315.404-2).

5315.404-2 Information to support proposal analysis.

(a)(2) When material costs are based on quotes or estimates, the contracting officer should request the auditor or administrative contracting officer (ACO), as appropriate, to verify that decrement factor information (see 5315.404-1(c)(2)(iii)) is current, accurate, and complete, and also determine if proposed decrement factors reflect specific experience with a vendor or an average decrement for a certain commodity or commodity group. For example, if a contractor's estimate for material costs is based on a quote obtained from only one vendor with whom the contractor historically negotiated a 20 percent reduction, it would not be appropriate to use the contractor's business-wide decrement factor of 10 percent.

5315.404-3 Subcontract pricing considerations.

(a) If the contractor refuses to provide the results of subcontract reviews and evaluations, or if the contracting officer determines that the reviews and evaluations are so deficient to preclude an adequate analysis and evaluation of the contractor's proposal, the contracting officer must attempt to secure the subcontract reviews and evaluations and/or elicit corrective action. If the contractor persists in refusing to provide subcontract reviews and evaluations, the contracting officer must assign below normal values for management and cost criteria under the performance risk factor when using the Weighted Guidelines Method (see DFARS 215.404-71) to establish a profit objective. In addition, the contracting officer should consider withholding the award and refer the matter to management for resolution. Contracting officers should consider taking action described in DFARS 215.407-5 when a contractor consistently fails to provide adequate subcontract reviews and evaluations. If a subcontract represents a significant cost risk to the Government, the contracting officer should consider: (1) directing the contractor to definitize the subcontract prior to completion of prime contract negotiations; or (2) conducting a joint Government/contractor team analysis of the subcontract proposal.

5315.404-4 Profit.

(c)(2) The authority to approve the use of an alternate structured approach in lieu of the Weighted Guidelines Method is delegated to the MAJCOM, FOA, and DRU Directors of Contracting. The contracting officer must forward a copy of approved alternate structured approaches to SAF/AQCP.

5315.404-90 Price Analysis and Review Technique for Spares/support equipment (PARTS).

(a) PARTS is a pricing technique that provides for review of each line item in a spare parts or support equipment price proposal. When a proposal contains multiple line items, and the contracting officer determines that a detailed analysis of

PART 5315---CONTRACTING BY NEGOTIATION

each line item is impractical, the technique described in paragraph (b) below must be used. Contractor proposals which are not submitted on a line item basis, or include inappropriate allocation of support costs (see FAR 15.404-1(f)), must be returned to the contractor for revision.

(b) Under the PARTS methodology, the contracting officer must ensure that multiple line item proposals are evaluated as follows:

(1) A detailed cost analysis must be performed on:

(i) Those items where the proposed unit price exceeds 25 percent of the lowest unit price paid for the item at any time within the most recent 12 month period. The proposed prices of all items must be compared to previous prices paid for that item to accomplish this review; and

(ii) High-dollar value items representing a significant portion of total proposal value. High-dollar value items must normally have a minimum unit value exceeding the simplified acquisition threshold. The HCA may establish lower dollar thresholds.

(2) Those items not subjected to a detailed cost analysis, as described in subparagraph (1) above, must be subjected to a value review to determine if their prices appear to be fair and reasonable. This review must involve a subjective assessment of each line item price based on information obtained from such sources as illustrated parts breakdowns, pictures, drawings, sketches, functional descriptions, descriptions of the labor, material, and engineering characteristics of the item, and, if possible, a physical inspection of the item. If it appears that the price of an item may not be fair and reasonable, that item must be subjected to a detailed cost analysis.

(3) A random sample of those items which, on first appearance, are determined to have an apparent fair and reasonable value, must be selected for a detailed cost analysis by means of random number tables or computer selection routines. Sample size may be determined by judgment based on experience with the contractor, reliability of the contractor's estimating/accounting systems, credibility of proposals, etc., but, in any event, must be statistically representative of the universe of items. There may be limited instances when selective sampling is determined to be more appropriate. If the contracting officer makes such a determination, the justification for using selective sampling must be documented in the contract file. The results of this analysis must be used to develop a decrement factor which must be used in establishing a negotiation position for the low-dollar value items. Any decrement factor developed from the detailed analysis of sampled low-dollar value items must only be applied to low-dollar value items on that proposal. Negotiation positions established for low-dollar value items on an earlier proposal must not be used on later proposals.

(c) The combination of the analysis efforts described in this subsection, plus other appropriate inputs, must be used to establish the Government negotiation position for all line item prices, as well as for total price. The price negotiation memorandum must discuss the PARTS procedures employed by specifying the percentage of proposed value and number of line items subjected to detailed review, criteria for high-dollar/low-dollar value items, and so forth.

5315.406 Documentation.**5315.406-1 Prenegotiation objectives.**

(a) Before meeting with an offeror to discuss any substantive issues related to a proposed new contract or modification to an existing contract which is significant to the using organization or program office, the Air Force negotiating team should first meet to ensure that they fully understand the proposal and have identified areas for discussion.

(b) For contract actions subject to the Air Force clearance process (see 5301.90), negotiation objectives must be documented in accordance with 5301.9007. For contract actions not subject to the 5301.90 clearance process, each MAJCOM must establish procedures for briefing negotiation objectives to management or otherwise providing for management review of objectives before negotiations begin. Consider briefings when: (1) a contract represents significant cost for the contracting office; (2) a new contract follows a contract(s) where a contractor's performance has been unsatisfactory or items acquired have performed poorly and required modification and retrofit; (3) a new contract substantially increases a contractor's annual sales and production volume; or (4) costs substantially exceed the original estimate.

PART 5315---CONTRACTING BY NEGOTIATION

5315.406-3 Documenting the negotiation.

(a) The contracting officer must ensure that all copies of the price negotiation memorandum (PNM) are marked "FOR OFFICIAL USE ONLY." Distribution of the PNM must occur only after formal award and contract distribution. Each contracting activity must establish a system which will ensure that copies of PNM are provided in a timely manner to all required recipients.

(7) Each PNM must address whether similar goods or services have been purchased in the past and must address the cause of any substantial price difference between the previously purchased item (if any) and the current item. For example, if a quantity change caused the price to increase, explain the reasons for that increase.

5315.407 Special cost or pricing areas.**5315.407-4 Should-cost review.**

(b)(1) The contracting office organizes and manages the program should-cost review.

(2) HQ AFMC must establish dollar thresholds for mandatory application of should-cost on noncompetitive production contracts. The authority established to waive mandatory application is not delegable. Should-cost techniques may also be applied to contracts below the mandatory dollar thresholds when the contracting office determines that significant savings can be achieved in comparison to the resources applied to the should-cost. Should-cost analysis should be applied early in the acquisition cycle, preferably the first production lot even if the first buy does not exceed the thresholds. Early incorporation of should-cost recommendations by the contractor will maximize program benefits as sufficient follow-on requirements allow investments and implementation cost to be amortized.

(vii) The contracting office must seek inputs and participation of the Defense Contract Management Agency (DCMA) in the initial planning for any should-cost review involving DCMA. Prior to performing a review, the contracting activity must study the documentation of all should-cost analysis and other reviews such as Production Readiness Reviews, Manufacturing Management/Production Capability Reviews, Contractor Purchasing System Reviews, Contractor Employee Compensation System Reviews, and Independent Cost Analyses (ICAs) conducted on the contractor within the last two years. The team should review all logistics considerations, including spare parts requirements.

(4) A formal should-cost report is required. The team chief is responsible for its completion. The report must contain a complete analysis of the contractor proposal and serve to establish the Government's negotiation objective. The report must document improvements to be made by the contractor and include a lessons learned section. The PNM must discuss any recommendations contained in the should-cost report. The formal should-cost report and the PNM must be submitted to the MAJCOM should-cost focal point within 45 days after completion of negotiations. The cognizant MAJCOM should-cost focal point is the repository for should-cost data.

5315.407-90 Formula Pricing Agreements (FPA).**5315.407-90-1 Description.**

(a) Formula Pricing Agreements (FPAs), sometimes referred to as spare parts pricing agreements, are any pricing agreements with a contractor that:

- (1) Establish the pricing methodology for more than one future contract action;
- (2) Identify the category(s) of purchases to be covered (e.g., F-100 replenishment spares); and
- (3) Specify the direct cost inputs and the rates and/or factors to be applied to identified bases plus profit or fee.

(b) FPAs differ from Forward Pricing Rate Agreements (FPRAs) in that an FPRA is usually limited to an agreement on individual rates or factors (including Cost Estimating Relationships (CERs)), applies to items not specified in the agreement, and is required to be used by all buying activities.

PART 5315---CONTRACTING BY NEGOTIATION

5315.407-90-2 Policy.

(a) Establish FPAs when needed to reduce administrative costs and lead times associated with negotiation of large numbers of contract actions for items that can be identified or described in the agreement.

(b) Only establish FPAs with contractors under Government in-plant contract administration cognizance and having a resident DCAA auditor. (This requirement may be waived by the HCA.)

(c) FPAs anticipating individual acquisitions that will exceed the threshold for cost or pricing data must be approved by the HCA and must establish a maximum dollar amount for any acquisition priced using the FPA. Any individual proposal that exceeds the threshold for cost or pricing data must be subject to certification in accordance with 15.406-2.

5315.407-90-3 FPA requirements.

All FPAs must:

(a) Be in writing and signed by the contracting officer;

(b) Cover no cost elements that would require discrete estimating and analysis (e.g., direct labor and material costs);

(c) Identify all rates and factors that are a part of the FPA. An FPA may reference FPRA(s) as long as it prescribes the effect and treatment of any changes in the FPRA(s);

(d) Establish terms and conditions covering application of the agreement, its expiration date, and any data requirements for systematic monitoring (e.g., provisions for review of actual cost data) to ensure its continuing validity;

(e) Provide for cancellation at the option of either party;

(f) Require the contractor to notify the contracting officer and the cognizant contract auditor of any significant change in its estimating/accounting system or the cost or pricing data and describe the impact on the FPA;

(g) Require the contractor to identify in each specific pricing proposal where the agreement is used:

(1) The FPA and the date of the latest certification of cost or pricing data supporting it; and

(2) Any items in the proposal that are not priced under the agreement;

(h) Provide that:

(1) The FPA may not be used if the contractor's purchasing, estimating, or accounting system are disapproved by the Government; and

(2) The contracting officer, or designated representative, may perform detailed cost or price analysis on random samples of proposed items and/or items that have unit prices that are significantly higher than previous buys;

(i) Be supported by cost or pricing data (see FAR 15.403-4) and a signed certificate of current cost or pricing data that is submitted when agreement on the FPA is reached (and annually thereafter);

(j) Provide that contractual documents for items priced using the FPA, include:

(1) The statement at FAR 52.215-10, Price Reduction for Defective Cost or Pricing Data; and

(2) A clause incorporating the FPA by reference;

and

(k) Be based on a pricing methodology that ensures that unit prices are in proportion to the item's base cost (see FAR 15.404-1(f)) and that prices may be adjusted, if it is found that:

(1) Cost or pricing data supporting the FPA was not accurate, current, or complete; or

(2) The price was developed through incorrect application of the FPA.

PART 5315---CONTRACTING BY NEGOTIATION**5315.407-90 Responsibilities.**

(a) Each MAJCOM using FPAs must

- (1) Establish appropriate approval levels for FPAs;
- (2) Maintain a list of FPAs that identifies each company and the group of items covered under each FPA
- (3) Conduct periodic reviews of FPAs and contract actions priced using FPAs; and
- (4) Establish agreements with appropriate contract administration offices to provide field pricing support, negotiation support, and administrative support of Air Force FPAs.

(b) Contracting officers must:

- (1) Negotiate FPAs in compliance with the requirements in 5315.407-90-2. This responsibility may be delegated to the ACO;
- (2) Obtain field pricing support, including contract audit and technical reviews, in the evaluation of FPAs;
- (3) Prepare a price negotiation memorandum covering the pricing factors used in each FPA;
- (4) Request Cost Accounting Office participation in negotiations;
- (5) Semi-annually request (through the ACO) the DCAA resident auditor to determine if the contractor is complying with FPA procedures;
- (6) Annually review each FPA to determine its validity by evaluating recorded cost data, and renegotiate the FPA if appropriate;
- (7) Determine the effect change conditions may have on an FPA's validity. Cancel an FPA when appropriate and notify all interested parties;
- (8) Not use a cancelled FPA;
- (9) At a minimum, conduct the following evaluation of each proposal under an FPA, in order to ensure that the FPA applies to the items, and to determine the reasonableness of discrete cost inputs and any non-covered costs (e.g., nonrecurring costs);
- (10) Compare proposed prices with prior prices, Government estimates, and purchase request estimates to ensure reasonableness. Use of an FPA does not relieve the contracting officer of the responsibility to ensure that the price is fair and reasonable;
- (11) Conduct detailed cost analysis on random samples of proposed items and/or items that have unit prices that are significantly higher than previous buys; and
- (12) Ensure that individual contract actions priced using the FPA comply with the terms of the FPA.

5315.407-90-5 FPAs negotiated by other DOD agencies.

Air Force activities may use FPAs of other agencies only if they comply with 5315.407-90-2.

5315.407-91 Follow-up on contract audit reports.**5315.407-91-1 General**

(a) This section constitutes Air Force implementation of DOD Directive 7640.2, Policy for Follow-up on Contract Audit Reports, dated 12 Feb 1988, as revised on 16 Aug 1995, which establishes certain responsibilities, reporting requirements, and follow-up procedures for contract audit reports issued by the Defense Contract Audit Agency (DCAA).

PART 5315---CONTRACTING BY NEGOTIATION

(b) The contracting officer is responsible for reaching agreement with the contractor and has wide latitude and discretion in that regard. Accordingly, the Air Force contract audit follow-up system is structured in consonance with the independent, decision-making role of the contracting officer and the financial advisory role of the contract auditor.

(c) Contracting officers must give full consideration to contract audit advice and must pursue timely and proper resolution and disposition of contract audit reports. Resolution of contract audit reports, other than preaward reports, is required within six months of report issuance by OMB Circular A-50, Audit Followup, dated 29 Sep 1982. Disposition should take place as soon as possible after resolution.

5315.407-91-2 Definitions.

“Adverse opinion report” means an audit report containing the specific statement that the contractor’s proposal is not acceptable as a basis for negotiation of a price.

“Closed audit report” means an audit report that has been disposed of by the contracting officer and closed for follow-up tracking purposes. (See the definition for “Disposition of contract audit reports.”)

“Contract audit report” means the contract auditor’s written advice to a contracting officer advocating specific action on the part of the contracting officer or contractor and/or including highly qualified or adverse opinion information. An audit report could include amounts questioned or disapproved, exceptions to a contractor’s system or operations (usually expressed in terms of cost avoidance), recommended price adjustments, or notification of a contractor’s noncompliance with cost accounting standards. Contract audit reports will include Contractor Insurance/Pension Reviews (CIPRs) issued by DLA.

“Costs questioned” means:

(a) The amount questioned in the audit report that the reporting contracting officer or auditor has the responsibility and authority to disposition. Audit reports on final indirect cost rates (overhead) will typically have costs questioned relating to corporate allocations and costs questioned relating to divisional expenses. The divisional administrative contracting officer (ACO) should report only the amount questioned pertaining to divisional expenses which he or she is responsible for negotiating, and the corporate ACO should report the costs questioned at the corporate level which he or she is responsible for negotiating. Each contracting officer should report the total amount questioned subject to negotiation *at that level*, regardless of contract mix or percentage of commercial business;

(b) All costs set aside as “unsupported,” qualified, and/or adverse opinion amounts, unless such amounts are disclaimed by the auditor because of requested assist audits or need for technical evaluation. Such amounts are not to be reported by the contracting officer until the assist audit and/or technical evaluation is incorporated by a supplemental report. At time of receipt, the amount questioned and the report date must be revised for correction in the next semi-annual report;

(c) Costs monetized as a result of a technical evaluation that are incorporated into the audit report; and

(d) For cost accounting standards cost impact audits, the total amount of the cost impact estimated by the auditor.

“Costs questioned sustained” means that portion of the costs questioned by the auditor which is upheld as a result of actions taken by either the contractor or the contracting officer.

“Disclaimed opinion report” means any audit denying the validity of a proposal when the scope of audit was so restricted that an audit opinion cannot be justified.

“Disposition of contract audit reports” occurs when:

(a) The contractor implements the audit recommendations or the contracting officer’s decision;

(b) The contracting officer negotiates a settlement with the contractor and a contractual document has been executed;

(c) The contracting officer issues a final decision pursuant to the “Disputes” clause and 90 days elapse without contractor appeal to the Armed Services Board of Contract Appeals (ASBCA). Should the

PART 5315---CONTRACTING BY NEGOTIATION

contractor appeal to the U.S. Court of Federal Claims within the 12 months after final decision, the audit report must be reinstated as an open report in litigation;

(d) A decision has been rendered on an appeal made to the ASBCA or U.S. Court of Federal Claims and any corrective actions directed by the Board or Court have been completed and a contractual document has been executed;

(e) Audit reports have been superseded by, or incorporated into, a subsequent report; or

(f) Any corrective actions deemed necessary by the contracting officer have been taken, so that no further actions can be reasonably anticipated.

In addition, divisional overhead audit reports may be considered dispositioned when the contracting officer has negotiated all local issues with the contractor and a written agreement detailing the results of the negotiations has been signed by both the contracting officer and the contractor, and distribution has been made to DCAA. A cost accounting standards noncompliance report may be dispositioned when the audit report on the related cost impact statement is received by the contracting officer.

“Highly qualified opinion report” means an audit report which typically indicates a significant inadequacy in the cost or pricing data, denial of access to records, or noncompliance with cost accounting standards or acquisition regulations. For the purpose of follow-up coverage under DOD Directive 7640.2, the audit report must specifically state that the results of audit are *highly* qualified. (Italics added for emphasis.)

“Litigation” means:

(a) An audit report is considered to be involved in litigation any time an appeal has been filed with the ASBCA, the U.S. Court of Federal Claims, or with any other Federal or state court concerning matters dealing with a specific contractor identified in the report; or

(b) An audit report is considered to be involved in litigation whenever the Government appeals a decision of the ASBCA, the U.S. Court of Federal Claims, or any other court, or there is other ongoing judicial action that has bearing on matters or issues identified in the report.

“Open audit report” means an audit report that has not been dispositioned.

“Original audit report date” means the date of the original audit report that first identified any issue that is still open and included in a superseding or supplemental audit report.

“Overage audit report” means an audit report that has not been dispositioned and is over 12 months old (from date of issuance) on the closing date of the semi-annual reporting periods ending 31 Mar and 30 Sep.

“Reports involved in investigation” means an audit report that is considered to be involved in an investigation when deferral of resolution or disposition action has been requested by an investigative agency of the U.S. Government.

“Resolution” means:

(a) For reportable audits, the point at which the auditor and the contracting officer agree on the action to be taken on audit report findings and recommendations/qualifications, or, in the event of disagreement, when the contracting officer determines a course of action after following MAJCOM/local contracting activity prenegotiation documentation and review procedures;

(b) In the case of auditor determined final indirect cost rates, resolution is achieved when an agreement is reached between the auditor and the contractor, or when an agreement cannot be reached, a decision is rendered by the cognizant ACO after obtaining additional review, if required; or

(c) For preaward audits, the point at which an agreement is reached, a proposed negotiation objective is modified during review, a contract price is negotiated, or the proposed award is canceled, whichever occurs first; and

PART 5315---CONTRACTING BY NEGOTIATION

(d) In all of the above cases, resolution must be supported by specific written documentation in the file.

5315.407-91-3 Responsibilities.

(a) The Deputy Assistant Secretary (Contracting), SAF/AQC, is the designated contract audit follow-up official responsible for managing the Air Force's contract audit follow-up program.

(b) MAJCOM Directors of Contracting must:

(1) Designate a contract audit follow-up focal point to manage the command's contract audit follow-up program;

(2) Establish procedures to monitor and ensure the proper, timely resolution, and disposition of contract audit reports within their commands;

(3) Establish procedures for the maintenance of up-to-date records on all reportable contract audits, from receipt through disposition. For open reports, this includes written milestone plans comprised, as a minimum, of target dates for resolution and disposition;

(4) Establish procedures within their commands to ensure that there is appropriate review of prenegotiation objectives (for the proposed disposition of both preaward and postaward contract audit reports) which are significantly different from the DCAA audit recommendations;

(5) Ensure that acquisition personnel in their commands are adequately trained in the utilization of contract audit reports and the requirements of the contract audit follow-up program;

(6) Ensure that performance appraisals of appropriate acquisition officials reflect their effectiveness in resolving and disposing of audit findings and recommendations in a timely manner, while fully protecting the Government's interest;

(7) Establish procedures to ensure that the MAJCOM's semi-annual contract audit follow-up status report submission is prepared in accordance with 5315.407-91-5; and

(8) Direct periodic evaluations of the command's contract audit follow-up systems to determine whether they are adequate and result in timely, appropriate resolution, and disposition of audit reports.

(c) The following is for information purposes only and is not directive. DOD Directive 7640.2 requires DCAA to:

(1) Provide timely and complete responses to any contracting officer or review official who requests factual information or further audit opinions regarding the audit issues under review;

(2) Provide timely and complete support to the DOD/IG or to any internal audit organization reviewing a DOD component's contract audit follow-up system, in accordance with DOD Directive 7600.2, Audit Policies, dated 2 Feb 1991;

(3) Use feedback provided by contracting officials, including final disposition and negotiation memoranda, to analyze and improve audit procedures and practices;

(4) Identify those contract audit reports which are reportable under DOD Directive 7640.2 to the cognizant DOD Component (SAF/AQCP) in a monthly electronic or hard copy report. The report must include the activity address numbers (see DFARS Appendix G) code for each report issued; and

(5) Forward all audit reports on auditor-determined final, indirect cost rates to the cognizant ACO for resolution and disposition when agreement cannot be reached with the contractor.

(d) The following is for information purposes only and is not directive. DOD Directive 7640.2 requires DLA to identify to the DOD Component those CIPRs that are reportable.

5315.407-91-4 Tracking of contract audit reports.

(a) Contracting activities must track all contract audit reports, but only need to report those audits

PART 5315---CONTRACTING BY NEGOTIATION

specified in 5315.407-91-5(b). For the nonreportable contract audits specified in 5315.407-91-5(c), tracking may be accomplished using records maintained in official contract files.

(b) Every Air Force contracting office must appoint a contract audit follow-up focal point. The designated focal point must maintain a log of all reportable contract audit reports received by the activity for which that activity has disposition responsibility and must track and report the status of the reportable contract audit reports from the date of receipt through final disposition. The designated focal point must maintain this information on a current basis and must ensure that the information is adequate to serve as the source document for the semi-annual contract audit follow-up status reports. Audit reports must be dropped from the tracking system in the reporting period following closure.

(c) The audit tracking information must be accumulated and maintained centrally at a level no higher than the AFMC direct reporting unit and at command headquarters for all other MAJCOMs. The activity updates this information at least monthly. For auditor-determined final, indirect cost rate reports, a report is considered received for follow-up tracking purposes when it is forwarded by the auditor to the cognizant ACO for resolution and disposition.

5315.407-91-5 Reporting of contract audit reports.

(a) Although DCAA will identify reportable contract audits, the procurement or contract administration office having resolution/disposition responsibility is ultimately responsible for reporting all audits meeting the criteria identified below.

(b) *Reportable audits* include:

(1) Those containing findings and recommendations, whether or not the findings are qualified, covering estimating system surveys, accounting and related internal control system reviews, defective pricing reviews, cost accounting standards (CAS) issues, and CAS cost impact settlement reviews;

(2) Those covering operations reviews, incurred costs including final, indirect cost rates or auditor-determined final, indirect cost rates referred to the ACO for final decision, final pricing submissions, termination settlement proposals, and claims, if reported costs or rates questioned or qualified equal \$100,000 or more; and

(3) Those CIPR reports identifying instances of contractor noncompliance with CAS, and all CIPR reports with questioned or qualified costs of \$100,000 or more.

(c) *Nonreportable audits.* Reports covering preaward proposals; forward pricing labor, overhead, and other advance rate proposals; progress payments; preaward surveys; proposals for change orders or modifications; assist audits; and closing statements are not to be reported. Audit reports containing reportable findings and recommendations are not to be treated as reportable audits; however, if deemed appropriate, the contracting officer should ask DCAA to issue a separate audit report addressing the reportable issues in detail. Also, the following audit reports are not reportable: reports containing only positive findings and recommendations, such as those recommending that a contractor's proposed cost accounting standards change be approved; any interim report that will be incorporated into a future report; and final indirect cost audits that are auditor determined, if the auditor is successful in reaching an agreement on the rate(s) with the contractor.

(d)(1) Each MAJCOM must prepare semi-annual status reports, using the formats for open and closed audits shown in Attachments 5315-1 and 5315-2. The reports must cover the semi-annual periods ending 31 Mar and 30 Sep and must be submitted to SAF/AQCP within 15 calendar days after the end of the period. Items must be removed from the tracking and reporting system in the period following that in which they appeared on the status report as being closed.

(2) If there are no audits, a negative report will be prepared and forwarded.

(e) The required semi-annual MAJCOM status report submissions must provide the following data:

PART 5315---CONTRACTING BY NEGOTIATION

(1) *For open reports.* The report number, report date, contractor name, type of audit, costs questioned or cost avoidance, date of request by an investigative agency for deferral of action on a report (when applicable), ASBCA docket number or U.S. Court of Federal Claims case number when litigation involves matters identified in the report (whether the report is resolved or unresolved), resolution date or resolution target date, disposition target date, and reporting activity. For superseding audits, also include the date of the original audit report that first identified any issue that is still open and included in the superseding or supplemental audit report.

(2) *For reports closed during the reporting period.* The report number, report date, contractor name, type of audit, date of disposition, costs questioned or potential cost avoidance, costs questioned or cost avoidance sustained, and reporting activity. Costs questioned and sustained must be reported as zero when a report is superseded, replaced, or incorporated into a new report. In such cases, the Date of Disposition column should show the new report number with its date of issuance. For closed defective pricing audits, the costs questioned that are reported must be reduced by the amount of any offsets proposed by the contractor which have been audited and accepted in writing by DCAA.

(f) Initial target dates for resolution and disposition must be within six months or twelve months, respectively, of the audit report issuance date. These target dates must be revised, as required, and such target dates must not be left unchanged if they are past-dated on the cut-off date of the current semi-annual status report.

(g) The MAJCOM status report submissions must denote the reporting activity for each audit listed, using the corresponding six digit activity address code listed in DFARS Appendix G. Activities not assigned a number must report by organization and address. MAJCOMs using an automated reporting system may satisfy this requirement by using their own location codes, as long as an explanation is furnished with the submission.

(h) The MAJCOM status report submissions must identify the type of audit using the following codes (MAJCOMs reporting via an automated system may also satisfy this requirement by using their own codes for audit type, provided an explanation is furnished with the submission):

<u>Code</u>	<u>Type of Audit</u>
A	Estimating System Survey
B	Accounting and Related Internal Control System Reviews
C*	Claims
D	Defective Pricing Review
E	Cost Accounting Standards Noncompliance and Cost Impact Statement Reviews
F*	Operations Audit
G*	Incurred Costs and Settlement of Final Indirect Cost Rates
H*	Contractor Insurance/Pension Reviews
I*	Final Pricing
J*	Terminations

* Reported costs, rates questioned, or reported CAS noncompliance's must equal \$100,000 or more.

(i) MAJCOMs must make every possible effort to ensure the completeness and accuracy of their semi-annual submissions, including verification against their prior status report submissions and the control logs of reportable audits issued by DCAA. In particular, the MAJCOM must place special emphasis on confirming the reporting accuracy of any audit listed as unresolved and over six months old. HQ AFMC/PKPC, acting for SAF/AQCP, must accumulate the MAJCOM reports and submit the consolidated Air Force report to the Deputy Assistant Secretary (Contracting), SAF/AQC, for signature and transmittal to the DOD/IG within 30 calendar days after the end of the reporting period.

(j) Contracting activities or MAJCOMs which discover inaccurate or incomplete data in their semi-annual reports must submit corrected data through channels to HQ AFMC/PKPC as soon as possible.

PART 5315---CONTRACTING BY NEGOTIATION

(k) The Status Report on Specified Contract Audit Reports has been assigned Report Control Symbol DD-IG(SA) 1580.

5315.407-91-6 Resolution of contract audit reports.

(a) Contracting officers must make every possible effort to resolve all reportable contract audits within six months of issuance.

(b) MAJCOM/local contracting activity procedures must provide for documentation and independent review of proposed prenegotiation objectives (for the disposition of both preaward and postaward contract audits) which are significantly different from the DCAA audit recommendations. For most contract audits, the contracting officer should obtain contractor comments and such technical advice as deemed necessary, prior to formulating a prenegotiation position. The contracting officer must share this additional information with the auditor, as appropriate. If additional audit effort is required because of data presented by the contractor, the contracting officer must promptly request such a review. (DCAA is required by DOD Directive 7640.2 to give priority to providing this necessary additional audit support.) If no additional audit effort is deemed necessary, the contracting officer must communicate with the auditor on the proposed disposition of the case, as necessary, to reach a fully informed decision. In documenting the prenegotiation position, the contracting officer should indicate whether the audit recommendations were accepted or, if not, whether the auditor has revised them. If the auditor agrees that a reduction in the applicable costs questioned is appropriate, the contracting officer must reduce the costs questioned amount being reported for that audit accordingly. When the contracting officer disagrees with the audit position, the contracting officer's prenegotiation documentation should include the rationale for not accepting the audit advice. The post negotiation documentation should include a summary of the field pricing report recommendations and the reasons for any pertinent variances from those recommendations.

(c) For auditor determined indirect cost rates, the auditor will seek agreement with the contractor upon completion of the audit. If agreement is reached, the contractor and auditor will execute a written understanding setting forth the final rates. If agreement is not reached, the auditor will issue a notice of costs suspended and/or disapproved, and advise the contractor of its right to submit a claim to the ACO for any disapproved costs. If the contractor submits a written objection to the ACO, the ACO may communicate further with the contractor in order to reach an agreement. If the ACO agrees with the audit recommendations, the ACO must issue a final decision. If the ACO disagrees with the audit recommendations, the ACO must comply with MAJCOM/local contracting activity procedures for documentation and review prior to disposition.

5315.407-91-7 Disposition of contract audit reports.

(a) Reportable contract audits should normally be disposed of within 12 months after issuance. Overaged audit reports must receive heightened management attention including, if necessary, the assignment of additional resources.

(b) Explicit and timely documentation and feedback on the final disposition of audit reports are essential. Therefore, the contracting officer must promptly prepare a memorandum covering the disposition of all reports. The memorandum must discuss the disposition of all recommendations and questioned/qualified amounts, including the underlying rationale for such dispositions. The contracting officer must provide a copy of the memorandum to the cognizant contract auditor before a report may be closed.

(c) Existing documentation, such as a price negotiation memorandum or a written overhead negotiation memorandum, should be used, when applicable, to meet the requirements of (b) above. For all other dispositions, the contracting officer must prepare a similar document for feedback purposes. To ensure that the final disposition of all audit reports is properly accounted for, the contracting officer must notify the cognizant DCAA office in writing of the cancellation of any acquisition action or of any unsuccessful offerors not receiving award of the contract or grant for which an audit report was issued.

PART 5315---CONTRACTING BY NEGOTIATION**5315.407-91-8 Recovery of funds.**

Policies regarding the collection of contract debts are contained in FAR Subpart 32.6. Any amount due the Government as a result of a contract audit is to be determined by the contracting officer either negotiating a settlement with the contractor or issuing a unilateral decision when negotiations are unsuccessful. Upon completion of either action, the contracting officer must make a prompt written demand for payment, citing the amount due, with a copy of the demand letter provided to the payment office cited in the contract. In accordance with FAR 32.610 (b), unless the contract is excluded pursuant to FAR 32.617, or the contract debt has been exempted from interest charges under agency procedures, the demand should include notification that any amounts not paid within 30 calendar days from the date of the demand will accrue interest from the date of the demand, or from any earlier date specified in the contract. FAR 32.610(b) also states that the interest rate on these debts must be the rate established by the Secretary of the Treasury, for the periods affected, under Public Law 92-41. In the case of a debt arising from a price reduction for defective pricing or a CAS noncompliance, interest will continue to accrue from the date of the overpayment by the Government until repayment by the contractor at the rate established by the Secretary of the Treasury, for the periods affected, pursuant to 26 U.S.C. 6621(a)(2) (see FAR 32.610(b)). In all cases, interest and penalties should not be included in bottom-line settlements, but should be separately identified, through a specified date, for comptroller officials. In accordance with section 1802, Chapter 18 in Volume 10 of DoD 7000.14-4, when management determines that resources should be recovered from a defense contractor and the contracting officer issues a demand for payment, a receivable must be recorded and collection action initiated as soon as possible. Also, in accordance section 1803, Chapter 18 in Volume 10 of DoD 7000.14-R, all interest and penalties assessed on contract debts are to be identified separately and deposited directly to the U.S. Treasury.

5315.407-91-9 Coordination with other agencies.

The cognizant contracting office responsible for acting on contract audit reports that affect contracts of other Government agencies must inform the affected organizations of such actions.

5315.407-91-10 Contract audit follow-up for GAO reports.

GAO audit reports which disclose contract pricing issues and are issued directly to the buying activity must be tracked and reported in accordance with the procedures in 5315.407-91. Contracting officers must provide:

- (a) An initial response to the GAO within 60 days of receipt of the audit report; and
- (b) A copy of the initial response and the disposition documents, simultaneously, to the following:
 - (1) SAF/FMPF, Room 4D212, 1130 Air Force Pentagon, Washington, DC 20330-1130, (703) 614-5422;
 - (2) SAF/AQCP;
 - (3) Office of the Inspector General, Department of Defense, Attention: DAIG, GAO Report Analysis, Room 555, 400 Army Navy Drive, Arlington, VA 22202.

5315.470 Estimated data prices.

(a) Except as authorized in paragraphs (b) and (c) below, when data are required to be delivered under a contract, the solicitation must include priced line items for that data. At a minimum, those line items must provide for separate prices for each major category of data to be delivered. Examples of major categories of data include technical orders, engineering data, and management data. When data to be delivered includes acquisition data (data which is being required to allow for the acquisition of an item on a competitive basis), the solicitation must require separate identification of the price of that data, including data rights necessary for the use of that data for the intended purpose.

PART 5315---CONTRACTING BY NEGOTIATION

(b) Not separately priced data line items (data line items for which no separate price is established, with the result that the prices for those line items are included in the price of hardware or other priced line items) must only be used in a solicitation or contract when the contracting officer specifically determines that it would not be practical to separately price those items. Such determination must be approved at a level higher than the contracting officer. The basis for the contracting officer determination must be documented in the contract file.

(c) Separate line item prices are not required in the following situations, and thus, the determination and approval requirements of paragraph (b) above do not apply:

(1) Research or exploratory development contracts when reports (listed on the DD Form 1423) are the only deliverable items under the contract.

(2) Contracts for the acquisition of commercial items as defined in FAR 2.101.

(3) Solicitations and contracts when the file is documented to show that adequate price competition is anticipated or obtained.

(d) Cost proposal data provided to support proposed prices for data should be analyzed using the over-and-above pricing concept. This concept reflects the recognition that the contractor will have to prepare certain data as a natural consequence of contract performance, whether or not we identify a requirement on the DD Form 1423 and ask for its delivery. Accordingly, the price paid for a data item should be based on what it costs the contractor to furnish the item, over and above the costs the contractor would incur if we did not require it at all. When large numbers of data items are to be analyzed, the contracting officer should consider using sampling techniques similar to those used for the analysis of spare parts proposals.

**SUBPART 5315.5 - PREAWARD, AWARD, AND POSTAWARD NOTIFICATIONS,
PROTESTS, AND MISTAKES.**

5315.506 Postaward debriefing of offerors.

(d) Debriefings to all successful and unsuccessful debriefed offerors must contain information sufficient to convey the basis of the SSA's integrated assessment and assist all offerors in improving future proposals. Information in the debriefings must be appropriately redacted and "point-by-point" comparisons of offerors proposals detailing specific language in the proposals are prohibited (see FAR 15.506(e)). Information showing how one offeror was evaluated and rated against the evaluation factors as compared to the successful offeror should be included in the debriefing Information must never be provided which is prohibited from disclosure or exempt from release (see FAR 15.506(e)(1)-(4)).

(1) The debriefed offeror must be provided the same ratings (or redacted PER for Basic source selections) for its proposal that were briefed to the SSA during the decision briefing. The debriefing must also include the narrative description provided the SSA, of the strengths, proposal inadequacies, risks, weaknesses, and deficiencies of the offeror's proposal.

(2) The debriefing must include the ratings and narrative description presented to the SSA of the strengths, proposal inadequacies, risks, and weaknesses of the successful offeror's proposal, appropriately redacted. The successful offeror and the unsuccessful offerors must not be provided information on any other unsuccessful offeror's proposal except for the case when there are only two offerors. In this case, the SSA may release all ratings and accompanying narratives on each offeror's proposal, appropriately redacted, to the other offeror.

(3) The SSDD, appropriately redacted, must be provided to all debriefed offerors. The SSA may also release an appropriately redacted PAR to all offerors in the competitive range. The debriefing is not a forum for debate regarding the subjective judgment of the SSA. If the Government team participating in the debriefing is uncertain about a response to an offeror's questions, or determines the question may be inappropriate (e.g., the response would reveal proprietary or classified information to which the offeror is

PART 5315---CONTRACTING BY NEGOTIATION

not permitted access), the offeror should be so informed and provided with a response, if appropriate, as soon as possible after the debriefing.

SUBPART 5315.6---UNSOLICITED PROPOSALS**5315.506-90 Air Force procedures.**

(a) Each MAJCOM, FOA, and DRU must establish contact points and procedures for receipt and disposition of unsolicited proposals received locally, consistent with the provisions in FAR Subpart 15.6.

(b) The contact point for the receipt and disposition of all unsolicited proposals received at the Air Staff (HQ USAF) and Secretariat (SAF) is HQ AFMC/PKPA 4375, Chidlaw Road, Suite S260, Wright-Patterson AFB, OH 45433-5006, (937) 656-0364 or DSN 986-0364. HQ AFMC/PKPA will review the proposal contents and determine the proper activity within the Air Force to evaluate and process the proposal. HQ AFMC/PKPA must acknowledge receipt of unsolicited proposals and forward each one to the processing activity in an expeditious manner.

(c) Unless otherwise directed by SAF/AQC, the cognizant contact point responsible for receipt and disposition of unsolicited proposals must provide the Air Force's response to offerors.

ATTACHMENT 5315-1 STATUS REPORT ON SPECIFIED CONTRACT AUDIT REPORTS, OPEN REPORTS

(Report Control Symbol DD-1G(SA) 1580)

OPEN REPORT

For Period Ending _____

DoD Component USAF _____

MAJCOM _____

	Audit Report Number	Report Date (1)	Contractor Name	Type of Audit (2)	Cost Questioned or Avoidance	Deferred for Criminal Investigation (3)	In Litigation (4)	Resolved or Unresolved (5)	Disposition Target Date (1)	Reporting Activity (6)
A. Overaged reports (over 12 months old)										
B. Reports 6-12 months										
C. Reports less than 6 months old										
D. Reports in litigation										
E. Reports involved in criminal investigation										

Note:

(1) Year, month, day

1 (2) Use codes listed in AFFARS 5315.407-91-5(h)

(3) If investigative organization has requested deferral of resolution or disposition action, list date of request.

(4) Docket/Case No. or no (N)

(5) For resolved audits: insert R and date of resolution. For unresolved audits: insert U and resolution target date.

(6) Use DFARS Appendix G Activity Address Numbers

ATTACHMENT 5315-2 STATUS REPORT ON SPECIFIED CONTRACT AUDIT REPORTS, CLOSED REPORTS

(Report Control Symbol DD-1G(SA) 1580)

CLOSED REPORT

For Period Ending _____
DoD Component USAF
MAJCOM _____

	Audit Report Number	Report Date (1)	Contractor Name	Type of Audit (2)	Date of Disposition (1)	Cost Questioned or Avoidance	Cost Sustained/ Avoided	Reporting Activity (3)
A. Reports listed as coverage in prior report								
B. Other reports closed								

Note:

- (1) Year, month, day
- (2) Use codes listed in AFFARS 5315.407-91-5(h)
- (3) Use DFARS Appendix G Activity Address Numbers

ATTACHMENT 5315-3

Table A

AFMC Source Selection Authority (SSA) Thresholds
PEO 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 Commander	SCCO
> \$500M [4]	PDASAF(A&M)	SSAC Chairperson
A-76 on \geq 300 FTEs	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]
\geq \$15/30M[5] to < \$120M and non-MAIS	PEO or DAC/Center Commander	SCCO
> \$120M or MAIS	PDASAF(A&M)	SSAC Chairperson

^[1] SSA delegable not 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. SSA for ACAT ID programs entering EMD is ASAF(A).

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

* Except for A-76 cost comparisons affecting 300 or more FTEs, 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.

Other MAJCOMs, FOAs, and DRUs Source Selection Authority (SSA) Thresholds

OTHER CONTRACTING*

<u>Threshold</u>	<u>SSA (Delegable [1])</u>	<u>SSP Review</u>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10 M to < \$500M	Commanders [2]	Per Command Guidance
≥ \$500M	PDASAF(A&M) [3]	SSAC Chairperson
A-76 on ≥ 300 FTEs	PDASAF(A&M)	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
≥ \$10 to < \$120M and non-MAIS	Commander [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 PDASAF(A&M) (delegable^[1]).

^[1] SSA not delegable lower than the contracting officer.

^[2] Commanders of MAJCOMs, FOAs and DRUs

^[3] Except new ACAT ID programs entering EMD. SSA for ACAD ID programs entering EMD is ASAF(A).

* Except for A-76 cost comparisons affecting 300 or more FTEs, 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.

ATTACHMENT 5315-4

AFFARS 5315.305

SOURCE SELECTION EVALUATION MATRIX

FACTORS

MISSION CAPABILITY				
SUBFACTOR 1	SUBFACTOR 2	SUBFACTOR 3	SUBFACTOR 4	SUBFACTOR 5
RISK 1	RISK 2	RISK 3	RISK 4	RISK 5
PERFORMANCE CONFIDENCE * *assessed at subfactor, rated at factor level				
PRICE/COST				

ATTACHMENT 5315-5
SOURCE SELECTION INFORMATION BRIEFING
& DEBRIEFING CERTIFICATES

Source Selection Information Briefing Certificate

Name: _____ **Grade:** _____ **Job** **Title:**

Organization: _____ **Source Selection:** _____ **Date:**

Briefing Acknowledgment

1. I acknowledge I have been assigned to the source selection indicated above. I am aware that unauthorized disclosure of source selection or proprietary information could damage the integrity of this procurement and that the transmission or revelation of such information to unauthorized persons could subject me to prosecution under the Procurement Integrity Laws or under other applicable laws.

2. I do solemnly swear or affirm that I will not divulge, publish, or reveal by word, conduct, or any other means, such information or knowledge, except as necessary to do so in the performance of my official duties related to this source selection and in accordance with the laws of the United States, unless specifically authorized in writing in each and every case by a duly authorized representative of the United States Government. I take this obligation freely, without any mental reservation or purpose of evasion and in the absence of duress.

3. I acknowledge that the information I receive will be given only to persons specifically granted access to the source selection information and may not be further divulged without specific prior written approval from an authorized individual.

4. If, at any time during the source selection process, my participation might result in a real, apparent, possible, or potential conflict of interest, I will immediately report the circumstances to the Source Selection Authority.

5. All personnel are requested to check the applicable block:

I have submitted a current OGE Form 450, Executive Branch Confidential Financial Disclosure Report, as required by DODD 5500.7, Standards of Conduct.

I am not required to submit an OGE Form 450.

SIGNATURE: _____

DATE: _____

Debriefing Certificate

I have been debriefed orally by _____ as to my obligation to protect all information to which I have had access during this source selection. I no longer have any material pertinent to this source selection in my possession except material that I have been authorized in writing to retain by the SSA. I will not discuss, communicate, transmit, or release any information orally, in writing, or by any other means to anyone after this date unless specifically authorized to do so by a duly authorized representative of the United States Government.

Signature of Person Debriefed

Date

This page is blank.

PART 5317—SPECIAL CONTRACTING METHODS**TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Title</u>	<u>Page</u>
SUBPART 5317.1—MULTIYEAR CONTRACTING		17-1
5317.103	Definitions	17-1
5317.105	Policy.....	17-1
5317.105-2	Objectives.....	17-1
5317.106	Procedures	17-1
5317.106-1	General.	17-1
5317.108	Congressional Notification.....	17-2
SUBPART 5317.2—OPTIONS		17-2
5317.203	Solicitations.	17-2
5317.204	Contracts.....	17-3
5317.207	Exercise of options.	17-3
SUBPART 5317.5—INTERAGENCY ACQUISITIONS UNDER THE ECONOMY ACT		17-3
5317.502-90	Air Force requirements for placing orders.....	17-3
5317.503-90	Air Force determination requirements.	17-4
5317.504-90	Air Force ordering procedures.....	17-6
5317.590	Orders with agencies not covered by the FAR.....	17-7
SUBPART 5317.74—UNDEFINITIZED CONTRACT ACTIONS		17-8
5317.7402	Reserved	17-8
5317.7403	Policy.....	17-8
5317.7404	Limitations.....	17-8
5317.7404-1	Authorization.	17-8
5317.7404-3	Definitization schedule.	17-8
5317.7404-4	Limitations on obligations.	17-8
5317.7404-6	Allowable profit.....	17-9
5317.7404-90	Reserved.....	17-9
SUBPART 5317.75—ACQUISITION OF REPLENISHMENT PARTS		17-9
5317.7501	General.	17-9

PART 5317—SPECIAL CONTRACTING METHODS

SUBPART 5317.76—CONTRACTS WITH PROVISIONING REQUIREMENTS	17-9
5317.7602 Contracting requirements	17-9
5317.7603 Contract administration requirements	17-9
5317.7603-90 Deobligation of excess provisioning funds	17-9
SUBPART 5317.90—ESTABLISHING ADDITIONAL MANUFACTURING SOURCES	17-9
5317.9000 Option to establish a second manufacturing source	17-9
SUBPART 5317.91—CONTRACTING FOR LONG LEAD ITEMS INITIATED WITH ADVANCE PROCUREMENT FUNDS	17-10
5317.9100 Scope	17-10
5317.9101 Definitions	17-10
5317.9102 Applicability	17-11
5317.9103 Policy	17-11
5317.9104 Procedures	17-11
5317.9104-1 Preaward requirements	17-12
5317.9104-2 Undefined long lead contract requirements	17-12
5317.9104-3 Requirements for adding procurement funds when termination liability has exceeded obligated advance procurement funds	17-13
5317.9105 Contract clauses	17-13
<i>ATTACHMENT 5317-1 MYC QUICK REFERENCE GUIDE</i>	<i>17-14</i>
<i>ATTACHMENT 5317-2 INITIAL MULTIYEAR CONTRACT (MYC) FINDING</i>	<i>17-15</i>
<i>ATTACHMENT 5317-3 VALIDATION MULTIYEAR CONTRACT FINDINGS</i>	<i>17-18</i>
<i>ATTACHMENT 5317-4 CONGRESSIONAL NOTIFICATION REQUIREMENTS</i>	<i>17-19</i>

PART 5317—SPECIAL CONTRACTING METHODS**SUBPART 5317.1—MULTIYEAR CONTRACTING****5317.103 Definitions.**

“Classic Intermediate Multiyear Contract” means a multiyear contract that contains no economic order quantity advance procurement effort, contains an unfunded contingent liability greater than \$20 million in one or more contract years, and the contract value is less than \$500 million. These contracts allow only the amortization of tooling and other non-recurring start-up costs over the contract term to be included in the cancellation ceiling. Advance procurement funding lines are not required for this type of multiyear contract.

“Classic Small Multiyear Contract” means a multiyear contract that contains no economic order quantity advance procurement effort, contains an unfunded contingent liability no more than \$20 million in one or more contract years, and the contract value is less than \$500 million. These contracts allow only the amortization of tooling and other non-recurring start-up costs over the contract term to be included in the cancellation ceiling. Advance procurement funding lines are not required for this type of multiyear contract.

“Contingent Liability” means an annual not-to-exceed amount which defines the limit of the Government's liability in the event of the cancellation of a multiyear contract. This liability may be funded or unfunded. As used here, this term is synonymous with cancellation ceiling.

“Economic Order Quantity (EOQ)” means, in conjunction with multiyear procurement, the procurement of material or labor for future-year production quantities that is not required by procurement lead-times but is desirable for economic reasons. The costs are sometimes characterized as recurring costs. Funding for EOQ procurement must be included in an advance procurement line item. The advance procurement line items for an EOQ procurement must cover the estimated annual termination liability of the EOQ effort unless full funding of the EOQ is desired.

“Expanded Intermediate Multiyear Contract” means any multiyear contract with EOQ effort of more than \$20 million for any contract year or an unfunded contingent liability greater than \$20 million and the total contract is less than \$500 million.

“Expanded Multiyear Contract” means a multiyear contract that contains economic order quantities (EOQ) for the acquisition of material or labor for future year production quantities that are not required by acquisition lead-times but are desirable for economic reasons. These contracts contain recurring costs in the cancellation ceilings.

“Expanded Small Multiyear Contract” means any multiyear contract with EOQ effort of \$20 million or less for each contract year and an unfunded contingent liability less than \$20 million and the total contract is less than \$500 million.

“Major Multiyear Contract” means any multiyear contract (classic or expanded) greater than \$500 million. These contracts require specific approval in a DoD Appropriation Act.

“Multiyear Exhibit” means one of four separate exhibits prescribed in Volume 2B, Chapter 4 of DoD 7000.14-R, DoD Financial Management Regulation, to support requests for multiyear contracts.

5317.105 Policy.**5317.105-2 Objectives.**

Commands are encouraged to aggressively explore multiyear contracting (MYC) opportunities and to take advantage of their overall reduced administrative burden and potential savings. However, before entering into any multiyear contract, the contracting officer must review current congressional language for potential restrictions. SAF/AQCK is available to provide advice in this area. Volume 2B, Chapter 4 of DoD 7000.14R, DoD Financial Management and Regulation. contains the exhibit package used in supporting multiyear candidates.

5317.106 Procedures.**5317.106-1 General.**

(i) *Criteria.* See Attachments 5317-1 through 5317-4 for multiyear contracting guidance. A written determination by the Assistant Secretary of the Air Force for Acquisition is required for any multiyear contract over \$500 million for systems, and any multiyear contract for property for which the cancellation ceiling is estimated to exceed \$100 million. The HCA, with

PART 5317—SPECIAL CONTRACTING METHODS

power of redelegation, may make written determinations for multiyear contracts with a face value under \$500 million for property when the cancellation ceiling is under \$100 million. Forward requests for Secretarial determinations to SAF/AQCK.

(j) *Limitations.* The contracting officer must transmit reports of intent to award a multiyear contract containing a cancellation ceiling in excess of \$100 million to the Office of the Secretary of the Air Force/Legislative Liaison (SAF/LLP), to arrive 40 days before the planned contract award date, with an information copy to SAF/AQCK and SAF/FMBI. SAF/AQCK must notify OSD(C) (Investment Directorate).

(1) *SAF notification.* The contracting officer must submit reports on proposed multiyear contracts containing a cancellation ceiling in excess of \$20 million, but not exceeding \$100 million, to SAF/AQCK and SAF/FMBI, to arrive not less than 40 days before the planned contract award date.

(2) *Award.* Unless the contracting officer is notified to the contrary, the contract may be awarded, subject to other required approvals and notifications, after close of the applicable waiting period described in paragraphs (A) and (B) above.

(3) *Report format.* The contracting officer must use the report format specified in 5305.303-91(a) with the appropriate modifications and additions that apply to multiyear contracting as follows:

- (i) State the face value for total multiyear period and, separately, the value of any options; and
- (ii) Include the estimated cancellation ceilings for each program year of the proposed contract and the estimated savings over annual procurement methods.

5317.108 Congressional Notification.

(c) **Congressional reporting of energy savings performance contracts (ESPC) with cancellation ceilings.**

(1) Each ESPC contract/task order that contains a cancellation ceiling in excess of \$10,000,000 must give a 30 day advance written notice of the proposed contract and cancellation ceiling to the appropriate Authorizing and Appropriating Committees of Congress. The contracting officer must provide the following information not later than 45 days prior to contract award to HQ AFCESA/CESM. HQ AFCESA must coordinate and forward the notification letter to SAF/AQCK to process the congressional announcement. Congressional notifications do not contain upward flexibility; therefore, installations must ensure negotiations are finalized prior to submission of such notification.

- (i) Project Title and a brief synopsis of the type of work involved;
- (ii) Statement addressing requirements of 42 U.S.C. 8287(a)(2)(D);
- (iii) Installation where work is to be performed;
- (iv) Anticipated award date;
- (v) Contract period of performance;
- (vi) Cancellation ceiling maximum; and
- (vii) Name/Telephone Number/E-mail address of contracting officer or other responsible individual that can answer questions about the ESPC.

(2) Unless notified to the contrary, the contract may be awarded subject to other required approvals and notifications, after close of the applicable waiting period described in paragraph (1) above.

SUBPART 5317.2—OPTIONS**5317.203 Solicitations.**

When options are used in service contracts, use separate contract line items for the basic and each option period. Normally, obtain priced options for two, one-year periods.

PART 5317—SPECIAL CONTRACTING METHODS

5317.204 Contracts.

(e) The chief of the contracting office making the award may approve total contract periods in excess of five years on a case-by-case basis. This authority must not be delegated.

(1) Situations in which contract periods in excess of five years may be appropriate include contracts with phase-in or phase-out requirements. A contract period in excess of five years may also be appropriate where the requirement is known, stable, and recurring and the price and availability in the commercial market place is relatively certain to be stable during the period of the contract.

(2) All approvals must be made prior to solicitation and must be included in the contract file. Documentation must specify why a period longer than five years was needed or appropriate, what cost/price and performance risks are associated with the longer period, and how the contract has been structured to mitigate those risks to the contractor and the Government.

5317.207 Exercise of options.

(a) When the contractor has been notified of the Air Force's intent to exercise an option, a presolicitation notice must not be placed in the Commerce Business Daily.

(c) Before exercising an option, the contracting officer must determine if the contractor's performance is satisfactory.

(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 must 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;

PART 5317—SPECIAL CONTRACTING METHODS

(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 must not place an order with another agency unless adequate supporting documentation, including a Determination and Findings (D&F), is prepared. This supporting documentation must 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.

(f) Orders for supplies or services may also be placed with other agencies under authorities other than the Economy Act. Orders placed under these authorities are not subject to the requirements of the Economy Act. These additional authorities include:

(1) Acquisitions from required sources as described in FAR Part 8;

(2) Acquisitions from Federal Supply Schedules pursuant to FAR Subpart 8.4 when Air Force activities act as the ordering activity;

(3) Coordinated acquisitions prescribed in DFARS Subpart 208.70;

(4) Acquisitions of Information Technology through GSA's Federal Systems Integration and Management Center (FEDSIM) and Federal Computer Acquisition Center (FEDCAC), and similar programs funded on a reimbursable basis through the Information Technology Fund, and approved by Office of Management and Budget as part of the annual costs and capital plan for the Information Technology Fund.

(5) Acquisitions of Information Technology through a multiagency contract (often called GWACS) if the basis contract was awarded pursuant to Delegation of Procurement Authority from GSA, and the contract specifically allowed multiagency ordering;

(6) Project Orders (41 U.S.C. 23). Project orders are authorized for use when one Government agency wishes to procure a supply or service from another Government agency. Volume 11A, Chapter 2 of DoD 7000.14-R, governs the use of project orders within the DOD. There are several conditions for use of the project order, including the requirements that the servicing agency must be capable, be authorized, and produce the item or perform the service in-house. Only an incidental portion of a project order may be contracted-out by the servicing agency; and

(7) Other specific statutory authorities may be used to acquire supplies and services from another agency.

5317.503-90 Air Force determination requirements.

(a) The decision by an Air Force activity to place an interagency order under the Economy Act with an agency outside DoD, instead of contracting directly with a price source, shall be documented in a written Determination and Findings (D&F). The requiring activity must prepare the D&F for approval at a level no lower than SES/Flag/General Officer in the requesting activity's chain of command. If an SES/Flag/General Officer in the requesting activity's chain of command is not available at the installation, the D&F will be approved by the wing or installation commander.

(b) The D&F must be reviewed by the Air Force contracting officer who would normally have procured the requirement. The contracting officer will review the proposed D&F and supporting documentation as a "business advisor" to the approval authority. The content of the D&F will be consistent with the policies and procedures contained in the FAR. The ability of the local contracting office to procure the requirement under an Air Force contract will also be considered. Written comments will be provided to the approval authority to help in the decision to place the order with an agency outside the DOD.