

## PART 5317—SPECIAL CONTRACTING METHODS

(c) When assessing the cost of obtaining the supplies or services through an interagency agreement, the Air Force must consider any administrative fees charged by the servicing agency as part of the total cost of the order. In accordance with Section 844 of the National Defense Authorization Act for fiscal year 1994, fees paid to the servicing agency must not exceed the actual cost or, if actual costs are unknown, the estimated costs of entering into and administering the contract or other agreement under which the order is filled. The administrative cost of providing the supplies or services by normal Air Force contracting procedures must also be considered.

(d) The requiring activity must include with the Military Interdepartmental Procurement Request (MIPR) any documentation required to support the D&F. Examples include independent cost estimates and documentation of urgency of need. Copies of the documentation must be retained with the requiring activity's file copy of the MIPR and provided to the servicing agency upon their request.

(e) If the work was previously performed by Government personnel and will now be performed by a contractor under a servicing agency's contract (or if the work was previously performed under a contract and will now be performed in-house by the servicing agency), the requiring activity must have complied with the requirements of FAR Subpart 7.3. This must be documented in the D&F.

(f) The contracting office must retain a record copy of each Economy Act D&F in a central file.

(g) The requiring activity must prepare a D&F substantially the same as the model shown below. The D&F may be tailored to appropriately address the instant requirement.

**Determination and Findings**  
**On**  
**Interagency Order Under the Economy Act**

1. I have reviewed the requirement for [insert description of supply or service to be procured] that [insert Air Force requiring activity] intends to place with [insert agency] as an interagency order under the Economy Act. My review produced the following findings:

- a. The proposed acquisition is authorized under the authority of the Economy Act;
- b. The Air Force is legally authorized to acquire the supplies or services;
- c. Adequate funds are available;
- d. The action does not conflict with any other agency's authority or responsibility (see FAR Part 8);
- e. The supplies or services cannot be provided as conveniently and more economically by private contractors under an Air Force contract;
- f. The servicing agency has unique expertise or ability not available within the Department of Defense;
- g. The servicing agency will accept the order and can satisfy the requirement;
- h. The supplies or services are clearly within the scope of activities of [insert agency] and that agency normally contracts for (and/or produces in-house) those supplies or services for itself;
- i. The cost to the Air Force for the requirement, including the administrative fees charged by [insert agency] appears to be reasonable. The fees proposed to be paid to the servicing agency do not exceed the servicing agency's actual cost (or estimated costs if actual costs are unknown) of entering into and administering the contract or other agreement under which the order is filled;
- j. The contract administration procedures related to [insert agency]'s contract are adequate for Air Force requirements (or the order contains additional contract administration requirements that will result in contract administration procedures that comply with Air Force and DOD regulations and policies);
- k. All approvals and authorizations required by Air Force and/or DOD policies for acquiring the supplies or services have been obtained; and
- l. The requirement is a bona fide need of the Air Force;

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*[Insert the following if the work will be performed by a Federally Funded Research and Development Center:]*

m. The work will be performed by a Federally Funded Research and Development Center (FFRDC). Performance by the FFRDC will not place the servicing agency and its FFRDC in direct competition with private sources;

*[Insert the following if the work was previously performed by Government personnel and will now be performed by a contractor under a servicing agency's contract (or if the work was previously performed under a contract)]*

n. The requiring activity has complied with the requirements of FAR Subpart 7.3.

2. Given the findings outlined above, I hereby determine that it is in the best interest of the Government to place an order for *[insert requirement]* with *[insert agency]* under the authority of the Economy Act.

Signature of Approving Authority

**5317.504-90 Air Force ordering procedures.**

(a) The Air Force must include complete contract administration requirements and contract audit responsibilities appropriate for the type of contract and scope of work on all orders placed outside of the Department of Defense.

(b) If it is necessary for the servicing agency to award a contract or modify an existing contract to accommodate the Air Force's order, the Air Force requiring activity must supply all supporting data necessary to prepare the required contract documentation.

(c) The Air Force requiring activity must also provide special contract terms or other requirements applicable to Air Force funds. This includes information such as special funds tracking and reporting requirements, additional contract administration requirements, special delivery or packaging instructions, a copy of the executed determination, and other supporting documents.

(d) Additional D&Fs are not required to incrementally fund an existing order or to administratively modify an order, if the scope of work remains the same throughout the order's period of performance.

(e) The servicing agency is responsible for complying with the Competition in Contracting Act when it awards the original contract. Therefore, the requesting agency is not required to compete the requirement between potential servicing agencies.

(f) Relationships with a servicing agency can involve one order or many orders over a long period of time. When using the servicing agency's contract to place and administer direct orders with a vendor, the requirements of the Economy Act still apply. Where the Air Force desires to enter into a long term, continuing relationship by placing orders with a servicing agency under the authority of the Economy Act, the requiring activity should ensure that the resulting interagency agreement includes, in addition to any other requirements of this section, the following:

(1) Enhanced management controls, as appropriate for the circumstances, to ensure that the interagency agreement is only used for its intended purpose(s). Such controls must include a mechanism for periodic reassessment of the interagency agreement, at intervals not exceeding every five years, to determine its continuing need and relevancy. The review must be conducted by the same personnel that review similar requirements that are being separately procured by the Air Force. The reassessment must include review by a contracting officer to ensure that the agreement complies with appropriate business practices;

(2) A well-defined scope of work that includes clear objectives, work areas, and, where appropriate, reports and deliverables; and

(3) A definitive term of agreement.

(g) The following policy applies to orders placed with the Air Force as a servicing agency under the Economy Act:

(1) The Air Force is not required to accept the requesting agency's order, if accepting the order will prevent the Air Force from fulfilling its mission or the requesting agency fails to provide appropriate supporting information, funding, and evidence of an appropriate level of requesting agency approval;

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(2) The Air Force must process the order in accordance with normal internal policies and procedures for awarding and modifying contracts. This includes complying with the Competition in Contracting Act;

(3) The Air Force contracting officer must execute and issue all D&Fs or J&As required by Air Force regulations to place the order on contract, just as if the requirement was generated by an Air Force activity; and

(4) Before allowing a non-sponsoring agency to use an FFRDC, the Air Force must ensure that the work falls within the purpose, mission, general scope of effort, or special competency of the FFRDC. (See FAR 35.017; see also FAR 6.302 for procedures to follow when using other than full and open competition.) If the order does not conform to these requirements, the Air Force may not place the order with the FFRDC. The order also may not be placed with the FFRDC if the sponsoring agreement does not permit work from other than the sponsoring agency.

**5317.590 Orders with agencies not covered by the FAR.**

In accordance with Section 844 of the National Defense Authorization Act for fiscal year 1994, orders may not be placed with agencies not required to comply with the FAR unless the purchase is approved in advance by the Air Force Senior Acquisition Executive (SAF/AQ). This approval authority has been delegated to the Air Force Deputy Assistant Secretary (Contracting), SAF/AQC. Approvals will be accomplished by forwarding the D&F (and necessary supporting documentation) through SAF/AQCK for endorsement by the Air Force Deputy Assistant Secretary (Contracting), SAF/AQC. Prior to submittal to SAF/AQCK, the D&F must be reviewed by an Air Force contracting officer and coordinated by the SES/Flag/General Officer in the requiring activity's chain of command (see 5317.503-90(a)).

**Non-FAR Covered Agencies**

The following are some of the Federal Agencies *not* covered by the FAR:

*Independent Establishments (Per 5 U.S.C. 104(1))*

(a) U.S. Postal Service;

(b) Postal Rate Commission;

(c) Government corporations other than wholly owned Government corporations under 31 U.S.C. 9101(3) (i.e., mixed-ownership Government corporations under 31 U.S.C. 9101(2)):

(1) Amtrak;

(2) The Central Bank for Cooperatives;

(3) The Federal Deposit Insurance Corporation;

(4) The Federal Home Loan Banks;

(5) The Federal Intermediate Credit Banks;

(6) The Federal Land Banks;

(7) The National Credit Union Administration Central Liquidity Facility;

(8) The Regional Banks for Cooperatives;

(9) The Rural Telephone Bank (after ownership conversion);

(10) The U.S. Railway Association;

(11) The Financing Corporation;

(12) The Resolution Trust Corporation;

(13) The Resolution Funding Corporation.

*Per the Federal Property and Administrative Services Act of 1949 (exemptions in accordance with 40 U.S.C. 474)*

(a) The President under Philippine Property Act;

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- (b) The Resolution Trust Corporation;
- (c) U.S. Postal Service;
- (d) Central Intelligence Agency;
- (e) Joint Committee on Printing;;
- (f) U.S. Information Agency

**SUBPART 5317.74—UNDEFINITIZED CONTRACT ACTIONS****5317.7402 Reserved.****5317.7403 Policy.**

UCA approval authorities must control the use of UCAs and ensure timely definitization. Air Force contracting offices must track UCA status (number, value, and age).

**5317.7404 Limitations.****5317.7404-1 Authorization.**

Each issuance of a UCA requires approval at a level above the contracting officer. The level of approval must be consistent with the total estimated dollar value of the action.

(1) UCA approval authorities are designated as follows:

(i) The authority to approve issuance of UCAs involving a PEO or DAC Program is delegated by the ASAF(A) to the PEO or DAC. This authority is not redelegable for UCAs \$50 million or greater. This authority is redelegable to the single manager for UCAs less than \$50 million. The single manager may redelegate this authority for UCAs up to \$5 million.

(ii) The authority to approve issuance of UCAs involving Other Contracting of the organizations specified in DFARS Subpart 202.1 and 5301.601-91 is delegated to the commander of these organizations, with authority to redelegate.

(iii) Commanders of MAJCOMs, FOAs, and DRUs identified in DFARS Subpart 202.1 and 5301.601-91 for Other Contracting and for any programs not included under subparagraphs (i) or (ii) above. This authority is redelegable.

(2) Requirements impact statements must:

(i) Specifically address the impact on mission requirements projected to occur during the time that would be required to issue a definitive contract action; and

(ii) Be signed by the official with responsibility for the requirement.

(3) UCAs for Provisioned Items Orders (PIOs) may be issued without additional approval, provided:

(i) The provisioning requirement was approved under the clearance (see 5301.9005-2(a)(2)) or, for production contracts that are not subject to the clearance process, the acquisition plan or Final Acquisition Action Approval (FAAA); and

(ii) The total dollar value of provisioned items ordered does not exceed the estimated value of the provisioned line items approved under the clearance, acquisition plan, or FAAA.

**5317.7404-3 Definitization schedule.**

Each UCA must contain a definitization schedule in the contract document. Before exceeding the definitization date, the contracting officer must document in the contract file the reason(s) for the delay, remedial actions, and the revised definitization schedule. This documentation requires approval at a level no lower than the initial approval authority.

**5317.7404-4 Limitations on obligations.**

Obligations exceeding 50 percent of the NTE must be approved at a level no lower than the initial approval authority and documented in the contract file. Obligations for UCAs must never exceed 75 percent of the NTE.

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**5317.7404-6 Allowable profit.**

Perform profit assessments in accordance with DFARS 215.404-71-3(d)(2).

**5317.7404-90 Reserved.****SUBPART 5317.75—ACQUISITION OF REPLENISHMENT PARTS****5317.7501 General.**

HQ USAF/ILS is the Air Staff OPR for the DOD Replenishment Parts Breakout Program, and HQ AFMC is responsible for implementation of the program. In addition, surplus items must be considered (see FAR Subpart 11.3). Finally, HQ AFMC/PK, in conjunction with the Command Competition Advocate, is responsible for implementing procedures for processing requests from sources seeking approval as a potential source for an item with a restrictive Acquisition Method Code (AMC).

**SUBPART 5317.76—CONTRACTS WITH PROVISIONING REQUIREMENTS****5317.7602 Contracting requirements.**

(1) The following provisioning procedures specifications and statements are authorized for use in connection with production contracts that require provisioning actions. Ensure that the current versions are used:

- (i) MIL-STD-1388-1, Logistics Support Analysis (LSA);
- (ii) DOD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs;
- (iii) DD Form 1949-1, LSAR Data Selection Sheet. For use with the latest version of MIL-STD-1388-2;
- (iv) DD Form 1949-2, Provisioning Requirements Statement. For use with the latest version of MIL-STD-1561; and
- (v) AFMC Form 718, Provisioning Performance Schedule. For use with the latest version of MIL-STD-1388.

(2) Applicable statements are prepared during the purchase request (PR) initiation/coordination cycle and are provided to the contracting officer with the PR for incorporation into the solicitation and the resulting contract.

**5317.7603 Contract administration requirements.****5317.7603-90 Deobligation of excess provisioning funds.**

Air Force provisioning activities must authorize the ACO to deobligate excess provisioning funds (see FAR 42.302 (b)(4)). Such authorizations must be in writing and must identify the contract(s) involved and provide that:

(1) Deobligation will normally be done in the supplemental agreement that is the final definitization action on a provisioning order. However, when the final definitization will be delayed and excess funds are available, the ACO may make appropriate partial deobligations; and

(2) Funds to be deobligated will be separately identified by contract line item number, provisioning order number, and fund citation.

**SUBPART 5317.90—ESTABLISHING ADDITIONAL MANUFACTURING SOURCES****5317.9000 Option to establish a second manufacturing source.**

(a) In full-scale development and production solicitations and contracts, contracting officers must insert an option that gives the Government the right to require the contractor to establish a second source for any component parts that are expected to require quantity manufacturing. See DFARS Appendix D for policy and procedures concerning component breakout during production.

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(b) The option must be appropriately addressed in the statement of work, contract line items, special provisions, and source selection criteria. The solicitation must specify whether not-to-exceed prices or firm prices for the option(s) are required.

(c) The solicitation must specify or describe criteria for identifying the component parts for which a second source is desired (e.g., the "X" number of highest procurement value replenishment parts, or all parts having only one known qualified source, having sufficient stability of design to warrant qualification of an additional source, and requiring qualification to produce).

(d) The solicitation must provide sufficient detail by which a contractor can develop realistic prices, as follows:

- (1) Definition of what constitutes second source "qualification;"
- (2) Description of technical assistance to be provided to a second source;
- (3) Payment procedures to be used during the various stages of qualifying a second source;
- (4) Whether contracting officer approval is required before a contractor may include an affiliate in its list of recommended potential sources; and
- (5) Whether the Government must pick one of the sources recommended by the contractor or may pick an entirely different source.

(e) The solicitation must require the offeror to provide cost and pricing information so that the Government can determine if it is cost effective to establish a second source, such as:

- (1) The part's name or title, and its applicable drawing number;
- (2) The part's function and location in the system;
- (3) The part's suitability for establishing another manufacturing source;
- (4) Whether limited rights technical data or restricted rights computer software will be used in the manufacturing process;
- (5) The names of proposed additional sources to be qualified; and
- (6) The price to qualify at least one of these sources.

**SUBPART 5317.91—CONTRACTING FOR LONG LEAD ITEMS INITIATED WITH ADVANCE  
PROCUREMENT FUNDS**

**5317.9100 Scope.**

This subpart prescribes policies and procedures for the acquisition of long lead items initiated with appropriated advance procurement funds to protect production end item delivery schedules. For long lead items procured with other than advance procurement funds, contracting officers should follow standard contracting procedures, including undefinitized contract action (UCA) procedures prescribed in DFARS Subpart 217.74.

**5317.9101 Definitions.**

"Advance procurement funds" means funds specifically authorized by Congress for the acquisition of long lead items and associated efforts or Economic Order Quantities (EOQ) of items in a fiscal year in advance of contracting for the production of the related end item(s). Advance procurement funds are an authorized exception to the full funding policy.

"Full production program release" means a point in time when both full funding and direction (i.e., Program Management Directive) for the fiscal year production buy are available to the program office.

"Long lead effort" means that portion of the total contract effort which is funded with advance procurement funds.

"Long lead items" means components, parts, material, and efforts whose lead-times are significantly longer than other components of the system or subsystem, and, as a result, must be funded in advance of full production program release to protect the planned production schedule.

"Not-to-exceed (NTE)" means the maximum fixed-price, target price, or estimated cost the Government will be obligated to pay for the total contract effort or the long lead effort.

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“Procurement funds” means funds, which are appropriated, for the production of specific systems or subsystems (i.e., 3010, 3020, 3080 funds).

“Rough Order of Magnitude (ROM) Estimate” means a price or cost estimate prepared by the contractor for contemplated work. This estimate is not contractually binding.

“Termination liability” means the maximum cost the Government would incur in the event a contract is terminated.

“Total contract effort” means the full scope of effort contemplated by the production contract (i.e., end item deliveries, software, data, warranties, etc.) and includes the long lead effort.

“Undefinitized long lead contract” means a unique, contracting approach using UCA-like procedures to initiate the long lead effort when definitive contracting procedures are not practicable.

**5317.9102 Applicability.**

This subpart applies to:

(a) The use of appropriated advance procurement funds authorized by Congress for acquiring long lead items prior to release of procurement funds when negotiating a definitive contract, for either the entire end item or for the long lead items, is not possible in sufficient time to meet operational requirements;

(b) The continuation of an undefinitized long lead contract effort with procurement funds to avoid a break in contract performance due to definitization delays caused by variations in the planned versus appropriated quantities, unavoidable delays in negotiations, and other limited circumstances where approved by the original approval authority for the undefinitized long lead contract; and

(c) The procurement of Foreign Military Sales (FMS) requirements using the procedures in this Supplement except for UCA reporting requirements.

**5317.9103 Policy.**

(a) Contracting for long lead items using Congressionally appropriated advance procurement funds is a special contracting method used to protect planned production schedules for major system acquisitions. This approach provides Congress with the flexibility to make decisions on annual funding levels while providing a measure of program stability. Advance procurement funds must be included in the budget request. If authorized by Congress, funds are made available well in advance of full production program release.

(b) A definitive contract is preferred. When it is possible to award a definitive contract using advance procurement funds, the contracting officer must follow normal contracting procedures for awarding a definitive contract.

(c) It is usually not practical to initiate the long lead effort using fully definitized contract procedures when final production quantities remain unknown. Therefore, procedures similar to those for a undefinitized contract action (UCA) are used to initiate the long lead effort. In recognition of this unique situation, Congress has exempt long lead efforts initiated with advance procurement funds from the requirements of 10 U.S.C. 2326 (see DFARS Subpart 217.74).

(d) After the award of the undefinitized long lead contract, the contracting officer must make every effort to negotiate a definitive contract amount for the total contract effort based on the buy profile for which the advance procurement funds were authorized. The use of a flexible pricing approach such as pricing for a range in quantity or negotiating a pricing methodology that will allow for an extrapolation of a fixed-price is highly encouraged. These techniques greatly reduce reproposal activity and facilitate a quick reaction to variations in the related end item quantity between the planned and appropriated quantities. When this is not possible and delays in definitizing the contract result in termination liability exceeding the advance procurement funds, the use of procurement funds may be authorized to avoid production breaks. If procurement funds are added to the contract effort prior to definitization, the long lead effort is then treated as a part of the production effort and is subject to all the procedures and reporting requirements governing UCAs.

**5317.9104 Procedures.**

These procedures apply to contracting for long lead items initiated with advance procurement funds where the contract must be awarded on an undefinitized basis.

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**5317.9104-14 Preaward requirements.**

(a) When a definitive contract cannot be awarded, a separate undefinitized long lead contract must be used for each production buy. Prior to the issuance of the undefinitized long lead contract, the contracting officer must:

- (1) Ensure authorized and appropriated advance procurement funds are available. Advance procurement funds must be obligated on the undefinitized long lead contract to the amount of the termination liability for the long lead effort;
- (2) Obtain a NTE proposal and reach agreement on a NTE amount for the long lead effort;
- (3) If feasible, obtain a NTE for the total contract effort, or as a minimum, obtain a ROM estimate;
- (4) Obtain a listing of the long lead items from the contractor;
- (5) Obtain a written technical evaluation for the long lead items that focuses on the need for the items to protect end item delivery schedules. This evaluation must be included in the contract file;
- (6) Conduct a thorough evaluation of the contractor's termination liability amount, expenditure profile, and NTE proposal. The evaluation of the termination liability estimate should focus on the content of the estimate, the methodology used to develop the estimate, and the termination liability time phasing. The evaluation must be included in the contract file; and
- (7) Obtain approval to issue the undefinitized long lead contract using the procedures described for undefinitized contract actions (see 5317.7404-1).

**5317.9104-2 Undefinitized long lead contract requirements.**

(a) The undefinitized long lead contract must include:

- (1) A NTE for the long lead effort;
- (2) Specifications, statement of work, and/or other technical description of the end items being acquired;
- (3) Identification of statement of work tasks related to the long lead effort including a listing of the long lead items being acquired. If it is not feasible to develop a complete material listing identifying individual parts, components, material or efforts, as a minimum, the long lead items listing will include a description of each major component;
- (4) A schedule for delivery of the production end items in Section F of the Schedule;
- (5) A requirement for periodic financial status reports which track actual expenditures to planned expenditures;
- (6) The Long Lead Limitation of Government Liability clause (see 5352.217-9000);
- (7) A special contract requirement (Section H) clause that addresses the subsumption of the long lead effort into the production contract line items (CLINs). The clause must as a minimum:
  - (i) Stipulate that upon receipt of full production program release and use of procurement funds, the long lead effort CLINs or SubCLINs will be subsumed into the production CLINs or SubCLINs. Upon subsumption, all work performed and any payments made under the long lead effort CLINs or SubCLINs must be presumed to have been done under the production CLINs or SubCLINs; and
  - (ii) Identify the CLINs or SubCLINs that will be affected;
- (8) A special contract requirement (Section H) clause that addresses the unique requirements of the long lead effort. The clause must as a minimum:
  - (i) Stipulate that the purpose of the undefinitized long lead contract initiated with advance procurement funds is to protect the end item delivery schedule contained in Section F of the Schedule and that the contractor is contractually obligated to meet this schedule except as provided for in the Long Lead Limitation of Government Liability clause; and
  - (ii) Require the contractor to submit a NTE proposal and agree to a NTE for the total contract effort (if a NTE for the total contract effort was not previously obtained) if definitization of the total contract effort has not occurred before termination liability exceeds advance procurement funds on the contract and procurement funds must be added to protect the end item delivery schedules. This NTE must be incorporated into the contract concurrent with the obligation of any procurement funds;



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(9) A special contract requirement (Section H) clause that addresses suspension or reduction in progress payments for late submission of either the NTE proposal or the definitive price proposal for the total contract effort. The clause must, as a minimum:

(i) Require submittal of a NTE proposal or definitive price proposal adequate for negotiations to complete definitization within the specified time period. The clause must identify this submission as a material requirement of the contract; and

(ii) State that if the contractor fails to submit either a NTE proposal or adequate definitive price proposal in accordance with the agreed upon definitization schedule, progress payments may be reduced or suspended unless such failure is due to causes beyond its control and without its fault or negligence;

and

(10) A special contract requirement (Section H) clause that addresses the process for definitizing the long lead contract. The clause must as a minimum:

(i) State that a definitive contract is intended, and to the maximum extent practicable, a definitive contract will be negotiated prior to the receipt of full production program release;

(ii) Include an agreed upon schedule for definitizing the total contract effort that addresses, as a minimum, target dates for submission of proposal, negotiations completion and definitization; and

(iii) Address adequate remedies if a definitive contract cannot be reached by the target date or within any extension granted by the contracting officer. These remedies may include, with approval from the original approval authority for the undefinitized long lead contract, the contracting officer's unilateral determination of a reasonable fee for the long lead effort and/or a reasonable price for the total contract effort if a NTE has been established. The contracting officer's determination is subject to contractor appeal as provided in the Disputes clause.

**5317.9104-3 Requirements for adding procurement funds when termination liability has exceeded obligated advance procurement funds.**

(a) If the undefinitized long lead contract cannot be definitized before termination liability exceeds advance procurement funds, procurement funds may be obligated for the long lead effort. Prior to obligating any procurement funds the contracting officer must:

(1) Obtain the approval of the original approval authority for the undefinitized long lead contract. The request for approval must include:

(i) A written justification that addresses the need, the impact if not granted, and why contract definitization cannot be completed within the time specified; and

(ii) A revised contract definitization schedule which has been agreed to by the contractor;

(2) Obtain a NTE proposal for the total contract effort and evaluate for reasonableness. After reaching agreement on the NTE, the contracting officer must incorporate it into the contract;

(3) Evaluate the contractor's revised termination liability estimate (see 5317.9104-1(a)(6)); and

(4) Comply with all UCA requirements contained in DFARS Subpart 217.74. Previously obligated advance procurement funds will be combined with the procurement funds in establishing UCA obligation limitations. The 180-day definitization schedule begins when the procurement funds are obligated on the undefinitized long lead contract.

**5317.9105 Contract clauses.**

Insert the clause at 5352.217-9000, Long Lead Limitation of Government Liability, in all long lead contracts initiated with advance procurement funds.

## ATTACHMENT 5317-1 MYC QUICK REFERENCE GUIDE

	<u>Definition</u>	Approval Level For Initial Finding (Atch 5317-2)	Approval Level For Validation Finding (Atch 5317-3)	Congressional Notification Before Contract Award (Atch 5317-4)
Classic Small Multiyear Contract (MYC)	EOQ = \$0 UCL ≤ \$20 M Total Contract < \$500M	HCA*	Category I. If Validation Findings Savings Are Greater Than Or Equal To Initial Findings Savings, The HCA Or, If Delegable, The Designee Can Approve Proceeding With The Multiyear Contract.	None
Classic Intermediate MYC	EOQ = \$0 UCL > \$20 M Total Contract < \$500M	HCA**		30 Day Notification Procedure
Expanded Small MYC	EOQ ≤ \$20 M UCL ≤ \$20 M Total Contract < \$500M	HCA* ***	Category II. If Validation Findings Savings Are Less Than Initial Findings Savings, SAF/AQ Approves Major MYCs And The HCA Or, If Delegable, The Designee Approves All Others.	None***
Expanded Intermediate MYC	EOQ > \$20 M UCL > \$20 M Total Contract < \$500 M	HCA** ***		30 Day Notification Procedure
Major Classic Or Expanded MYC	Total Contract > \$500M	SAF/AQ****	Category III. If The Present Value As Determined By Exhibit 4 Becomes Negative, SAF/AQ Approves Major MYCs And SAF/AQC Approves All Others.	Major MYC Notification Procedures

**KEY:** (1) EOQ = Economic Order Quantity Effort Involving Investment In Recurring Cost  
(2) UCL = Unfunded Contingent Liability  
(3) Head of the Contracting Activity

**NOTE:** = \*HCA may delegate  
\*\*Non-delegable by HCA  
\*\*\*Assumes previously established advance procurement line  
\*\*\*\*Inclusion in Appropriation Bill

**ATTACHMENT 5317-2 INITIAL MULTIYEAR CONTRACT (MYC) FINDING****I. General Requirements**

References: DFARS 217.103-1

**A. Approval**

1. Approval of the initial MYC finding (sample attached) is required prior to release of a formal Request for Proposal (RFP) or Invitation for Bid (IFB) for all classic or expanded MYCs. Approval level is provided in Attachment 5317-1, MYC Quick Reference Guide, and paragraph I.A.3. (below). Provide a copy of all approved initial findings (including exhibits) to SAF/AQC for information.

2. The HCA (nondelegable) may allow early RFP release, if in the best interest of the Government, and if all other pre-solicitation requirements have been met.

3. Approval of the initial MYC findings indicates that (1) funding and (2) support information specified in the individual categories below is documented and the criteria in FAR 17.106-2 (a) are met.

**a. Classic Small MYC**

(1) Approval Level - HCA (delegable)

(2) Funding - There must be a reasonable expectation that throughout the life of the contract adequate funding will be available to avoid contract cancellation. The cancellation ceiling can be left unfunded provided that a cancellation ceiling profile is established in the contract in accordance with FAR 52.217-2, Cancellation under Multi-year contracts.

(3) Support - The finding should support that the criteria in FAR 17.106-2 (a) are met.

**b. Classic Intermediate MYC**

(1) Approval Level - HCA (nondelegable)

(2) Funding - same as classic small MYC

(3) Support - Support for the finding must include multiyear Exhibits 1-4 in order to support Congressional notice.

**c. Expanded Small MYC**

(1) Approval Level - HCA (delegable)

(2) Funding

(a) Non-recurring start-up costs included in the cancellation ceiling (see FAR 52.217-2(f)) can be unfunded provided that a yearly cancellation ceiling profile is established within the contract.

(b) EOQ effort will be funded to termination liability in an advance procurement line item. Paragraph B, Funding Expanded MYCs, provides methods for obtaining advance procurement/EOQ authority.

(3) Support - must include multiyear exhibits.

**d. Expanded Intermediate MYC**

PART 5317—SPECIAL CONTRACTING METHODS

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- (1) Approval Level - HCA (nondelegable)
  - (2) Funding - same as expanded small MYC
  - (3) Support - must include a full multiyear justification package (exhibits).
- e. Major MYC (Classic/Expanded)
- (1) Approval Level - SAF/AQ
  - (2) Funding - same as expanded small MYC
  - (3) Support - must include a full multiyear justification package (exhibits).

**B. Funding Expanded MYCs**

1. EOQ must be funded with an advance procurement line item. There are normally four ways in which an advance procurement line may be established. The methods are provided below:

(a) Submission of MYC candidate with President's Budget (PB) - In this case, Exhibits 1, 3, and 4 should be developed and submitted with the MAJCOM Program Objective Memorandum (POM) request. A full exhibit package (Exhibits 1-4) should be submitted in time to support the Budget Estimate Submission (BES). Submission of MYC candidates with the PB (in-cycle) is the preferred method.

(b) Supplemental Appropriation (out-of-cycle) - This is an unusual occurrence and is normally restricted to high interest and/or major systems. The request (including Exhibits 1-4) for a supplemental appropriation should be submitted to SAF/AQCK for staffing.

(c) Reprogramming action for creation of an advance procurement line - The request should include exhibits. A source of funds or a request for fund source should accompany the request to SAF/AQCK. This method would most likely occur to support an opportunity for an expanded small or intermediate MYC that was not known during the in-cycle time frame. Congressional approval is required to create an advance procurement line item. Provide request to SAF/AQCK and allow 90 days to obtain Congressional approval.

(d) Reprogramming funds into an established advance procurement line - The request must include exhibits. This method would most likely occur to support expanded small or intermediate MYCs. Established reprogramming thresholds dictate the level of approval for this action. If Pentagon or Congressional approval is required, provide request to SAF/AQCK.

SAMPLE

DEPARTMENT OF THE AIR FORCE

FINDINGS IN SUPPORT OF AUTHORIZATION TO MAKE MULTIYEAR CONTRACTS

Upon the basis of the following finding, which I hereby make *[as/for]* the agency head pursuant to 10 U.S.C. 2306(b) the contracts described below may be made on a multiyear basis provided appropriate Congressional approvals are obtained.

FINDINGS

1. The *[insert organization]* proposed to make multiyear contracts for the production of *[insert item]*.
2. Based upon the attached Multiyear Exhibit Package, I find that:
  - a. The use of multiyear contracts will promote the national security of the United States and will result in reduced total costs under the contracts;
  - b. The minimum need for the property to be purchased under these contracts is expected to remain substantially unchanged in terms of production rate, procurement rate, and total quantities;
  - c. There is reasonable expectation that throughout the contemplated contract periods the Department of the Air Force will request funding for the contracts at the level required to avoid contract cancellations;
  - d. There is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive; and
  - e. The estimates of both the cost of the contracts and the anticipated cost avoidance through the use of multiyear contracts are realistic.

DATE \_\_\_\_\_

SIGN \_\_\_\_\_  
(Approval Authority)

\_\_ Atch  
.. \_\_\_\_\_ Exhibit Package\*  
dated \_\_\_\_\_ ( \_\_ pp)

\* Exhibits not required for small classic multiyear contracts.

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**ATTACHMENT 5317-3 VALIDATION MULTIYEAR CONTRACT FINDINGS**
**I. General Requirements****A. Mechanics of Validating**

1. Prior to award, the negotiated multiyear price should be compared to a notional annual buy price that is based upon the annual buy proposal or position (if annual buy proposal has been waived) used in the initial savings validation as updated for comparable proposal and negotiation changes made during the multiyear negotiation process. A full audit trail of the construction of the annual buy position should be maintained in the official contract file. Competitively derived validation findings should reflect a comparison of the contracts actual multiyear proposed price to its comparable annual buy proposed price.
2. Format should be similar to that of the initial findings supported by an updated set of exhibits.
3. Validation findings will be made prior to initiation of the multiyear contract if its price is definitized prior to the initiation.
4. If the multiyear effort was initiated with an undefinitized contract vehicle (letter contract, expanded advance buy contract, etc.) a preliminary validation findings should be prepared based upon dual proposal data as analyzed by the contracting officer to ensure proposal validity. If changes are made to the proposal data in preparing the validation exhibits, the contracting officer should maintain a good audit trail of those adjustments. Following the conclusion of negotiation, a final validation findings must be made before definitization.

**B. Validation Categories and Approval Levels**

1. Validation efforts will result in one of the three situations described in the categories below:

<u>Category</u>	<u>Situation</u>
Category I	Validated savings greater than or equal to initial savings estimate in both dollars and percent Present Value Positive
Category II	Validated savings less than savings estimate in dollars and/or percent Present Value Positive
Category III	Present Value Negative

2. The findings used in the verification are referred to as validation findings. After verification by the contracting officer, the approval of Category I findings must be done by the same organizational level required to approve the initial findings. For validation Category II findings, SAF/AQ approves major MYCs, and the HCA, or if delegable the designee, approves all others. For validation Category III findings, SAF/AQ approval is necessary for major MYCs and SAF/AQC approval is necessary for all others.
3. After approval of the validation findings, additional reviews or Congressional notifications may be required prior to award depending on unfunded contingent liability amounts, EOQ amounts and others. (See notification requirements in Attachment 5317-4.)

**ATTACHMENT 5317-4 CONGRESSIONAL NOTIFICATION REQUIREMENTS**

I. This attachment explains the notification requirements legend depicted on Attachment 5317-1, MYC Quick Reference Guide.

A. If the legend shows:

1. None - Proceed with award and provide a copy of the validation finding (including exhibits) to SAF/AQCK.

(a) This is applicable to classic small MYCs and expanded small MYCs with previously established advance procurement line items. (See Attachment 5317-2, paragraph I.B.).

(b) Congressional notification procedures are not affected by the savings validation category for classic and expanded small MYCs.

2. Thirty-day Notification Procedures - Provide a copy of the approved validation findings (including exhibits) to SAF/AQCK 60 days prior to anticipated award. Pentagon staffing will be accomplished and the package provided to four Congressional committees no later than 30 days before anticipated award.

(a) This is applicable to classic intermediate MYCs and some expanded intermediate MYCs.

(b) Expanded intermediate MYCs with previously established advance procurement line items do not require additional Congressional notification unless previously unreported unfunded contingent liabilities over \$20 million exist. For this situation, provide a copy of the approved finding (including exhibits) to SAF/AQCK concurrent with award.

3. Major MYC notification procedures

(a) If validation findings are Category I, provide a copy of the approved finding (including exhibits) to SAF/AQCK concurrent with award. SAF/AQCK will staff the package in the Pentagon and ensure that four Congressional committees are informed of the results of the savings validation.

(b) If validation findings are Category II or III, follow the 30-day notification procedures.

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**PART 5325—FOREIGN ACQUISITION****SUBPART 5325.1—BUY AMERICAN ACT - SUPPLIES****5325.102-90 Format for nonavailability determination.**

(a) When a determination of nonavailability is required in DFARS 225.102(b)(ii)(C) or (D), the contracting officer must prepare a request for nonavailability determination, substantially in the form described in paragraph (b) of this section, and submit it in triplicate through command channels to the appropriate authority. Each request must identify the proposed acquisition by applicable purchase request or contract number and must include:

(1) A description of the articles intended to be acquired, manufacturer's name and address, model number, and specific information pertaining to special features, performance, versatility, and so forth. Item descriptions should be identical to those reflected in the purchase request or contract, unless a copy of such document is forwarded with the request for determination;

(2) A statement of the efforts made to secure either the article required or suitable substitutes from domestic sources. List all domestic sources contacted or provide reasons why domestic sources were not contacted. Additionally, list reasons, if known, why domestic sources contacted could not or would not furnish required articles or suitable substitutes;

(3) The name and address of the proposed source (if other than the manufacturer, state reason(s) why direct purchase or purchase through an overseas contract activity as designated in 5325.190 is not feasible);

(4) The reason why purchase of foreign material or from a foreign source is necessary. Identify and explain specific portion of mission or requirement, which is of such magnitude as to override consideration to procure a domestic source end product;

(5) A description of the end use of item to be purchased and a brief description of the special function to be accomplished, such as performance of special tests or research work;

(6) The identity of the purchaser;

(7) The citation of the applicable appropriation;

(8) Under what type and number of contract the contractor is operating and what will be the disposition of articles at completion of contract when the proposed purchaser is not a Government agency but is an Air Force contractor;

(9) Whether or not payment is intended to be made before delivery is accomplished; and

(10) The estimated foreign, domestic, and total cost in the proposed acquisition.

(b) Use the following format for Nonavailability Determination required in FAR 25.102(a)(4):

**DETERMINATION AND FINDINGS  
OF  
NONAVAILABILITY**

The United States Air Force proposes under [*insert purchase number, see note (1)*] to acquire for public use, at an estimated cost of \$[*insert dollar amount*] for [*describe supplies*], manufactured by [*insert manufacturer's name, see note (2)*] in [*insert city and country of origin, see note (3)*] from [*identify the proposed offer; see note (3)*].

The above described supplies are not [*mined, produced, or manufactured, as the case may be*] in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

## PART 5325---FOREIGN ACQUISITION

It is determined that the provisions of the Buy American Act (41 U.S.C. 10a-d) are inapplicable to the articles enumerated above or the purchase thereof and that the same may be purchased without regard to said Act.

This Determination is made pursuant to the authority vested in the undersigned by Federal Acquisition Regulation (FAR) 25.102(b) and does not constitute justification for not using full and open competition. When it is necessary to make such a justification, the procedures of FAR 6.303 apply.

## Signature of Approving Authority

## NOTES:

- (1) Insert purchase request number, if any. If there is no purchase request, omit "under purchase request number."
- (2) Insert manufacturer's name, city, and country of origin. When the manufacturer is also the vendor, omit the remainder of the sentence starting with "from."
- (3) The first paragraph of the above format is designed for the case when the purchase is to be made by the Air Force directly. If the purchase is to be made by an Air Force contractor, the word "from" must be omitted and the following must be inserted: "through [*insert name of contractor*] as Air Force contractor under contract number [*insert contract number*] from [*identify the proposed source*]."

(c) If the proposed purchase is excepted from the requirements of the Buy American Act under the authority of FAR 25.102(a)(4) because it consists of articles, materials, or supplies excepted under FAR 25.108, no formal determination is required, but only a statement by the buyer that the supplies being purchased do fall within the category excepted.

**5325.105 Evaluating offers.**

In lease situations, the evaluation factors in DFARS 225.5 must be applied to the total lease cost when:

- (1) The foreign cost content cannot be determined; or
- (2) The foreign cost content exceeds 50 percent of total lease cost. In all other instances, the evaluation factors must be applied only to the foreign cost content of the total lease cost.

**5325.107 Acquisition from or through other Government agencies.**

In the case of intercommand acquisitions, compliance with the Buy American Act and Balance of Payments evaluation procedures is the responsibility of the contracting command except when the requiring command specifies a foreign end product, in which case, the determination is the responsibility of the requiring command.

**5325.190 Courtesy contracting of foreign end products by overseas contracting activities.**

(a) When overseas contracting support is needed, CONUS contracting activities should contact the following:

- (1) In Japan (excluding Okinawa):

374 CONS/CC  
Unit 5228  
APO AP 96328-5228  
DSN 315-225-7099 or 7199;

- (2) In Okinawa:

18th CONS/LGC  
Unit 5199  
APO AP 96368-5199  
DSN 315-634-1828;

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## (3) In Europe:

HQ USAFE/LGC  
Unit 3050, Box 110  
APO AE 09094-0110  
DSN 314-480-5910.

(b) CONUS contracting activities requesting contracting support must provide, as a minimum, the information specified below to the appropriate overseas contracting activity. Additional information that would amplify and clarify the requirement is encouraged. Contracting activities must treat all requests for contracting support on a priority basis. The requesting activity must provide:

(1) A purchase request with description of the requirement including definitive specifications free of any defects that would otherwise preclude immediate contracting action;

(2) Instructions for packaging, packing, and preservation, and special instructions dictated by the nature of the commodity to be purchased, if necessary;

(3) An executed Buy American Act Determination (see DFARS 225.104(b)) if the item is not exempted;

(4) A specification or purchase description suitable for obtaining full and open competition, or necessary information, certified as complete and accurate in accordance with FAR 6.303 to support any recommendation for use of other than full and open competition;

(5) The obligation authority;

(6) The mailing address and telephone number of a single point of contact;

(7) Transportation, routing, or shipping instructions. If the foreign contractor will be required to ship requirements to multiple CONUS-based consignees, detailed shipping instructions concerning each consignee must be provided to the overseas procuring activity; and

(8) Any special distribution requirements for the contractual documents required beyond the normal distribution.

(c) Overseas contracting activities providing courtesy contracting support to CONUS-based requiring activities must, after determining all submitted documentation to be adequate, proceed with the acquisition using the certificate of conformance when appropriate. The AFO supporting the overseas contracting activity must make payments on all transactions. The CONUS requiring base must respond expeditiously to any requests of the overseas contracting activity.

**SUBPART 5325.4—TRADE AGREEMENTS****5325.402 Policy.**

(c) Requests for waivers requiring OSD approval in DFARS 225.402(c), with appropriate supporting rationale, must be sent through command contracting channels to SAF/AQCK.

**5325.403 Exceptions.**

(d) Requests for exclusion in DFARS 225.403, with appropriate supporting rationale, and copies of justifications in DFARS 225.403, must be sent through command contracting channels to SAF/AQCK.

**5325.408 Solicitation provisions and contract clauses.**

(b) The name of the impartial witness must be recorded on the abstract. This applies only to negotiated purchases, which are covered in FAR Subpart 25.4. Any challenge by an offeror to a certificate in FAR Subpart 25.4 must be referred to the following address:

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Chief, Entry Licensing and Restricted Merchandise Branch  
Office of Regulation and Ruling  
1301 Constitution Avenue, N.W.  
Washington, DC 20229

**SUBPART 5325.7—RESERVED.****SUBPART 5325.8—INTERNATIONAL AGREEMENTS AND COORDINATION****5325.870-90 Research contracts with Canadian educational institutions.**

The Canadian Government has requested that all research contracts contemplated with educational institutions of Canada be cleared through a central point to prevent United States agencies from duplicating support of research projects already supported by Canadian Government agencies. Accordingly, the following procedure must govern in the placement of research contracts with Canadian educational institutions.

(a) Unclassified requests for proposal must be forwarded directly to the institution, provided two copies are forwarded concurrently to the Counselor, Defense Research and Development (DRD), Canadian Embassy, 501 Pennsylvania Avenue, Washington, DC 20001. Unless the DRD advises that the proposed institution is not in a position to undertake the research, contracting action will proceed in a normal manner.

(b) Unsolicited research proposals received from Canadian institutions involving basic research must be forwarded to the Research Operations Office, Air Force Office of Scientific Research, AFOSR/XO, Building 410, Bolling AFB, Washington, DC 20330. Those involving exploratory development, advance engineering, or advance development must be forwarded to the Directorate of Science and Technology Contracts, HQ AFMC/PKT, Wright-Patterson AFB, OH 45433-5006, (513) 257-8984 or DSN 787-8984.

(c) Unclassified research contracts awarded to Canadian educational institutions must be forwarded directly to the institution, provided a copy is forwarded concurrently to the address in (a) above and to the Chairman, Defense Research Board, National Defense Headquarters, Ottawa, Ontario, Canada K1A 0K2. Unless the institution is advised to the contrary by the DRD, the contract must be executed. Subsequent to the execution for the U.S. Government, the contracting officer must notify the DRD, Washington, DC of the date of award.

(d) Requests for proposals involving United States classified defense information must be forwarded to the International Division of the Science and Technology Directorate, HQ AFMC/STI, Wright-Patterson AFB, OH 45433-5006, (513) 257-4938 or DSN 787-4938.

**SUBPART 5325.9—ADDITIONAL FOREIGN ACQUISITION CLAUSES****5325.901 Omission of audit clause.**

(c) *Conditions for use of Alternate III.* Submit requests for agency head determinations in FAR 25.901(c)(1), with supporting rationale, through command contracting channels to SAF/AQCP.

**SUBPART 5325.70—AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN PURCHASES****5325.7002 Restrictions on food, clothing, fabrics, specialty metals, and hand or measuring tools.****5325.7002-2 Exceptions.**

(a) The Secretary of the Air Force, without delegation, may make determinations under this paragraph. These determinations are referenced in DFARS clauses 252.225-7012(b)(1), 252.225.7014(c)(1), and 252.225.7014 Alt 1(c)(1). For each request:

(1) The contracting officer will conduct market research to ensure the article or suitable substitute from a domestic source is not available.

(2) If a domestic product or source is not available, the contracting officer will notify SAF/AQCK through command channels that a domestic product or source is not available. SAF/AQCK will contact the Department of Commerce (DOC) to identify alternate domestic sources, and will notify the contracting officer and requesting command of the results.

(3) If an alternate domestic source is not identified by SAF/AQCK, a Determination and Findings (D&F) will be prepared by the Contracting Officer and forwarded through command channels to SAF/AQCK for processing.

(4) The D&F content is provided below:

(i) Content:

#### DETERMINATION AND FINDINGS

OF

#### DOMESTIC NON-AVAILABILITY

Pursuant to the authority contained in Section 9005 of Public Law 102-396, as amended, 10 U.S.C. 2241 (the "Berry Amendment") and DFARS 225.7002-2, I hereby make the following determination and findings concerning (*agency*), (*contracting activity*).

#### Findings:

1. The (*contracting activity*) proposes to purchase (*description of the item(s)*), under contract number, \_\_\_\_\_. The item(s) is/are produced or manufactured in (*country of origin*). The total estimated cost of the item(s) is/are \_\_\_\_\_.

2. Describe the mission of the organization.

3. Describe the circumstances that preclude the buying of a domestic end item ("The Berry Amendment (10 U.S.C. 2241) requires affected items to be domestic (i.e. of domestic origin and wholly of domestic content) unless a determination is made that such product cannot be acquired as and when needed in a satisfactory quality and sufficient quantity at U.S. market prices.")

(4) Describe the market research performed, to include firms contacted.

(5) Describe the impact if the waiver is not approved.

(6) Describe any alternatives/substitutes considered and why these alternatives/substitutes are not satisfactory.

7. Provide other data that will support the request.

#### Determination:

It is determined that the provisions of the Berry Amendment (10 U.S.C. 2241) are inapplicable to the item(s) enumerated above and cannot be procured when needed at U.S. market prices through the existing commercial U.S. market and that the said item(s) may be purchased without regard to said Amendment.



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**5325.7011-4 Procedures.**

(b) A copy of the documents submitted to the Ballistic Missile Defense Organization (BMDO) must be sent to SAF/AQCK.

**5325.7015-2 Exception.**

To comply with DFARS 225.7015-2(b), a D&F must be accomplished by the procuring activity and approved by the HCA, finding that:

(a) Adequate domestic supplies are not available to meet requirements in a timely manner; and

(b) Acquisition of tubes and devices manufactured outside the United States or Canada is necessary to acquire capability for national security purposes. The D&F, with supporting rationale, must be sent to SAF/AQCK to process the required certification.

**SUBPART 5325.72—REPORTING CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES****5325.7202 Distribution of reports.**

The contracting officer must forward copies of reports to SAF/AQCK for transmittal to OSD.

**SUBPART 5325.73—ACQUISITIONS FOR FOREIGN MILITARY SALES****5325.7390 Evidence of shipment on Foreign Military Sales (FMS) contracts.**

Under Security Assistance and Management Manual, DOD 5105.38-M, Chapter 8, Section III F.3.b., the U.S. Government is not liable to an FMS purchaser after delivery by the contractor to a carrier. To ensure that evidence of shipment is readily available from the payment office, if needed to support denial of a claim against the U.S. Government by an FMS purchaser, insert the clause at 5352.225-9000, Evidence of Shipment of Foreign Military Sales (FMS) Contracts, in all FMS solicitations and contracts, except those which provide for delivery FOB destination with acceptance at destination.

**5325.7391 Closure of Foreign Military Sales cases on long running contracts.**

(a) DOD 7290.3M and AFMAN 16-101 require FMS Line Managers to periodically review open line items on long running contracts to ensure timely case closeout and deobligation of excess funds, when there are physically complete FMS line items.

(b) Upon request, the contracting officer must help the FMS Line Manager:

(1) Determine the delivery status of supplies and services, using reports such as DD Form 250s;

(2) Review the status of unliquidated obligations. If the FMS case is physically complete and the only remaining action is settlement of final overhead costs, the contracting officer should provide a best estimate of final FMS case costs and recommend deobligation of any funds that exceed the estimate; and

(3) Verify the status of FMS line items for case closure.

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## PART 5332—CONTRACT FINANCING

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**PART 5332—CONTRACT FINANCING****SUBPART 5332.1—NON-COMMERCIAL ITEM PURCHASE FINANCING****5332.104 Providing contract financing.**

The contracting officer must promptly report known adverse developments through contracting channels to the MAJCOM. If the adverse development involves a contractor or subcontractor having a bank loan guaranteed by the Air Force, progress payments, or an advance payment, the MAJCOM must report the adverse development, its expected impact upon continued satisfactory performance under the contract, remedial actions taken to date, and any recommendations for further action to SAF/AQCP.

**5332.108 Financial consultation.**

If an exceptional case arises, the contracting officer must submit the fully documented file through contracting channels to the MAJCOM. If the MAJCOM determines that approval is required by higher authority, submit a memorandum outlining the pertinent facts together with a recommendation on the action to be taken to SAF/AQCP no later than 30 days before the needed effective date of the proposed financing arrangement.

**SUBPART 5332.3—LOAN GUARANTEES FOR DEFENSE PRODUCTION****5332.304 Procedures.****5332.304-1 Application for guarantee.**

Upon receipt of an application and supporting data for a guaranteed loan from the Federal Reserve Bank, the MAJCOM must request the cognizant DCMA to analyze the contractor's financial condition. The request should include, as a minimum, an examination of the contractor's balance sheet and operating statement. The MAJCOM should request the DCMA to give special attention to the classification and evaluation of accounts to ensure that they are in accordance with generally accepted accounting principles with emphasis on accounts receivable, inventories, and deferred charges. The DCMA should be requested to furnish the supporting data on a priority basis, normally within five work days.

**5332.304-2 Certificate of eligibility.**

The Assistant for Accounting and Banking, Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller), SAF/FMPB, or the Contract Finance Offices of the Department of the Army, Navy, or Defense Logistics Agency may request certificates of eligibility covering Air Force contracts. Submit requests for certificates to SAF/AQCP. SAF/AQCP must evaluate all supporting data and furnish appropriate comments to the requester of the certificate.

**SUBPART 5332.4—ADVANCE PAYMENTS FOR NON-COMMERCIAL ITEMS****5332.409 Contracting officer action.**

(a) The contracting officer must submit each advance payment request involving only a single contract and each request for a pool agreement not covered by (b) below to the MAJCOM Director of Contracting who must forward the request to SAF/AQCP with a recommendation. SAF/FMPB is the approval authority for advance payment requests for single contracts.

(b) The contracting officer must forward requests from educational and non-profit organizations for advance payment pool agreements to the Director of Contracts, Air Force Office of Scientific Research (AFOSR/PK), Bolling AFB, Washington, DC 20332.

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**5332.470 Advance payment pool.****5332.470-90 Advance payment pool agreements—educational and research institutions.**

- (a) The requirements for approval of an advance payment pool agreement are the same as for a single contract.
- (b) A single disbursing office must have disbursing responsibility for all Air Force contracts in the advance payment pool.
- (c) New contracts awarded to institutions which have an advance payment pool agreement must also be included in the existing agreement.
- (d) Prior clearances must be obtained from AFOSR/PK before including contracts in an advance payment pool agreement. Requests for clearance must identify originating office, name of institution, contracting officer, adjustment of funding by supplemental agreement/amendment, incremental funding, duration and end-date of contract, type of services/supplies to be delivered, type of contract, contract number, and the accounting and finance office shown in the advance payment pool agreement.

**5332.470-91 Initiating request, obtaining approval, and executing agreement.**

- (a) Educational and research institutions desiring an advance payment pool agreement must submit their request to the contracting officer. The documentation supplied by the institution to justify an advance payment pool agreement must include the following:
  - (1) Letter of request accompanied by the amount proposed for the advance payment pool limitation;
  - (2) Schedule of contracts to be covered by the agreement, with the following information for each contract:
    - (i) Contract number;
    - (ii) Contract price;
    - (iii) Period of performance;
    - (iv) Government buying office;
    - (v) Designated Government contract administration office; and
    - (vi) Designated Government payment office;
  - (3) Cash flow statement which illustrates cash expenditure requirement on a contract-by-contract basis for the ensuing 12 months, using the following columnar headings:
    - (i) Column A - Contract Number;
    - (ii) Column B - Contract Expense Incurred To Date;
    - (iii) Column C - Estimated Contract Expense To Be Incurred; and
    - (iv) Columns D through O - Contract Expense Forecast (for each of the next 12 months);
  - (4) Any other information which would demonstrate the need for an advance payment pool agreement.
- (b) The contracting officer must review the institution's request and supporting documentation and, within seven days from receipt, forward the request to AFOSR/PK.
- (c) Within 15 days after receipt of the request, AFOSR/PK must complete its review of the justification for completeness and compliance with the FAR. When satisfied that the requirements have been met, AFOSR/PK must forward the request and other related documentation to SAF/AQCP. SAF/AQCP will forward the request to SAF/FMPB.
- (d) The administering office, disbursing office, and approving office designated in the advance payment pool agreement must perform the following responsibilities:
  - (1) *Administering office.* The contract administration office is responsible for:

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- (i) Obtaining repayment of unliquidated advance payments in excess of requirements or advance payment pool limit, when advised of such excess by the approving office;
- (ii) Administering default and insurance provisions; and
- (iii) Periodically determining status of all contracts covered by the advance payment pool agreement.

(2) *Disbursing office.* An Air Force accounting and finance office is responsible for the disbursing functions of the advance payment pool agreement. Because of the importance of cash flow to an institution, the disbursing office should be located as close as practicable to the institution. Specific duties include:

- (i) Advancing funds to the institution;
- (ii) Ensuring that funds advanced do not exceed the advance payment pool limitation or the combined unpaid price of covered pool contracts;
- (iii) Maintaining accounting control over funds advanced, amounts liquidated, and unliquidated balances; and
- (iv) Receiving invoices from the institution and making payments against individual contracts.

(3) *Approving office.* A contract administration office is responsible for approving advance payment requests from the institution. Specific duties include:

- (i) Receiving advance payment requests from the institution;
- (ii) Ensuring that requests are properly supported and justified;
- (iii) Approving advance payment requests; and
- (iv) Ensuring that pool funds are used for intended purposes.

(e) SAF/FMPB must evaluate the request within 30 days of receipt to determine if the advance payment pool agreement is justified. Assistance may be solicited from other sources such as contracting officers, auditors, disbursing officers, and, if necessary, field visits to the institution. SAF/FMPB is responsible for:

- (1) Ensuring that the institution has adequate procedures and internal controls over cash disbursements;
- (2) Validating cash flow projections;
- (3) Determining amount to be authorized for advance payment pool limit, giving full consideration to reimbursement cycles and needed cash management procedures;
- (4) Preparing findings, determinations, and authorizations; and
- (5) Preparing advance payment pool agreements. Recommendations must be coordinated with SAF/AQ and SAF/GC.

(f) SAF/FMPB must approve and forward the findings, determinations, and authorizations for advance payments and the advance payment pool agreement to AFOSR/PK.

(g) Upon receipt of the signed D&F, AFOSR/PK must take necessary actions to award the advance payment pool agreement and incorporate it into affected contracts. AFOSR/PK must ensure that the clause at DFARS 252.232-7000, Advance Payment Pool, is included in each contract covered by the agreement.

(h) The contracting officer must amend affected contracts, as appropriate, in order to incorporate the advance payment pool agreement.

#### **5332.470-92 Administration of agreements.**

SAF/FMPB must establish internal procedures for the accounting and internal control over advance payments made to institutions by the Air Force accounting and finance offices which perform duties of a disbursing office. SAF/FMPB must reevaluate advance payment pool limitations and recommend adjustments, when necessary, using the procedures in 5332.470-91.

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**SUBPART 5332.5—PROGRESS PAYMENTS BASED ON COSTS****5332.501 General.****5332.501-2 Unusual progress payments.**

Except for AFMC, the contracting officer must submit contractor requests for unusual progress payments to the MAJCOM. The MAJCOM Deputy Chief of Staff/Contracting must recommend to SAF/AQ whether the request for unusual progress payments should be approved. All requests for unusual progress payments, whether recommended for approval or disapproval, must be promptly forwarded to SAF/FMPB through SAF/AQCP together with all pertinent data supporting the recommended action. AFMC requests and recommendations will be submitted through SAF/AQCP to SAF/FMPB in accordance with AFMC procedures.

**5332.501-3 Contract price.**

(a)(3) When provisional increases totaling \$20 million or more have been made under a contract, the contracting officer must notify SAF/FMPB.

**5332.502 Preaward matters.****5332.502-2 Contract finance office clearance.**

The procedures in 5332.501-2 apply to FAR 32.502-2 (a) and (b). When seeking approval to provide progress payments to contractors of the type described in FAR 32.502-2 (c), the contracting officer must submit the necessary information directly to SAF/FMPB.

**SUBPART 5332.6—CONTRACT DEBTS****5332.610 Demand for payment of contract debt.**

(a) Demands for payment of contract debts resulting from default termination must require the debtor to make payment by: (1) check made payable to "Defense Finance and Accounting Service" and forwarded to Defense Finance and Accounting Service, DFAS-CO-FDP, P.O. Box 93031, Chicago, IL 60673-3031; or (2) Electronic Funds Transfer to First Chicago National Bank, for credit to Account Number 1165186 in the name of the Defense Finance and Accounting Service, P.O. Box 93031, Chicago, IL 60673-3031.

(b) When the contracting officer issues a demand for payment against a contract for which the payment office and cognizant accounting and finance office are different, the contracting officer must provide a copy of the demand to both offices. Whenever a contracting officer renders a final decision that results in a contractor being contractually indebted to the Government, the contracting officer must simultaneously issue a demand letter to the contractor (see FAR 32.610 (b)), with a copy to the appropriate finance office. The demand letter must be concurrently issued in all such cases, irrespective of any action taken or planned by the contractor to appeal the contracting officer's decision.

**5332.613 Deferment of collection.**

For all but AFMC, the recipient office must forward requests for deferment of contract debts to the Director of Contracting at the MAJCOM headquarters who must submit, on a priority basis, an evaluation of the contractor's proposal with the necessary reporting information and recommendation through command channels to the Air Force Contract Finance Office, SAF/FMPB. AFMC actions will be submitted to SAF/FMPB in accordance with AFMC procedures.

**5332.670 Transfer of responsibility for debt collection.**

Ascertaining and collecting delinquent contract debts is the responsibility of DFAS-CO-FDP. Debt cases must be transferred to that office for collection as prescribed in FAR Subpart 32.6.



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## SUBPART 5332.7—CONTRACT FUNDING

## 5332.702-90 New Start Validation.

The SAF/AQ memorandum, Congressional New Start Notification for Investment Appropriations (February 1, 2000) requires a “new start” validation form. This form, signed by the Systems Program Director and Program Control Chief, must be maintained in the official contract file with the purchase request. Contracting officers must have this validation in the file before obligating any funds not otherwise exempt from the requirement.

## 5332.790 Base contract funding.

(a) Base contracting activities must not issue a solicitation for supplies or services without an allotment citation of funds availability unless the purchase request is for:

(1) A requirement chargeable to the Air Force Stock Fund and the local primary stock fund manager (of a stock fund division that is exempt from apportionment control) furnishes the following signed certificate to the contracting office:

“I certify that all purchase requests for [insert stock fund item names] stock fund items for fiscal year [insert fiscal year] are provided for in the approved [insert name] operating program for fiscal year [insert fiscal year]. The proper accounting classification to be cited for the entire fiscal year is [insert classification].”

(2) An industrial fund requirement and the accounting agent has furnished an annual certificate substantially the same as in paragraph (1) above, except that the accounting agent must enter the fund cite on each purchase request;

(3) A contract conditioned upon the availability of funds as authorized in FAR 32.703-2;

(4) A requirements type contract is to be established which does not require a firm funded order at time of contract execution;

(5) Information needed for planning purposes pursuant to FAR 15.201 (e), or

(6) Requirements under paragraphs (b) or (c) below.

(b) When a purchase request is for one of the requirements listed in (b)(1) through (4), the base contracting activity may issue a solicitation, receive and open offers, and prepare final award documents (including clearance, if required). However, the contract must not be signed by the contracting officer; delivered to the contractor; nor will the contractor be notified that it has been awarded a contract until funds have been certified by the accountable AFO. Since contract award will not be made subject to the availability of funds, the procedure and clause prescribed in FAR 32.703-2 (a) must not be used. If additive or deductive items are included in the bid schedule, the contracting officer must determine the amount of available funds before bid opening:

(1) A project in connection with family housing and/or mobile home parks, upon direction by AF/CE;

(2) Construction to be commenced in the next fiscal year, if the approving authority certifies that the requirement has a high enough priority to ensure that it will not be canceled when the next fiscal year funds become available. Current fiscal year funds may be used if they become available before the end of the fiscal year and the contract can be obligated as required by AFR 170-8;

(3) A military construction program (MCP) project when the contracting office receives written notification that the Air Force has responsibility for the acquisition, that the project has been approved for acquisition, and funds are available and being forwarded through channels. This exception still applies when the purchase request funding is limited to the amount of the initial Government estimate and the latest estimate, based on actual design and engineering information, exceeds the amount of the purchase request. In such cases, solicit bids or proposals before requesting additional funds; and

(4) A minor construction project (P-341 funds and commissary surcharge funds) supported by a statement that funds are being held in reserve at HQ USAF and will be made available when needed to award the contract.

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(c) The MAJCOM Civil Engineer, Director of Contracting, and Comptroller may jointly agree in writing to authorize base contracting activities to issue solicitations for facility project requirements when it is anticipated that the contract will be awarded in the current fiscal year but funds are not yet available. Use of this authority is subject to the following:

(1) MAJCOMs should carefully consider the use of this authority. It should only be used for non-complex projects for which estimated bid or proposal preparation costs are relatively low in relation to the estimated cost of the project. Also, MAJCOMs should consider imposing a limit on either the project value or the aggregate value of all projects solicited using this procedure;

(2) Projects that may be solicited under this authority include those for maintenance, repair and minor construction, facility O&M projects, and environmental restoration and compliance projects, which the MAJCOM civil engineer has reviewed, verified as a bona fide need, and determined that there is a reasonable likelihood that the project will be funded in the annual year-end program;

(3) MAJCOM Civil Engineering and Comptroller offices will identify to Contracting the projects selected to be solicited under this authority, in adequate time to permit solicitation and processing. MAJCOM Contracting, Comptroller, and Civil Engineering must establish a reasonable cut-off date for cancellation of solicitations, in order to have time to open the offers and process the contract award before the end of the fiscal year;

(4) Solicitations may not be opened until the funds certifying official either certifies that funds are available, or notifies the contracting officer that there is reasonable assurance that funds will be available after opening. If a reasonable assurance notification is received from the funds certifying official, the solicitation may be opened and processed up to the point of award. However, the contract must not be signed by the contracting officer, delivered to the contractor, nor will the contractor be notified that it has been awarded a contract until funds have been certified by the accountable AFO. If funds or a "reasonable assurance" notification cannot be provided by the established cut-off date, the solicitation will be canceled before opening; and

(5) Solicitations issued under this authority must contain a notice on the cover sheet and in Section L as follows:

"Notice to Offerors: Funds are not presently available for this project. No award will be made under this solicitation until funds are available. The Government reserves the right to cancel this solicitation, either before or after the closing date."

**SUBPART 5332.9—PROMPT PAYMENT****5332.903 Policy.**

The Director of Defense Procurement has approved a class deviation to FAR 32.903 for contracts awarded under Air Mobility Command's Civilian Reserve Air Fleet (CRAF) program. This deviation permits payment earlier than seven days prior to the payment due date specified in the Prompt Payment clause, FAR 52.232-25. No change to the Prompt Payment clause is authorized by this deviation. The deviation, No. 98-F-0001 dated 25 Sep 98, is on file in SAF/AQCP.

**5332.908 Reserved.**

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**PART 5337—SERVICE CONTRACTING****SUBPART 5337.1—SERVICE CONTRACTS - GENERAL****5337.102 Policy.**

Air Force Instruction 63-124, Performance-Based Service Contracts, provides policy guidance for service contracts.

**5337.103 Contracting officer responsibility.**

(d) The contracting officer must refer to DODI 1402.5, Criminal History Background Checks on Individuals in Child Care Services, which implements Public Law 101-647, Section 231, and Public Law 102-190, Section 1094, and which establishes policy, assigns responsibilities, and prescribes procedures for criminal history background checks for individuals involved in the provision of child care services in facilities operated by the Federal Government or managed under contract with the Federal Government.

**5337.104 Personal services contracts.**

(b)(i) For Other Contracting, the installation commander is authorized to execute the determination and findings at DFARS 237.104 (b)(i). For PEO and DAC programs, the cognizant PEO/DAC is authorized to execute this determination and findings.

**5337.110 Solicitation provisions and contract clauses.**

In solicitations and contracts for performance of commercial activities as defined in AFI 38-203, include the clause at 5352.237-9000, Control and Release of Inspector General Reports.

**5337.190 Safety precautions for hazardous materials used in service contracts.**

Personnel who develop statements of work or specifications for service contracts must advise the contracting activity when specifications require contractors to deliver, use, store, or handle hazardous material at a Government activity. Upon notification, contracting officers must comply with Subpart 5323.3.

**SUBPART 5337.90—SERVICE CONTRACTS FOR AN END PRODUCT****5337.9001 Fiscal year obligations.**

A service contract for an end product (e.g., a report, a survey, or an audit) is an obligation of the fiscal year in which the contract is executed without regard to the date of contract completion, provided the contract is for a bona fide need of the fiscal year in which it is executed and subject to any limitations of applicable statutes.

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**PART 5341—ACQUISITION OF UTILITY SERVICES**

**SUBPART 5341.2—ACQUIRING UTILITY SERVICES**

**5341.201 Policy.**

(d)(2)(i) Energy Savings Performance Contracts awarded pursuant to 10 U.S.C. 8287 containing a cancellation ceiling greater than \$10,000,000 must comply with the congressional notification requirement listed in 5317.108.

**5341.205 Separate contracts**

(a) The MAJCOMs, FOAs, and DRUs (see 5301.601-92) are authorized to acquire utility services.

**PART 5342—CONTRACT ADMINISTRATION**

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**PART 5342—CONTRACT ADMINISTRATION****SUBPART 5342.2—ASSIGNMENT OF CONTRACT ADMINISTRATION****5342.203 Retention of contract administration.**

(a)(iii) Air Force contracting offices should carefully consider the decision to retain contract administration for complex procurements. These contracts require significant contract administration and pose high risks to the Government, if not administered appropriately. Unless there is an urgent or compelling need to retain administration of such contracts, Defense Contract Management Command (DCMC) should be delegated responsibility. When the Air Force retains administration of a complex contract, the purchase office must ensure that expertise and manpower are available to provide all appropriate CAS functions outlined in FAR 42.302(a). Examples of such contracts include cost-type contracts and contracts for site activation, weapon system modification and maintenance, site operation and maintenance, specific weapon system testing and environmental remediation.

**5342.203-90 Weapons system contract administration at Air Force installations not having a resident CAO.**

(a) *Policy.* The contracting office may request DCMC to administer on-base weapon system contracts when mission considerations, technical skill requirements, and manpower availability warrant the delegation and “mixed CAS” will not occur (i.e., where more than one CAS activity deals with the same contractor at the same military installation). This policy enhances Air Force management of weapon system contracts and ensures the best use of Air Force and DCMC technical expertise and manpower resources. When DCMC is responsible for administering an on-base weapon system contract, the Air Force may provide direct technical support to DCMC (e.g., quality assurance), if DCMC agrees.

(b) *Responsibility.* When a contracting activity (or other requesting activity) arranges for a base or another organization (servicing organization) to perform CAS functions at an installation, the contracting/requesting activity must provide whatever instruction, assistance or supervision is necessary for the servicing organization to perform the delegated CAS functions. This includes providing manpower spaces and funding until the servicing organization can obtain these through the resource requirement process.

(c) *CAS tasks.* Limit requests to essential tasks. Coordinate the delegation request with concerned Air Force organizations (e.g., Western Space and Missile Center) prior to requesting a base or another servicing organization to perform CAS functions. Delegations may be expanded if the servicing organization agrees (see FAR 42.102 (c), (d), and (e); FAR 42.202; FAR 42.204; and FAR 42.206).

(d) *CAS delegation.* Delegate specific CAS functions to a base or other servicing organization using a written document, such as a letter or memorandum of agreement. This document shall, at a minimum, identify:

- (1) The specific responsibilities delegated;
- (2) Points of contact in the contracting/requesting activity; and
- (3) Reporting requirements.

**SUBPART 5342.4—CORRESPONDENCE AND VISITS****5342.490 Contractor visits to or performance on Air Force installations.**

When contract performance requires contractor personnel to make frequent visits to or perform work on an Air Force installation, the contracting officer must ensure that the prime contractor obtains base identification and vehicle passes. Contractor personnel must be required to wear or prominently display installation identification badges or contractor-furnished, contractor identification badges while on the installation.

PART 5342—CONTRACT ADMINISTRATION

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**5342.490-1 Contract clause.**

The contracting officer **must** insert the clause substantially the same as the clause at 5352.242-9000, Contractor Access to Air Force Installations, in solicitations and contracts that require contractor personnel to make frequent visits to or perform work on an Air Force installation.

**SUBPART 5342.5—POSTAWARD ORIENTATION****5342.503 Postaward conferences.****5342.503-1 Postaward conference agreements.**

(a) Postaward or preperformance conferences are mandatory for construction contracts in excess of \$100,000 that are substantially performed on Government premises. Contracting officers may require such conferences below \$100,000, if necessary. The contracting officer **must** consider the following factors in making this determination:

- (1) If the contractor is new on base;
- (2) If the contractor has not performed on Government contracts for some time;
- (3) If the work must be coordinated with the requiring activity; or
- (4) The complexity and/or scope of the specifications.

(b) AF Form 3035, Preperformance Conference and Prefinal Payment Checklist, sets forth important factors to be discussed at a construction contract preperformance conference.

**5342.504 Postaward letters.**

If a preperformance conference is not being held for a construction contract, the contracting officer **must** write a letter to the contractor explaining the applicable items referred to on the AF Form 3035. When a letter is used instead of a conference, include in the contract file a statement justifying the substitution and the contractor's acknowledgment of its receipt and understanding of the responsibilities stated in the letter.

**SUBPART 5342.7—INDIRECT COST RATES****5342.703-2 Certificate of indirect costs.**

(b) *Waiver of certification.* Except for AFMC, forward requests for Secretarial waiver through MAJCOM channels to SAF/AQCP for processing through SAF/AQ to SAF/OS. AFMC requests will be submitted to SAF/AQCP in accordance with AFMC procedures.

**SUBPART 42.15—CONTRACTOR PERFORMANCE INFORMATION****5342.1501 General**

Contracting activities **must** use the Navy Contractor Performance Assessment Reporting System (CPARS) tool to collect past performance information. The CPARS policies and procedures are detailed in the document titled, "CONTRACTOR PERFORMANCE ASSESSMENT REPORTING SYSTEM, DEPARTMENT OF THE AIR FORCE", at: <http://www.cpars.navy.mil>, under "Reference Material, Air Force CPARS Guide (Policy)".

## PART 5342—CONTRACT ADMINISTRATION

## SUBPART 5342.71—VOLUNTARY REFUNDS

**5342.7101 Solicited refunds.****5342.7101-90 Procedures applicable to other than spare parts.**

(a) The HCA must establish procedures to ensure that proper action is taken regarding voluntary refunds based on extra contractual consideration and for determining the amount to be sought.

(b) Except for refund actions recommended by the GAO (see (e) below), the authority to approve solicitation of a voluntary refund is delegated to the HCA (nondelegable). If the refund action being initiated results from in-house investigation, the staff officer must prepare a detailed statement which includes the following information and forward the statement to the HCA:

- (1) The facts of the case;
- (2) Reason for seeking a price adjustment; and
- (3) The proposed action to be taken.

(c) After MAJCOM/JA coordination (as a minimum), the HCA may approve proceeding with the action.

(d) Upon receipt of approval from the HCA to proceed with the proposed action, the staff officer must prepare a letter to the president or principal officer of the contractor that:

- (1) Advises the contractor that the action is on behalf of the HCA and the results of the action will be forwarded to the HCA;
- (2) States the results of the staff review of the matter;
- (3) Advises that the Air Force considers it important that an equitable adjustment be made promptly;
- (4) Requests the contractor to refund the determined amount or make the necessary adjustment voluntarily; and
- (5) If desired, invites the contractor's president or appropriate principal officer to personally discuss the payment of the refund to the Government.

(e) If the refund action was recommended by the GAO, the staff officer shall:

- (1) Prepare a proposed response to the GAO, containing the information required by (b) above, and forward it to SAF/AQCP for review and approval by SAF/AQ; and

- (2) Upon notification of SAF/AQ approval, prepare a letter to the president or principal officer of the contractor, containing the information required by (d) above, except that the letter must advise the contractor that the action is on behalf of the Secretary of the Air Force.

(f) Whenever the Air Force does not comply with a GAO recommendation for refund action, the Air Force position is included in the GAO report to Congress. Therefore, a thorough analysis and justification of the Air Force position is imperative. Careful consideration must be given to what legal recourse is available.

- (1) If a GAO recommendation to seek a refund is rejected, the response to GAO must adequately state the facts and arguments supporting the command's position. The response must also address the results of the consideration of legal recourse.

- (2) A decision to solicit less than the GAO recommended amount of refund must be supported by a fully documented determination approved by the staff officer responsible for contracting at the command headquarters and have the concurrence of the MAJCOM commander.

(3) If the MAJCOM agrees with the recommendation but fails to obtain a refund because of the contractor's refusal, the response must state the basis for the refusal and whether or not the command agrees with it. The staff officer responsible for contracting at the command headquarters must exhaust every reasonable means to obtain the refund or adjustment. If unsuccessful, the staff officer must report to the HCA the action taken and recommend whether any further action should be taken. If further action is appropriate, the matter may be elevated to the MAJCOM commander, with the recommendation that the commander pursue the refund with the contractor's top management.

**5342.7101-91 Procedures applicable to spare parts.**

(a) HQ AFMC/CC has the authority to solicit voluntary refunds pertaining to the acquisition of either initial or replenishment spare parts. This authority may be redelegated to the commanders of air logistics and product centers, without authority to redelegate. HQ AFMC must establish procedures to ensure that proper action is taken regarding voluntary refunds pertaining to the acquisition of either initial or replenishment spare parts and for determining the amount to be sought.

(b) The staff officer responsible for contracting at the approval level headquarters, or higher authority, is responsible for determining what action should be taken to solicit a refund based on extra contractual consideration and for determining the amount to be sought.

(c) The contracting officer may also initiate an in-house investigation to determine if such action should be taken. If investigation results indicate that a refund action is appropriate, the contracting officer shall:

(1) Submit a statement to the approval level headquarters including the following information:

- (i) The facts of the case;
- (ii) Reason for seeking a price adjustment;
- (iii) The proposed action to be taken;
- (iv) Determination by legal counsel that no other remedy is available or appropriate and that solicitation or receipt of the refund will not jeopardize the rights of the Government; and
- (v) The results of any audits or other substantiating reviews;

(2) Consider obtaining a DCAA audit to substantiate the request, if the refund is significant and is based upon facts obtainable only through reviews of contractor records (i.e., costs incurred); and

(3) Upon receipt of approval to solicit the refund, prepare a letter to the president or principal officer of the contractor which must include the information required in 5342.7101-90 (d), except that the letter must indicate that the contracting officer is acting on behalf of the approving authority. Send an information copy to the HCA.

(d) If the refund action has been recommended by the GAO, the staff officer must comply with the requirements in 5342.7101-90 (e) and (f).

(e) The staff officer responsible for contracting at the approval level headquarters must exhaust every reasonable means to obtain the refund or adjustment. If unable to secure the refund, the staff officer must report to the approving authority the action taken and recommend whether any further action should be taken (which may include elevating the matter, through channels, to the commander of the MAJCOM, with the recommendation that the commander pursue the refund with the contractor's top management).

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**PART 5343—CONTRACT MODIFICATIONS****SUBPART 5343.1—GENERAL****5343.102-90 Air Force Acquisition (ACAT) Programs Policy**

(a) New work may be added to a contract and within-scope changes may be made, as long as the new cumulative period of performance will not extend the original period of performance by fifty percent or more. A contract action anticipated to exceed the original contract period of performance by fifty percent or more must not be executed without the review and approval of the responsible Program Executive Officer (PEO) or Designated Acquisition Commander (DAC). The original contract period of performance includes the basic performance period and all options included at the time of contract award. It does not include increases in the period of performance due to contract modifications or additional orders.

(b) A contract that is already fifty percent beyond its original contract period of performance must not be extended without review and approval by the responsible PEO or DAC. The original contract period of performance includes the basic performance period and all options included at the time of contract award. It does not include increases in the period of performance due to contract modifications or additional orders.

**SUBPART 5343.2—CHANGE ORDERS****5343.205 Contract clauses.**

Air Force contracting officers may change the period in which the contractor may assert claims under the changes clauses from 30 days to 60 days.

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**PART 5345—GOVERNMENT PROPERTY**

**SUBPART 5345.3—PROVIDING GOVERNMENT PROPERTY TO CONTRACTORS**

**5345.302 Providing facilities.**

**5345.302-1 Policy.**

It is the policy of the Air Force to place the maximum reliance on the use of contractor-owned facilities to support current RDT&E, production, and maintenance requirements. Contracting officers must comply with the procedures of AFI 63-701, Managing Industrial Facilities, when furnishing Government facilities to contractors.

**5345.302-6(c) Required Government property clause for facilities contracts.**

Within the Air Force, authority to waive liability for unauthorized facilities use (see FAR 52.245-9(j)) is delegated to the HCAs identified in 5301.601-91, with authority to redelegate as appropriate.

**5345.302-90 Providing watercraft to Government contractors.**

Prior approval of the USAF Watercraft System Program Manager (SA-ALC/LDAC, DSN 945-4261) is required before Air Force watercraft can be offered as Government-furnished equipment (GFE) in support of contract performance. Pursuant to FAR 45.302-1, which limits the provisions of facilities to contractors, watercraft which are available on the commercial market will not be provided to contractors unless such action would result in a significant benefit to the Government (see AFI 24-304, Management, Operation, Maintenance, and Use of U.S. Air Force Watercraft).

**5345.304 Providing motor vehicles.**

**5345.304-90 Providing vehicular equipment (Government-furnished or contractor-acquired) to Government contractors.**

(a) Military unique types of motor vehicles may be supplied to contractors on DOD projects in accordance with the FAR and applicable Air Force policies.

(b) Do not provide, as GFP, commercially available motor vehicles to contractors, except under the conditions in AFMAN 24-309, Vehicle Operations.

(c) Coordination by the MAJCOM transportation staff is required to determine if Government vehicles are available, or can be made available, to fulfill contract requirements before any contracting action which would obligate the Government to provide vehicles to a contractor.

(d) AFMAN 24-309, Vehicle Operations, outlines Air Force vehicle policies and procedures. Refer to this manual in all situations involving the possibility of the Government being required to provide vehicles to contractors, whether GFP or CAP.

**5345.310-90 Providing agency-peculiar property.**

(a) *General.* Agency-peculiar property and related support equipment must only be furnished by the Air Force to a contractor as Government-furnished property (GFP) for use in contract performance. Such property, including aerospace vehicles, is often subject to specific requirements with respect to assignment, utilization, modification, maintenance, supply support, operation, and flying safety. The furnishing of such property must be accomplished in strict conformance with established policies and procedures.

(b) *Definitions.*

“Aerospace vehicles” means aircraft, missiles, or drones.

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## PART 5345—GOVERNMENT PROPERTY

“Support equipment” means aerospace ground equipment (powered and nonpowered) and includes engines (or propulsion systems) and major components of the aerospace vehicles. It does not include plant equipment or commercially available standard test equipment.

(c) *Requirements.*

(1) The procuring contracting officer, prior to the solicitation of bids or request for proposals on proposed procurements, determines whether or not agency-peculiar property and related support equipment will be required in the performance of the ensuing contract. When such property will be required, the procuring contracting officer determines that it is available and authority has been given for its use during the anticipated time frame required under the proposed contract. This determination must be coordinated in accordance with command procedures and the System Program Manager or Item Manager.

(2) Allocation and assignment of aerospace vehicles for support of procurement actions must be approved by HQ USAF in accordance with AFI 16-402, Aerospace Vehicle Programming, Assignment, Distribution, Accounting, and Termination. MAJCOMs assigned such aerospace vehicles must designate an activity responsible for surveillance of the contractor's maintenance and operation of the aerospace vehicle and related support equipment.

(3) To minimize the requirement for aerospace vehicles and related support equipment, cross-utilization by other purchasing offices will be authorized to the extent practicable, provided that such use must not interfere with the purpose for which the aerospace vehicles were initially provided. Arrangements for such additional use must be coordinated in writing between the procuring contracting officer desiring use of the aerospace vehicle, the procuring contracting officer presently having use of the aerospace vehicle, and the appropriate aerospace vehicle distribution office.

(4) All contracts that authorize contractor use of agency-peculiar property, including Government aerospace vehicles and related support equipment (excluding facilities as defined in FAR 45.301) must contain specific contract maintenance requirements. These provisions must be included in all solicitations and contracts (including letter contracts) involving the furnishing of aerospace vehicles and related support equipment to a contractor. Maintenance requirements must be coordinated with the MAJCOM engineering or maintenance organization. Contract requirements must also be coordinated with the flying safety office for the buying activity. The contract file must contain a copy of this coordination.

(5) The specific period of time during which agency-peculiar property and related support equipment must be provided to contractors and the purpose for which the property is provided must be in the Schedule of the contract. The delivery point, place of use, point of return, and return date must be indicated in the Schedule. The contract must require the return of Government property to the Government when no longer required for performance of the contract which authorized their use, but no later than the return date specified in the contract Schedule, unless approval for extension has been authorized. The contractor must not be granted the unilateral right to extend the time during which it is entitled to use the agency-peculiar property and related support equipment. Consideration must be obtained for any contractor required or caused extensions and the terms of the extension must be incorporated in the contract.

(6) In the event the Government property being furnished requires modification for contract performance, the procuring contracting officer must ensure that the contract for supplies or services prescribes procedures for the modification, documentation, and restoration, when required, of the Government property, and necessary funding to cover requirements. Funds must be identified in the contract by identifiable tasks as control line items that clearly separate funding responsibilities and which require separate contract line item accounting and voucher payment documentation.

(7) Before awarding a contract for supplies or services which anticipates the furnishing of aerospace vehicles and related support equipment, the procuring contracting officer must request a preaward survey by the applicable contract administration office (CAO) to determine the adequacy of:

(i) The airfield, considering requirements according to AFMCI 91-101, Minimum Airfield, ARFF Services, and Hangar Fire Protection Requirements for Aircraft Contracts;

(ii) Contractor's flight operation procedures and pilot qualifications pursuant to AFI 10-220(I), Contractor's Flight and Ground Operations; and

(iii) Maintenance and supply support, including training of personnel, initiation of requirements for initial and subsequent distribution of applicable technical orders, and spare parts (see AFI 63-106, Planning Logistics Support for Command, Control, Communications, and Computer (C4) Systems, and AFMAN 23-110, Standard Base Supply Customer's Procedures).

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**PART 5345—GOVERNMENT PROPERTY****SUBPART 5345.5—MANAGEMENT OF GOVERNMENT PROPERTY IN THE POSSESSION OF CONTRACTORS****5345.505 Records and reports of Government property.****5345.505-14 Reports of Government property.**

All Air Force contracting organizations that administer contracts that require contractors to annually report Government property must ensure that current and accurate data are input in a timely manner into the DoD Contract Property Management System (CPMS). CPMS is the on-line, automated version of the DD Form 1662 report which contractors must complete no later than 31 Oct each year pursuant to the clause at DFARS 252.245-7001, Reports of Government Property. Furthermore, Air Force contract administration offices must review and accept (validate) the contractor's data and forward the data to the Defense Logistics Agency not later than 15 Nov of each year. Questions concerning registering as a CPMS user may be directed to Ms. Joyce Burke, AFFTC, DSN 527-2903.

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**PART 5347—TRANSPORTATION**

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**PART 5347—TRANSPORTATION****SUBPART 5347.3—TRANSPORTATION IN SUPPLY CONTRACTS****5347.372 Reserved****5347.373 DD Form 1654, Evaluation of Transportation Cost Factors.**

(a) When the contracting officer has received competitive bids on other than FOB specified destinations and the acquisition is in quantities involving shipment(s) equal to or exceeding carload or truckload shipments, the contracting officer shall complete items 1 through 3 and columns "a" through "i" of DD Form 1654, Evaluation of Transportation Factors. The contracting officer must forward the DD1654 to the nearest transportation office. The transportation office will complete the remainder of DD Form 1654 to obtain transportation rates and routing information for use in bid or proposal analysis when transportation information may be a factor in making the award.

(b) **Reserved**

**SUBPART 5347.5—OCEAN TRANSPORTATION BY U.S.-FLAG VESSELS****5347.572 Procedures.**

The Maritime Administration (MARAD), Department of Transportation, has a role in enforcing the cargo preference statutes. MARAD can assist contractors in locating U.S.-flag shipping services, is empowered to determine when such services are not available, and can assist contracting officers in evaluating any contractor claims related to "excess costs" or differentials associated with the use of U.S.-flag vessels. When contractors do not comply with the cargo preference requirements, MARAD can require the contractor to make compensatory shipments on non-DOD shipments. Contracting officers desiring MARAD's assistance should contact:

The Maritime Administration  
Office of Cargo Preference  
MAR-590, Room 8118  
400 Seventh Street, S.W.  
Washington, DC 20590  
(202) 366-5518

**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM  
(COCSP)**

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**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM  
(COCSP)****PART 1—GENERAL****CC-101 Scope.**

This appendix establishes policies, assigns responsibilities, and prescribes implementing procedures for the Air Force Contingency Operational Contracting Support Program (COCSP) as described in 5301.601-93. This program is established to ensure responsive contracting support for military and non-military contingencies.

**CC-102 Definitions.**

*"Advance Echelon (ADVON)"* means an initial deployment element of personnel and equipment within a specific unit type code (UTC). The ADVON portion of a UTC normally consists of the equipment and personnel required to establish an austere operational capability for a period of up to seven days.

*"Air Expeditionary Forces (AEFs)"* are the pre-determined set of forces (aircraft, equipment, and personnel) from which tailored force packages will be deployed in support of theater commanders. Each AEF will operate a cross section of Air Force weapon systems (150 plus aircraft) and will include 10,000-15,000 personnel.

*"Area Of Responsibility (AOR)"* means a defined area of land and/or sea in which responsibility is specifically assigned to the commander of the area for the development and maintenance of installations, control of movement, and the conduct of tactical operations involving troops under the commander's control along with parallel authority to exercise these functions.

*"Concept of Operations (CONOPS)"* is a verbal or graphic statement, in broad outline, of a commander's assumptions or intent in regard to an operation or series of operations. The concept is designed to give an overall picture of the operation and provide clarity of purpose.

*"Contingency"* means an emergency, involving military forces, caused by natural disasters, terrorists, subversives, or required military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment.

*"Contingency Contracting Officer (CCO)"* is a person with delegated contracting authority to enter into, administer, and terminate contracts on behalf of the Government in support of a local contingency, steady-state deployments, or other contingency operations. The CCO also acts as the primary business advisor to the deployed or on-scene commander.

*"Contingency Operations Mobility Planning and Execution System (COMPES)"* means a system that enables the Air Force to plan for war and contingencies and, at execution, to match and track requirements, people, and materiel in a time-sensitive manner. It standardizes and automates the procedures used by the Air Force at MAJCOM and base level to select, deploy, and monitor contingency forces.

*"Designed Operational Capability (DOC)"* is the mission for which a measured unit has been equipped, organized, or designed.

*"Designed Operational Capability (DOC) Statement"* is a document prepared by the parent MAJCOM for each measured unit that outlines the DOC of the unit and contains unit identification, mission tasking narrative, mission specifics, and resources to be measured.

*"Expeditionary Aerospace Force (EAF)"* is a force that is tailored to mission success with the right combination of capabilities and people to match the challenge. It is rapidly deployable to any part of the world. It is light and lean with the smallest possible footprint forward. It is globally connected to reach-back for worldwide information and support, and it can command and control the assigned forces in near real time. A schooled and seasoned air commander who can decisively apply the gamut of air and space capabilities across the spectrum of crises leads it.

*"Operation Plan (OPLAN)"* means a plan for a single or series of connected operations to be carried out simultaneously or in succession. It is usually based upon stated assumptions and is the form of a directive employed by higher authority to permit subordinate commanders to prepare supporting plans and orders. The designation "plan" is usually used instead of "order" in



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**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSF)**

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preparing for operations well in advance. An operation plan may be put into effect at a prescribed time, or on signal, and then becomes the operation order.

*"Simplified Acquisition Procedures (SAP)"* means authorized streamlined purchasing methods in FAR Part 13 used to expedite purchasing support to the warfighter. SAPs are authorized for construction up to the SAT and commercial commodities and services up to \$5 million.

*"Simplified Acquisition Threshold (SAT)"* means \$100,000, except that in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation (as defined in 10 U.S.C.101(a)(13)) or a humanitarian or peacekeeping operation (as defined in 10 U.S.C.2302(8) and 41 U.S.C.259(d)), the term means \$200,000.

*"Status of Resources and Training System (SORTS)"* is a Joint Chief of Staff (JCS) controlled automated data system primarily created to provide the National Command Authority (NCA) and JCS with authoritative identification, location, and resource information. It is used throughout the chain of command to measure the daily resource status of operating forces.

*"Time-Phased Force Deployment Database (TPFDD)"* is a database that identifies types and/or actual units required supporting operational plans and indicating origin and ports of debarkation or ocean area.

*"Unit Type Code (UTC)"* means a five-character, alphanumeric code used in automated planning systems that uniquely identifies a specific unit capability. The UTC is linked with specific personnel and/or logistical detail for the purpose of deployment manning, transportation planning, personnel accounting, and replacement planning. The Mission Capability Statement (MISCAP) linked with each UTC specifies the capabilities the UTC represents, as well as the limitations of usage of the UTC.

**CC-103 Responsibilities.**

Effectively supporting Air Force contingency operations requires thorough planning and support by organizations at all levels of authority. The following list delineates the key responsibilities and duties at each level to ensure well planned and executed contracting support. This list is not all-inclusive; each level is expected to identify and implement additional responsibilities as they are identified.

(a) Chief, Resource and Analysis Division (SAF/AQCX) must:

- (1) Provide overall policy, procedures, and direction for developing, reviewing, and managing contracting under the COCSF;
- (2) Designate a Functional Area Manager as the focal point to coordinate all contracting contingency planning and develop appropriate policy within the Air Force;
- (3) Coordinate on OPLANs originating at the Air Staff;
- (4) Process deviations, waivers, and special authorizations requested in support of contingency operations; and
- (5) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties.

(b) Each MAJCOM Director of Contracting must:

- (1) Designate a command focal point to coordinate all contingency planning within the MAJCOM and to facilitate implementation of contracting support of exercises and actual contingency operations;
- (2) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties;
- (3) Establish supplemental policies and procedures for developing, reviewing, and managing the MAJCOM COCSF;
- (4) Develop contracting support elements and Unit Type Code (UTC) packages to meet the requirements of current policy directives and implementation instructions and ensure that subordinate organizations meet force mobility requirements stated in the Air Force 10 series directives/instructions;
- (5) Establish, as required, agreements detailing contracting support relationships between MAJCOMs during contingency deployments;

APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

- (6) Ensure all individuals assigned responsibilities as contingency contracting officers (CCOs) are properly trained; and
  - (7) Review all MAJCOM OPLANs for:
    - (i) Host Nation Support Agreements. This includes:
      - (A) Participating in the identification of the need for Host Nation Agreements, the development of the terms of Host Nation Support Agreements, and the periodic review of Host Nation Agreements; and
      - (B) Ensuring copies of applicable Host Nation Support Agreements, Host Country Assistance-In-Kind Agreements, Acquisition Cross-Servicing Agreements, letters of agreement, and other contract-related materials are provided to and understood by affected operational contracting offices;
    - (ii) Appropriate contingency contracting taskings; and
    - (iii) Appropriate contracting input to all tasks as described under Part 3, Planning for Contingency Contracting Support;
  - (8) Establish management plans, policies, and procedures for Non-appropriated Fund (NAF) contracting support during contingencies, in coordination with the Chief of Morale, Welfare, Recreation, and Services (MWRS);
  - (9) Ensure an adequate number of personnel are identified to augment the deployed forward headquarters function and assist in initial beddown of deployed units in accordance with War Mobilization Planning (WMP), Volume 1, Annex E. These UTC packages will be in addition to the UTC packages identified to support specific unit deployments;
  - (10) Support the forward air component commander in accordance with National Command Authority directives and/or pre-established agreements;
  - (11) Perform an UTC availability analysis as required by AFI 10-401, Volume 1, Operation Plan and Concept Plan Development and Implementation. Inputs will be used to update the War and Mobilization Plan for force availability during the deliberate planning process;
  - (12) Establish Designated Operational Capability (DOC) Statement and Status of Resources and Training (SORTs) procedures and policies for each unit tasked in support of an OPLAN; and
  - (13) Establish procedures for preserving lessons learned, disseminating the information collected from field after action reports, and providing copies to SAF/AQCX.
- (c) Each Unified Command Air Force Component Director of Contracting must:
- (1) Establish management plans, policies, and procedures for contracting operations during contingencies within respective areas of responsibility;
  - (2) Ensure any additional manpower requirements to support contingency operations are identified and process requests to supporting commands through the AEF Center;
  - (3) Develop and maintain current site surveys and area unique source and requirements data for the area of responsibility (AOR);
  - (4) Ensure supporting commands are provided appropriate materials distributed through unified command channels;
  - (5) Establish requirements (CC-103 (b)(9)) for contingency contracting personnel to augment the deployed forward headquarters function;
  - (6) When appropriate, establish inter-service contracting agreements and notify MAJCOM planners if contracting support will be provided to another service or if contracts or contracting capabilities of another service will be required;
  - (7) Establish the manner in which contracts that exceed the simplified acquisition threshold are to be accomplished in support of a military contingency operation within the AOR. Those procedures must be distributed to each supporting command contracting division;
  - (8) Establish procedures, when necessary, for assigning and maintaining DOD Activity Address Codes (DODAACs) for deployed forces within the AOR; and

**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)**

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- (9) Ensure the focal point attends the Contingency Wartime Planning Course (CWPC) as soon as possible after assuming duties.
- (d) The commander or chief of each operational contracting organization must:
- (1) Review all tasked OPLANs and relevant Host Tenant Support Agreements, Inter-Command Agreements, Joint Support Plans, and Host Nation Support Agreements to determine deployment support requirements;
  - (2) Develop and maintain a local COCSP in accordance with this appendix and MAJCOM direction;
  - (3) Coordinate the planning process with all commanders with contingency contracting requirements;
  - (4) Select and appoint CCOs meeting the requirements contained in FAR 1.603 and AFFARS 5301.601-92;
  - (5) Establish initial and recurring CCO training as required by Attachment CC-2 to this appendix and initial mobility training (small arms, chemical warfare, self-aid, etc.). Ensure training is monitored and provided to each CCO to maintain qualification for worldwide mobility status; and
  - (6) Ensure equipment and materials required for support of assigned UTCs are purchased and maintained for immediate deployment.

**Part 2—CONTRACTING AUTHORITY AND ORGANIZATION****CC-201 Contracting authority.**

Contracting authority to support contingency operations flows from the Secretary of the Air Force as the Agency Head, through the Assistant Secretary of the Air Force (Acquisition) to the commanders of the organizations identified in AFFARS 5301.601-91. These individuals are designated Heads of Contracting Activities (HCAs) for Other Contracting, with authority to designate individuals to exercise any delegable HCA authority as the HCA Designee (see 5301.601-91). [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 CCO’s 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 5301.601-91(a) for that contracting office.

**CC-202 Establishment of need for contingency contracting officers (CCOs).**

The contingency contracting officer (CCO) is the key individual providing contracting support to contingency operations. Operational contracting activities must review contingency taskings and designate a sufficient number of qualified individuals to perform those contingency contracting taskings. If the contracting office requires more manpower to support OPLANS than can be reasonably provided without degrading home station functions, then the chief of the contracting office must notify the MAJCOM of the shortfall. MAJCOM functional areas will identify these manpower shortfalls through the Wartime Manpower Requirements/Force Sizing Exercises (MANREQ/FORSIZE) computation for their command and designate alternate resources to meet the tasking to include Air National Guard or Air Force Reserve Individual Mobilization Augmentees (IMAs) if necessary.

**CC-203 Selection of contingency contracting officers.**

(a) Individuals selected as contingency contracting officers must meet all the requirements for appointment as a contracting officer contained in FAR 1.603 and 5301.603. As a minimum, warrants will specify contracting authority up to the “simplified acquisition threshold” on the face of the warrant.

(b) In addition, contingency-contracting officers must also meet the following additional requirements:

- (1) CCOs must be military personnel, whenever possible. Deploy only military CCOs to support overseas contingency OPLANs and actual contingencies involving hostilities. (NOTE: If a civilian is designated as a CCO, comply with instructions in AFI 36-507, Mobilization of the Civilian Workforce, for emergency-essential civilian employees).

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**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)**

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(2) The Air Force Specialty Code (AFSC) 64PX and 6C0X1 personnel (and 1102/5 personnel supporting local contingency and emergency support plans) designated must be trained or experienced in operational contracting and contingency contracting procedures. The incumbents must be trained in all aspects of contingency contracting as quickly as possible after assignment to the organization.

(3) All contingency-contracting personnel designated must be certified at the appropriate level in the Acquisition Professional Development Program (APDP). Completion of CON 234, *Contingency Contracting*, is highly encouraged.

**CC-204 Appointment of contingency contracting officers.**

Contracting officer warrants issued by the CCO's unit remain valid, unless there are specific limitations on the warrant that will hinder the CCO's ability to support contingency operations. If necessary, the HCA Designee may issue additional warrants or increase the limits of warrants as needed in the theater. Upon notification of any tasking, the unit must issue a warrant to an individual before deployment. Units can issue warrants for CCOs ahead of time if the CCO(s) have potential for no-notice deployment(s). As a minimum, warrants will specify contracting authority up to the "simplified acquisition threshold" on the face of the warrant. If any CCO is issued a warrant, the CCO must also be issued a Government-wide Commercial Purchase Card.

**CC-205 Contracting organizational relationships.**

When support of contingency operations requires deployment of CCOs to another command or theater, either CONUS or overseas, CCOs must be under the functional control of the receiving command. CCOs deployed with a unit will support that unit's contracting needs; however, the CCOs will be under the functional control of the receiving (unified) command. The HCA Designee will provide authority and direction to the deployed CCOs.

**Part 3—PLANNING FOR CONTINGENCY CONTRACTING SUPPORT****CC-301 Planning actions.**

Each operational contracting office monitors current plans and coordinates on all plans that task the contracting organization for support according to AFI 10-401, Volume 1. Special attention should be given to determine appropriate actions to continue performance of essential contractor services pursuant to DODI 3020.37, *Continuation of Essential DOD Contractor Services During Crisis* and Joint Pub 4, *Logistics*, Chapter V, *Contractors in the Theater* for any contract services being used to support military operations or local emergencies. Contracting support plans must be established for (a) contingency support for military operations, and (b) contingency support for local emergencies. .

(a) *Contingency support for military operations:* Contracting activities will make appropriate contracting inputs to OPLANs and dedicate a section of local support plans to contracting support for military operations.

(1) *Review of OPLANs.* The chief of the contracting office or contracting squadron commander is responsible for reviewing all OPLANs that task contracting support. When a MAJCOM contracting activity tasks a contracting office with specific deployment support responsibilities, that MAJCOM will ensure the office includes such tasking in its local plans. The chief of the contracting office or contracting squadron commander will consider the following:

(i) Contracting manpower required for the expected base configuration, population, geographic location, joint usage arrangements, and proximity of local purchase resources to support the unit;

(ii) Current MISCAP and AEF rotation schedule;

(iii) Allocation of contracting-related UTC packages within the OPLAN and coordination of timing for each package within the Time-Phased Force Deployment Database (TPFDD). Plans must call for early arrival of contracting personnel to provide contracting support for beddown of initial forces arriving at the deployment site;

(iv) Adequacy of contracting resources tasked from all sources to meet the total contingency contracting requirements for all units at the deployment base;

(v) Individual Mobilization Augmentee (IMA) availability to support OPLAN taskings or to backfill deployed active duty CCOs;

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(vi) Equipment and personnel support requirements for the CCO portion of each OPLAN (Fax machine, laptop computers, printer, cellular telephone, other communication, transportation, and office equipment);

(vii) Procedures for each functional area to identify personnel at the deployment site who can validate/approve requirements, accept deliveries, and verify quality of goods purchased;

(viii) Coordination of contracting and finance functions to ensure paying agents are designated to support the contracting activity;

(ix) Uniform and civilian clothing requirements for each deployment location and initiation of uniform allowance documents for enlisted personnel, if applicable. Authorization for use of civilian clothing must be specified on TDY orders and in compliance with use according to appropriate personnel and finance regulations;

(x) Special personnel requirements for location-specific limitations to gender, rank, or other cultural factors which affect contracting within the deployment area;

(xi) Contracting interface with the supply system at the deployment site to avoid duplication of effort, unnecessary administrative steps, and unnecessary local purchase of supply system items;

(xii) Potential adverse impact on unit mission support due to FAR or statutory contracting restrictions and any deviations which may be necessary to meet unique unit mission requirements at the deployment site;

(xiii) Contracting interface with 24 hour emergency operations contact points and purchasing sources in the deployment area;

(xiv) Impact on contracting effectiveness during chemical, biological, or nuclear operations, if applicable;

(xv) Possible additional duty taskings at various stages of the deployment which may interfere with performing the contracting duties. Additional duties that may interfere with contracting duties include but are not limited to inspecting and receiving supplies/services, funds disbursing agent duties, billeting officer duties, and writing statements of work (SOWs)/performance work statements (PWS), etc.;

(xvi) Security and protection needed during the deployment and any requirement for CCOs to carry weapons;

(xvii) Plan taskings that might result in possible CCO conflicts of interest situations (e.g., funds disbursement or acceptance of goods);

(xviii) Reporting and documentation requirements for all stages of the deployment and adequate administrative and documentation support for the operation;

(xix) Taskings for contract closeout, termination, claim processing, and disposition of purchased USAF assets;

(xx) Procedures for preserving lessons learned and disseminating the information collected from after-action reports to parent MAJCOMs.

(xxi) For MAJCOM or deployed HCA Designee, evaluate supplemental force package requirements required to support the deployed central contracting function and assist with the beddown of arriving units in the theater of operations. Place these packages in the TPFDD early enough to meet mission beddown requirements.

(2) *Review local contracting support plans.* Base Contracting offices will develop a comprehensive local support plan, signed by the Wing Commander or equivalent, to ensure contingency contracting support for taskings under OPLANs. These plans will provide as a minimum:

(i) Documentation for identifying appointed CCOs designated to meet contingency taskings;

(ii) Instructions for deployed CCOs to maintain records of all purchases. All required reporting must be completed in the current monthly reporting cycle of the contracting activity that issued the PIINs or as otherwise directed. Instructions will provide for maintenance of these records whether in manual or automated format (such as laptop computers). If an automated system is used, the COCSPP must provide for automated or manual back-up, and procedures will be developed to instruct CCOs on how to enter data and use the computer software;

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(iii) CCOs will participate in annual reviews of OPLANS under which the organization is tasked. Special care must be given to identifying plans tasking the operational contracting activity independently from the host unit. The unclassified portion of plans discussing contracting requirements may be extracted for review and use;

(iv) Any specific contracting instructions and planning factors peculiar to supported units or to deployment locations (such as a general list of contracting requirements the unit will generate, unusual requirements, use of support agreements, procedures for contacting embassy officials, etc.);

(v) Procedures for submission, approval, and control of purchase requests;

(vi) Direction to the CCO regarding the relationship between the gaining command and home station (see CC-205);

(vii) Availability and content of CCO deployment kits and materials which need to be added to kits before departure;

(viii) Specific directions for CCOs on obtaining funding for emergencies and deployments to include funding of home station-issued AF Government-wide Commercial Purchase Cards. Funding issues must be resolved prior to deployment;

(ix) Develop and coordinate procedures with the local base accounting office for obtaining funding for emergency deployments, including procedures for prior identification of local currency and proper denominations (U.S. or foreign currencies). When a contracting support capability is established at a non-DOD installation or remote location, a commercial paying function is required pursuant to DFAS-DER 7010.1. AFI 10-213, Comptroller Operations Under Emergency Conditions, provides guidance on comptroller operations during emergency conditions. AFI 31-207, Arming and Use of Force by Air Force Personnel, and AFI 31-101, The Air Force Installation Security Program (FOUO) (AFI 31-101, FOUO is not available in the electronics publications website), provides guidance for carrying firearms. CCOs should not be designated as disbursing or paying agents. Exceptions must be approved by the HCA;

(x) Provisions for performing site surveys and participating in exercises at deployment locations as directed by MAJCOMs;

(xi) Ensure CCOs complete all training associated with worldwide mobility readiness status;

(xii) Assumptions on contracting statutes or policy that may be relaxed or waived in an emergency;

(xiii) Annual OPLAN reviews and kit inventories; and

(xiv) Direction for coordination and control of deployed non-contracting personnel using home station issued Government-wide Commercial Purchase Cards. Coordinate cardholder activity to ensure economic purchases and avoid duplication of resources.

(b) *Contingency support for local emergencies.* Another section of the local support plan will be dedicated to local emergencies and contingencies other than military contingency operations.

(1) *Review of OPLANS.* In developing and maintaining this section of the local support plan, the chief of the contracting activity will ensure that local contingency plans requiring contracting support for the installation are reviewed and coordinated. These plans typically address local and deployed location conditions ranging from natural disasters and industrial accidents to local hostilities and acts of terrorism. The contracting activity will review these plans to:

(i) Determine types of supplies and services that might be needed with short lead time, such as rental vehicles, snow removal, construction materials, and environmental clean-up services;

(ii) Become familiar with local conditions and factors that are unique to the area, such as geological conditions; industrial hazards, weather conditions and problems, civilian emergency services, etc.;

(iii) Become familiar with base relocation or alternate work site plans;

(iv) Establish alternate data automation capabilities;

(v) Determine appropriate actions to continue performance of essential contractor services pursuant to DODI 3020.37, Continuation of Essential DOD Contractor Services During Crisis and Joint Pub 4, Logistics, Chapter V, Contractors in the Theater;

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(vi) Ensure that plans provide for adequate transportation, communications, and office space for contracting and other essential contingency support personnel; and

(vii) Ensure procedures for receipt and inspection of purchase, facilitate prompt payment and expeditious closeout of contract files.

(2) *Review local contracting support plans.* Contracting offices will develop a comprehensive local support plan to ensure contingency contracting support for taskings under OPLANs. Plans will consider appropriate items under CC-301(a)(1) above and provide as a minimum:

(i) A capability for commanders to contact contracting personnel on short notice through the unit emergency action center or Command Post;

(ii) Identification of CCOs (may be identified on unit recall rosters);

(iii) Instructions on where to relocate the contracting office in the event the primary contracting facility is not usable, considering alternate locations on and off base;

(iv) A current list of base emergency plans and the contracting portions of base plans;

(v) Provisions for emergency communications with base officials, customers, and suppliers;

(vi) Procedures for manual requisitioning of supplies, including required approval authorities, forms, and general processing requirements;

(vii) Provisions for funding requests, including the use of AF Form 616, Fund Cite Authorization; or AF Form 4009, Government-wide Purchase Card Fund Cite Authorization;

(viii) Instructions for manual purchase registers and record keeping;

(ix) Procedures for using alternate data automation facilities to restore automated purchasing support and records;

(x) Instructions for use of unit deployment kit(s);

(xi) Current telephone listings for key base offices, local suppliers, and other base contracting offices, and grid maps of the base and local areas; and

(xii) Instructions for developing, maintaining, and using source lists for emergency supplies and services, identifying sources available for 24 hour response to emergency requirements. Lists should include the commodity/service contractor/vendor address, point of contact, and 24 hour telephone number.

### **CC-302 Predeployment preparation.**

Planning functions will emphasize the importance of performing site surveys. Resources permitting, each activity will perform site surveys at all preplanned deployment sites for local area and overseas destinations. Designated CCOs must participate in site surveys and exercises on a rotational basis. Site surveys will:

(a) Update information concerning potential sources in the deployment area, including information from the U.S. Embassy, Consulate, Air Attaches, and/or other Government agencies operating in the same area. Include a master listing of contractors and identify those willing to provide emergency response after normal business hours. Also, survey vendor acceptance of the AF Government-wide Commercial Purchase Card for completing transactions;

(b) Identify sources for potential and pre-identified requirements. If a source is not available for any pre-identified requirement, the COCSP must provide procedures to ensure the user is notified that contracting support may not be available for that requirement at that deployment site;

(c) Survey local customs, laws, taxes, and shortages within the local economy, local bureaucratic impediments, language difficulties, currency exchange rate fluctuations, and security concerns. If local sales tax exemption procedures or numbers are available, obtain them through embassy personnel;

(d) Examine local transportation and communication resources availability;

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(e) Determine the applicability of the Host Nation Mutual Support Agreements, Status of Forces Agreements, Acquisition Cross-Servicing Agreements, or other diplomatic agreements, if any, and evaluate the impact of these agreements upon contingency contracting within the deployment area;

(f) Survey facilities, equipment, and other support needed for the deployed contracting office. Coordinate contracting facility requirements with the Civil Engineer and Logistics functional commanders as necessary;

(g) Consider problems that should be anticipated in supporting contract requirements for an extended exercise or contingency operation. Particular attention should be given to those items or services that are available in limited quantities;

(h) Determine what contract formats may be needed in the local area considering Host Nation Support Agreements, expected taskings, and local business customs; and

(i) Official passports are required for each CCO if they are postured to support no-notice deployments that might require immediate departure to countries that require a passport for entry. Each unit must determine if a CCO needs to obtain an official passport when initially designated as a CCO. If units have difficulty securing official passports, contact SAF/AQCX for assistance in validating mission and coordination with the Pentagon Passport Office. When CCOs are deployed they must have their passports in their possession at all times unless directed otherwise for security reasons.

**CC-303 Deployment/mobility kits.**

Operational contracting activities will develop local support plans and kits with contracting supplies, forms, instructions, and office equipment to respond to contingency situations. Refer to Attachment CC-1 for specific contents for contingency contracting kits.

(a) Each contracting activity must develop and maintain deployment kits for use during contingencies. Unit kits will be pre-assembled and positioned for rapid retrieval and transport. Kits will be inventoried annually on the same cycle as support plan review. Contents will be updated periodically to replace outdated material. Mission Capability (MISCAP) Statements for contracting UTCs are published in the War and Mobilization Plan, Volume 3, Part 3 and contain contracting cargo elements (LOGDET). Unit deployment kits may be tailored to the expected deployment location or expected emergency tasking, but they must not exceed the size and weight limitations established in the LOGDET for the appropriate UTC. A complete assembled cargo package (UTC XFFK4) is an integral part of UTC XFFK1. Hand carried contracting kits (UTC XFFKT) are part of all other UTCs where specific taskings do not require complete cargo package. If required, the UTC XFFK4 must be specifically tasked to accompany all UTCs other than UTC XFFK1.

(b) Depending on Operation Plan (OPLAN) taskings, at least one unit deployment kit, UTC XFFK4, will, contain appropriate items in Attachment CC-1, for each independent UTC XFFK1 that can be supported based on *authorized manning*. A pre-assembled unit deployment kit is not required for each individual OPLAN tasking a contracting unit may be responsible for. Handcarried kits, UTC XFFKT, can be pre-assembled for other UTC(s) the unit can support. The final number of specific kits for each unit will be coordinated by the MAJCOM.

**CC-304 Contracting involvement in advance echelons (ADVONs).**

Local contingency support plans will emphasize contracting participation on advance echelon (ADVON) teams. ADVONs should be manned with an experienced CCO to locate sources and become familiar with local conditions before arrival of unit personnel. Where no site survey information is available, timing is especially important. Plans should provide for adequate security arrangements and disbursing officer support during advanced deployments.

**Part 4—TRAINING IN CONTINGENCY CONTRACTING SUPPORT****CC-401 Air Force policy.**

Appropriate training must be provided to all contracting officers designated to support contingency operations. Contingency Operational Contracting Support Plan (COCSP) training may be included as a part of the training required by AFI 64-102, Operational Contracting. COCSP training should be provided to key personnel of major customer activities having contingency contracting support requirements.



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**CC-402 Individual CCO training.**

Training provided to CCOs must include:

- (a) Initial Base-level CCO Training (see Attachment CC-2);
- (b) CCO continuation training, tailored to the unit's area of responsibility, to include regular exercise participation;
- (c) Ability to survive and operate in a nuclear, biological, and chemical environment;
- (d) 9MM training and certification;
- (e) Procedures to obtain funding for contingency contracting operations;
- (f) Maintenance of individual mobility folders/mobility equipment/kit contents;
- (g) Self-aid buddy care;
- (h) CONS 234, Contingency Contracting Course (strongly recommended);
- (i) Anti-Terrorism and Force Protection Training;
- (j) Law of Armed Conflict;
- (k) AOR specific training to ensure continuity and uniformity as required (e.g. AFOSI, legal, SF, and embassy personnel);
- (l) NATO procurement training must be provided in order to be warranted under NATO procedures as a contracting officer if deployed to a NATO billet (this training may be provided in theater after assignment); and
- (m) Government-wide Commercial Purchase Cardholder training.

**CC-403 Training provided to non-contracting personnel.**

The contracting activity will train non-contracting personnel, designated to support contingency plans, on the proper use of ordering instruments, SF 44, Government Purchase Cards, and other decentralized procedures authorized for use. (NOTE: Recommend using the AFLMA's Contingency Contracting Customer guide during this training.)

**Part 5—CONTRACTING SUPPORT FOR CONTINGENCY OPERATIONS****CC-501 Expedited contracting procedures in contingency operations.**

(a) For most critical steps in the contracting process, the acquisition reform tools in FAR, DFARS, and AFFARS provide flexibility to permit expedited contracting actions to satisfy urgent and compelling requirements. However, such circumstances do not provide blanket waivers of regulatory requirements, nor do they eliminate the need to maintain required controls and documentation. Examples of existing authorities to expedite contracting actions include:

- (1) Limiting sources in solicitations when unusual and compelling urgency precludes full and open competition (FAR 6.302-2) or competition to the maximum extent practicable (see FAR 13.104);
- (2) Exceptions for issuing synopses of proposed contract actions when this would delay award and injure the Government (FAR 5.202);
- (3) Awarding letter contracts and other forms of undefinitized contract actions (UCAs) to expedite start of work (see DFARS Subpart 217.74);
- (4) Using oral solicitations ( FAR 13.106, and FAR 15.203(f));
- (5) Awarding contracts for emergency requirements before resolving a protest ( FAR 33.104);
- (6) Waiving bid guarantees (FAR 28.101-1); and
- (7) For contracts awarded and performed, or purchases made outside the U.S. in support of military contingency, humanitarian, or peacekeeping operations declared by the Secretary of Defense, the simplified acquisition threshold is increased to \$200,000 allowing use of simplified acquisition procedures (see FAR 2.101). Additionally, simplified acquisition

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tion procedures are authorized for the purchase of commercial supplies and services exceeding the simplified acquisition threshold but less than \$5 million (FAR 13.500).

(b) When the nature of the contingency dictates, the appropriate level of authority may relieve CCOs of specific regulatory requirements contained in the FAR, DFARS, or AFFARS. These authorities are limited to those requirements contained in these regulations that are based on contracting policies established at that level. Department of Defense and Air Force contracting authorities maintain standby packages to initiate relief from regulatory requirements during contingencies. In a similar manner, MAJCOM contracting activities should identify in advance command-specific requirements that may be relaxed or waived during contingency operations. Operational contracting offices should also identify local requirements that would impede contingency contracting and coordinate procedures (within their authority) to relax those requirements.

(c) For Secretary of Defense declared contingency operations, it may also be possible to request relief from FAR, DFARS, and AFFARS requirements established as a result of a statutes, Executive Orders, or other Executive Agency regulations (e.g., Department of Labor, Small Business Administration, etc.). Relief from these requirements could take considerable time to obtain, so their identification prior to declaration of a contingency operation is essential. SAF/AQC will be responsible for drafting legislative packages for relief in periods of National Emergency from statutes, Executive Orders, and Executive Agency regulations. MAJCOMs are encouraged to make recommendations for FAR, DFARS, and AFFARS requirements for which relief should be requested in support of contingency operations.

**CC-502 Contracting functions under deployed conditions.**

In providing contingency contracting support, CCOs will perform tasks required by established OPLANs, contingency support plans, and this appendix. Generally, contracting support of deployments takes place in four phases. A listing of expected activities for each phase is provided as follows.

**CC-502-1 Contingency contracting activities during initial deployment.**

(a) *The Deployed commander responsible for the unit will:*

(1) Establish the unit's requirements/priority of needs, including:

- (i) Food and water for those personnel not serving in field conditions and not receiving a basic allowance for subsistence (BAS);
- (ii) Shelter (both living and working facilities);
- (iii) Transportation, specifically identifying rental requirements;
- (iv) Laundry services;
- (v) Human waste and garbage disposal;
- (vi) Ground fuels requiring local purchase action;
- (vii) Heavy equipment;
- (viii) Communications, to include priorities for use of limited telephone and radio facilities;
- (ix) Utilities. (NOTE: Prior to deployment, verify electrical requirements for equipment such as copiers, FAX machines, etc. Some countries may have unique requirements that may not allow U.S. made machines to be connected to telephone lines.);
- (x) Quality-of-Life Issues (i.e., recreational equipment); and
- (xi) Computer/ADP support (to include equipment maintenance).

(2) Review and establish purchase request control procedures with the CCO, to include fund accountability, purchase request validation and approval; inspection, acceptance, quality assurance procedures; and disposition of purchased assets;

(3) Should ensure the CCO is not assigned additional duties that may impede contracting responsibilities or create a conflict of interest;

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(4) Advise all personnel that only the CCO is authorized to obligate the U.S. Government for local purchases and direct that no one place undue pressure or command influence on CCOs to purchase any goods and services that violate laws and regulations;

(5) Provide suitable office space and transportation for the contracting function to include at a minimum a desk, secure filing cabinet, dedicated vehicles to meet mission requirements;

(6) Identify individuals (by name or position) who are authorized to approve purchase requests and the name of the individual (or office) providing the funding source;

(7) Provide an interpreter, if necessary;

(8) Provide telephones for the CCO office and a mobile (cell phone) unit, if possible;

(9) Ensure the Accounting and Finance function provides sufficient disbursing agents with sufficient funding to allow timely contract support for the CCO and ordering officers; and

(10) Ensure all functional activities provide a receiving and quality assurance capability to document receipt and acceptance of goods and services and maintain accountability of purchased assets.

(b) *CCOs responsible for supporting the deployed unit will:*

(1) Establish minimum suitable office space;

(2) Obtain low security profile transportation for CCO's dedicated use;

(3) Establish suitable communications for the office and mobile unit, to include at least one Class A telephone with long distance Defense Switched Network (DSN) and off base access;

(4) 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;

(5) Obtain maps of adjacent towns or settlements and conduct personal visits to learn availability of necessary items of supplies or services. Mark maps and prepare source lists. Secure telephone books of the local area, if available. (NOTE: Maps and source lists should be updated as new information becomes available. Source lists should be annotated to reflect which contractors will provide 24 hour emergency response.);

(6) Work with the deployed commander to establish good working relations with local officials;

(7) Obtain an interpreter, if necessary, at the earliest opportunity;

(8) Keep the deployed commander informed of contracting matters;

(9) Establish a system for customers to submit purchase requests for local acquisitions:

(i) Update customer training to orient them to the purchasing system as soon as practicable; and

(ii) Adapt the system to suit local conditions;

(10) Appoint decentralized ordering officers within functional areas, as necessary, with CCO supervised purchasing authority up to the maximum order limit of the indefinite delivery/requirements contract or blanket purchase agreement. Ordering officers will be trained in the use of simplified acquisition procedures and funds accountability;

(11) Identify functional personnel who deployed with a Government-wide Commercial Purchase Card and home station funding. Coordinate and control purchase card activity according to purchase request approval procedures to achieve economical purchases and avoid duplication of purchased resources. Advise deployed card holders on local market conditions, limitations and statement reconciliation procedures; and

(12) Advise customers to use the most current AFLMA's Contingency Contracting Customer Guide as a reference source for customers in understanding contracting processes in a contingency situation.

(c) *Files and Documentation.*

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(1) The CCO must maintain files/registers for contracts, BPAs, and purchase orders to record all contracting actions. The records will include: Purchase Request Number, PIIN, date of purchase or award, name of vendor or contractor, dollar amount (U.S. dollars); and a brief description of supplies or services. Dispose of documents according to AFI 37-138, Records Disposition - Procedures and Responsibilities, and AFMAN 37-139 Records Disposition Schedule.

(i) The following are required when deployment of a CCO crosses fiscal years:

(A) For deployments in support of exercises, the operational contracting activity (OCA) will assign a block of PIINs to the deployed CCO for both fiscal years involved. Following the close of business on 30 Sep of each year, the CCO must forward the information on all purchases made during the fiscal year to the unit's home contracting activity for incorporation into the end of fiscal year report.

(B) For deployments longer than 30 days in support of declared contingencies, the HCA Designee will assign block of PIINs to deployed CCOs within the AOR for both fiscal years involved. After the close of business on 30 Sep of each year, the CCO must forward the required information to the HCA Designee.

(2) The CCO will maintain a Deployed Contingency Contracting Officer's Continuity book to provide continuity for any follow-on CCO. Upon termination of a deployment, the last CCO will forward the continuity book to the theater MAJCOM LGC supporting the AOR. The book will include as a minimum:

(i) A current vendor and contractor source listing to include vendor names, addresses, telephone numbers, points of contact, and type of supplies and services provided;

(ii) A current list of vendors and contractors willing to provide 24 hour per day emergency support;

(iii) Copies of all headquarters policy letters or messages of guidance received to date;

(iv) Minutes of all meetings attended by CCO personnel to include open action items impacting the contracting function;

(v) A listing of all ratification actions to date;

(vi) Copies of all customer education handouts developed to date;

(vii) Key points of contact at the deployed site to include name, grade, duty title, unit, telephone number, and after hours point of contact, if available;

(viii) Lessons learned during the deployment to date;

(ix) Copies of weekly reports of actions and dollars spent to date; and

(x) Any other pertinent information.

d) *Host Nation Support Agreements.*

(1) For contingency and exercise operations in a foreign country, a Host Nation Support Agreement (i.e., National Atlantic Treaty Organization (NATO) Mutual Support Agreement), a Status of Forces Agreement, Assistance in Kind Agreements, or Acquisition Cross-Servicing Agreements may exist. These agreements normally are negotiated through the U.S. State Department to provide host nation support for deployed U.S. forces during a contingency operation. Support items under these agreements may include:

(i) Billeting;

(ii) Food, water, and ice;

(iii) Ground fuel;

(iv) Transportation; and

(v) Utilities (i.e., electricity or communications).

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(2) Deployed CCOs do not have the authority to enter into contracts or agreements with foreign governments. However, if an agreement is already in existence, the CCO may obtain authority to write priced delivery orders against them.

**CC-502-2 Contingency contracting activities during build-up.**

During the build-up phase of a contingency contracting deployment, CCOs will generally be heavily involved in supporting the beddown of arriving forces. In this phase, additional contracting personnel may arrive with the assigned unit to augment initial contracting teams. Contracting members from home bases should replace those members located at the site to support initial beddown activities. Establish as early as possible a responsive purchasing system. A responsive purchasing system must include:

(a) *Requirements requisitioning controls.* Implement a procedure that is acceptable to the assigned commander. This procedure needs to address:

(1) Formats for requisitions such as DD Form 1348-6, DOD Single Line Item Requisition System Document, and AF Form 9, Request for Purchase, or other field purchase request forms;

(2) Approval authority; and

(3) Finance and Supply coordination.

(b) *Funding and Disbursing.* Implement procedures with the Finance staff to ensure funds are available to pay for purchases. Where AF Form 616, Fund Cite Authorization, is used for short-term contingencies, instructions must be followed to properly record transactions. Instructions should identify any restrictions on equipment or services that are not properly chargeable to the appropriations cited on the AF Form 616.

(1) CCOs should not be assigned as paying agents of the Accounting and Finance Office (AFO). This improves internal controls over the distribution of funds to the contractor, avoids a potential conflict of interest for the CCO and makes the CCO less susceptible to personal risk.

(2) Armed escort arrangements must be made where significant amounts of cash (\$25,000 or more) are carried outside the military installation.

(c) *Purchasing methods.* SF 44, (Purchase Order—Invoice Voucher), cash, Government-wide commercial purchase cards, and simplified acquisition procedures are the primary tools for purchasing over-the-counter supplies and services during the initial days of the build-up. BPAs should be issued to several suppliers offering items of the same type as soon as possible to expedite ordering.

(1) Individuals in functional areas should be appointed, trained, and authorized to place calls against prepriced BPAs.

(2) Where cash is used, the SF 44 must be completed as a receipt to document the transaction and must be clearly marked to show that payment was made in cash to preclude duplicate payment to the supplier.

(3) Government-wide Commercial Purchase Card procedures may be implemented to permit decentralized purchasing of small dollar items during extended contingencies.

(d) *Non-appropriated fund (NAF) contracting.* Implement procedures acceptable to the assigned Commander and Chief of Morale, Welfare, Recreation, and Services (MWRS) that address:

(1) Formats for NAF contracting, such as AF Form 9 and AF Form 2209, Non-appropriated Fund Order for Supplies or Services (AF Form 2209, Non-app Fund, etc form is not available in the electronics forms publication);

(2) Approval/Signature authority for NAF Contracting;

(3) Use of cash to make local purchases of supplies and resale merchandise; and

(4) Use of BPAs and concession contracts.

**CC-502-3 Contingency contracting during sustainment.**

(a) Sustainment contracting provides contracting support from the completion of the build-up phase and through the duration of the contingency. The purchasing activity may expand into items for additional MWRS supplies, equipment and serv-

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ices, additional office supplies, tools, and equipment. Contingency contracting operations will focus on the business advisor role, file documentation, cost reduction, and other efficiencies.

(b) Requirements will be consolidated whenever possible to achieve the economies of quantity buying.

(c) As requirements become better defined, longer term contract arrangements may be established, such as indefinite quantity and requirements contracts. Emphasis should be on using performance based statements of work to avoid unnecessary costs and contracting with reliable sources at reasonable prices.

(d) Agreements may be established with other Services to share contract arrangements such as transportation, laundry, etc.

(e) Procedures will be established to acquire local purchase items that are not available in the AOR. Alternatives to consider are:

(1) Stateside support from the unit home base;

(2) Contracting offices in the vicinity of the deployment, but outside the AOR;

(3) A stateside location to receive, process, and forward items to the deployment site;

(4) Army Air Force Exchange Service (AAFES) or Navy Exchange Service (NES), if available at the deployment site; and

(5) Document all contracting actions in sufficient detail to provide an audit trail of the acquisition. Include the Purchase Request (PR), award document, justification of fair and reasonable price (if required), receiving reports, invoices, and final payment vouchers.

**CC-502-4 Contingency contracting activity during termination/redeployment.**

(a) On being notified of contingency termination or redeployment, the CCO will:

(1) *Closeout contracts:*

(i) Coordinate with contractors and user activities the timing and procedures for return of all rental items;

(ii) Determine which contracts require formal Termination for Convenience actions and initiate settlement negotiations with those contractors. During termination of base services, CCOs will immediately negotiate a reduction of services and terminate base support agreements to coincide with the unit redeployment schedule. As unit assets are redeployed, interim replacement support may be required from the host base or contractor sources, if available. (NOTE: Contracts awarded throughout the deployment should be tailored to minimize formal termination requirements wherever possible.);

(iii) Ensure that receiving reports and invoices for all purchases pending payment are processed;

(iv) Coordinate with the disbursing agent to ensure that final payments are processed;

(v) Settle all contractor claims prior to the final CCO redeployment; and

(vi) Coordinate the disposition of all purchased assets to include site restoration if necessary.

(2) *Contract action reporting and disposition:* Report all contract actions and dollar amounts to the contracting activity that issued the PIINs used during the deployment; total actions and dollars will be reported by office chiefs to theater MAJCOM/LGC prior to departure.

(3) *After-action report.* Within 30 days after redeployment, each CCO must submit an electronic after-action report to their parent MAJCOM Superintendent who will in turn forward the report to the theater MAJCOM/LGC supporting the AOR. MAJCOM Superintendents will also forward reports to SAF/AQCX(CC-502-5). After-action reports must specifically address:

(i) A formal update of site survey information concerning potential sources of supply to include items obtained through the U.S. Embassy, host nation support, or servicing U.S. military installations;

(ii) Problems encountered with the contracting process to include local customs, shortages of supply within the local economy, local political or diplomatic impediments, language difficulties, funding, currency exchange rate fluctuations, and security issues or concerns;

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- (iii) Local transportation, billeting, and communication resource availability;
- (iv) Evaluation of any Host Nation Support Agreement or comparable understanding, Status of Forces Agreements, if applicable, and the impact of these agreements upon contingency contracting within the area (applies to overseas contingency);
- (v) Adequacy of facilities, equipment, and other support provided by the deployed commander and the OPLAN under which the deployment was conducted. Specific modifications required for future deployment plans to this or other locations;
- (vi) Any specific problems that could be anticipated to support an extended exercise or contingency operation at this location; and
- (vii) Special personnel requirements (rank, gender, skill level, etc.), contingency kit requirements, or individual clothing and equipment requirements to meet mission demands in this area.

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APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

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**ATTACHMENT CC-1 DEPLOYMENT KITS**

Each operational contracting organization must maintain sufficient supplies and equipment to provide quick reaction contracting support for deployment taskings and/or local contingencies. In addition to personal gear and unit-issued mobility bags, the subparagraphs below identify two primary Contingency Contracting Kits and equipment packages corresponding to Unit Type Codes XFFK4 and XFFKT that may be sources for deployment. Operational contracting organizations will maintain the required number of kits as specified in unit designed operational capability (DOC) statements. Refer to individual unit DOC for specific quantities of items/equipment required to be maintained to support assigned UTCs. Unless otherwise indicated, consumable items such as supplies and forms should be in sufficient quantity to operate for a 30-day period.

(a) **XFFK4**: This UTC may be tasked with each independently tasked UTC and is designed for large scale pop-up or sustained contingency operations at non-steady state locations or other locations where a robust mobile contracting office is needed with immediate access to operating equipment and supplies. The following items represent *minimum* kit contents to stand up a contingency contracting operation.

**Home Station Items to Include in Kit or Add to Kit Prior to Deployment/Emergency Response**

- Contracting Officer Warrant (may be reduced to wallet-size)
- Government-wide Commercial Purchase Card,
- Third Party Bank Drafts (optional)
- List of unit-assigned procurement Instrument Identification Numbers (PIINs)
- Valid stateside driver license (a USAF military license is required when operating any vehicle exceeding a 14,000 Gross Vehicle Weight Rating (GVWR))
- International Driver License (obtain if needed for deployed location)
- Official passport

**Equipment and/or Operational Capability**

- Area-specific power transformers, spare batteries, miscellaneous electrical needs, extension cords, etc., (recommend purchase of dual-voltage equipment)
- 3 Laptop computers meeting requirements stipulated in unit DOC statements.
- Printer or printing capability (may be purchased at deployment location)
- Copier or copying capability (may be purchased at deployment location)
- Fax machine or fax capability (may be purchased at deployment location)
- Internet access capability (may be purchased at deployment location if available)

**Publications, Forms, and Formats** (may be automated using CD-ROM or other paperless media)

- Publications
  - FAR/DFARS/AFFARS
  - AFM 10-100, Airman's Manual
  - AF Handbook 32-4014, Volume 4, USAF ATSO Procedures in a Nuclear, Biological, and Chemical Environment
  - AFI 64-117, United States Air Force Government-wide Purchase Card Program
  - Defense Acquisition Deskbook, CD-ROM
  - AF Publications Library, CD-ROM



APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

- Local Contingency Contracting Support Plan
  - AFI 10-213, Comptroller Operations Under Emergency Conditions
  - AFJI 23-206, Cash Sales of Ground Petroleum Products in Oversea Areas
  - AFI 64-302, Nonappropriated Fund Contracting
  - AFI 34-201, Use of Nonappropriated Funds (NAFs)
- Forms
  - SF 26, Award Contract
  - SF 30, Amendment of Solicitation/Modification of Contract
  - SF 44 (Purchase Order/Invoice/Voucher)
  - SF 1409, Abstract of Offers/AF 3062 Abstract of Proposals or Quotations (May use automated spreadsheets in lieu of forms)
  - SF 1419, Abstract of Offers, Construction (May use automated spreadsheet)
  - SF 1442, Solicitation, Offer, and Award (Construction, Alteration, or Repair)
  - SF 1449, Solicitation/Contract/Order for Commercial Items
  - AF 9, Request for Purchase (or other field purchase request forms)
  - AF 15, United States Air Force Invoice
  - AF 2209/2210, Nonappropriated Fund Order for Supplies or Services/General Provisions (for use with Nonappropriated Fund Orders and Contracts) (AF Form 2209, Non-app Fund, etc form is not available in the electronics forms publication)
  - AF 4009, Government Purchase Card Fund Cite Authorization
- Formats
  - Contract Action tracking system (pending SPS deployment capability, use any automated format or manual purchase registers)
  - Simplified Acquisition (Construction under the SAT; Commercial Services and Commodities less than \$5M) with generic or sample statements of work
  - Construction contract formats, exceeding the SAT
  - Blanket Purchase Agreement (with associated appointment letters/call registers)
  - NAF contract
  - Letter Contract
  - Preprinted Commercial formats with clauses for Indefinite Delivery type contracts

**Miscellaneous Items/Supplies**

- Flashlights w/spare batteries
- Julian calendar
- General supply -type catalog to aid in communicating purchase descriptions
- Administrative office supplies, pens, paper, etc.
- Handheld calculators

APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSPP)

- Secure container (cash box/bag suitable for temporary storage of purchase cards)

(b) **XFFKT:** This UTC may also be tasked with any independently tasked UTC and is designed for quick reaction popup contingencies and local emergencies where a sustained presence is not anticipated. This handcarried package provides contingency contracting officers with ready-to-use tools to effect immediate acquisition support for the contingency and the ability to track those actions. All items must be maintained in a high state of preassembled readiness. Equipment capability and quantity are specified in individual unit DOC statement. Unless otherwise indicated, quantities for consumable supplies and forms should be sufficient to support a field operation for 30 days. The following items represent *minimum* kit contents for this UTC.

- **Home Station Items Readily Available**
  - Contracting Officer Warrant (may be reduced to wallet-size)
  - Government wide Purchase Card
  - Third party bank drafts (optional)
  - List of unit-assigned procurement Instrument Identification Numbers (PIINs)
  - Valid state-side driver license (A USAF military license is required when operating any vehicle exceeding 14,000 GVWR (gross vehicle weight rating))
  - International driver license (if required for deployed location)
  - Passports (official )
- **Equipment**
  - 1 Laptop Computer meeting requirements in unit DOC statement. Miscellaneous power needs for laptop (spare batteries, charger, transformers, etc) recommend dual voltage equipment
- **Publications, Forms, and Formats** (should be automated to the maximum extent possible)
  - Publications
    - Defense Acquisition Deskbook, CD ROM
    - Local Contingency Support Plan
  - Forms
    - SF 44, Purchase Order/Invoice/Voucher
    - AF 9, Request For Purchase
    - AF 15, United States Air Force Invoice
    - AF 4009, Government Purchase Card Fund Cite Authorization
    - SF 30, Amendment of Solicitation/Modification of Contract
    - SF 1449, Solicitation/Contract/Order for Commercial Items
    - SF 1442, Solicitation, Offer, and Award (Construction, Alteration, or Repair)
  - Formats
    - Contract Action Tracking System (pending SPS deployment capability, use any automated format or manual purchase registers)

APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

- Commercial SAP formats (Construction under the SAT, Commercial Services and Commodities less than \$5M) with generic/sample statements of work
- Construction formats over the SAT
- **Miscellaneous Items/Supplies**
  - Flashlights w/spare batteries
  - Handheld calculator/administrative office supplies, pens, paper, etc.

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**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)**

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**ATTACHMENT CC-2 CONTINGENCY CONTRACTING OFFICER INITIAL AND RECURRING TRAINING**

**Initial and Recurring Training:** Initial training for all personnel designated as contingency contracting officers will consist of a complete review of AFFARS Appendix CC, the local contingency operational contracting support plan, and the items listed in the outline below. For AF enlisted members, this training will satisfy the knowledge requirement for the contingency core tasks in the specialty training standard. Continuation training should at a minimum consist of an annual review of AFFARS Appendix CC, kit inventories, plan reviews, and annual qualification training in general military skills such as ATSO, small arms qualification, etc. In addition, CCOs should be rotated for participation in local exercises, contingency competitions such as Top Dollar, and real world deployments at steady state and non-steady state locations. Unit deployment managers should actively participate in local exercise planning to ensure contracting scenarios are part of base exercises and evaluated for effectiveness. Initial CCO training must be documented in enlisted training records and individual mobility folders for officer personnel. The unit deployment manager should track recurring training.

**Initial Training Outline****I. GENERAL:****(a) Contingency Contracting Officer's Mission**

- (1) Local Contingency Contracting Support Plan
- (2) Base Support Plan
- (3) Other OPLANs

**(b) Program Requirements (AFFARS Appendix CC)**

- (1) Basic Issues
- (2) Wartime Issues
- (3) Peacetime Issues

**(c) Organizational Responsibilities**

- (1) SAF/AQCX
- (2) MAJCOM
- (3) Unified Commands
- (4) Commanders
- (5) Operational Contracting Offices
- (6) Deployed CCO's Authorities And Responsibilities

**(d) Contingency Acquisition Deviations**

- (1) FAR, DFARS, AFFARS
- (2) Special Authorizations

**II. TRAINING TO SUPPORT POTENTIAL CONFLICT DEPLOYMENTS****(a) Predeployment Preparation**

- (1) Planning Responsibilities
  - (i) MAJCOM
  - (ii) Operational Contracting Office

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APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)

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- (A) Monitor And Review Current Contingency Contracting Support Plan
  - (B) Coordination And Inputs On OPLANS
  - (C) Individual Readiness Responsibilities
- (b) Deployment Kit Contents
    - (1) XFFK4
    - (2) XFFKT
  - (c) Site Surveys And Documentation
    - (1) Host Nation Support Agreements
    - (2) Currency/exchange rates
    - (3) Local market information
    - (4) Acquisition Cross-Servicing Agreements
  - (d) Qualification And Designation Of CCO Positions
  - (e) Training Requirements
  - (f) Deployment Beddown
    - (1) Responsibilities
      - (i) HCA Designee
      - (ii) CCO
        - A. Commander's Initial Briefing
        - B. Priority contracting requirements
    - (2) Files/Documentation
  - (g) Build-Up And Sustainment Activities
    - (1) Build-Up/Business Advisor Role
      - (i) Types Of Items And Services Required
      - (ii) Purchase Request Controls
      - (iii) Funding And Disbursing
      - (iv) Purchasing Methods
      - (v) Customer Roles
    - (2) Sustainment Contracting
      - (i) Types Of Items And Services Required
      - (ii) Requirements Consolidation
      - (iii) Long Term Contracts
      - (iv) Inter-Service Agreements
      - (v) Establishing Local Purchase Procedures and customer education program
  - (h) Termination and Redeployment

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**APPENDIX CC—CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM (COCSP)**

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- (1) Contract Closeout/processing claims
- (2) Contract Reporting And File Documentation
- (3) Disposition of purchased assets/site and environmental restoration issues
- (4) After-Action Reports And Lessons Learned

**III: TRAINING FOR LOCAL EMERGENCIES**

- (a) Planning Responsibilities
  - (1) Reviewing Local Emergency Plans
  - (2) Local Conditions And Unique Emergency Situations
  - (3) Kit Contents
- (b) Contracting Operations
  - (1) Business Advisor Role
  - (2) Communications And Transportation
  - (3) Record Keeping/Reporting
  - (4) Manual Purchase Request Procedures And Controls
  - (5) Relocation To Other Sites
  - (6) Contracting Procedures under Emergencies

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(2) *A contractor that is highly motivated to produce high quality work in a timely manner.* While the indefinite-delivery/indefinite-quantity (IDIQ) contract must guarantee a minimum dollar value of work, award of additional work can be dependent on the quality and timeliness of the contractor's performance under the contract.

**DD-104 Limitations.**

(a) *General.* SABER should complement the traditional construction program, not replace it. SABER is not appropriate for large, complex construction projects that require extensive design effort or for predominately single skill/material projects for which competitively bid contracts or single trade IDIQ contracts would be more cost effective. SABER cannot be used to make up for inadequate planning by the Government, which can lead to numerous changes after construction is started. Whatever benefits are gained from the expeditious start of a project can be quickly overcome by subsequent delays and added costs to correct poor planning and preparation.

(b) *Architect-engineer (A-E) services.*

(1) The Brooks Act (40 U.S.C. 541-544) requires engineering services to be acquired using specific procedures (see FAR Subpart 36.6). SABER must not be used to acquire engineering services as defined in FAR 36.102.

(2) Taskings in SABER UPBs and corresponding coefficients include minor design efforts needed to complete a project, such as basic layout and planning of work, fabrication and assembly of structural elements, form fit and attachment details for installation of materials and/or equipment, production of shop and/or record drawings, and other similar activities which do not require the services of a registered architect or engineer. However, a SABER contract may not be used to execute a project that was designed using A-E services except when:

(i) Design validation/updating is required for an A-E designed project due to age of the design; or

(ii) The A-E design was not completed beyond 35 percent and the remaining design effort does not require a significant amount of A-E services.

(c) *Delivery order limitations.* An individual SABER DO must not exceed \$500,000, unless this limitation is waived by the installation commander. For projects over \$500,000, the use of SABER pre-priced UPB may result in excessive project costs. Therefore, another contracting approach may be more appropriate. The \$500,000 limitation also applies when a proposed modification to a delivery order would cause the delivery order to exceed \$500,000. The waiver must be approved before the DO can be issued and is based on economic and mission requirements. The waiver authority may not be redelegated. The waiver package must include the following:

(1) A comparison of the cost of using the SABER DO versus that of the contracting approach that would otherwise be used. This analysis must be certified by the civil engineer commander;

(2) A statement signed by the civil engineer commander outlining the mission requirements and cost considerations that justify use of a SABER order instead of an alternative contracting approach; and

(3) The written approval signed by the installation commander.

NOTE: An approved waiver to the DO limitation does not negate the contractor's right pursuant to the clauses at FAR 52.216-19, Order Limitations, and FAR 52.216-22, Indefinite Quantity, to reject an order that exceeds the contract maximum.

(d) *NPI limitations.* The need to negotiate NPIs reduces the efficiency of the SABER contract and may undermine the cost savings of prepriced items realized through the SABER competition. The value of NPIs for an individual SABER DO must not exceed ten percent of the total value of the DO, unless this limitation is waived by the installation commander. The waiver authority may not be redelegated and does not extend to DOs in which NPIs would exceed 25 percent of the value of the DO. Therefore, no SABER DO may be issued when the relative value of its NPIs exceeds 25 percent. The waiver must be approved before the DO can be issued and may be based on economic or mission requirements. The waiver package must include the following:

(1) A comparison of the cost of using the SABER DO versus that of the contracting approach that would otherwise be used. This analysis must be certified by the civil engineer commander;

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**APPENDIX DD—SIMPLIFIED ACQUISITION OF BASE ENGINEER REQUIREMENTS PROGRAM**

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(2) A statement signed by the civil engineer commander outlining the mission requirements and cost considerations that justify use of the SABER order with NPIs that exceed the ten percent limitation instead of using an alternative contracting approach; and

(3) The written approval signed by the installation commander.

(e) *Non-personal services.* SABER must not be used to perform non-personal services subject to the provisions of the Service Contract Act (e.g., a delivery order solely to install carpet when the labor involved exceeds \$2,500). The Department of Labor (DOL) has jurisdiction over whether a particular requirement is classified as construction work subject to the Davis Bacon Act or services to which the Service Contract Act applies. DOL guidance provides that services such as carpet installation, landscaping, asbestos removal, and building demolition may be performed as construction when the work is incidental to a larger construction project. If the preponderance of the work involves the services cited, although there may be some incidental related construction work, the project falls under the Services Contract Act and must not be performed using SABER.

## **PART 2—ACQUISITION PLANNING AND SOURCE SELECTION**

### **DD-201 SABER working group.**

(a) Successful SABER programs require team effort. Whether establishing a new SABER program or awarding a follow-on contract, a working group of all SABER players in CE and Contracting should be convened at the beginning of the planning process. This group should be chaired by the BCE or SABER Chief, assisted by the contracting officer and should hold regularly scheduled meetings until the solicitation is issued. The working group should gain the support of the installation commander and the using organizations. An early beginning to this communication and education process is crucial to the SABER program's success.

(b) Initially, the SABER working group should concentrate on:

(1) Estimating the expected scope of SABER for the installation or civil engineer organization, in order to establish a budget for the SABER program and the guaranteed maximum and minimum amounts to be included in the contract;

(2) Contacting associate organizations and other local Department of Defense installations as possible sources for up-front funding and projected budget requirements; and

(3) Determining the best organization for the SABER unit, including a calculation of the appropriate size of the SABER staff and identification of the types of personnel needed. The working group should investigate the feasibility of establishing a joint effort with other nearby bases (including Army, Navy, Air Force Reserve, and National Guard installations).

### **DD-202 SABER specifications and the Unit Price Book.**

(a) Once the SABER requirements and budget are established, the BCE prepares the SABER program specifications. These include the master specification and the technical or guide specifications. The master specification describes the overall scope of the SABER program and is included in Section C of the Request For Proposal (RFP) under the heading "Description/Specification/Work Statement." The technical specifications define the specific construction standards for the tasks that will be ordered under the contract and form the basis for developing line item work tasks in the UPB.

(b) After developing the specifications, the BCE prepares the UPB, which is a compilation of the standard work tasks along with standard unit prices that will be included in the RFP and contract. Each of the prospective contractors will propose multipliers or coefficients. This listing of prepriced items becomes the basis for what may be ordered under the SABER contract. The UPB is the tailoring of the base data (which are priced at various locations nationally) to reflect accurate local construction practices and costs.

### **DD-203 SABER acquisition strategy.**

(a) As early in the acquisition process as practicable, the contracting officer must convene an Acquisition Strategy Panel (see 5307.104-91) to ensure that an effective approach is established for executing the acquisition.

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APPENDIX DD—SIMPLIFIED ACQUISITION OF BASE ENGINEER REQUIREMENTS PROGRAM

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(b) At this point, the heads of the operational contracting and civil engineer organizations should jointly determine the best SABER unit organizational structure to maximize communications and provide a dedicated team approach. The contracting personnel responsible for SABER may include contracting officers, negotiators, price analysts, and administrators, depending on acquisition phase and installation SABER workload. The individual serving as the SABER administrator should be involved as early as possible in the process, even if not normally part of solicitation and contract award activities.

(c) During this phase of the program, extensive effort is required to develop a plan of action considering:

- (1) Acquisition background and program objectives;
- (2) The anticipated SABER requirements and program value;
- (3) The master and guide specifications and the UPB; and
- (4) The anticipated delivery or performance period requirements.

(d) In developing the Acquisition Plan the contracting officer should consider:

- (1) The anticipated sources;
- (2) The need to enhance competition and use streamline source selection procedures;
- (3) Any unique contracting considerations;
- (4) Budgeting and funding concerns;
- (5) Any management information requirements;
- (6) Government-furnished property (e.g., office space, furniture, telephones, utilities, etc.);
- (7) Environmental considerations;
- (8) Security considerations;
- (9) Milestones for the acquisition cycle; and
- (10) Identification of the participants in the acquisition planning.

(e) The Acquisition Plan should contain a schedule with milestones that identify the OPR and a date by which each task must be completed. Again, the preparation of the acquisition plan is a team effort requiring the inputs of both the contracting and civil engineer representatives, and specific OPRs should be aware of their required contributions. While the contracting officer maintains overall control of the plan, the technical elements of the requirement are the responsibility of the BCE.

#### **DD-204 Pre-solicitation activities.**

This phase of the SABER acquisition process includes all activities associated with standard construction contracting, including applicable statutory and regulatory requirements.

(a) **FedBizOpps synopsis requirements and pre-solicitation notices.** FAR 5.101 requires contracting officers to publicize proposed contract actions to increase competition, broaden industry participation in Government requirements, and assist small and small, disadvantaged businesses in obtaining contracts and subcontracts. SABER solicitations are, at a minimum, publicized in the CBD. A sample CBD synopsis is provided at Attachment DD-1. Also, the contracting officer should consider using presolicitation notices (see FAR 15.404) to identify interested sources and to facilitate preparation of proposals by interested offerors to save time and documentation. FAR 36.302 provides additional information regarding construction presolicitation notices.

(b) Reserved.

APPENDIX DD—SIMPLIFIED ACQUISITION OF BASE ENGINEER REQUIREMENTS PROGRAM

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**DD-205 Request For Proposal (RFP).**

- (a) The SABER RFP should closely mirror the format and content for a large construction solicitation. Specifically, a SABER RFP should include the following:
- (1) Section B of the Schedule, identify the coefficient(s) that the offeror must propose and describe:
    - (i) The factors that generally make up the coefficient(s);
    - (ii) Instances where two or more coefficients may be required (e.g., for standard hours, non-standard hours, geographically-separated ranges or sites, and secure areas); and
    - (iii) Instructions for incorporating Davis Bacon Act labor rate updates and other appropriate changes in the coefficients for options. The contracting officer should establish an economic price adjustment (EPA) clause in accordance with instructions in Attachment DD-7.
  - (2) Section C of the Schedule should clearly define the SABER requirements, including:
    - (i) The scope and nature of the requirement;
    - (ii) The applicable contract technical specifications and UPB;
    - (iii) A sample calculation of a "typical" SABER project (using a project that will actually be awarded later under the resulting SABER contract); and
    - (iv) The level of architectural/drafting support to be performed by the contractor.
  - (3) In developing the elements of the RFP:
    - (i) Specify a first contract performance period of 12 months (to provide a full year's performance for option exercise purposes), if any phase-in period is required, it should be a separate, unpriced line item in the solicitation and resulting contract;
    - (ii) Do not establish the start of performance periods/option years on or about 01 Oct (avoid tying it to the beginning/end of the fiscal year);
    - (iii) Require the contractor (and allocate space accordingly) to establish an on-base office;
    - (iv) Minimize the number of price coefficients and keep them as simple as possible;
    - (v) Do not use the term "overtime" in reference to non-standard hour effort;
    - (vi) Establish realistic contract minimum and maximum dollar amounts;
    - (vii) Establish, understand, and be able to explain the method for option year adjustments (using either the EPA clause and pre-determined formulas/criteria or by updating the UPB);
    - (viii) Identify any required permits or certifications such as asbestos removal or environmental work;
    - (ix) Consider limiting the contractor's technical proposals to 50 pages or less to expedite evaluation. Do not set a limit on resumes;
    - (x) Require large businesses to include subcontracting plans with initial offers. This prevents premature indications that a firm is the apparent successful offeror and avoid delays resulting from subsequent contracting officer requests for such plans; and
    - (xi) Keep the base legal office and reprographics function apprised of your solicitation schedule to accommodate short suspenses.
  - (4) Terms and Conditions. Address the following items as appropriate:
    - (i) Bonding requirements;
    - (ii) Ordering procedures;

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(iii) The Government's right to perform work of the same type as the SABER contractor without breaching or violating the contract; and

(iv) A mechanism for and frequency of adding NPIs to the UPB.

(e) *Pre-proposal conferences.* The unique aspects of SABER and the requirements of each installation make pre-proposal conferences worthwhile. These conferences force the Air Force SABER team to consider various perspectives and differing interpretations of the Government's solicitation. By allowing potential contractors to ask questions, the Air Force can anticipate the receipt of better proposals and an overall smoother acquisition. Planning for the conference should include the selection of an appropriate facility conducive to questions, discussion, and the exchange of information.

**DD-206 Reserved****PART 3—SABER PROGRAM EXECUTION AND CONTRACT ADMINISTRATION****DD-301 Processing civil engineer project orders.**

(a) *Issuance of project order.* The Civil Engineer Project Manager:

- (1) Provides the statement of work, including concepts, sketches, and drawings;
- (2) Identifies any statutory cost limitations;
- (3) States any special instructions or requirements; and
- (4) Includes required cost comparisons, justifications, and approvals.

(b) *Site visit.* The SABER project manager/inspector, contracting officer representative, using organization, and contractor will conduct a scope validation/site visit for each delivery order. Discussions include:

- (1) Site access;
- (2) Methods and alternatives for accomplishing work;
- (3) Definition and refinement of requirements;
- (4) Requirements for plans, sketches, drawings, etc.;
- (5) Detailed scope of work; and
- (6) Time requirements for completion, phasing requirements, and liquidated damages.

(c) *Contractor's proposal.* After receiving the formal purchase request, the contracting officer requests the contractor to provide a detailed price proposal. The contractor develops this proposal by identifying necessary tasks in the UPB, verifying as-built drawings, refining quantities, pricing NPIs, preparing working drawings, and developing performance times. The SABER program manager may need to answer questions from the contractor and clarify technical aspects of the project.

(d) *Delivery order negotiation.*

(1) The contract administrator and contracting officer review the contractor's proposal for scope, compliance, completeness, and reasonableness. The contract administrator then forwards the technical proposal to the program manager for a detailed technical review. The contracting officer evaluates the proposed method of construction, tasks, quantities, performance schedules, and any contractor drawings.

(2) After receiving the technical evaluation from the program manager, the contracting officer conducts meetings to review the proposal with the contractor. The contracting officer, with assistance from the program manager, establishes the Government's negotiation objective, including any variations involving tasks, methodology, quantities, NPIs, and timelines. Use AF Form 3064, Contract Progress Schedule, in accordance with 5336.291 (a). The contracting officer must ensure that the value of the DO does not exceed \$500,000 or the relative value of the NPIs does not exceed ten percent of the value of the DO, unless waivers are approved. An example of a SABER cost comparison to justify waiver of the \$500,000 limitation is provided as Attachment DD-6.

(3) If the contractor's proposal is not acceptable, either:

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- (i) Return the proposal to the contractor for rework; or
  - (ii) Return the work request folder to the BCE to determine if the project should be canceled, delayed, or accomplished by some other means than the SABER contract.
- (4) After completing negotiations, the contracting officer prepares a price negotiation memorandum (PNM) in accordance with FAR Subpart 15.406-3. All SABER delivery orders must have a PNM that:
- (i) Describes any changes to the Government negotiation position and Government estimate. Additional technical support documentation required to support a change in the objective, will be prepared by the program manager and revisions to the estimate must be approved by the appropriate BCE;
  - (ii) Explains the basis for the final negotiated amounts for each task under the UPB and each NPI and demonstrate that the contracting officer effectively considered all significant aspects of the project and contractor's proposal; and
  - (iii) Contains a determination that the negotiated price is fair and reasonable.

**DD-302 Delivery order issuance and modifications.**

(a) After all required documentation and approvals such as clearance requirements, have been completed, the contracting officer issues the DO. The DO should include the specifications and/or statement of work and any associated drawings. The contractor commences work in accordance with the negotiated schedule.

(b) If bona fide differing site conditions are encountered during the execution of the delivery order, or a legitimate change to the work is required, the delivery order may be modified.

(1) The program manager will initiate a request for modification in the same manner as the transmittal of the original requirement. The contracting officer and program manager must thoroughly document all actions (new site visits, technical evaluations, negotiations, etc.) regarding the change to include any consideration given or received.

(2) The contracting officer then requests the contractor to submit a change proposal to address any new taskings or changes to the current DO. The change proposal is evaluated by the Government in much the same manner as the original proposal. If the modification would cause the DO to exceed the limitations at DD 104, a waiver must be approved before the modification to the DO may be issued.

**DD-303 Inspection and acceptance.**

(a) The program manager is responsible for ensuring the performance of quality assurance inspections associated with the delivery order until work completion, including final inspection and acceptance. Inspection requirements specified in AFI 32-1023, Design and Construction Standards and Execution of Facility Construction Projects, must be complied with.

(b) Contracting officers and contract administrators must establish procedures to monitor contractual requirements including the percentage of direct work completed by the SABER contractor as specified at FAR 52.236-1, Performance of Work by the Contractor. Additionally, the SABER program manager must provide surveillance to ensure compliance with contractual superintendence and DBA requirements.

(c) The goal of the contracting process is to have the contractor satisfactorily perform the requirements of the basic contract and each delivery order. Upon acceptance and certification of work completion, the acceptance documentation is forwarded to accounting and finance for payment. When the DO is completed, the program manager forwards the inspection logs to the contract administrator (for inclusion in the contract file) and the project folder to Customer Service for close out.

**DD-304 Adding NIPs to the UPB.**

(a) When prices for NPIs are negotiated and incorporated in a DO, this does not incorporate the items in the UPB for subsequent use as a priced item. To permit subsequent use under the UPB, NPIs must be incorporated by supplemental agreement to the SABER contract. This may be done in conjunction with an annual update to the UPB to address economic conditions or separately at another time during the year. Also, a contract provision may be developed to permit regular (such as quarterly or annual) incorporation of negotiated NPIs into the UPB. However, prices already established in the UPB may not be adjusted in this way.

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(b) Once an item has been added to the UPB, it becomes a prepriced item under the contract. Therefore, when negotiating NPI additions to the UPB, care must be taken to ensure only the direct costs of the NPI are included in the UPB. Before adding items to the UPB, adjust negotiated current year direct costs. Account for indirect costs by applying the coefficient to the UPB price when the requirement is ordered under individual DOs. To simplify the process of adding NPIs to the UPB, NPIs should be negotiated at current year direct costs and then adjusted back to base year costs by multiplying by the economic price adjustment index for the base year and dividing by the contract economic price adjustment index for the current year. The coefficient can be applied to a delivery order NPI when only direct costs are negotiated for the NPI.

**DD-305 Funding.**

(a) In order to expedite year-end or emergency requirements, SABER projects may be processed up to the point of award in advance of funding.

(1) The preliminary cost estimate must be provided to the contracting officer prior to negotiations. The preliminary cost estimate should be sufficiently detailed to provide for adequate planning and budgetary purposes only. The degree of detail will vary depending upon the complexity and scope of the proposed delivery order.

(2) Prior to requesting the contractor's proposal (if the contract does not include a line item for project estimating, proposal fee paid to the contractor and later deducted from the delivery order amount if the project is awarded), the contracting officer must obtain from the contractor a no cost agreement if the order is not awarded with acknowledgment that funds are not available.

(b) The contracting officer establishes milestones for actions in support of end of year actions to ensure sufficient lead time for SABER review, approval requirements, receipt of preliminary SABER project cost estimates, technical analyses, and negotiations. Cut-off dates are established to ensure the Government negotiation team has adequate time to review the estimate and develop a negotiation objective prior to negotiations.

**DD-306 Liquidated damages.**

(a) Liquidated damages are applicable to individual delivery orders, not the total contract.

(b) The determination to include liquidated damages on a delivery order must follow the procedures in FAR 36.206. Consideration must be given to the total number of orders outstanding and the ability of the contractor to control project milestones.

**DD-307 Bonding.**

(a) The amount of bonding the Government requires is determined in accordance with FAR Part 28. For SABER contracts, the initial bond amounts are based upon the guaranteed minimum quantity.

(b) FAR Part 28 allows the contracting officer flexibility in increasing the bond amounts in the course of contract performance. When the value of delivery orders in progress exceeds the existing bonding, the contracting officer should get additional bond protection by directing the contractor to increase the penal amount of the existing bond, or to obtain additional bonds. When the guaranteed dollar amount is exceeded, FAR 28.102-2 (a) and (b) penal sums apply. The cost for the additional bond security is included in the coefficient and no adjustment to price must be made.

(1) In negotiated SABER contracts, the contractor should include bond premiums costs as indirect costs based upon the total contract amount, not just the bonding requirements imposed for the minimum guarantee at contract award.

(2) The payments clause (see FAR 52.232.5, Payments Under Fixed-Price Construction Contracts) requires the Government to reimburse the contractor for bond premiums upon request if the contractor provides evidence of full payment of such premiums to the surety. Since the premiums are an indirect expense which have been included in the contractor's coefficient, payment for such premiums are the same as all other progress payments made under delivery orders. Payment for bond premiums, at any point during contract performance, are not additional costs under the contract.



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## PART 4—OPTIONS AND FOLLOW-ON CONTRACTS

**DD-401 Initial term and options.**

The initial term of a SABER contract is normally 12 months. SABER contracts include options to increase the term of the contract in annual increments. In deciding the number of annual options to include, the contracting officer should balance the benefits of increased administrative efficiency in exercising the option and the positive performance incentive offered to the incumbent contractor against the added economic and market risks that result from extending the contract term. Generally, three options years offer an optimum balance. The contracting officer **must** not include options for more than four years.

**DD-402 Option price adjustments.**

SABER contracts must contain provisions for making annual adjustments to the option prices. This may be done either by incorporating a new UPB that has been updated to reflect current market conditions or by updating the coefficients using criteria and predetermined formulas in an economic price adjustment (EPA) clause. See Attachment DD-7 for an example of a coefficient adjustment clause.

**DD-403 Davis Bacon Wage Determinations.**

Each year new Davis Bacon wage determinations, which are issued by the Department of Labor, must be incorporated into the contract. New wage rates may be incorporated in the UPB under a contract clause that provides for annual updates to the UPB or by adjusting the coefficients under an EPA clause. An example of a contract clause follows:

*“Incorporation of Current Davis Bacon Wage Decision for Option Periods.*

The contracting officer **must**, concurrent with exercise of any annual option, incorporate the current applicable Davis Bacon Wage Decision, which **must** become effective on the first day of the option period and **must** remain effective for the entire option period. The contractor **must** compensate all covered employees at not less than the rates specified on the Wage Decision applicable to the current option period. No contract price adjustment will be made relative to incorporation of the current Wage Decision except as may be required in accordance with Provision [*identify provision*], economic price adjustments.”

**DD-404 Follow-on contracts.**

Follow-on contracts should incorporate lessons learned from previous contracts in order to improve the effectiveness of each successive effort. Each installation should ensure thorough documentation of the experiences under the SABER contract. Lessons learned should be made available to SABER personnel and made a part of training. Document preparation and source selection activities can take up to nine months, therefore it is imperative to begin planning and preparation for a follow-on SABER contract early.

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## ATTACHMENT DD-1 SAMPLE FED BIZ OPS SNOPSIS

## SIMPLIFIED ACQUISITION OF BASE ENGINEERING REQUIREMENTS (SABER)

ESTIMATED BID OPENING DATE: [insert date] Contact [identify contracting specialist and provide phone number] for solicitation package. The subject acquisition is for a broad range of maintenance, repair, and minor construction work on real property at [insert name of Air Force base] AFB and its associated sites. The work is required in support of [insert activity name] CES, Base Civil Engineer (BCE) activities. The contract will be an indefinite delivery-indefinite quantity type contract and will include a wide variety of individual construction tasks as identified in the Unit Price Book (UPB). During the contract period, the BCE will identify construction tasks required to complete each specific job, and Operational Contracting will negotiate and issue individual delivery orders to the contractor to complete those jobs. The contractor will be required to furnish all materials, equipment, and personnel necessary to manage and accomplish the projects. The contractor will be required to maintain a management office on [insert Air Force base] AFB in order to receive delivery orders and provide other management services related to accomplishing individual jobs. Individual jobs will vary in size and complexity. The jobs will include tasks in a variety of trades, including carpentry, road repair, roofing, excavating, interior electrical, steam fitting, plumbing, sheet metal, painting, demolition, concrete masonry, and welding. The guaranteed contract minimum is \$[insert dollar amount], and the proposed maximum is \$[insert dollar amount]. The average value of SABER delivery orders under the current (or just completed) SABER contract at [insert Air Force base] AFB was \$[insert dollar amount], with a range from \$[insert dollar amount] to \$[insert dollar amount]. (Otherwise, you might choose to indicate that the statistical average for all SABER delivery orders, Air Force wide, for the period 1990-1993 was \$40,000 per year.) The performance period will be a twelve-month basic year with four twelve-month option years. The proposed contract is being considered for 100 percent small business set-aside. Interested small business concerns should, as early as possible, but no later than 15 days of this notice, indicate interest in the acquisition by providing evidence of capability to perform and a positive statement of eligibility as a small, socially and economically disadvantaged business concern. The Government anticipates significant subcontracting activity under the SABER contract. Due to the size of the solicitation, a \$[insert dollar amount] fee, payable to [insert name of payee], is required for each copy of the solicitation package requested.

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**ATTACHMENT DD-7 SAMPLE CLAUSE FOR SABER ECONOMIC PRICE ADJUSTMENT (EPA)**

(a) Coefficient(s) for SABER options under this contract must be adjusted annually to recognize variations in labor, equipment, and material costs as stated below.

(b) The Market Trends Construction Cost Index (CCI) for the city of [insert where the work is to be performed] as published in the McGraw Hill publication "Engineering News Record (ENR)" must be used to determine adjustments to the contract coefficients for options under this contract. To determine the amount of adjustment, the contracting officer will calculate the change in the index appearing in the issue of ENR published during the month prior to the effective date of the option from [the contracting officer must enter the most recently published index at the time of initial contract award]. Eighty percent of this variation will be applied to [the contracting officer must enter the coefficient for the initial period of the contract]. If the publication of the index should be discontinued, the parties to the contract will negotiate a replacement index or new contract provision. If a replacement index or contract provision cannot be agreed upon, the contracting officer may unilaterally determine the contract adjustment method, and the contractor may dispute the determination under the Disputes Clause. Adjustments to option year contract coefficients must be determined in accordance with the following formulae:

(1) To calculate the new coefficient use:

$$C = C_i * f$$

Where:

C = New Coefficient;

f = Adjustment Factor; and

C<sub>i</sub> = Contract pricing coefficient at contract award.

(2) To calculate the Adjustment Factor use:

$$f = ((CCI_c - CCI_i) / CCI_i) * 80\% + 1$$

Where:

CCI<sub>c</sub> = the ENR index for the option; and

CCI<sub>i</sub> = the ENR index for the initial contract award.

(c) Adjustment calculations for second and subsequent option years must each be based on the contract coefficient for the initial contract period.

**Sample EPA Calculations**

**EPA Coefficient-Index Matrix**

<u>Action</u>	<u>ENR Index</u>	<u>Adjustment Factor</u>	<u>Coefficient</u>
Contract Award	110.0	NA	1.03
Option 1	115.4	1.039	1.07
Option 2	130.2	1.147	1.18
Option 3	125.1	1.110	1.14
Option 4	100.0	.928	.96

NOTE: Round calculation results as done in this example.

**EPA Calculations**

Column 2 - ENR Indices for the options are taken from the issue of the McGraw Hill publication ENR published during the month prior to the effective date of the option. The ENR Index for the Contract Award is the most recent ENR index published during the month prior to initial contract award.