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AMCCC-B-BI

POINT PAPER

19 July 1999

SUBJECT: Invitational Travel Orders For Contractor Personnel

PURPOSE: To Provide Information About Upcoming Changes To Contractor Use of Invitational Travel Orders

FACTS:

O Effective October 1, 1999, the Joint Travel Regulation will prohibit the issuance of invitational travel orders ("ITO's") to contractors.

oo This change was originally scheduled to take place on June 1, 1999, but has now been postponed until October.

O DFAS will not pay contractor travel vouchers for any contractor ITO's issued after October 1, 1999.

O Many AMC contracts already "direct fund" contractor travel through the fixed contract price, through a reimbursable contract line item, or through contractor overhead rates.

oo These contracts already comply with the change and require no action.

O However, many AMC contracts rely on ITO's to fund contractor travel.

RECOMMENDATION:

O For those contracts that rely on ITO's, we recommend that requiring activities contact their contracting officers as soon as possible to direct fund all contractor travel after October 1, 1999.

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O This will likely require a modification to the statement of work.

oo The modification will vary for each contract.

oo Generally, the modification should be based on the contract structure and type, as well as on the nature, frequency, and predictability of travel.

NEXT STEPS:

O Requiring activities must describe (or at least estimate) the anticipated travel in the statement of work.

O In addition, requiring activities must provide funds for an increase in the contract price/cost or for a cost-reimbursable contract line item to cover the cost of travel.

oo The fiscal year and type of funds used for the modification will depend on the contract scope and structure, as well as on the date of the contract modification.

oo Requiring activities should work with their contracting officers and resource management staff to determine the correct "color of money" for their contract.

O Once a cost-reimbursement contract is appropriately modified, contractors may be reimbursed reasonable travel costs in accordance with Federal Acquisition Regulation 31.205-46 ("Travel Costs").

oo In most circumstances, this means that contractors cannot be reimbursed for costs in excess of the maximum allowable per diem and mileage rates.

O Contractors are not eligible for city pair air fares or other travel-related items restricted to Government employees.

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oo However, contractors traveling on official government business may receive special discounts from some hotels, car rental agencies, and from Amtrak.

oo In order to take advantage of any discounted rates, contracting officers should provide contractors with a "contractor letter of identification" in accordance with Joint Travel Regulation, para. C6005,H.

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