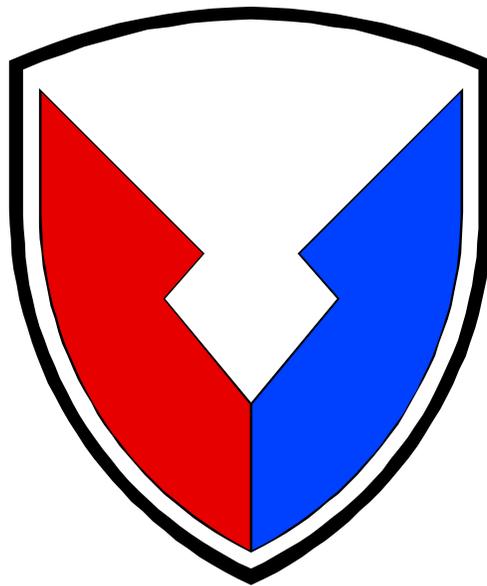


CONTRACTING GUIDE



**HEADQUARTERS
U.S. ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE
ALEXANDRIA, VA 22333-0001**

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I. INTRODUCTION

A. Purpose

The Office of Command Contracting has developed this guide as a "how-to" document designed to aid you in preparing the documentation necessary for you to get your requirements on contract. This guide provides you with an outline of the actions that you will need to take in preparing a procurement package for your requirements. It also makes you aware of your role in the contracting process. Attached to this guide are samples of documents that you will need to prepare. These documents are samples only and should be tailored to meet the unique aspects of each acquisition. In tailoring these samples to fit your proposed acquisition, we encourage you to think about the content of the document you are preparing and not just parrot the samples.

B. Scope

This document applies to all Headquarters, U.S. Army Materiel Command (HQ, AMC) customers with contract requirements, and any others that may find it useful.

C. Currency

The Contracting Operations Division (AMCCP-O) will strive to keep this document updated. Readers should understand, however, that current law, regulation, and policy take precedence over any item in this guide.

II. POLICIES

A. Competition.

Section 2304, title 10 United States Code (U.S.C) requires Contracting Officers (KOs) to promote and provide for full and open competition in soliciting offers and awarding Government contracts. Contracting without providing for full and open competition is a violation of statute, unless it is permitted by one of the exemptions listed in Federal Acquisition Regulation (FAR) 6.302. Lack of advance planning and/or concerns related to the amount/type of funds available (i.e., expiring funds) are NOT justifications for contracting on an other than full and open competitive basis.

All HQ, AMC requirements will be solicited and awarded on a full and open competitive basis unless supported by an approved sole-source justification processed in accordance with the instructions outlined in Section III, Paragraph E, Justification and Approval for Other Than Full and Open Competition (J&A). In addition, the principal (DCS/ADCS) of the requiring organization should be prepared to meet personally with the Chief of Staff to explain the need for a sole source.

Questions regarding competition in contracting can be directed to the HQ, AMC Competition Advocate (AMCCP-A).

B. Small Business.

FAR 19.201 establishes the basic policy on the role small business is to play in Government acquisition. According to the FAR, the Government is to provide the maximum practicable opportunities in its acquisitions to small businesses, HUBZone small business, veteran-owned small business, service-disabled veteran-owned small business, small disadvantaged business, and women-owned small business concerns. In addition, these concerns are to have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by the Government.

In accordance with FAR 19.502-2(a), all acquisitions expected to exceed \$2500, but not over \$100,000, are reserved exclusively for small business concerns. These requirements will be set aside unless the Contracting Officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality and delivery. All requiring activities within AMC must abide by this policy when planning an acquisition.

Another program that AMC activities must be mindful of in planning acquisitions is the 8(a) program. Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) established a program that authorizes the Small Business Administration (SBA) to enter into contracts with other agencies and award subcontracts for performing those contracts to firms eligible for program participation. The SBA's subcontractors are referred to as 8(a) contractors. Depending on the dollar value, contracts may be awarded to the SBA for performance by eligible 8(a) contractors on either a

sole-source or competitive basis. A requirement that is being considered for award under the 8(a) program will be awarded on the basis of competition restricted to 8(a) firms if two conditions exist. The first condition requires there be a reasonable expectation that at least two eligible 8(a) firms will submit offers and that award can be made at a fair market price. The second condition applies when the expected award price of the contract, to include options, will exceed \$5,000,000 for acquisitions assigned a North American Industry Classification System (NAICS) code for manufacturing, and \$3,000,000 for all other acquisitions.

Questions regarding Small Business requirements in the acquisition process can be directed to the HQ, AMC Office of Small and Disadvantaged Business Utilization.

C. Approval of Procurement Packages.

The Commanding General (CG) of AMC has established a policy that all procurement packages for HQ AMC contract requirements valued at more than \$2500 will be reviewed and approved by AMCCP-O prior to submission to the contracting office for acquisition. In addition, all procurement packages valued above the Simplified Acquisition Threshold (SAT) (currently \$100,000) must be approved by the Chief of Staff.

Submit to AMCCP-O a **complete** procurement package for each requirement you desire to be placed on contract. A complete procurement package consists of all the documents described in this guide that apply to your particular requirement. In addition, you should complete a Procurement Package Checklist (see Exhibit A), signed and dated by your Division Chief (or equivalent), and include it with your package.

Upon receipt, AMCCP-O will review the package to ensure it is complete; assign a Control Number; and log the package into a database. If your package is not complete, a Control Number will not be assigned and your package will be returned to you for completion. After the complete package is logged in, it will be assigned to a Procurement Analyst for review. This review should not take more than two days. The review will include a check to determine if your requirement potentially duplicates another contract within the HQ. The check will also include a review of the quality and clarity of the documents within the procurement package, with a special emphasis on the SOW. At any point during the review, your procurement package may be returned to you for revision.

Procurement packages valued at more than the SAT, regardless of whether they are for the acquisition of supplies, hardware, software or services, will be forwarded by AMCCP-O to the Chief of Staff for Approval. This includes modifications to exercise option year requirements. No procurement package valued at more than the SAT will be sent to the contracting office for acquisition without the Chief of Staff's approval. After AMCCP-O review and Chief of Staff approval (as appropriate), your package will be returned to you to submit to the contracting office.

D. Cycle Time and Acquisition Planning

Cycle time is defined as the number of days that elapse from the Contracting Office's receipt of the Procurement Package to award of a contract/task order. HQ AMC personnel who have requirements they desire placed on contract must allow for cycle time in planning their acquisition. Lack of planning or poor planning do not constitute justification for a sole-source acquisition. In addition, poor planning or lack of planning on the part of HQ AMC requirers is no excuse for pressuring the contracting office into hurried action. The Defense Contracting Command – Washington publishes their planning dates and cut-off timelines for receipt of acquisition package on their website at: <http://dccw.hqda.pentagon.mil/index.htm>. Failure to submit packages in sufficient time prior to the end of the fiscal year may result in the package being rejected by DCC-W.

The amount of cycle time you should allow for in planning your acquisition will vary, depending on the size, complexity and nature of the acquisition. If your requirement can be placed as a Delivery/Task Order against an existing Indefinite Delivery Contract (IDC) or a General Services Administration Schedule Contract, you should allow 30 days for cycle time. Contract requirements that are to be placed via Invitation for Bids (IFB) should be allowed up to 90 days of cycle time. If your requirement will be placed on contract via a negotiated acquisition, you should allow up to 120 days for cycle time.

An important element of the planning process is the internal review and approval process within HQ, AMC. As such, procurement packages must be submitted to AMCCP-O with sufficient lead-time to allow for an adequate review. Packages valued at less than \$100,000 must be submitted at least 60 days before the required delivery or performance start date. Packages valued at greater than \$100,000 require the approval of the Chief of Staff and, as such, must be submitted so that there is time to process the package to the Chief at least 75 days before the required start date or the date the current contract expires. If the 75-day requirement is not met, the Action Officer and his or her principal (DCS/ADCS/Office Chief) are required to personally deliver the package to the Chief of Staff for approval, and explain why this requirement could not be met.

E. Government-Contractor Relations.

Acquisition Reform has resulted in a significant increase in our contacts with representatives from private industry. The increased emphasis on the acquisition of commercial items and services requires you to become much more familiar with the commercial marketplace. In addition, the proliferation of Government-wide Indefinite Delivery Contracts has resulted in an increase in the number of contractor employees who work in business development (i.e., trying to sell you the latest development in their services, software or equipment). Although the contractor employees bear the primary responsibility for not violating the law, you also bear responsibility to ensure the Government's standards of integrity and fairness are upheld. There are a number of rules governing our relationship with contractors. Some of the important ones follow:

- *Only KOs can lawfully commit the Government to a contract or otherwise in dealings with industry representatives.* If you are not a KO, you must ensure that the contractors with which you deal understand that you are not authorized to purchase goods or services on behalf of the Government. In addition, only KOs can modify or change existing contracts.
- You must ensure that you do not disclose detailed information that could give the contractor an unfair advantage in an upcoming acquisition. If you have initiated a competitive acquisition, the best course of action is to ensure that you acquire the approval of the KO before meeting with competing contractors.
- Do not request "unsolicited proposals", price quotes, or technical proposals. However, you may request catalogs, published price lists, and Rough Order of Magnitude (ROM) pricing.

Interaction with contractor employees most often occurs when managing contracts that are being performed throughout the HQ. The reduction of our civil service workforce has brought about a rise in the number of contractor personnel providing services within the HQ. With contractor personnel often working side-by-side with Government personnel, it is tempting to treat them as you would another civil servant. They are not. There are strict rules governing what are referred to as "personal services". 5 U.S.C. 3109 prohibits agencies from awarding personal services contracts, unless otherwise authorized by statute. A contract for personal services is defined as one that, either by its express terms or in the way in which it is administered, makes the contractor personnel performing the contract appear to be Government employees. What must be avoided is the appearance that contractor employees are under the direct, continuous supervision and control of a Government officer or employee. Statements of Work and contract deliverables should be scrutinized in order to avoid this dilemma.

F. Standards of Conduct

Criminal Law Statutes, the Joint Ethics Regulation (JER), and the Federal Acquisition Regulation (FAR) establish firm, and sometimes complex, guidelines for current and former government employees. Violation of these rules can result in serious consequences: criminal prosecution, adverse personnel actions, disruption of your program, loss of a contract, and/or debarment from federal procurements. If an issue concerning standards of conduct or ethical conduct arises, contact the AMC Ethics Counselor (Mr. Bob Garfield, 617-8003) in the Office of the Command Counsel for advice.

a. Gifts From Outside Sources. Although it is not mandatory, the best choice in this area is to take nothing. For those who treasure the useless trinkets, free lunches, etc., here is a synopsis of the rules:

b. Basic Prohibition. An employee shall not solicit or accept a gift given because of his official position or from a prohibited source. A prohibited source is defined as any person, including an organization that does business with AMC or any other type of relationship where they are affected by actions taken by AMC.

c. Definition of a Gift. The term "gift" includes almost anything of monetary value. However, by definition, it does not include:

(1) Coffee, donuts and similar modest items of food and refreshments when offered other than as part of a meal;

(2) Greeting cards and plaques, certificates and trophies with little intrinsic value and intended solely for presentation;

(3) Prizes in contests open to the public;

(4) Commercial discounts available to the general public or to all Government or military personnel;

(5) Anything paid for by the Government or obtained by the Government under contract; or

(6) Anything for which the employee pays market value.

c. Exceptions. The main exceptions are noted here. There are some others. See your ethics counselor for details.

(1) Unsolicited items with a market value of \$20 or less per occasion, aggregating no more than \$50 in a calendar year from any one source (this exception does not permit gifts of cash or investment interest).

(2) Gifts when clearly motivated by a family relationship or personal friendship; the “friendships” that develop as a result of your interaction with contractor employees are not included here.

(3) Commercial discounts and similar benefits offered by a contractor to broad segments of the public.

d. Job Offers and Job Hunting. If you work in government contracts for any length of time you gain experience that is valuable to the private sector. Job offers from contractors are common. If you get an offer, or seek a job, from a contractor that works for AMC and are involved in any way in the management of the contract, you probably have a conflict of interest. This also applies to potential contractors (i.e., contractors competing for a contract with AMC) if you are working on the award of a new contract. You must report employment offers to your supervisor, in writing. If you do not reject the offer immediately, you are disqualified from working on the contract or solicitation. If you continue working with the contract, or solicitation, you are in danger of a standard of conduct violation. Bottom line: If you get a job offer, contact the AMC Ethics Counselor immediately. If you are about to start job hunting, contact the AMC Ethics Counselor first.

e. Contacts With Industry Representatives. Acquisition Reform changes have resulted in a significant increase in contacts with industry representatives. The increased emphasis on commercial items requires you to become much more familiar with the marketplace by doing market surveys. Also, the proliferation of government-wide or agency-wide indefinite delivery/indefinite quantity contracts has spawned an army of contractor employees who work in “business development,” trying to sell you or your boss the latest and greatest technology. Many of these contractor employees are retired military officers or civil service employees. There are laws that govern the interaction of these people with the government. Although the former employee or officer bears the primary responsibility for not violating the law, you also bear responsibility to ensure that the government’s standards of integrity and fairness are upheld.

f. Some General Rules:

(1) Only contracting officers may lawfully commit the Government in dealings with industry representatives. Be sure the contractors understand that you are not buying anything.

(2) The foundation of the procurement system is fairness. Be sure that you do not disclose detailed information that could give the contractor an unfair advantage in an upcoming procurement. If you have started the contracting process, the best course of action is not to meet with the competing contractors without the approval of the contracting officer (and recognize that you are not likely to get it).

(3) Recognize that meeting with one contractor may require you to meet with several because of the principle of fairness.

(4) Do not ask for “unsolicited proposals,” firm price quotes or technical proposals. However, it is acceptable to ask for catalogs and published price lists.

g. Former Officers and Government Employees: The restrictions on former government officers and employees are too long and detailed to explain here. However, as a general rule of thumb, if they have been separated from the Government for less than two years, they should be warned of a possible ethics violation and in all likelihood be prohibited from participation until they have obtained an opinion from the ethics counselor at their last duty station.

G. Mandatory Use of Defense Contracting Command – Washington (DCC-W)
(formerly Defense Supply Service – Washington (DSS-W)).

DCC-W provides a full range of acquisition services for both goods and services to DoD components within the National Capital Region (NCR). DoD Directive 5335.2, 21 April 1993, subject: Defense Supply Service – Washington (DSS-W); and AR 1-39, 11 June 1985, same subject, require DSS-W to provide these services to DoD components within the NCR. In accordance with these directives, DCC-W will make all purchases that originate at HQ, AMC

except those made with designated AMC purchase cards (“credit cards”). If an exception to this policy is required, the requiring office will prepare a memorandum for DCC-W with an approval block for signature by the Director of DCC-W. The memorandum will provide:

1. A description of what the originator intends to purchase.
2. The contracting office that the originator intends to use for the purchase.
3. A justification why DCC-W cannot meet the acquisition needs of the originator.

When DCC-W approves a request for waiver to this policy, the memorandum with the Director of DCC-W’s signature must be included as part of the procurement package.

III. ACQUISITION PACKAGE

A. General.

This Chapter gives an explanation of the terms you will need to think about as you put together your procurement package. The acquisition package is the collective title given to the group of documents that are provided to the KO in support of a contract requirement. Examples of documents that may be required in acquisition packages are shown at Exhibits A - J. Not all acquisitions require the many documents listed in this Chapter. Exhibit A is a Procurement Package Checklist that may assist you when preparing a contract package. If you have any questions about the applicability of any of the following documents and how they relate to your requirement, you should contact the AMC Contracting Operations Division, AMCCP-O, for further information.

B. Funding Document.

It is DoD policy to fully fund all contracts. DoD Regulation 7000.14-R states that, at the time of contract award, funds must be available to cover the total estimated cost to deliver the contract quantity of services or complete, usable end items. All Acquisition Packages must contain a signed funding document in order to be processed.

The funding document that will be included in the Acquisition Package will take the form of either a DD Form 1262, with Funding Accounting Classification or a DD Form 448, Military Interdepartmental Purchase request (MIPR). Defense Contracting Command - Washington (DCC-W) is the designated contracting activity for HQ, AMC, and it is normally their policy to require a DD1262 on all acquisitions. Therefore, a DD 1262 will be included in the acquisition package for any procurement processed through DCC-W. In most instances, the DD1262 will be processed in the Defense Automated Requisition Tracking System (DARTS) by the requirer's Budget Officer. However, there may be instances when a hard copy document must be processed. In instances when a hard copy form is required, the requirer's Budget Officer must sign the form. The Budget Officer will ensure that the appropriate types of funds, in the correct amount, are available. The funding document must identify a Point of Contact (POC) with that person's name, address and phone number. The POC will normally be the person most knowledgeable about the proposed contract action. It is advisable to list an alternate POC in order to avoid delays in the processing of the procurement request. In addition, the funding document should list two or three recommended sources. This is helpful in targeting available sources of supplies or services and provides for a competitive environment. A sample DD Form 1262 can be found in FormFlow on the HQ, AMC Local Area Network (LAN).

C. Statement of Work.

The Statement of Work (SOW) is the most critical component in any Government solicitation or contract. In order to avoid any misinterpretation, it must be written in clear language that can be easily understood by Government and Industry non-technical personnel. An initial investment of time and effort to write a clear and high quality SOW will enable offerors to clearly understand

the requirement; allow offerors the ability to submit a better proposal; minimize the need for modifications to the contract; and reduce claims and disputes under the contract.

SOWs usually fall into one of three categories: Performance-based, Detail/Design or Standards/Specs. FAR 11.101(a) establishes the order of preference for SOWs as follows: performance based , detailed design-oriented; and then standards/specs. Although there are other types and varieties of SOWs, this guide will only focus on these three categories.

A Detail/design SOW tells the contractor how to do the work. It may include precise measurements, tolerances, materials, quality control requirements, and other Government requirements that control the processes used by the contractor in the performance of the contract. Although this type of SOW is primarily used for manufacturing or construction, other efforts are acquired using this format. This type of SOW requires the contractor to perform the services as prescribed by the Government and the risk of performance is borne by the Government. This is the least preferred type of SOW and shall not be used for HQ, AMC requirements unless specifically approved in writing by the Director of Contracting in the Office of Command Contracting..

Level-of-effort SOWs can be written for almost any type of service unless it is an inherently Governmental function. The real deliverable under this type of contract is an hour of work. It is normally associated with Indefinite Delivery Contracts under which services are acquired via individual orders issued by the Contracting Officer. The SOW in the basic contract is usually very broad and describes the general nature, scope or complexity of the services to be acquired over a given period of time. Orders are issued against the basic contract when requirements arise. It must be noted that all requirements must be within the basic contract's scope of work.

The Performance based SOW is the preferred method of stating requirements. This type of SOW structures all aspects of an acquisition around what is to be accomplished rather than how it is to be accomplished. It is written to ensure that contractors are given the freedom to determine how to meet the Government's performance objectives and provides for payment only when the results meet or exceed those objectives. It maximizes contractor control of work processes and allows the contractor to be innovative in approaching the SOW's requirements.

The SOW, as an integral part of the contract, is subject to contract law. As previously stated, if it is not written in clear, unambiguous language, it can be misinterpreted. A fundamental legal principle is that because the Government is the drafter, any misinterpretation or ambiguity usually is construed against the Government by the courts. In other words, when two reasonable interpretations of an SOW or a portion of an SOW are possible, the court will adopt the interpretation taken by the party that did not write the SOW. The interpreter of a SOW must look to what the SOW actually says, not to what the Government meant to say or would like to have said. Writers of SOWs are often tempted to write vague language because they think it gives them the flexibility to loosely interpret the SOW at a later date. However, the writer (Government) would lose in a contract dispute that is based on an ambiguity in the SOW. In addition, ambiguous SOWs result in protests, unsatisfactory contractor performance, delays,

claims, disputes and increased contract costs. Conversely, a well-written SOW will tend to increase the likelihood of successful contractor performance.

In writing SOWs, use simple words, phrases and sentences for clarity. Well-understood words and phrases improve the SOW by minimizing ambiguities. In writing a SOW, the author should be concise, precise and consistent. In addition, sentences should be kept short and to the point.

One of the most important rules to keep in mind when writing a SOW is to strictly avoid the use of vague or inexact words and generalizations. These are open to so many interpretations that they become meaningless. Words such as "reasonable" and "normal" are examples of imprecise language that may be unenforceable in a contract dispute. In addition, catchall and open-ended phrases such as "common industry practice" should be avoided.

The writer of a SOW should also keep in mind that common industry or in-house terminology is not always as universally defined as might be assumed. Any technical terms that are used must be defined since judges settling disputes lean toward the "ordinary and usual" meaning and usually interpret the meaning against the writer.

In all cases, a SOW must be definitive enough to protect the Government's interests. It must also serve as a basis for a contractor to respond to a solicitation and be evaluated. Finally, a SOW must provide a complete description of contract performance so both the Government and the contractor will know when the work called for has been satisfactorily completed.

D. Independent Government Cost Estimate (IGCE)

An IGCE is required for all proposed contract actions. The level of detail required is dependent on the complexity and dollar value of the acquisition. In the simplest case, the amount committed on the funding document (DD1262 or MIPR) can serve as the IGCE. In more complex acquisitions, a detailed IGCE is required to provide a baseline for pricing and establishing the reasonableness of the proposed cost or price. The IGCE should give an estimate for the entire project and be broken out by year. Items that are normally included in the IGCE are the kinds and amounts of labor hours, labor rates, indirect rates, materials, travel and other direct costs that are a result of the requirement; plus a reasonable profit/fee. In addition, the IGCE should include details of any assumptions made in preparing the estimate. Finally, the IGCE should always be marked: FOR OFFICIAL USE ONLY, PROCUREMENT SENSITIVE - SOURCE SELECTION INFORMATION. The preparation of the IGCE is the responsibility of the requirer, with support from other technical experts and budget personnel. A sample of a detailed IGCE is shown at Exhibit B.

E. Management Decision Document.

Services that are considered Contracted Advisory and Assistance Services (CAAS) include studies, management and professional support, and engineering and technical support. All contracts for these services must comply with current CAAS policy, which includes DoD Directive (DoDD) 4205.2, Army Regulation 5-14 and AMC Circular (AMC-C) 5-6. In

accordance with these policies, all requirements considered to be CAAS must be approved via a Management Decision Document (MDD). An MDD is the vehicle for obtaining management's approval of the decision to contract for advisory and assistance services. Section IV of this guide contains more detailed instructions for completing an MDD. A sample of a completed MDD is shown at Exhibit C.

F. Economy Act Determination and Findings.

The Economy Act (31 U.S.C. 1535) allows one agency to place an order for goods or services with another agency or with a major organizational unit within the same agency. This is commonly referred to as "contract off-loading". Each Economy Act order requires a written Determination and Findings (D&F) that is approved at a level no lower than Senior Executive Service (SES) or General Officer (GO). The D&F must state that the off-load is in the best interest of the Government, and that the supplies or services can't be obtained conveniently or economically by contracting directly with a private source. In addition, the D&F must state that the acquisition will be made under an existing contract by the servicing agency; or the servicing agency has the capability to enter into such a contract; and that this expertise or capability does not exist within the requesting agency; or that the servicing agency is specifically authorized by law or regulation to make such purchases on behalf of other agencies.

It is Army policy that Economy Act D&Fs need not be prepared for acquisitions that will be accomplished by Army or DoD contracting offices. Because DCC-W is the designated contracting activity for HQ, AMC, all acquisitions proposed to be accomplished by a civilian agency can only be submitted to the proposed contracting activity after an Economy Act D&F is approved. However, if you plan to use an Army or DoD contracting office, including any of AMC's Major Subordinate Commands (MSCs) or activities, to place your requirement on contract, all that is required is a written statement from DCC-W saying that they will allow the goods or services to be acquired through another contracting office. A sample format for an Economy Act D&F is shown at Exhibit D.

G. Justification and Approval for Other Than Full and Open Competition.

Any proposed contract action that is to be awarded on an other than full and open competitive basis must be supported by a written justification outlining the circumstances behind the proposed sole-source acquisition. Depending on the dollar value, this written justification is either called a Justification and Approval for Other than Full and Open Competition (J&A) or a justification for sole-source acquisition. Regardless of what the document is referred to, the written justification must reference the specific statutory authority (FAR Exception) that permits accomplishing the acquisition on an other than full and open competitive basis. Contracting on an other than full and open competitive basis includes situations in which the requirer believes only one source is capable of performing an effort (sole-source); or only certain firms are capable of performing (limited sources).

There are seven statutory authorities that permit contracting without providing for full and open competition. However, most HQ, AMC requirements that are acquired on an other than full

and open basis will fall under the purview of either FAR 6.302-1, Only one responsible source and no other supplies or services will satisfy agency requirements; or FAR 6.302-2, Unusual and Compelling Urgency. Requirers should note that a lack of advance planning or concerns about expiring funds do not constitute justification for not competing contract requirements. In addition, requirers are not permitted to use “Unusual and Compelling Urgency” to justify the award of contracts with options or with option provisions.

For proposed contract requirements valued at less than \$500,000 (including options), a justification for sole-source acquisition will be prepared. A sample of a justification for sole-source acquisition is shown at Exhibit E. For those requirements valued at more than \$500,000, a formal J&A shall be prepared in the format prescribed by Army Federal Acquisition Regulation Supplement (AFARS) 5153.9005. The J&A shall be prepared in draft form by the requirer, with the requirer signing for both the Technical and Requirements Certification. The draft J&A will be finalized by the Contracting Officer. A sample of a formal J&A is shown at Exhibit F.

For all proposed sole-source acquisitions, the DCS or ADCS of the requiring organization must be prepared to brief the Chief of Staff and defend the procurement package and the need for sole-source.

H. Source Selection Evaluation Plan.

Unless a requirement is sole-source, some method must be established for determining which offeror should be awarded the contract. There are three basic ways of selecting offers for award when proposals are being evaluated. One way is to select the lowest priced offeror. The second is to select the lowest priced, technically acceptable offeror. The third method allows the Government to select the proposal that offers the “Best Value” in terms of performance, cost, and other factors.

In selecting the lowest priced offeror for award, the Contracting Officer will make award to the lowest priced, responsible offeror. When selecting the lowest priced, technically acceptable offeror, the Contracting Officer will make award to the lowest priced offeror whose quote or proposal is rated acceptable after being evaluated against established criteria on a “go” or “no go” basis. Selecting a contractor for award using a Best Value selection process also involves rating proposals against established criteria. However, in contrast to the evaluation that is done to select a low cost technically acceptable offeror, a Best Value evaluation of quotes or proposals results in the criteria being assigned a qualitative rating, such as Red-Yellow-Green, or Excellent-Very Good-Good-Acceptable-Unacceptable. A cost trade-off analysis is then performed in which the relative strengths and weaknesses of offerors are traded off against the proposed contract price to determine the successful offeror.

Selecting either the lowest priced technically acceptable offeror, or the offeror that represents the Best Value requires additional planning on the part of the requirer. In order to facilitate the selection of a contract source, a plan must be prepared to provide guidance and evaluation criteria for award. A Source Selection Evaluation Plan (SSEP) describes how proposals will be solicited

from industry; how those proposals will be evaluated; and how negotiations will be conducted. A sample SSEP is shown at Exhibit G.

The most critical element of an SSEP is the Evaluation Criteria. Evaluation criteria are those aspects of a proposal that will be evaluated quantitatively and qualitatively to determine which proposal can best meet the Government's needs. In addition, evaluation criteria serve to inform offerors of the relative importance the Government attaches to various aspects of a proposal. Examples of evaluation criteria include, but are not limited to, Understanding the Requirement, Technical Approach, Key Personnel, Experience, and Past Performance.

HQ, AMC requirers should note that, unless a J&A supporting other than full and open competition or an SSEP that establishes desired evaluation criteria is provided as part of the procurement package, DCC-W will solicit competitively and make award to the lowest priced offeror.

I. Contract Data Requirements List.

The term 'contract data requirements' refers to manuals, drawings, reports and other documents that you want a contractor to deliver to you as part of the performance of a contract. Each contract data requirement must be described in a DD Form 1423, Contract Data Requirements List (CDRL). A sample DD Form 1423 can be found in FormFlow on the HQ, AMC (LAN).

Your SOW may require the contractor to perform services. If 'data' is the product of those services or is otherwise required as a result of the services, then two things must be present in your acquisition package: a specific tasking for the data within your SOW; and a DD Form 1423, CDRL item. It is possible to have a task that does not result in a deliverable piece of data. However, do not *expect* a task to produce data if no CDRL item is included.

CDRLs will be established based on the intended use of the data and based on the service to which the data relates. These data requirements must be consistent with your SOW.

The DD Form 1423 Block 5, "Contract Reference", should be completed with the appropriate paragraph(s) from your SOW. You should ensure that you specify whether you want electronic copies or hardcopies of your deliverables. Also, you should ensure that Block 14(a) reflects the same address as the deliverable address indicated in your SOW.

As stated above, there must be a CDRL for each deliverable data item. However, if you have chosen to structure your requirement so the contractor delivers products (data items) using his/her own best commercial practices, CDRLs are unnecessary. You should ensure, however, that you have specified the number of copies to be delivered, format, submission dates, etc. in your SOW.

J. Quality Assurance Requirements/Plan

Virtually all contracts awarded in support of the HQ will be contracts for commercial supplies and services. Contracts for commercial items rely on the contractor's existing quality assurance systems as a substitute for Government inspection and testing procedures. However, we should still inspect the supplies/services after receipt and reject those supplies/services that do not conform to the requirements of the contract.

When we contract for commercial items, we are also contracting for a commercial quality assurance system. In order to ensure that you are receiving the quality that you desire, however, you must plan some way to gauge the quality of your contractor's efforts. There are two ways to commit this plan to paper: include it as a separate paragraph of your SOW; or, develop a separate Quality Assurance Plan (QAP). Whether you include Quality Assurance Requirements (QAR) as part of your SOW or write a separate QAP, you should include explicit, measurable performance standards, and surveillance procedures. Your QAR/QAP should include only the minimum essential requirements. However, the contractor will be held responsible for failure to meet those minimum requirements.

K. Contracting Officer's Representative Documentation.

Contract administration is the monitoring of a contract from award through closeout with the objective of receiving full value for all goods and services ordered. Under DFARS 201.602, the KO may delegate the responsibility for administration of a contract to a qualified Contracting Officer's Representative (COR). The COR is appointed at the time of award by the KO and may be any Government employee, military or civilian, who is a United States citizen. The COR will act as the KO's authorized representative in overseeing a contract subject to authority and limitations outlined in the letter of appointment. The KO will ensure the COR nominee possesses qualifications and experience commensurate with the authority the COR will exercise.

A COR nominee, whether civilian or military, should have technical qualifications, acquired through formal education, training, or pertinent experience, or any combination of the three, which qualify him/her to monitor the contractor's performance and to function as a technical representative of the KO. The designation of the COR is ordinarily made for the life of the contract. Your nominee must have enough scheduled time remaining in your organization to serve as the COR at least through the base period of the contract. In addition, your nominee should have completed an approved COR course by the anticipated date of award of your contract.

As part of your procurement package, you should include a memo to the KO that nominates an individual as COR for your contract (see Exhibit H). This nominating letter must contain the title of your contract requirement; the nominee's name and organization; and the experience and training you believe qualifies him/her to serve as COR. In addition, your nominating letter must state whether the nominee has taken the COR course and, if so, when it was taken and the name of the sponsoring organization (e.g., Defense Acquisition University, the General Services Administration [GSA], etc.).

L. Statement of Non-personal Services.

As stated in Part I above, personal services contracts shall not be entered into unless specifically authorized by Congress. In accordance with FAR 37.103, the KO must determine whether proposed contract services are personal or non-personal in nature. In order to support this determination, you should include in your procurement package a memorandum stating the services to be acquired are non-personal in nature (see Exhibit I).

M. Security Requirements.

If your contract will require contractor access to, or generation of classified material, a DD Form 254, Contract Security Classification Specification, must be prepared and included in your acquisition package. If you believe your contract will not require the contractor to have access to or generation of classified material, you will need to include a memorandum to that effect in your acquisition package.

Early in the process of preparing the acquisition package, you should consider certain security requirements. Will access to classified information be involved? Will access be required during the pre-award phase of your contract or will it be required for actual performance of the contract? Are all prospective contractors cleared to the appropriate level, and are they equipped to properly safeguard the classified information involved? The answers to these questions may have a significant impact on your acquisition.

As the requirer, you should give enough lead-time in your acquisition planning to accomplish the security actions that may be needed. If you determine that the contractor will generate or require access to classified information during contract performance, your contract will be considered a classified contract. As such, a DD Form 254 and certain clauses must be incorporated in the solicitation and resultant contract, and certain security clearances will be required. The DD Form 254 will have to be signed by someone who is familiar with the requirements of your particular proposed contract. This can be you or your supervisor. You should note the KO requires the DD Form 254 with an original signature. Specific questions regarding contract security requirements and the DD Form 254 can be directed to the Security and Countermeasures Team in the DCS for Intelligence (AMXMI-SCM). A sample DD Form 254 can be found in FormFlow on the HQ, AMC LAN.

N. Market Research/Vendor Lists

Market Research, (FAR Part 10) requires collecting, analyzing and documenting information about ability within the market to satisfy a requirer's needs. This means that it is incumbent upon the requiring office to have adequately researched the extent to which commercial items and services are available to meet their needs prior to compiling an acquisition package.

The purpose of the market research is to assist you in determining if commercial sources exist that can meet your requirement and which firms have acceptable practices and capability. Some methods to accomplish this research include review of industry publications, periodicals, vendor associations, trade journals, marketing organizations, trade shows and the Internet. The GSA home page (www.gsa.gov) details many of the contractors that have schedules for a variety of supplies and services.

There has been new guidance stemming from Section 803 of the National Defense Authorization Act for 2002 that increases the importance of conducting decisive market research and developing a sound vendor list for FSS/GSA contracts in particular. DCC-W has provided the following guidelines on how many valid sources you should identify for your acquisition packages:

For actions under \$100K: 3 vendors must be provided.

For actions between \$100K- \$500K 6 vendors must be provided, to include 1 Small Bus.

For actions between \$501K - \$1M, 10 vendors must be provided, to include 2 Small Bus.

For actions over \$1M, 15 vendors must be provided, to include 3 Small Businesses.

A sample Market Research/Vendor List is provided at Exhibit J.

IV. CONTRACTED ADVISORY AND ASSISTANCE SERVICES (CAAS)

A. Policy.

It is Government policy to use the private sector as a source for services when in-house resources are not available to perform a function. Service contracts call for contractors to perform an identifiable task; e.g., prepare a report, perform a study, or perform a service. Certain kinds of services are identified as Contracted Advisory and Assistance Services (CAAS).

CAAS are those services acquired by contract from non-Governmental sources to support or improve organization policy development, decision making, management, and administration; support program management and administration; support management for Research & Development activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. These services may take the form of information, advice, opinions, alternatives, analyses, studies, evaluations, recommendations, or training and technical support.

Since 1980, the U.S. Congress, the General Accounting Office and the DoD Inspector General have criticized the management and use of service contracts by the Executive Branch. Their criticisms have focused on examples of fraud, waste, abuse; contracting out for inherently Governmental functions, and failing to use in-house resources when more cost effective. As a result, laws have been enacted, regulations written and procedures established for contracting for advice and assistance services.

Public Law 102-394 requires that service contracts be identified by Elements of Resource (EOR) codes and a separate object classification in the annual budget submission to Congress. DoD has published DoD Directive 4205.2 to implement the requirements of Public Law as it pertains to CAAS. Department of the Army (DA) has published Army Regulation (AR) 5-14 as the Army's policy on the acquisition and management of CAAS. Finally, AMC establishes responsibility and provides guidance for the management of CAAS through its AMC Circular 5-6, Contracted Advisory and Assistance Services (CAAS). You should note, few requirements for the management of CAAS have been established in any of the implementing regulations (DoD Directive, AR, AMC Circular). Most of the existing requirements for the management of CAAS are established in Public Law.

The aforementioned laws and regulations recognize the acquisition of CAAS as a legitimate way to improve Government services and operations. However, law, regulation and policy also establish some restrictions on CAAS. For example, CAAS shall not be acquired to perform work of a policy decision-making, or managerial nature; used to bypass or undermine personnel ceilings; or used to obtain professional or technical advice which is readily available within the agency or Federal Government. In addition, CAAS shall not be contracted for on a preferential basis to former Government employees.

B. Management Decision Documents.

Contracts for CAAS above \$100K must be approved at the General Officer (GO), or Senior Executive Service (SES) level or by a colonel occupying a commanding officer position . Contracts under \$100K must be approved at a level above the requiring activity. The vehicle for obtaining GO/SES approval is called a Management Decision Document (MDD). Much of the information for the MDD can be extracted from the SOW. In addition, your Resource Manager can provide you with information regarding the funding information required in the MDD. The MDD must be in the proper format and should not exceed two to four pages in length. The format for the MDD is shown at Exhibit C to this Guide. In addition, the format can be found in AMC-C 5-6 or through the AMC CAAS Coordinator (AMCCP-O / . Karen Moser/617-9405.

When writing the MDD, you must ensure that the document contains the proper coding. This coding is essential for tracking and identification of CAAS. The AMC CAAS Coordinator will assign a Project Unique Identification Code (PUIC) to the MDD. In addition, the MDD must reflect the appropriate Element of Resource (EOR) code (see Appendix C of AMC-C 5-6). Finally, your Resource Manager must assign a fund citation that coincides with the EOR in the MDD.

After you have written the basic MDD, you will need to attach certain documents prior to staffing for coordination and approval. Mandatory attachments to the MDD are the SOW and the Independent Government Cost Estimate (IGCE). Also, dependent upon your requirement, you may need to attach a J&A, FAD/MIPR, Economy Act Determination, etc.

After you have written the MDD, it must be staffed for coordination and approval. At a minimum, the MDD should be coordinated with the AMC CAAS Coordinator, Director of the Small and Disadvantaged Business Utilization Office, and Command Counsel. You may also need to obtain the coordination of the AMC Competition Advocate, or other functionals, as appropriate. The approving authority for your MDD will depend on the management structure of your organization. If you work for an HQ AMC staff element that is headed by a GO/SES, then your GO/SES can approve the MDD, after all necessary coordinations are obtained. If you work for an HQ AMC staff element that is not headed by a GO/SES, your MDD will be approved by the AMC CAAS Director (the Office of Command Contracting, Director of Contracting) or, if necessary and as determined by the CAAS Coordinator, another GO/SES within HQ AMC.

As you prepare your MDD, you should keep in mind that you are writing a document that contains certifications and that requires approval by a senior official. As such, the MDD should be a stand-alone document that provides complete and accurate information about your requirement.

C. Inherently Governmental Functions.

It is a violation of FAR and public law to award a contract for the performance of a service or function that is inherently Governmental in nature. This means that it is so intimately related to the public interest as to mandate performance by Government employees. These services or functions include those activities that require either the exercise of discretion in applying Government authority or the use of value judgments in making decisions for the Government. Examples of inherently Governmental tasks include any decision making or policy making; direction of Government employees; selection of program priorities, etc. Inherently Governmental functions do not normally include gathering information for, or providing advice, opinions, recommendations, or ideas to Government officials who will ultimately make decisions.

D. Assess in-house capability.

Prior to initiating an acquisition of CAAS, you are required to assess in-house (Army) capability to perform your required service. The results of your assessment should be documented in the MDD. To determine whether any in-house capability exists, you should contact HQ AMC staff elements, Major Subordinate Commands (MSCs), Research and Development Laboratories and Centers, U.S. Army Materiel Systems Analysis Activity, and other military department activities, as appropriate. If you determine that an in-house capability exists, you should not initiate a service contract.

E. Cost-Benefit Analysis.

Prior to initiating a contract action for the acquisition of CAAS, you must validate and justify the need for the action you're planning. AR 5-14 requires you to compare the cost and benefits for in-house performance with those anticipated for contract performance. When determining the cost of contract performance, you should include the in-house administrative costs and the costs of contract administration. While a documented Cost-Benefit Analysis (CBA) is not currently required to be part of the MDD package that you submit for coordination and approval, you should be aware that the CAAS Coordinator may ask to review the CBA at any time.

F. Studies - Literature Search.

If you believe you have a requirement for the conduct of a study, you must first conduct a literature search. Such a review validates the requirement, enables the objectives and the scope of the study to be refined, and prevents duplication of effort. It is important to review the proper reference material when conducting a literature search. At a minimum, your literature search should include the Defense Technical Information Center (DTIC). Your search of DTIC can be performed either through an on-line search of the Defense RDT&E On-line System or through a direct query to the DTIC. Other sources that can be queried for prior research/studies in your area of interest include, but are not limited to, The Army Study Program; The Pentagon Library; The HQ AMC Technical Library; U.S. Army Audit Agency; and the National Technical Information Service.

V. CONTRACT TYPES

A. General.

Contracts that are awarded to fulfill Government requirements can be structured into a wide selection of contract types. What 'type' of contract that is awarded will depend on several factors: the degree and timing of the responsibility that the contractor assumes for the costs of performance; the manner in which the contractor is incentivized through profit for meeting or exceeding goals established in the contract; and the nature of the Governments requirements. As such, contract types can be grouped into three broad categories: fixed price; cost reimbursement; and indefinite-delivery. Because most items and services acquired in support of the HQ AMC mission can be considered commercial in nature, the type of contract that can be used to satisfy your requirements will usually be limited to firm-fixed price. Indefinite-delivery contract can also be used for items/services that are commercial in nature, as long as they are priced on a firm-fixed price basis. While you as the requirer can recommend a contract type, the final decision as to what type of the contract is to be employed lies with the KO.

B. Firm-Fixed Price.

Most of your requirements can and will be satisfied through the use of firm-fixed price contracts. Firm-fixed price contracts are contracts whose price is not subject to an adjustment on the basis of the cost incurred by the contractor in performance of the contract. With a firm-fixed price contract, the contractor bears the maximum risk and responsibility for all costs and any profit. It gives the contractor the maximum incentive to control costs and perform effectively. This contract type is most suitable for those situations where the KO can establish a fair and reasonable price during negotiations. Circumstances that enable the establishment of a firm-fixed price in negotiations include adequate competition, availability of price comparisons with prior purchases of the same or similar items, and availability of cost data to support a realistic estimate of the probable cost of contract performance.

C. Cost-Reimbursement.

A cost-reimbursement contract provides for the payment of costs incurred in the performance of the contract, up to an amount established in the contract. This contract type should only be employed in situations where costs can't be established up front because of uncertainties the contractor may encounter in contract performance. Cost-reimbursement contracts can take many forms, including cost-plus-incentive-fee, cost-plus-fixed-fee, cost-plus-award-fee, and cost-sharing. The FAR specifically prohibits the use of the following types of cost contracts: cost-plus-a-percentage-of-cost, and cost-reimbursement for the acquisition of commercial items.

D. Time-and-Materials.

A Time-and-Materials (T&M) contract is similar to a cost-reimbursement contract in that prices are not 'fixed' at the outset. A T&M contract is structured such that the contractor is paid based on the number of direct labor hours he/she expends in performing the effort plus materials.

The direct labor hours are provided at a specified hourly rate that includes wages, overhead, General and Administrative (G&A) expenses, plus profit. The materials are provided at cost. A T&M contract is most appropriate when the amount and duration of work cannot be predicted and, as a result, prices cannot be realistically estimated.

Although it may be necessary to use a T&M contract, its use is not favored. This is because a T&M contract does not provide an incentive to the contractor to control costs or work efficiently. Also, a T&M contract can be abused if the contractor uses lower-graded labor than that which was priced in the hourly rate. This can benefit the contractor in two ways. First, the contractor gets the benefit of a favorable differential in labor rates. Second, less-skilled workers may take more time to do the job. Because of these potential drawbacks, T&M contracts should be administered very closely to ensure that the contractor complies with the contracted labor grades and exercises proper control.

E. Labor-Hour.

A Labor-Hour contract utilizes the same pricing methodology as a T&M contract. The only difference is that the contractor does not supply materials. For reasons similar to those for T&M, a Labor-Hour contract is not a recommended contract type.

F. Indefinite-Delivery Contracts.

An Indefinite-Delivery Contract (IDC) allows you to acquire supplies or services when the exact times and/or exact quantities of future deliveries are not known at the time the contract is awarded. IDCs are also referred to as task order contracts (for services) or delivery order contracts (for supplies). There are three types of IDCs: Indefinite-Delivery Definite-Quantity (IDDDQ), Indefinite-Delivery Indefinite-Quantity (IDIQ), and Requirements. An IDC can be priced using any appropriate pricing arrangement, such as FFP, Cost-reimbursement, or T&M.

An IDDDQ contract provides for the contractor to deliver a definite quantity of specific supplies or services for a fixed period of time. Deliveries of supplies or performance of services occurs when an order is issued. This contract type is used when you know in advance that a definite quantity of supplies or services will be required during the contract period.

An IDIQ contract provides for the delivery of an indefinite quantity of supplies or services to be delivered during the contract period. Deliveries occur when an order is issued. This contract type expresses the quantities to be delivered as a minimum and a maximum amount. This amount can either be numbers of units or amounts of dollars. Under an IDIQ arrangement, the Government is obligated to order a minimum quantity of supplies or services. This minimum quantity must be more than a nominal amount. An IDIQ contract also contains a maximum amount of supplies or services over which the contractor is not obligated to deliver, even if it is ordered. You should use an IDIQ contract when you cannot determine a precise quantity of supplies or services that you will require, other than a certain minimum amount.

A Requirements contract obligates the Government to acquire all of its requirements for specific supplies or services during a specified period of time from a specific contractor. Deliveries occur when orders are issued. This contract must contain a realistic estimate of the quantities of supplies or services that will be required. This contract must also state a maximum amount of supplies or services the contractor will have to deliver and the Government would be allowed to order. You should use a Requirements contract when you anticipate that you will have a recurring need for specific supplies or services, but cannot determine precisely the quantities.

G. Existing Contractual Vehicles.

It is the policy of the Army to make maximum use of IDCs. The use of IDCs generally results in reduced Procurement Administrative Lead-time (PALT) and Acquisition Lead-time (ALT). It is also the policy of the Army to avoid the award of a new contract if there is an existing contractual vehicle that will satisfy your requirement and represents the best business arrangement for the Army. When you are contemplating how you will satisfy a requirement through contracting, you should consider the use of any existing contracts. You should only pursue the award of a new contract if there are no existing contractual vehicles that will satisfy your requirement; or there is an Army organization that has a particular expertise in acquiring certain items or services; or you have a unique requirement that is unlikely to be available on another agency's contracts. If you choose to award a new contract, it should be structured to allow the Army, DoD, and other Government agencies to place orders against it if they have the same contract requirement. NOTE: Use of an existing contracting vehicle does not preclude you from submitting the appropriate acquisition package to AMCCP-O for approval.

H. Federal Supply Schedules (FSS) (Services Contracts)

The Federal Supply Schedule program, directed and managed by the General Services Administration (GSA), provides Federal agencies with a simplified process for obtaining commonly used commercial supplies and services at prices associated with volume buying (also see FAR 8.002). Indefinite delivery contracts (including requirements contracts) are established with commercial firms to provide supplies and services at stated prices for given periods of time.

Many of the services procured in support of HQ AMC utilize either the Management, Organizational and Business Improvement Services (MOBIS) schedule or the Information Technology Product and Services (IT) schedule both of which are managed by GSA.

I. Section 803 Changes to FSS contracts over \$100,000:

Department of Defense has implemented new rules for ordering services derived from Section 803 of the National Defense Authorization Act for 2002. Section 803 requires the DoD, when placing task orders over \$100,000 for services, to contact many more sources than have currently been required under Federal Supply Schedule (FSS) policy. Prior FSS policy required the

contracting officer (KO) to contact at least 3 schedule holders that are capable of performing the work required. Section 803 requires the KO to contact as many schedule holders as practicable AND ensure that at least 3 responses *are received*, or alternatively, contact ALL the schedule holders. If a KO does not receive 3 responses, he/she must determine in writing that no additional qualified contractors were able to be identified despite reasonable efforts to do so. This determination will, naturally, be subject to review by auditors. This policy requires that good market research must be performed to verify which of the schedule holders are capable of performing the work in order to yield 3 viable proposals. The Defense Contracting Command – Washington (DCC-W) is implementing this new policy by requiring that all procurement requests for FSS contracts include a list of at least 15 schedule holders that can be solicited for any given schedule acquisition over \$1M. See also information on Vendor Lists and Market Research in Section III, paragraph N of this guide.

APPENDIX A: DEFINITIONS

Acceptance: The act by which the Government assumes ownership of delivered goods or approves services provided. Only an authorized representative of the Government can carry out the acceptance. The Government can be acting for itself or as an agent of another organization, and the acceptance can be for partial or complete performance of the contract.

Acquisition: The acquiring by contract with appropriated funds of supplies or services by and for the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, shown, and evaluated. Acquisition begins at the point when agency needs are identified and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management duties directly related to the process of fulfilling agency needs by contract.

Administrative Contracting Office (ACO): The Government contracting office, often at an installation other than the one making the contract, that may perform post-award contract administration duties, check contractor's performance, and carry out post-award contractual duties delegated by the Procuring Contracting Office (PCO).

Best Value: The process used in competitive negotiated acquisition to select the most favorable offer by evaluating and comparing factors in addition to cost or price. Implicit in a best value source selection is the Government's willingness to accept other than the lowest price, minimally acceptable offer, if the added benefits of a higher priced offer exceed the increased cost or price.

Bidder: One who responds to a Government request for sealed bids.

Commerce Business Daily (CBD): A daily publication that lists the Government's proposed contract actions, contract awards, subcontracting leads, sales, surplus property, and foreign business opportunities. This has been replaced by the FedBizOps website:
<http://www.fedbizops.gov/>

Commercial Item: An item, including both supplies and services, of a class or kind that is regularly used for other than Government purposes and is sold or traded in the course of conducting normal business operations.

Competition: Part of an acquisition strategy whereby more than one contractor is sought to bid on (propose) performing a service or function, with the winner being selected on the basis of the criteria set up by the activity for whom the work is to be performed.

Competition in Contracting Act (CICA): A 1984 Congressional act designed to foster competition and promote cost savings; requires advance procurement planning and market research, as well as commercial products whenever practical.

Consideration: The cause, motive, price, or impelling influence which induces a contracting party to enter into a contract.

Contract: An agreement, enforceable by law, between two or more competent parties to do or not to do something not prohibited by law, for legal consideration. Involves both an offer and an acceptance.

Contract Administration: The oversight of a contractor's (or supplier's) performance under the terms, conditions, and specifications of a contract.

Contract Data Requirements List (CDRL): The DD Form 1423 document in the contract that is used to require delivery of data; it instructs the contractor on provisions such as what data to deliver, when and how such data will be accepted, and where to look for instructions.

Contract Modification: Any written alteration in the specification, delivery point, rate of delivery, contract period, price, quantity, or other provision of an existing contract, done under a contract clause; may be unilateral or bilateral.

Contracting Officer (KO): The duly warranted representative of the U.S. Government. Only a Contracting Officer may legally bind the Government and obligate appropriated funds in a contract for goods or services.

Contracting Officer's Representative (COR): An individual to whom the KO delegates certain contract administration responsibilities. Generally at the requesting agency's site, but not organizationally located in the procurement office.

Contractor: A supplier, vendor, or manufacturer having a contractual commitment to give specific supplies or services.

Cost Analysis: Review of individual cost elements of a contractor's proposal such as direct labor and overhead. This technique is used when price analysis, by itself, is not enough to decide whether the total amount is fair and reasonable.

Cost-Plus-Fixed-Fee (CPFF) Contract: A cost-reimbursement type of contract that provides for the payment of a fixed fee to the contractor. Does not vary with actual costs, but may be adjusted as a result of any other changes in the work or services to be performed under the contract.

Cost-Reimbursement Contract: A form of pricing arrangement that provides for payment of allowable, allocable, and reasonable costs incurred in the performance of a contract to the extent that such costs are prescribed or permitted by the contract and uncertainties do not allow costs to be estimated with enough accuracy.

Delivery Order: A written order to a supply contract under an indefinite-delivery type contract, which then becomes the basic obligating document for the transaction.

Discussions: Any oral or written communication between the Government and an offeror other than communications conducted for the purpose of minor clarification, whether or not initiated by the Government that: involves information essential for determining the acceptability of a proposal, or; provides the offeror an opportunity to revise or change its proposal.

Economy Act: An Economy Act action occurs when any Defense Activity decides to have contract support provided by a contracting office outside the DoD. It requires a determination signed by the contracting officer.

Evaluation Factors: Factors that will be considered in evaluating proposals tailored to each acquisition, *and* that have an impact on the source selection decision. Price or cost and past performance are mandated as evaluation criteria in all acquisitions. Price or cost to the Government will not be weighted in the process. Quality will also be discussed and may be expressed in terms of technical excellence, management ability, personnel qualifications, prior experience, and schedule compliance. Other relevant factors, such as cost realism, may also be included.

Fair and Reasonable: A subjective evaluation of what each party considers as equitable consideration in areas such as terms and conditions, cost or price, assured quality, and timeliness of contract performance, and/or any other areas subject to negotiation.

Federal Acquisition Regulation (FAR): The Government-wide procurement regulation mandated by Congress and issued by the Department of Defense (DoD), the General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA).

Firm-Fixed-Price (FFP) Contract: A contract that provides for a price that is not subject to any adjustment by reason of costs experienced by the contractor in the performance of the contract. Suitable for acquiring commercial items or for acquiring other supplies or services on the basis of a reasonably definitive functional or detail specification when the contracting officer can establish fair and reasonable prices at the outset.

Indefinite-Delivery Contracts: Appropriate when the exact times and/or quantities of future deliveries are not known at the time of the contract award.

Independent Government Cost Estimate (IGCE): An IGCE with Certification is needed with all procurement actions in excess of the Simplified Acquisition Threshold. Where at all possible, when buying commercial, Commercial Off The Shelf (COTS) items, customers can use a price list, catalog, etc. as an IGCE. Sample formats and instructions are discussed elsewhere in this Guide.

Invitation for Bid (IFB): The solicitation is called an IFB when the sealed-bid method of procurement is used.

Justification and Approval for Other Than Full and Open Competition (J&A):

Documentation prepared by the requesting agency which cites statutory authorities that allow using other than full and open competition in a procurement.

Labor Hour Contract: (1) A contract that provides for reimbursement of the contractor's labor costs at a fixed hourly rate, or (2) A variation of the time-and-materials contract, differing only in that materials are not supplied by the contractor.

Market Survey: An effort to decide whether other qualified sources exist that are capable of satisfying the Government's requirement.

Negotiations: Government acquisition of supplies or services by other than sealed-bid procedures.

Offer: A legally binding promise by one party to another to enter into a contractual agreement if the offer is accepted. In sealed bidding, offers made in response to IFBs are called "bids". In negotiated acquisitions in response to an RFP, the offer is called a "proposal".

Offloading: Offload actions occur when a requesting agency wants to have an alternate contracting activity within DoD to contract for the work needed.

Option: A unilateral right in a contract by which, for a specified time, the Government may choose to purchase added quantities of the supplies or services called for in the contract, or to extend the period of performance of the contract.

Price Analysis: The process of examining and evaluating a prospective price without evaluating the separate cost elements and proposed profit of the individual offeror.

Privity of Contract: The legal relationship between two parties to the same contract. The Government has "privity of contract" with the prime contractor. The Government's relationship with any subcontractor is indirect and must be channeled through the prime contractor.

Procurement: The process of acquiring goods or services. Includes all stages beginning with the determination of a need for the goods or services, and ending with contract completion and close-out.

Proposal: An offeror's response to a Government Request for Proposal (RFP) that presents the offeror's approach to meeting the Government's requirement.

Request for Proposal (RFP): A solicitation document used in negotiated acquisitions to communicate Government requirements and to ask for proposals. Generally issued on requirements with a dollar value that exceeds \$25,000. A proposal received in response to an RFP is an offer that can be accepted by the Government to create a binding contract, either following negotiations or, when authorized, without discussion.

Request for Quotation (RFQ): A solicitation document used in acquisitions to communicate Government requirements to prospective contractors and to ask for quotations. A quotation received in response to an RFQ is not considered an offer and cannot be accepted by the Government to create a binding contract.

Simplified Acquisition Threshold: The maximum dollar value of an acquisition of supplies or non-personal services, below which administrative and documentation requirements are reduced, compared to acquisitions above this dollar value. The threshold is currently \$100,000.

Solicitation: A document requesting or inviting bids or proposals from offerors.

Specification: A description of the technical requirements for a material, product, or service that includes the criteria for determining that the requirements have been met. Three types of specifications used in Government contracting are: performance, functional, and design.

Statement of Work (SOW): That part of a contract describing the actual work to be done by specifications or other minimum requirements, quantities, performance date, and a statement of the requisite quantity.

Synopsis: An abbreviated description of a procurement that is published in the Commerce Business Daily (CBD) (now FedBizOps) in advance of the procurement.

Task Order: A written order to a service contract under an indefinite-delivery type contract, which becomes the basic obligation document for the transaction.

Terms and Conditions: All language in a contract, including time of delivery, packing and shipping, applicable standard clauses, and special provisions.

Time-and-Materials Contract: A type of contract providing for a fixed hourly rate, including overhead and profit and material at cost, plus handling charges. Used when it's impossible to estimate schedule and costs at the time of contract award. If no material is involved, it's termed a Labor-Hour contract.

U.S.C.: United States Code.

Warranty: An agreement by a contractor that it will be liable for meeting contract specifications for a stated period of time after acceptance.

APPENDIX B: ACRONYMS

AFARS - Army Federal Acquisition Regulation Supplement

ALT - Acquisition Leadtime

AMC - U.S. Army Materiel Command

AMC-C - AMC Circular

AR - Army Regulation

CAAS - Contracted Advisory and Assistance Services

CBA - Cost-Benefit Analysis

CDRL - Contract Data Requirements List

COR - Contracting Officer's Representative

D&F - Determination and Findings

DARTS - Defense Automated Requisition Tracking System

DAU - Defense Acquisition University

DCS - Deputy Chief of Staff

DFARS - Defense Federal Acquisition Regulation Supplement

DSA - Deputy for Systems Acquisition

DCC-W - Defense Supply Service -Washington

DTIC - Defense Technical Information Center

DA - Department of the Army

DoD - Department of Defense

DoDD - DoD Directive

EOR - Elements of Resource

FAR - Federal Acquisition Regulation

FFP - Firm-fixed price

G&A - General and Administrative

GO - General Officer

GSA - General Services Administration

HQ - Headquarters

IDC - Indefinite-Delivery Contract

IDDQ - Indefinite-Delivery Definite-Quantity

IDIQ - Indefinite-Delivery Indefinite-Quantity

IGCE - Independent Government Cost Estimate

J&A - Justification and Approval for Other Than Full and Open Competition

JER - Joint Ethics Regulation

KO - Contracting Officer

MDD - Management Decision Document

MIPR - Military Interdepartmental Purchase Request

MSC - Major Subordinate Command

NTIS - National Technical Information Service

OIG - Office of the Inspector General, DoD

PALT - Procurement Administrative Leadtime

POC - Point of Contact

PUIC - Project Unique Identification Code

QAP - Quality Assurance Plan

QAR - Quality Assurance Requirements

R&D - Research & Development

RDT&E - Research, Development, Test and Evaluation

ROM - Rough Order of Magnitude

SADBU - Office of Small and Disadvantaged Business Utilization

SBA - Small Business Administration

SES - Senior Executive Service

SIC - Standard Industrial Classification

SOW - Statement of Work

T&M - Time-and-Materials

U.S.C. - United States Code

EXHIBIT A - Procurement Package Checklist

Control No.:

PROCUREMENT PACKAGE CHECKLIST

Title of Requirement:
 Name of Initiator:
 Phone No.:

<u>Description of Item or Action (As Required)</u>	<u>Included</u>	<u>N/A</u>
1. DD Form 1262, Funding Authorization Document	()	()
2. Statement of Work (SOW)	()	()
3. Management Decision Document (MDD)	()	()
4. Justification and Approval for Other Than Full and Open Competition	()	()
5. Independent Government Cost Estimate (IGCE)	()	()
6. Contracting Officer's Representative (COR) Nomination	()	()
7. DD Form 1423, Contract Data Requirements List (CDRL)	()	()
8. Economy Act Determination and Findings (D&F)	()	()
9. Non-personal Services Determination	()	()
10. DD Form 254, Contract Security Classification Specification	()	()
11. Evaluation Criteria, or Source Selection Evaluation Plan	()	()
12. Acquisition Plan	()	()
13. Market Research/Vendor List	()	()
Other Documents, as required	()	()

SIGNATURE AND SIGNATURE BLOCK
 OF THE INITIATOR'S DIVISION CHIEF

AMCCP-O USE:

REVISION NO. LOG-IN DATE LOG-OUT DATE ROUTING

PACKAGE APPROVED: _____ DATE: _____

Contracting Operations
 Division, AMCCP-O

Procurement Sensitive – Source Selection Information

EXHIBIT B - Independent Government Cost Estimate

INDEPENDENT GOVERNMENT COST ESTIMATE
TASK IN SUPPORT OF ARMY STANDARDIZATION PROGRAM

<u>Labor Category</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Labor:			
Program Manager	\$82.77	475	\$ 39,315.75
Sr. Industrial Specialist	76.58	1050	80,409.00
Industrial Specialist	58.36	2100	122,556.00
Technical Data Technician	41.72	<u>630</u>	<u>26,283.60</u>
Total Labor		4270	268,564.35
ODCs:			
Travel			1,685.00
Materials			<u>100.00</u>
Total ODCs			1,785.00
SUBTOTAL			270,349.35
G&A @ 12.64%			34,172.16
Total			\$304,521.70

Include Estimate for Options as applicable

1. The labor categories and the amounts of hours within each of those categories are based on previous, similar levels of effort expended to accomplish similar workloads. The effort amounts to one full man-year for the Industrial Specialist; one-half a man-year for the Senior Industrial Specialist; the Technical Data Technician is estimated at 20% of both Industrial Specialists' hours; and the Program Manager's hours are approximately 15% of both Industrial Specialists' hours.
2. The labor rates are from the GSA Schedule.
3. The General & Administrative (G&A) rate is that rate currently quoted by the contractor.
3. Travel costs shown in this estimate are based on one trip for one person to travel from Washington, D.C. to Albuquerque for five days. The costs for this anticipated travel include airfare, hotel, per diem and rental car, and are based on current JTR rates.
4. Material costs are anticipated costs for story boards and other supplies to be used in symposiums and other presentations.

IMA REQUIRER
Management Analyst

EXHIBIT C - Management Decision Document

MANAGEMENT DECISION DOCUMENT MPS - PLANNING, INTEGRATION AND EXECUTION SUPPORT TO AMC REQUIRING OFFICE

DATE: 10 SEPTEMBER 2001

PUIC: AMCXX-V-045 (Obtain PUIC number from AMCCP-O)

DTIC: N/A

1. Purpose: To obtain approval to contract for subject services, in accordance with AMC Circular 5-6, Contracted Advisory and Assistance Services (CAAS), dated 28 January 2002.

2. Discussion:

a. The Statement of Work (SOW) for this effort is at Enclosure 1.

b. The U.S. Army Materiel Command (AMC), like other military organizations, has undergone challenging reorganizations and downsizing over the last ten years. In addition, because of its decentralized nature and the normal rotation of military personnel, combined with civilian workforce downsizing, the AMC organization has been in constant transition. Senior leadership within AMC has determined that it is now time to stabilize the organization, develop the vision for the future, and provide a systematic, disciplined approach to deal with the dynamics of change. This will allow AMC to evolve into an organization best positioned to execute future policy decisions and missions to support Army readiness.

In order to stabilize the organization and develop a vision for the future, the AMC Commanding General directed that an assessment be conducted of the current AMC and sub-element organizational and management structure, functions and processes. This assessment was conducted by MPRI and completed on 11 October 1999. On 28 February 2000, the AMC Commanding General directed the development of an AMC Strategic Plan directed towards AMC initiatives aimed at meeting the Army Vision and supporting the Army Transformation.

c. The objective of this effort is to examine the current management process to define appropriate adjustments in order to eliminate non-value-added activity and identify improved efficiencies. Identified improvements will be coupled with an analysis of the required level of staffing which will enable the organization to provide products and services in timely support of the customer. The contractor will be required to provide expert advice, assistance, guidance and support in management, organizational and business improvement efforts. In addition, the contractor shall provide analytical support that includes collection, analysis, review and documentation of data gleaned from interviews and discussions. Detailed descriptions of required tasks are set forth in the attached SOW.

d. The proposed effort supports AMC's mission by identifying process changes, eliminating or reducing inefficient activity, and understanding how to better employ scarce resources. Increasing

AMC's efficiency will allow AMC to focus more resources on its core mission of supporting the soldier.

e. This document serves as certification that:

(1) The proposed service does not unnecessarily duplicate prior or ongoing in-house or contract efforts. A literature search was not conducted due to non-applicability of the types of services being acquired under the SOW. Since AMC has the delegated responsibility for the Army's Industrial Base mission, it is unlikely that there will be any duplication of effort or service within the Department of Defense.

(2) The proposed service is not inherently Governmental in nature. The contractor will not be required or allowed to exercise discretion in applying Governmental authority or in making decisions for the Government.

(3) The service cannot be performed in-house. The SOW has been coordinated within this organization. It has been determined that there are no Government employees available to fulfill this requirement.

(4) Contract performance is more cost effective. The effort associated with developing in-house capability would take ___fill-in-the-blank___mo's/yrs. Therefore it is determined that a contract will be the most cost effective way to obtain the required services.

f. This requirement will be acquired through the award of a competitively awarded Blanket Purchase Agreement (BPA) against a General Services Administration (GSA) MOBIS contract, contract number GS-35F-4391G.

g. The control procedures that will be utilized for this acquisition include:

(1) The progress and quality of the service will be evaluated by monthly, interim and summary assessment reports provided by the contractor. The reports shall summarize the degree of compliance with policy and guidance, and recommendations to correct deficiencies.

(2) The AMCXX-XX POC for this action is Mr. John Doe, (703) 617-2222.

(3) The following individuals are serving as the Contracting Officer Representatives (CORs) for this task:

MAJ Jane Doe
HQ, U.S. Army Materiel Command
ATTN: AMCXX-XX
Alexandria, Virginia 22333-0001
(703) 617-5555, Fax (703) 617-1111

h. The anticipated total cost for this effort is \$600,000. The Independent Government Cost Estimate (IGCE) is shown at Attachment 2.

i. Funds are certified as available for this effort. The fund cite is 2112020 6A-7052 438896.XO 2512 S11071 1POPCT.

j. The Element of Resource (EOR) code for this effort is 2512. The Federal Supply Class (FSC) group is R408.

3. Coordination: The requirement for this proposed task has been coordinated with:

AMCCP-O: _____
(AMC CAAS Coordinator) cc/nc date

AMCCC: _____
(AMC Command Counsel) cc/nc date

4. Recommendation: Approve the requirement for a proposed task order for subject service.

Encl

REQUIRER'S DIVISION CHIEF
SIGNATURE BLOCK

APPROVED: _____

DISAPPROVED: _____

SES/GO/Director of Contracting Signature
as appropriate.

EXHIBIT D - Economy Act Determination and Findings

ECONOMY ACT DETERMINATION AND FINDINGS

1. I have reviewed the requirement for (*description of supply or service*) that _____ (*requiring activity*) proposed to place with _____ (*Government agency or corporation outside of DoD*) as an interagency order under the Economy Act. My review resulted in the following findings:
 - a) The proposed acquisition is authorized under the authority of the Economy Act.
 - b) The Army 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. Specifically, a review of Part 8 of the FAR, Part 208 of the DFARS, or other part as applicable, reveals that the responsibility for acquiring this supply or service has not been assigned to an agency other than the one proposed.
 - e) The supplies or services cannot be provided at the time required and more economically by contractors under an Army contract.
 - f) The servicing agency has unique skill or ability not available within the DoD.
 - g) The servicing agency regularly performs the type of work required, will accept the order, and can satisfy the requirement.
 - h) The supplies or services are clearly within the scope of activities of _____ (*Agency*), and that agency normally contracts for those supplies or services for itself.
 - i) The cost to the Army for the requirement, including the administrative fees charged by _____ (*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 cost 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 _____ (*Agency's*) contract are adequate for Army requirements, or the order includes added contract administration requirements for contract administration procedures that follow Army and DoD regulations and policies.
 - k) All approvals and authorizations required by Army and/or DoD regulations and policies for acquiring the supplies or services have been obtained (e.g., FIRMR, AR 5-14, and ARs in the 25 series.
 - l) The requirement is a bona fide need of the Army.

2. Given the above findings, I hereby find that it is in the best interests of the Government to place an order for _____ (*requirement*) with _____ (*Agency*) under the authority of the Economy Act.

(Signature)

EXHIBIT E - Justification and Approval For Other Than Full And Open Competition (Informal)

Office Symbol

MEMORANDUM FOR Defense Contracting Command - Washington, ATTN: Ms. Darlene Ferrare, 5200 Army Pentagon, Room 1C256, Washington, DC 20310

SUBJECT: Justification and Approval for Other Than Full and Open Competition - Sole-source award to Parallax, Inc.

1. This office has a requirement for the acquisition of contractor services to support the Army's Single Process Initiative (SPI) program. This support is to take the form of one work-year of effort that is to extend from 01 Oct 99 to 30 Sep 00. The proposed contract action is an identical follow-on effort to one that was begun on 01 Oct 98 and will end on 30 Sep 99. The current contractor is Parallax, Inc., 20201 Century Boulevard, Germantown, MD 20874.
2. In supporting the Army SPI program, the contractor will perform program management, integration and execution. The tasks the contractor will perform include the maintenance of an Army SPI database; preparation of briefing materials; analysis of data; inter/intra-service coordination of SPI Concept Papers and policies; and development and implementation of new SPI procedures, policies and guidance.
3. The acquisition of this effort is to be accomplished on a sole-source basis from Parallax, Inc. The authority cited for proceeding with this acquisition without providing for full and open competition is 10 United States Code (U.S.C.) 2304(c)(1). The implementing Federal Acquisition Regulation (FAR) cite is FAR 6.302-1, Only one responsible source and no other supplies or services will satisfy agency requirements.
4. As stated in paragraph 1 above, Parallax has been providing the identical service required to Headquarters, U.S. Army Materiel Command (AMC) since 01 Oct 98. The accomplishment of the follow-on effort requires a contractor to have a comprehensive knowledge of not only the SPI, but also the Army's SPI program. Currently, there are only two known contractors who possess detailed knowledge of the SPI: Parallax and ANSER. ANSER is providing support to the U.S. Air Force's SPI program, while Parallax is supporting the Navy's program. However, because Parallax has also been supporting the Army's SPI program, only Parallax possesses detailed knowledge of the Army SPI program. This knowledge extends to the history of the program; Army policy and guidance; procedures for collection, management and distribution of data related to the Army's program; and established working relationships with almost 50 Army personnel at the Headquarters and in the field that are charged with implementing SPI.
5. It is Parallax's vested knowledge of and expertise in the Army SPI program that renders any other contractor incapable of meeting the Government's requirements. According to FAR 6.302-

1, follow-on services may be considered to be available from only one source if it is likely that award to another contractor will result in duplication of costs that would not be recovered through competition; and/or unacceptable delays in fulfilling the agency's requirements. Based on the results of last year's competition for contractor support for the Army SPI program, Parallax's price was over 33% lower than the quote from ANSER, the only other contractor capable of providing this service. Therefore, it is reasonable to state that award to another contractor will result in a duplication of costs that will not be recovered through competition.

In addition, the transition between the current contract and the proposed follow-on contract must be seamless because the Office of the Secretary of Defense (OSD) is pursuing several significant new initiatives within the SPI. These initiatives include new legislative proposals that will require service input; facility commercialization; and expansion of the roles of Corporate Management Councils. Moving to a new contractor who does not possess in-depth knowledge of the Army's SPI program at this critical time will seriously delay Army implementation of the new initiatives. Therefore, award to any other contractor will result in an unacceptable delay in meeting the SPI mission.

6. If you require additional information regarding this matter, please contact the undersigned at COMM 617-XXXX, DSN 767-XXXX.

NAME
TITLE

EXHIBIT F - Justification And Approval For Other Than Full And Open Competition (Formal)

Justification and Approval for Other Than Full and Open Competition

1. **Contracting Activity:** Specify the contracting activity responsible for this action.
2. **Description of Action:** State whether the approval is being requested for a new contract or a modification. Include the type of contract, type of funds to be used (e.g., R&D, OPA, OMA), and, when applicable, the estimated share and ceiling arrangements.
3. **Description of Supplies or Services:** Describe the supplies or services. Include the estimated total value, including options, if any.
4. **Authority Cited:** Identify the statutory authority permitting other than full and open competition, followed by the FAR citation and FAR citation title.
5. **Reason for Authority Cited:** Describe how this action requires the authority cited. If applicable, identify the proposed or potential contractor(s), and include a discussion of the proposed contractor's unique qualifications for fulfilling the contract requirements. If the authority is FAR 6.302-1, include the required delivery schedule and lead-time involved. If the authority is FAR 6.302-2, include the required delivery schedule and lead-time involved, as well as a discussion of the serious injury to the Government which would result if the award of a contract is delayed.
6. **Efforts to Obtain Competition:** Describe efforts to make sure that offers are solicited from as many potential sources as is practical. Also, describe the extent of effective competition expected for this acquisition.
7. **Actions to Increase Competition:** There may be instances when it's not possible to compete the current acquisition. Include a statement of the actions taken, or to be taken, to increase competition (e.g., breakout) before any subsequent acquisition of the supplies or services. If the requirement is for a repair part, discuss whether or not it has been screened under DFARS Appendix E. If it has been screened, give the Acquisition Method Code (AMC) and Acquisition Method Suffix Code (AMSC). Give the approximate date the technical data package will be available.
8. **Market Survey:** Describe the extent and results of the market survey (FAR Part 10) conducted to identify all qualified sources. If one was not conducted, give the reasons, and attach a copy of the approved waiver.
9. **Interested Sources:** Before a J&A can be approved, potentially interested offerors must be informed by a synopsis in the Commerce Business Daily (CBD) about the pending acquisition in enough detail that interested parties may send statements of their ability to perform. If applicable, clearly state that "To date, no other sources have written to express an interest."

If 10 U.S.C. 2304(c)(1) is the authority cited, explain why other sources were rejected. Also, state that the notices required by FAR 5.201 will be, or have been published, and that any bids or proposals received will be considered. If a CBD notice will not be published, state which exception in FAR 5.202 applies.

10. Other Facts: Discuss any other facts supporting other than full and competition, such as the following:

a. Procurement History. Reasonable efforts are expected in retrieving the following items from computer records, contract files, competition advocate office files, or other sources:

- (1) Contract numbers and dates of the last several awards;
- (2) Competitive status of these actions;
- (3) Authority previously used for less than full and open competition;
- (4) If a justification was prepared to support the procurement made before this one, a summary of the contents of paragraph 7 of the justification for that procurement and an explanation of the results;
- (5) If any prior award was done by full and open competition, a detailed explanation of the changed circumstances.
- (6) An explanation of any unusual patterns which may be revealed by the history, e.g., several, consecutive urgent buys;
- (7) If a justification was prepared to support the procurement made before this one, briefly describe the circumstances justifying the purchase and whether there have been any significant changes.

b. Acquisition data availability. Explain why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition have not been developed or are not available. Describe actions taken or planned to remedy this situation.

c. Unusual and compelling urgency. When FAR 6.302-2 is cited, give data, estimated cost, or other rationale to explain the nature and extent of the injury to the Government. If the delay associated with the requirement for first article testing is the principal reason for not awarding the contract on a full and open basis, clearly describe the reasons that first article testing is required on this procurement and why other means of assuring quality are not being used.

d. Subcontracting competition. In single source situations, discuss efforts to be taken by the Government to assure that the prime contractor obtains as much competition as possible in its subcontracting.

11. **Technical Certification:** I certify that the supporting data under my cognizance, which are included in the justification, are correct and complete to the best of my knowledge and belief.

Typed Name:
Title:

Date:
Signature:

12. **Requirements Certification:** I certify that the supporting data under my cognizance, which are included in the justification, are correct and complete to the best of my knowledge and belief.

Typed Name:
Title:

Date:
Signature:

13. **Fair and Reasonable Cost Determination:** I hereby find that the expected cost to the Government for this contract action will be fair and reasonable. *Describe techniques to be used to decide fair and reasonable price, such as cost analysis, audit, should cost, or Independent Government Cost Estimate (IGCE). The Contracting Officer signs this certification.*

Typed Name:
Title:

Date:
Signature:

14. **Contracting Officer Certification:** I certify that this justification is correct and complete to the best of my knowledge and belief.

Typed Name:
Title:

Date:
Signature:

APPROVAL

Based on the foregoing justification, I hereby approve the procurement of (state the supplies or services being procured) on other than full and open competition basis under the authority 10 U.S.C. 2304(c)(1), subject to the availability of funds, and if the services and property described have otherwise been authorized for acquisition.

Date:
Signature:

EXHIBIT G - Source Selection Plan

(Note: This sample is for a best value GSA acquisition. If you are planning a Low Price, Technically Acceptable (LPTA) or other type of acquisition, please contact AMCCP-O for additional guidance.

SOURCE SELECTION PLAN

for
(Name of Project/Service)
(date)

I. INTRODUCTION

a. This plan provides administrative guidance, organizational responsibilities, technical evaluation criteria, and procedures for evaluating proposals received in response to the Government's Request for Quotations (RFQ) in awarding a GSA Federal Supply Schedule contract for procurement of (name of project/service) for (name of command/office). Implementation of this plan:

1. Ensures that each participant has a clear understanding of the evaluation process;
2. Ensures impartial, comprehensive and timely evaluation of proposals to identify offerors whose expertise and capabilities satisfy the RFQ requirements;
3. Provides the Contracting Officer (CO) with a comprehensive technical evaluation on the independent and collective judgments of experienced technical and managerial personnel; and
4. Provides an official record of the evaluation process.

b. This plan;

1. Delineates the Source Selection Evaluation Team (SSET) responsibilities;
2. Establishes the procedures for conducting the proposal evaluations; and
3. Specifies criteria to be used in the evaluation process together with the applicable rating technique.

c. The nature of the work to be performed and the resulting contract makes it imperative that a technically qualified offeror be selected. Selection based solely upon the lowest bid offers no assurance of quality performance. The Government's RFQ requires that offerors provide a technical proposal with price information.

II. PROCUREMENT DESCRIPTION

The contractor shall provide (short description). The requirements shall be provided in accordance with the statement of work (SOW). The period of performance (POP) will be for a 12-month base year and two one-year options periods (state appropriate POP).

III. PROCUREMENT STRATEGY

a. For the evaluation process, interested offerors will submit a technical proposal and price information. Technical proposals must include the information needed for the SSET to perform the evaluation in accordance with the award factors and criteria as stipulated in this plan and contained in the RFQ.

b. Technical proposals will concentrate on, and be evaluated in three distinct areas: (list appropriate areas):

1. Technical Understanding of the work;
2. Key Personnel
3. Past Performance

c. The RFQ also requires the submission of price information. Although proposed price is not adjectivally rated it remains a substantial factor. Technical merit will be the most important consideration.

IV. SOURCE SELECTION PROCEDURES

a. Personnel. The Source Selection Evaluation Team (SSET) will consist of at least one person. Informal source selection procedures will be followed. Before the evaluation begins, member(s) of the SSET should meet to ensure they understand the evaluation procedures and are following the same ground rules;

1. Ensure that none of the panel members, either voting or non-voting, have any financial or other conflict of interest for the acquisition;

2. Do not divulge any information concerning the proposals or evaluation assessment to anyone.

b. Evaluation Steps.

1. Rating of Proposals. Proposals will be adjectivally rated against each of the technical evaluation factors set forth in this plan and in the RFQ, as well as given an overall rating. Adjectival ratings to be used are (list appropriate ratings): Excellent, Good, Acceptable, Marginal, and Unacceptable. While inherently subjective, there must be a factual basis for all ratings. To help the SSET and the Contracting Officer (CO), specific comments on the proposal, both positive and negative, will be made on individual rating sheets. Comments must include an assessment of strengths, weaknesses, and deficiencies. Evaluators should feel free to consult with each other during the evaluation process. The evaluations should be based on the written proposal submission and not on assumptions or comparison with the other proposals. In no case should proposals be compared with each other. The final rating of each proposal will be assigned by a consensus of the SSET. Simple averaging of individual evaluation results does not constitute consensus. The SSET will discuss the contents of the proposed consensus.

2. Technical/Price Tradeoff Assessment. The SSET will perform and document a Technical/Price Tradeoff Assessment in order to establish the overall best value proposal. At this time, proposals will be compared, including their strengths and weaknesses to justify award to other than the highest technically rated, lowest price proposal.

3. Price Assessment. The SSET will provide a narrative evaluation of price proposals even if recommended awardee is the highest technically rated, lowest price proposal.

c. Preparation of Report. The SSET chairperson prepares the evaluation report and it must include:

1. An executive summary outlining the main findings, ratings and rank order of proposals and recommended awardee.

2. A detailed analysis of the strengths, weaknesses, and deficiencies of each proposal with specific, not generalized backup for assessments. Evaluator rating sheets and all notes taken during evaluation must be included. A technical analysis of each proposal must be included.

3. A recommendation of the offeror to be awarded the contract with supporting rationale, to include the technical / price tradeoff or price assessment.

V. EVALUATION FACTORS AND RATINGS

The focus of the evaluation and selection will be in identifying the proposal's strengths, weaknesses and deficiencies. The evaluation will analyze the offeror's resources available to implement the contract, and how these resources will be utilized. These resources include proven ability through demonstrated past experience to satisfy all required services as stated in Statement of Work, and previous contract experience. (state appropriate descriptions)

FACTOR 1. Technical Understanding of the Work: This factor involves the degree to which the offeror identifies those technical capabilities that will address the technical requirements in the Statement of Work as related to the mission and functions of the (identify command / office), the Army and the Department of Defense; and the offeror's knowledge in, and experience and involvement with these organizations.

FACTOR 2. Key Personnel: This factor involves the level and ability of key staff members directly related in performing the tasks outlined in the Statement of Work to include as a minimum the adequacy of the offeror's technical organization and staffing, the level of demonstrated experience, education, technical qualifications, the availability of the proposed personnel, the plans and ability to retain qualified personnel, and the adequacy of the plan to recruit qualified personnel. Contractors will submit resumes of key personnel that reflect the experience and qualifications consistent with their proposal. (Can state specific type of experience)

FACTOR 3. Past Performance: This factor involves the evaluation of the quality of the contractor's past performance for services similar in scope and nature to this contracting effort. The contractor will be evaluated in the following past performance areas: similar size, scope, and complexity of work, quality of service, timeliness of performance, cost control, and customer satisfaction. The Government may also evaluate information that is gathered independent of the contractor's proposal to assess past performance. The absence of past performance data will be given a neutral rating. The contractor shall submit the following performance data:

(1) A list of the last three (3) similar technical support contracts and/or subcontracts completed within the last three years, and all contract and subcontracts currently in process. Contracts listed may include those entered into with Government agencies or private sectors. If there is no contract history, experience of individuals may be substituted.

(2) Information as to the quality, timeliness, customer satisfaction, business practices, and personnel management are all elements of past performance evaluation.

(3) Include the following information for each contract and subcontract:

- Project or contract title
- Contract number and duration
- Name and address of contracting activity
- Name, phone/fax numbers for the Procurement Contracting Officer, Administrative Contracting Officer, and Contracting Officer's Representative
- Brief summary of service provided, to include any special problems or challenges, proposed and applied solutions, and results.

FACTOR 4. Price

Evaluation Factors 1, 2 and 3 are of equal weight and importance. Factor 4, Price, is less important than Factors 1, 2 and 3 but remains a substantial factor. (state appropriate weight/order of importance). Price will not be adjectivally rated.

Adjectival Ratings for factors 1, 2 and 3 will include: Excellent, Good, Acceptable, Marginal and Unacceptable (state appropriate ratings)

For purposes of uniformity in rating, the following will be used as a guide in establishing the rating ranges. (state appropriate descriptions)

EXCELLENT

Exceptional Overall Proposal - Proposal significantly exceeds several of the qualifications, experience, and statement of work requirements. There are no deficiencies and the proposal has only a few, if any, minor weaknesses. Proposal demonstrates outstanding levels and abilities of key personnel qualifications, experience and technical expertise directly related to tasks requirements in the statement of work. Proposal reflects and demonstrates extensive knowledge and clear understanding of the requirements. Proposal's concept and past performance information indicate very high potential to achieve success.

GOOD

Good Overall Proposal - Exceeds some qualifications, experience, and statement of work requirements. No deficiencies, but has some minor weaknesses and/or a very few significant weaknesses. Proposal demonstrates noticeable levels and abilities of key personnel qualifications, experience and technical expertise directly related to tasks requirements in the statement of work. Proposal demonstrates sufficient understanding of the requirements. Proposal concept and past performance information indicate good potential to achieve success.

ACCEPTABLE

Acceptable Proposal - Meets qualifications, experience, and statement of work requirements. No deficiencies, but may contain several weaknesses. Proposal demonstrates adequate levels and abilities of key personnel qualifications, experience and technical expertise directly related to tasks requirements in the statement of work. Proposal demonstrates adequate level of understanding of the requirements. Proposal concept and past performance information indicate satisfactory potential to achieve success.

MARGINAL

Marginal Overall Proposal - Meets most, but not all minimum qualifications, experience, and statement of work requirements. Contains several significant weaknesses, and/or some minor deficiencies. Lacking in providing adequate information. Proposal reflects minimal levels and abilities of key personnel qualifications, experience and technical expertise directly related to tasks requirements in the statement of work. Poor concept and/or past performance with questionable likelihood of success.

UNACCEPTABLE

Unacceptable Proposal - Fails to meet any of the minimum qualifications, experience requirements. Does not exhibit an adequate understanding of the requirements. Contains major deficiencies and/or a number of significant

weaknesses. Fails to provide sufficient material information/data. Concept is inadequate and/or past performance does not demonstrate satisfactory level of success.

EXHIBIT H - Contracting Officer's Nomination Memorandum

MEMORANDUM FOR: Defense Contracting Command - Washington, 5200 Army Pentagon, Washington, DC 20310, ATTN: Ms. Contracting Officer

SUBJECT: Contracting Officer's Representative (COR) for Task in support of Headquarters, US Army Materiel Command

1. Reference Procurement Package for the acquisition of services in support of Headquarters, US Army Materiel Command.

2. This office has a requirement for the acquisition of contractor support for the Headquarters, US Army Materiel Command. A procurement package to support this acquisition has been forwarded to your office. In accordance with the requirements of the Statement of Work (SOW) included in the procurement package, the appointment of a Contracting Officer's Representative (COR) is required. As such, I am nominating Mr. John Doe of my office to serve as COR for the proposed contract. The proposed COR completed the required COR training on _____ and is appropriately certified as a COR.

3. Mr. Doe's contact information is as follows:

U.S. Army Materiel Command
ATTN: AMCXXX-XX/ John Doe
5001 Eisenhower Ave
Alexandria, VA 22333-0001
(703) 617-XXXX/ DSN 767-XXXX

4. If you require additional information regarding this action, please contact the undersigned at DSN 767-XXXX, or COMM (703) 617-XXXX.

Signature Block for John Doe's Supervisor

EXHIBIT I - Non-personal Services Determination

MEMORANDUM FOR: Defense Contracting Command - Washington, 5200 Army Pentagon, Washington, DC 20310, ATTN: Ms. Contracting Officer

SUBJECT: Non-personal Services Determination

1. In accordance with the provisions of Federal Acquisition Regulation (FAR) 37.103(a)(1), the following statements are provided to assist the Contracting Officer in determining that non-personal services are described in the Statement of Work (SOW) for (PLEASE INSERT NAME OF YOUR PROJECT HERE).

- a. The requirements described in the SOW provide for the use of highly trained technical personnel not available within the Government.
- b. There will be no Government supervision of the manner in which the Government employees accomplish work.
- c. The contractor's employees will not be used interchangeably with Government personnel and will not perform the same function as the Government personnel.
- d. The contractor's employees will not be integrated into Government organizational structure.
- e. The contractor's employees will not be exercising discretion on the behalf of the Government.

2. A thorough review of the functions considered inherent to the Government set forth at FAR 7.503 has been completed. It is hereby determined that the functions to be performed by the contractor as required in the SOW for (INSERT NAME OF PROJECT HERE) are not functions inherent to the Government.

IMA REQUIRER
Signature Block

EXHIBIT J – Market Research/ Recommended Vendor List

This office has conducted market research for the enclosed acquisition package and has developed the following list of vendors that appear to have the capability necessary to meet the enclosed Statement of Work requirements. The following information was used in this market research:

Market Research Method (Check All That Apply and Provide detail)	
Industry Publications	Trade Journals
Periodicals	Marketing Organizations
Vendor Associations	Trade Shows
Internet	Other: i.e. Thorough search of the GSA MOBIS Schedule for vendor capability
Remarks _____ _____	Remarks _____ _____

As a result of the above market research, it has been determined that the following vendors are acceptable for solicitation for this requirement. The appropriate number of acceptable vendors has been provided IAW Section III N of the guide based upon the dollar value of this action.

VENDOR LIST		
	Company Name, Address, Phone No.	Type of Business (S, L, 8a etc)
Under \$100K		
1		
2		
3		
\$101K - \$500K		
4		
5		
6		
\$501K - \$1M		
7		
8		
9		
10		
Over \$1M		
11		
12		
13		
14		
15		