



*Staying Ready*



**U.S. Army Medical Research and Materiel Command  
Ft. Detrick, Maryland**

# Acquisition Desk Reference



## Project Officers, CORs and GORs



## Acknowledgement

The Deskbook is a result of many hours of hard work and commitment to acquisition excellence from the US Army Medical Research Acquisition Activity (USAMRAA), Fort Detrick, MD management and staff, and Anteon Corporation\*.

Special thanks are due to Nancy Mohler of USAMRAA and Joel Lamy & Betty Poe of Anteon, without whose hard work, the Deskbook would have never been published.

Kenneth B. Connolly  
Director

\*Anteon Corporation, 8610 N. New Braunfels, Suite 100, San Antonio, Texas, 78217, in response to DAMD17-98-A-0002 #0039.

2002 Edition

This manual is intended for use as a convenient reference. Future updates will be reported as issued. Comments, questions or recommendations may be submitted at any time to:

Director, US Army Medical Research Acquisition Activity, 820 Chandler Street, Fort Detrick, Maryland 21702

Webpage at [HTTP://WWW.USAMRAA.ARMY.MIL](http://www.usamraa.army.mil)



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## TABLE OF CONTENTS

INTRODUCTION .....	1
CHAPTER 1. CONTRACTING FOR SERVICES .....	2
SUMMARY .....	2
KEY TERMS .....	2
Acceptable Quality Level (AQL) .....	2
Automated Data Processing (ADP) Position Sensitivity Designations .....	2
Inherently Governmental Functions .....	3
Nonpersonal Services .....	3
Personal Services .....	3
Performance-Based Service Contracting (PBSC) .....	3
Performance Work Statements (PWS) .....	4
Purchase Request .....	4
Quality Assurance .....	4
DUTIES AND RESPONSIBILITIES .....	5
DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT .....	5
Task 1 - Acquisition Planning and Concept Development .....	6
Task 2 - Develop the Performance Work Statement .....	9
Task 3 - Prepare a Quality Assurance Surveillance Plan. ....	11
Task 4 - Prepare the Government Budget Estimate .....	13
Task 5 - Prepare the Evaluation Factors. ....	15
Task 6 - Obtain Necessary Concurrence and Approval. ....	19
DUTY 2. SUPPORTING THE SOLICITATION PROCESS .....	20
Task 1 - Participate in the Pre-Proposal Conference .....	20
Task 2 - Provide Pre-Award Technical Advice .....	21
Task 3 - Participate in Technical Evaluations .....	21
Task 4 - Participate in Oral Presentations and Negotiations .....	22
Task 5 - Channel Contractor Inquiries to the Contracting Officer .....	22
DUTY 3. DEVELOPING THE COR WORK PLAN .....	23
Task 1 - Know Your Duties and Responsibilities .....	23
Task 2 - Establish Files .....	24
Task 3 - Develop and Follow a Work Plan. ....	25
Task 4 - Notify the Contracting Officer of Problems .....	26



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

DUTY 4. SUPPORTING THE POST AWARD ORIENTATION AND DEBRIEFING OF UNSUCCESSFUL OFFERORS.....	27
<b>Task 1 - Provide Support for the Post Award Orientation</b> .....	27
<b>Task 2 - Participate in the Post Award Orientation.</b> .....	29
<b>Task 3 - Participate in the Debriefing of Unsuccessful Offerors</b> .....	30
DUTY 5. MONITORING CONTRACTOR PERFORMANCE.....	31
<b>Task 1 - Monitor Contract Performance</b> .....	31
<b>Task 2 - Respond to Requests from the Contractor</b> .....	32
<b>Task 3 - Manage Constructive Change Situations</b> .....	33
DUTY 6. ACCEPTING OR REJECTING SERVICES.....	35
<b>Task 1 - Acceptance</b> .....	35
<b>Task 2 - Rejection</b> .....	36
<b>Task 3 - Evaluate the Contractor's Rejection Reply</b> .....	36
DUTY 7 COMPLETING OTHER COR SUPPORT TASKS.....	37
<b>Task 1 - Administer Government Property</b> .....	37
<b>Task 2 - Provide Technical Support for Contract Modifications</b> .....	38
<b>Task 3 - Manage Performance Problems</b> .....	38
<b>Task 4 - Provide Technical Support for Terminations</b> .....	40
<b>Task 5 - Advise the Contracting Officer on Options</b> .....	40
<b>Task 6 - Document Past Performance</b> .....	41
<b>Task 7 - Participate in Contract Closeout</b> .....	43
ADDITIONAL READINGS.....	44
CHAPTER 2. CONTRACTING FOR SUPPLIES AND EQUIPMENT.....	46
SUMMARY.....	46
KEY TERMS.....	46
<b>Commercial Items</b> .....	46
<b>Design Specifications</b> .....	46
<b>Federal Supply Schedules</b> .....	46
<b>FOB Destination</b> .....	46
<b>FOB Origin</b> .....	47
<b>Performance Specifications</b> .....	47
<b>Reports of Discrepancies</b> .....	47
<b>Supplies</b> .....	47
<b>Warranties</b> .....	47
DUTIES AND RESPONSIBILITIES.....	48
DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT.....	48
<b>Task 1 - Acquisition Planning and Concept Development</b> .....	49



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<b>Task 2 - Develop the Specification or Purchase Description</b> .....	52
<b>Task 3 - Determine Inspection and Acceptance Criteria</b> .....	53
<b>Task 4 - Prepare the Government Budget Estimate</b> .....	54
<b>Task 5 - Prepare the Evaluation Factors.</b> .....	54
<b>Task 6 - Obtain Necessary Concurrence and Approval</b> .....	55
<b>DUTY 2. SUPPORTING THE SOLICITATION PROCESS</b> .....	<b>57</b>
<b>Task 1 - Participate in the Pre-Proposal Conference</b> .....	57
<b>Task 2 - Provide Pre-Award Technical Advice</b> .....	57
<b>Task 3 - Participate in Technical Evaluations</b> .....	58
<b>Task 4 - Participate in Oral Presentations and Negotiations</b> .....	58
<b>Task 5 - Channel Contractor Inquiries to the Contracting Officer</b> .....	59
<b>Task 6 - Participate in the Debriefing of Unsuccessful Offerors</b> .....	59
<b>DUTY 3. MONITORING CONTRACT PERFORMANCE</b> .....	<b>59</b>
<b>Task 1 - Know Your Duties and Responsibilities</b> .....	60
<b>Task 2 - Develop and Follow a COR Work Plan</b> .....	61
<b>Task 3 - Advise the Contracting Officer of Problems</b> .....	62
<b>DUTY 4. ACCEPTING OR REJECTING SUPPLIES OR EQUIPMENT</b> .....	<b>62</b>
<b>Task 1 - Acceptance</b> .....	63
<b>Task 2 - Rejection</b> .....	63
<b>Task 3 - Evaluate the Contractor's Rejection Reply</b> .....	63
<b>DUTY 5. COMPLETING OTHER COR SUPPORT TASKS</b> .....	<b>64</b>
<b>Task 1 - Provide Technical Support for Contract Modification</b> .....	64
<b>Task 2 - Manage Performance Problems</b> .....	65
<b>Task 3 - Provide Technical Support for Terminations</b> .....	66
<b>Task 4 - Advise the Contracting Officer on Options</b> .....	67
<b>Task 5 - Document Past Performance</b> .....	68
<b>Task 6 - Participate in Contract Closeout</b> .....	69
<b>ADDITIONAL READINGS</b> .....	<b>70</b>
<b>CHAPTER 3. CONTRACTING FOR CONSTRUCTION</b> .....	<b>71</b>
<b>SUMMARY</b> .....	<b>71</b>
<b>KEY TERMS</b> .....	<b>71</b>
<b>Bonds</b> .....	71
<b>Design</b> .....	71
<b>Liquidated Damages</b> .....	71
<b>Specification</b> .....	72
<b>Standard</b> .....	72
<b>Sealed Bidding</b> .....	72



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

**DUTIES AND RESPONSIBILITIES.....73**

**DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT .....73**

**Task 1 - Acquisition Planning and Concept Development.....74**

**Task 2 - Develop the Statement of Work.....76**

**Task 3 - Prepare a Quality Assurance Surveillance Plan .....78**

**Task 4 - Prepare the Independent Government Estimate .....79**

**Task 5 - Obtain Necessary Concurrence and Approval.....81**

**DUTY 2. SUPPORTING THE SOLICITATION PROCESS.....82**

**Task 1 - Participate in the Site Visit and Pre-Bid Conference .....82**

**Task 2 - Provide Pre-Award Technical Advice.....82**

**Task 3 - Participate in Technical Evaluations.....83**

**Task 4 - Participate in Negotiations .....83**

**Task 5 - Channel Contractor Inquiries to the Contracting Officer .....84**

**DUTY 3. DEVELOPING THE COR WORK PLAN .....84**

**Task 1 - Know Your Duties and Responsibilities.....85**

**Task 2 - Establish Files.....86**

**Task 3 - Develop and Follow a Work Plan.....86**

**Task 4 - Notify the Contracting Officer of Problems .....88**

**DUTY 4. SUPPORTING THE PRECONSTRUCTION CONFERENCE.....88**

**Task 1 - Provide Support for the Preconstruction Conference .....89**

**Task 2 - Participate in the Preconstruction Conference .....93**

**DUTY 5. MONITORING CONTRACTOR PERFORMANCE.....93**

**Task 1 - Monitor Contract Performance.....94**

**Task 2 - Review and Respond to Submittals from the Contractor .....97**

**Task 3 - Enforce Federal Labor Standards.....97**

**Task 4 - Manage Constructive Change Situations.....98**

**DUTY 6. ACCEPTING OR REJECTING SERVICES .....99**

**Task 1 - Acceptance .....100**

**Task 2 - Rejection .....100**

**Task 3 - Evaluate the Contractor’s Rejection Reply .....100**

**DUTY 7. COMPLETING OTHER COR SUPPORT TASKS .....101**

**Task 1 - Provide Technical Support for Contract Modifications.....101**

**Task 2 - Manage Performance Problems.....102**

**Task 3 - Provide Technical Support for Terminations .....103**

**Task 4 - Document Past Performance.....104**

**Task 5 - Participate in Contract Closeout .....105**

**ADDITIONAL READINGS .....105**



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

CHAPTER 4. RESEARCH AND DEVELOPMENT CONTRACTING .....	107
SUMMARY .....	107
KEY TERMS .....	107
Advanced Development .....	107
Applied Research .....	107
Basic Research .....	107
Broad Agency Announcements .....	107
Biosafety Level 1 .....	108
Biosafety Level 2 .....	108
Biosafety Level 3 .....	108
Biosafety Level 4 .....	109
Development .....	109
Engineering Development .....	109
Exploratory Development .....	110
Interagency Acquisitions .....	110
Principal Investigator (PI) .....	110
DUTIES AND RESPONSIBILITIES.....	110
DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT .....	110
DUTY 1A. DEVELOPING AND DOCUMENTING REQUIREMENTS WHEN USING BROAD AGENCY ANNOUNCEMENTS.....	113
Task 1 - Acquisition Planning and Concept Development.....	113
Task 2 - Prepare Evaluation Factors.....	114
Task 3 - Participate in Scientific and Technical Evaluations .....	114
Task 4 - Obtain Necessary Concurrence and Approval.....	115
DUTY 1B. DEVELOPING AND DOCUMENTING REQUIREMENTS WHEN USING SOLICITATIONS.....	116
Task 1 - Acquisition Planning and Concept Development.....	116
Task 2 - Develop the Work Statement .....	119
Task 3 - Prepare a Quality Assurance Surveillance Plan. ....	122
Task 4 - Prepare the Government Budget Estimate.....	123
Task 5 - Prepare the Evaluation Factors .....	125
Task 6 - Obtain Necessary Concurrence and Approval.....	129
DUTY 2B. PRE-AWARD SUPPORT WHEN USING SOLICITATIONS .....	131
Task 1 - Participate in the Pre-Proposal Conference .....	131
Task 2 - Provide Pre-Award Technical Advice.....	132
Task 3 - Participate in Technical Evaluations.....	132
Task 4 - Participate in Oral Presentations and Negotiations.....	133
Task 5 - Channel Contractor Inquiries to the Contracting Officer .....	133



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

DUTY 1C. PLANNING AND CONCEPT DEVELOPMENT WHEN USING INTERAGENCY AGREEMENTS.....	133
DUTY 3. DEVELOPING THE COR WORK PLAN .....	134
Task 1 - Know Your Duties and Responsibilities.....	134
Task 2 - Establish files .....	135
Task 3 - Develop and Follow a Work Plan. ....	136
Task 4 - Notify the Contracting Officer of Problems .....	137
DUTY 4. SUPPORTING THE POST AWARD ORIENTATION AND DEBRIEFING OF UNSUCCESSFUL OFFERORS.....	138
Task 1 - Provide Support for the Post Award Orientation.....	138
Task 2 - Participate in the Post Award Orientation. ....	141
Task 3 - Participate in the Debriefing of Unsuccessful Offerors .....	141
DUTY 5. MONITORING CONTRACTOR PERFORMANCE .....	141
Task 1 - Monitor Contract Performance .....	142
Task 2 - Respond to Requests from the Contractor .....	144
Task 3 - Manage Constructive Change Situations.....	145
DUTY 6. ACCEPTING OR REJECTING SERVICES .....	146
Task 1 - Acceptance .....	147
Task 2 - Rejection .....	147
Task 3 - Evaluate the Contractor's Rejection Reply.....	147
DUTY 7. COMPLETING OTHER COR SUPPORT TASKS.....	148
Task 1 - Administer Government Property.....	148
Task 2 - Provide Technical Support for Contract Modification .....	149
Task 3 - Manage Performance Problems.....	149
Task 4 - Provide Technical Support for Terminations .....	151
Task 5 - Advise the Contracting Officer on Options .....	151
Task 6 - Document Past Performance.....	152
Task 7 - Participate in Contract Closeout .....	154
ADDITIONAL READINGS .....	155
CHAPTER 5. ASSISTANCE AGREEMENTS .....	157
SUMMARY .....	157
KEY TERMS .....	157
Applied Research .....	157
Assistance Agreements .....	157
Basic Research.....	157
Broad Agency Announcements.....	158
Cooperative Research and Development Agreements (CRDA). ....	158



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

<b>Principal Investigator (PI)</b> .....	158
<b>Recipient</b> .....	158
<b>DUTIES AND RESPONSIBILITIES</b> .....	<b>159</b>
<b>DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT</b> .....	<b>159</b>
<b>Task 1 - Acquisition Planning and Concept Development</b> .....	160
<b>Task 2 - Prepare Evaluation Factors</b> .....	161
<b>Task 3 - Participate in Scientific and Technical Evaluations</b> .....	161
<b>Task 4 - Obtain Necessary Concurrence and Approval</b> .....	162
<b>DUTY 2. DEVELOPING THE GOR WORK PLAN</b> .....	<b>163</b>
<b>Task 1 - Know Your Duties and Responsibilities</b> .....	163
<b>Task 2 - Establish Files</b> .....	164
<b>Task 3 - Develop and Follow a Work Plan</b> .....	165
<b>Task 4 - Notify the Grant Officer of Problems</b> .....	166
<b>DUTY 3. SUPPORTING THE POST AWARD ORIENTATION</b> .....	<b>167</b>
<b>Task 1 - Support the Post Award Orientation</b> .....	167
<b>Task 2 - Participate in the Post Award Orientation</b> .....	169
<b>DUTY 4. MONITORING PERFORMANCE</b> .....	<b>169</b>
<b>Task 1 - Monitor Agreement Performance</b> .....	170
<b>Task 2 - Respond to Requests from the Recipient</b> .....	173
<b>Task 3 - Manage Constructive Change Situations</b> .....	173
<b>DUTY 5. ACCEPTING OR REJECTING SERVICES</b> .....	<b>174</b>
<b>Task 1 - Acceptance</b> .....	175
<b>Task 2 - Rejection</b> .....	175
<b>Task 3 - Evaluate the Recipient’s Rejection Reply</b> .....	175
<b>DUTY 6. COMPLETING OTHER GOR SUPPORT TASKS</b> .....	<b>175</b>
<b>Task 1 - Administer Government Property</b> .....	176
<b>Task 2 - Provide Technical Support for Modifications</b> .....	176
<b>Task 3 - Manage Performance Problems</b> .....	177
<b>Task 4 - Provide Technical Support for Terminations and Suspensions</b> .....	178
<b>Task 5 - Participate in Agreement Closeout</b> .....	179
<b>ADDITIONAL READINGS</b> .....	<b>179</b>
<b>APPENDIX A - ACQUISITION PLAN FORMAT</b> .....	<b>180</b>
<b>APPENDIX B - JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION</b> .....	<b>184</b>
<b>APPENDIX C - MATERIAL INSPECTION AND RECEIVING REPORT (DD FORM 250)</b> .....	<b>186</b>
<b>APPENDIX D - SOURCES OF SUPPLIES AND FEDERAL SOCIOECONOMIC PROGRAMS</b> .....	<b>190</b>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

GLOSSARY OF ACQUISITION TERMS .....	<b>200</b>
<b>Account Managers</b> .....	200
<b>Acquisition Team</b> .....	200
<b>Administrative Contracting Officers (ACO)</b> .....	200
<b>Anti - Deficiency Act</b> .....	200
<b>Associate Director of Small and Disadvantaged Business Utilization</b> .....	200
<b>Blanket Purchase Agreement (BPA)</b> .....	201
<b>Chief of the Contracting Office (CCO)</b> .....	201
<b>Collusive Bidding and Other Antitrust Violations</b> .....	201
<b>Competition</b> .....	201
<b>Competition Advocate</b> .....	201
<b>Competition, Other Than Full and Open (Sole Source)</b> .....	201
<b>Conflicts of Interest</b> .....	202
<b>Contract</b> .....	202
<b>Contracting Officers</b> .....	202
<b>Contracting Officer’s Representative (COR)</b> .....	203
<b>Contracts With Federal Employees</b> .....	203
<b>Cost Mischarging</b> .....	203
<b>Cost Type Contracts</b> .....	203
<b>Contract Types</b> .....	204
<b>Defective Pricing</b> .....	205
<b>Fixed-price Contracts</b> .....	205
<b>Fraud in Government Contracts</b> .....	205
<b>Funding Rules</b> .....	206
<i>Contracts Crossing Fiscal Years</i> .....	<b>206</b>
<i>Incrementally Funded Contracts</i> .....	<b>206</b>
<i>Fiscal Year Contracts</i> .....	<b>206</b>
<i>Fully Funded Contracts</i> .....	<b>206</b>
<i>Task Order Contracts</i> .....	<b>206</b>
<b>Government Purchase Card</b> .....	207
<b>Grants Officer/Account Manager</b> .....	207
<b>Grants Officer’s Representative (GOR)</b> .....	207
<b>Gratuities</b> .....	207
<b>Head of the Contracting Activity (HCA)</b> .....	207
<b>Integrity of the Procurement Process</b> .....	207
<b>Kickbacks and Commercial Bribery</b> .....	208
<b>Misconduct in Science</b> .....	208
<b>Options</b> .....	208
<b>Order of Preference</b> .....	209
<b>Ordering Officers</b> .....	209
<b>Principal Assistant Responsible for Contracting (PARC)</b> .....	209



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<b>Product Substitution</b> .....	209
<b>Progress Payment Fraud</b> .....	209
<b>Project Officers</b> .....	209
<b>Purchase Orders</b> .....	210
<b>Purchase Request</b> .....	210
<b>Simplified Acquisitions</b> .....	210
<b>Small Business' Role in Federal Contracts</b> .....	210
<b>Unauthorized Commitments</b> .....	211
<b>Unsolicited Proposals</b> .....	211
<b>Use of Official Information</b> .....	211
<b>INDEX</b> .....	<b>212</b>



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

# INTRODUCTION

Effective execution of an Acquisition Program is a complex process requiring all involved individuals – contracting personal, technical personnel, administrative staff, legal counsel, etc., to work as a unified team. This desk reference is designed to provide technical and program individuals involved in all phases of the acquisition process with a basic understanding of their roles, duties and responsibilities. It provides information on acquisition planning, statement of work development, technical evaluations and monitoring contract performance. It also covers the potential problems inherent in the acquisition process and provides information on how to avoid these problem areas. Generally, throughout this desk reference, the term Project Officer is used to identify technical and program individuals during the pre-award phase of the acquisition process and the term Contracting Officer's Representative is used to identify technical and program individuals during the post award phase of the acquisition process. Grants Officer's Representative is used to identify technical and program individuals involved with post award activities associated with Assistance Agreements.

The contracting or acquisition process begins at the point when agency needs are established. It includes the sub-processes of developing a description of requirements to satisfy agency needs; solicitation and selection of sources; award of contracts; contract financing; contract performance; contract administration; and contract close-out. The use of contracts is appropriate whenever the Federal Government requires supplies, services or construction from commercial sources or non-profit institutions. Contracting, for purposes of this Desk Reference, encompasses all processes utilized to purchase, rent, lease or otherwise obtain supplies and services from commercial sources or nonprofit institution using appropriated funds. The acquisition process described also applies generally to grants, cooperative agreements and inter-governmental orders, except where specifically indicated.

This desk reference is divided into five chapters. Chapter 1 focuses on the acquisition process as it applies to [contracting for services](#). Chapter 2 describes [contracting for supplies and equipment](#). Chapter 3 details the acquisition process used when [contracting for construction](#). Chapter 4 describes the acquisition process as it pertains to [research and development contracting](#). Chapter 5 describes [assistance agreements](#). The [glossary](#) provides definitions of common acquisition terms.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **CHAPTER 1. CONTRACTING FOR SERVICES**

### **SUMMARY**

Service contracts are contracts that directly engage the time and efforts of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service contract may be either personal service or non-personal, can cover professional and non-professional personnel and may involve individuals or organizations. While research and development and construction are both types of service contracts, procedures governing these types of contracts are covered elsewhere in the desk reference. Throughout this Chapter, the term Project Officer is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

### **KEY TERMS**

#### **Acceptable Quality Level (AQL)**

The Acceptable Quality Level is the maximum allowable leeway or variance from a standard before the Government will reject a service. The AQL can be expressed as a number, a percentage, or a quantity per number of units inspected. An AQL does not imply that a contractor intentionally provides defective performance. But, it does recognize that defective performance sometimes happens unintentionally. As long as the performance does not exceed the AQL, the Government will accept the service. The contractor must, however, re-perform the services whenever possible.

#### **Automated Data Processing (ADP) Position Sensitivity Designations**

Contractor personnel having access to unclassified automated information systems (either hardware or software) must be assigned an appropriate ADP position sensitivity designation based upon the nature of their duties and the risk they pose to Government information security. The category assigned and the individual's status as a citizen will dictate what type of background investigation must be conducted. It will also determine whether this investigation must be complete or merely initiated prior to commencement of work. There are three position sensitivity designations. **ADP-I** is used for positions where the contractor employee is responsible for planning, directing or implementing computer security programs; has major responsibilities for directing, planning or designing a computer system; or can access a system during operation or maintenance in such a way as to cause grave damage or realize significant personal gain. **ADP-II** is used for positions where the contractor employee is responsible for the direction, planning, design, operation or maintenance of a computer system and whose work is



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

technically reviewed by a higher authority of the ADP-I category. **ADP-III** is used for all positions involving computer activities not classified as ADP-I or II.

### **Inherently Governmental Functions**

An inherently governmental function is one that is so intimately related to the public interest that Government employees must perform that function. Making decisions on behalf of the Government, e.g., determining budget policy, strategy or guidance is an inherently governmental function and may not be contracted out. However, a contractor can participate in budget preparations. Likewise, signing a contract binding the Government is an inherently governmental function, whereas, merely participating in acquisition planning is not. Contracting for inherently governmental functions is prohibited.

### **Nonpersonal Services**

Service contracts are classified as nonpersonal when contract personnel are not subject to the supervision and control usually prevailing in relationships between the Government and its employees. When classifying a contract as nonpersonal, both the contract terms and the manner in which the contract is administered must be reviewed.

### **Personal Services**

The Government is normally required to obtain employees using direct hire procedures. When a contract results in an employee-employer relationship being created between the Government and the contractor's personnel, that contract is classified as a personal services contract. Contracts can be defined as personal service contracts based upon how the contract is written or the manner in which the contract is administered. While a number of factors must be taken into consideration, if the Government exercises relatively continuous supervision and control over contractor personnel, the contract is most likely a personal service. Generally, personal service contracts are prohibited. Exceptions to this rule include Direct Health Care Providers and individual experts and consultants.

### **Performance-Based Service Contracting (PBSC)**

Performance-based contracting is intended to ensure that the required performance quality levels are achieved and that payment is related to the degree that the services rendered meet the contract standard. Performance-based contracts state the Government's need in terms of what is required (the results) rather than the manner in which the contractor is to perform (method). Performance-based contracting includes a measurable performance standard and a quality assurance plan; specific procedures for reductions in contract fee or price when services are not performed; and should include performance incentives where appropriate.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Performance Work Statements (PWS)**

Performance Work Statements (PWS) define requirements in a clear and concise manner. They define the work in terms of “what” is required rather than “how” the work is to be performed. They must enable assessment of work performed against a measurable standard. PWS rely on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work.

### **Purchase Request**

A Purchase Request (PR) is a form or a document that is submitted to the Contracting Officer to initiate a requisition for the purchase of services or supplies. This form will include the amount of money allotted and accounting classification number for the requirement, a description of requirement and necessary signatures. As appropriate, the Purchase Request will include a detailed purchase description, statement of work or specification, delivery schedule, solicitation evaluation factors, estimate of the cost/price and/or a quality assurance plan.

### **Quality Assurance**

Quality Assurance means the various functions, including inspections, performed by the Government to determine whether or not a contractor has fulfilled the contract obligations pertaining to quality and quantity.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **DUTIES AND RESPONSIBILITIES**

### **DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT**

Long before the Government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the USAMRMC. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the service being acquired. Planning is the most effective method of preventing or resolving potential problems early in the process. There are six tasks that must be accomplished during acquisition planning. Click on the task heading for a discussion of the steps associated with each task.



**Task 1. Acquisition Planning and Concept Development**

**Task 2. Develop the Performance Work Statement (PWS)**

**Task 3. Prepare a Quality Assurance Surveillance Plan**

**Task 4. Prepare the Government Budget Estimate**

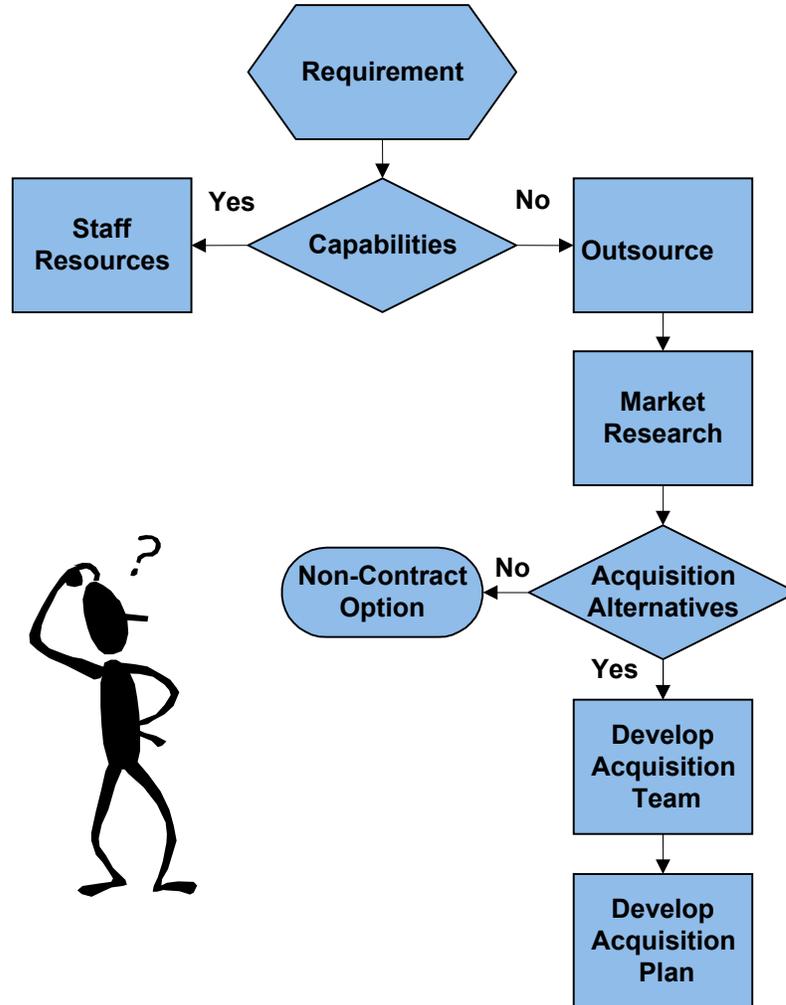
**Task 5. Prepare the Evaluation Factors**

**Task 6. Obtain Necessary Concurrence and Approval**



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Task 1. Acquisition Planning and Concept Development**



**Step 1. Identify the needs of the Government.**

Concept development is the first step in any acquisition. The Project Officer determines that additional resources are required and defines in broad terms what this effort entails. A plan or concept is evolved which reflects consideration of USAMRMC in-house capabilities. Early in this process, the Project Officer should seek assistance and begin coordination with



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

the USAMRAA Account Manager/Contracting Officer. There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs, and budget documents.
- Surveys of requiring activities.
- Meetings to plan, program, and budget for agency missions.
- New scientific studies.
- Changes in policy or regulations.
- Changes in previous/existing contracts.
- The expiration of current contracts.
- In-depth literature searches.
- Discussions with technical and scientific personnel, both within and outside the Government.

Discussions with outside sources may serve to determine interest, scientific approaches, technical capabilities, and state-of-the-art solutions. However, care must be taken not to disclose advance information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited.

In most programs, the concept development phase is intimately connected with the budget process. Keep in mind that there is a specific order of preference for sources of services that must be followed. This must be taken into account during acquisition planning. Once the concept has been formulated, the appropriate management staff must review it for:

- Program relevance
- Need
- Merit
- Priority
- Timeliness

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps to resolve problems early in the acquisition cycle. Services expected to exceed \$30 million over all years (\$15 million for a single year) require a formal, written acquisition plan. While very few acquisitions within USAMRMC meet this threshold, the Project Officer should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that will need to be documented. The Acquisition Plan Format can be found in [Appendix A](#).



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Perform market research.**

The Project Officer uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market Research helps the Project Officer identify services that are available to satisfy the Government's needs, determine potential sources of these services, and estimate cost of these services to the Government. The Project Officer can gather market research information from a variety of sources to include:

- Discussions with commercial experts and other knowledgeable individuals regarding market capabilities and business practices.
- Reviewing the results of other recent market research information. The Internet and web sites of other Government agencies often provide extremely useful information.
- Publishing formal requests for information in the FedBizOpps.com or technical/scientific journals.
- Querying Government and commercial databases.
- Reviewing source lists from other agencies or associations, company catalogs or product literature.
- Holding a pre-solicitation conference.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should also be taken into account. There are several automated systems available to obtain past performance information. The Past Performance Information Management System (PPIMS) is the Army's central repository for past performance information. DOD also maintains a central Internet location for past performance information called the Past Performance Automated Information System (PPAIS). When considering past performance information, review the quality of products or services, timeliness of performance, cost control, business practices and performance of key personnel.

The Project Officer should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSADBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSADBU is a valuable source of information on potential small and disadvantaged business sources. The ADSADBU can advise if there is a mandatory source for the required service and can help the Project Officer better understand the various federally mandated socioeconomic programs. See [Appendix D](#).

During the Market Research Phase, close coordination between the Project Officer and the Account Manager/Contracting Officer is extremely important. The Contracting Officer can

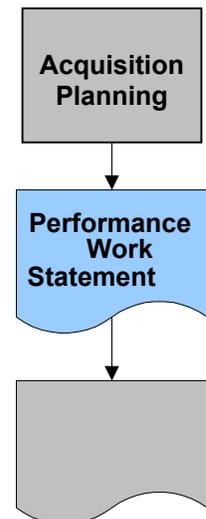
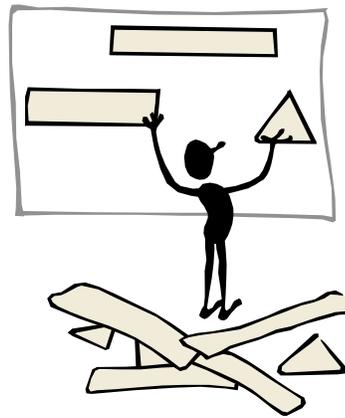


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

provide valuable information about contracting lead-times, potential sources of information and potential problem areas.

### **Task 2. Develop the Performance Work Statement (PWS)**

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written Performance Work Statement should contain a clear and explicit description that reduces problems and enhances the quality of the offers submitted. It should also describe requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written PWS will avoid delays, save administrative efforts, and reduce the chance of a protest or claim against the Government. Carefully planning the PWS of work will save time and will make it possible to develop a concise, trouble-free solicitation.



#### **Step 1. Write the Performance Work Statement.**

The PWS describes the desired output in clear, simple, concise and legally enforceable terms. It should include exhibits and regulations if they help to better convey to the contractor what needs to be done. A performance oriented PWS should not contain detailed procedures unless absolutely necessary. Focus on the end result of the service, not the process.

Begin with a detailed outline that makes it easier to focus on content, to spot inconsistencies, redundancies, and preclude gaps. Draft the PWS one part at a time and include enough details to communicate clearly with the reader. The Project Officer should explain and illustrate salient points wherever it is necessary to convey the correct meaning. Because each acquisition is unique, each PWS must be tailored to the specifics of the project. The elements of a PWS will vary with the objective complexity, size, and nature of the acquisition. In general, it should contain the following sections:

- **Point of Contact** – Name, title, address, phone number, fax number and email address.
- **Date** – Effective date of the PWS (to track changes and revisions).
- **Agency/Activity** – Requesting organization.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- **Title** – Short, unique and descriptive title of the service required.
- **Definitions** – Any special terms or phrases that are used in the PWS that may not be generally understood or have a unique meaning.
- **Background** - Provides a description of the client organization, how the requested services support the client's mission and explains why the acquisition is being pursued. If appropriate, it explains how this project relates to past, current, or future projects. It should also include a summary of statutory program authority and applicable regulations.
- **Objectives** - Provides a concise overview of the client's goals and expectations of the services requested.
- **Scope** - Provides an overall, non-technical description of the work to be performed. Identifies and summarizes the various phases of the project, and defines its limits in terms of specific objectives, time, special provisions, or limitations. Contractor responsibilities and the expected results of the project are often summarized here.
- **Specific Tasks** - Spells out in detail, what is expected of the contractor. Describes the specific tasks, objectives and deliverables required under the contract. Each task is titled and numbered sequentially. Complex tasks are broken down into subtasks. If the contract involves multiple phases, these phases and the effort required in each phase are identified. Tasks should be performance-based, i.e., they should define the work in terms of "what" is required rather than "how" the work is to be performed. They should enable assessment of work performed against a measurable standard. While the delivery schedule or period of performance is normally detailed in a separate section, it may also be included here if necessary for clarity. The criteria for acceptance of all deliverables should also be given in this section.
- **Contract Type** – Recommends the type of contract (firm fixed-price, time & materials, cost plus fixed fee, etc.)
- **Place of Performance** – States the building or location where performance is to occur.
- **Delivery Schedule/Period of Performance** – The delivery schedule/period of performance is specified here. Delivery schedules can be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for services, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified. However, when supplies or services are required beyond the base period, the use of an Indefinite Delivery/Indefinite Quantity ("D" contract) is a better approach as it does not take the same level of analysis or planning as exercising an option.
- **Contract Deliverables** – Specifies precisely what items are to be delivered both during performance of the contract and at completion. If the deliverable is a task, the criteria for accepting or rejecting that task must also be detailed. If the deliverable is a report, this section should discuss what topics are to be addressed, the report format, the criteria to be used in accepting reports, the number of copies the contractor should submit, and to whom they should be submitted.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- **Identification of Contractor Personnel** – When contractor personnel will be working at a Government site, the PWS must include a requirement that contractor personnel clearly identify themselves as a contractor employee. The name of their company should be part of their email address, all correspondence and all identification badges, desk plates, etc. Additionally, contractor personnel must be required to identify themselves as contractor personnel when attending meetings, answering Government telephones, or working in situations where their status as contractor employees may not be obvious.
- **Government Furnished Support** – Lists any property, equipment, or supplies that the Government will provide to the contractor for performance of this contract.
- **Security** – Describes the physical security level required for the specific work to be done, security clearance requirements of contractor personnel, and other security related topics. If the contractor will require access to classified information, the Project Officer will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Account Manager/Contracting Officer for inclusion in the solicitation. This form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award.
- **Access to Government Computers** - The Project Officer must address the degree to which contractor personnel will have access to Government computers - either hardware or software, and include the appropriate ADP position sensitivity designation in the PWS.
- **Inspection and Acceptance** – Describes the criteria that will be used to inspect and accept contract services (see “Prepare the Quality Assurance Surveillance Plan”).
- **Special Considerations** – Includes any special consideration, unique requirements or additional information that would help contractors prepare their proposals. Examples include possible follow-on work, potential conflicts of interest, travel requirements, and applicable agency standards.

### **Step 2. Prepare a justification for any requirements where competition will be limited.**

If less than full and open competition is being recommended, the project officer must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is used on this acquisition. A sample justification format can be found in [Appendix B](#).

### **Task 3. Prepare a Quality Assurance Surveillance Plan**

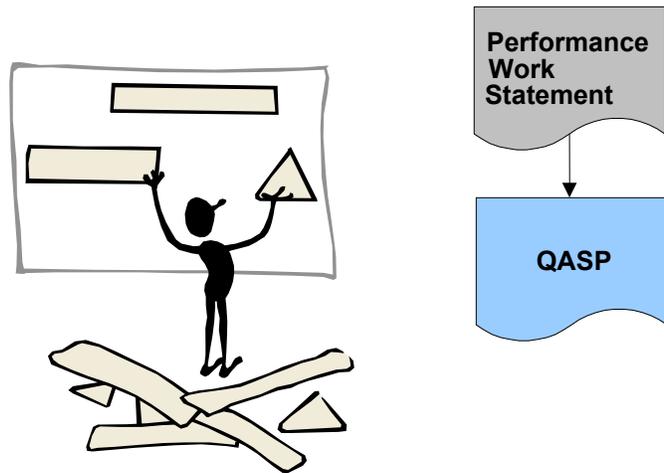
A Quality Assurance Surveillance Plan (QASP) provides a systematic, structured method for the Government to evaluate services that contractors are required to furnish. Government contract quality assurance shall be performed at such times (including any stage in the performance of services) and places (including subcontractors' plants) as may be necessary to determine that the services conform to contract requirements. The QASP should specify all work requiring



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

surveillance and the method of surveillance. Each contract shall designate the place or places where the Government reserves the right to perform quality assurance. The nature of the requirement, cost, criticality, the cost of a potential loss and other similar factors will determine the extent of the Quality Assurance Surveillance Plan and the place where it will be executed. Contract quality assurance is normally performed at destination when acquiring services.

The Quality Assurance Surveillance Plan can range from a one-time inspection to periodic in-process inspections. It is needed to ensure the government receives the quality of services called for under the contract, and pays only for the acceptable level of services received. Since the QASP is intended to measure performance against standards in the PWS, these interdependent documents must be coordinated. Accordingly, writing the two documents simultaneously is both effective and efficient.



- **Content** – A good QASP should include a surveillance schedule and clearly state the surveillance method(s) to be used. The detail in the QASP regarding a particular task should be consonant with the importance of the task. The QASP should focus on the quality, quantity, and timeliness etc. of the performance outputs to be delivered by the contractor, and not on the steps required or procedures used to provide the product or service.
- **Style** – The QASP should be written using precise terms and clear, concise wording. Avoid using broad or vague statements or overly technical language. The QASP should be written in the active voice using task-oriented statements.
- **Method of Surveillance** – The method of surveillance must be consistent with the task. Take into consideration task criticality, performance requirements and standards, and the availability of someone to do the inspections.
  - **100 Percent Inspection** - This is only appropriate for infrequent tasks or tasks with stringent performance requirements, e.g., where safety or health is a concern. With this method, performance is inspected/evaluated at each occurrence. One hundred percent inspection is expensive and should be used on a very limited basis.
  - **Random Sampling** - This is usually the most appropriate method for recurring tasks. With random sampling, services are sampled to determine if the level of performance is acceptable. Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. Computer programs are available to assist in establishing sampling procedures.
  - **Periodic Inspection** - This method, sometimes called “planned sampling,” consists of the evaluation of tasks selected on other than a 100 percent or random basis. It may be appropriate



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

for tasks that occur infrequently, and where 100 percent inspection is neither required nor practicable. A predetermined plan for inspecting part of the work is established using subjective judgment and analysis of available resources to decide what work to inspect and how frequently to inspect it.

- **Customer Input** – This could be used as a primary method where customers normally complain about poor performance. In other instances it can be used as a supplement to the other systematic methods. Complaints should be documented, preferably on a standard form.
- **Surveillance Checklist** – A surveillance checklist, like the example below, should be used to document surveillance.

<b>Quality Assurance Activity Checklist (To be performed (Daily)(Weekly)(Monthly), etc.)</b>					
Contract Requirement	Contract Reference	Method of Surveillance/ Measurement	Date	Place	Compliance
Monthly progress report is due no later than the 10 <sup>th</sup> working day of the month.	Paragraph 5.3.2	Report is delivered on time, to the correct office, in the proper format 95% of the time unless the Government is responsible for the delay.			
Contractor provides replacement of personnel due to resignation, termination or work order modification within 10 working days.	Paragraph 5.10.3	Qualified replacement personnel are provided within the stated time period 90% of the time.			

**Task 4. Prepare the Government Budget Estimate**

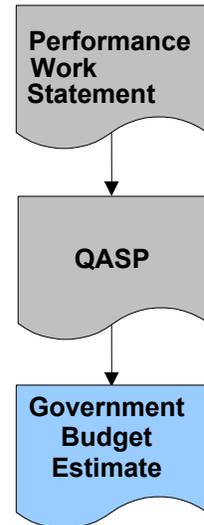
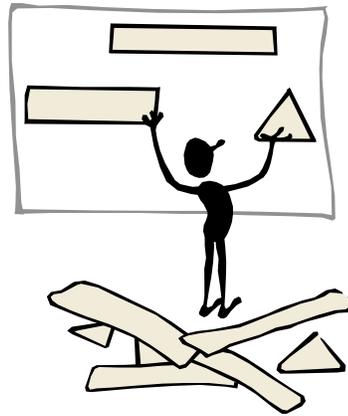
A government budget estimate is a detailed assessment of the cost to the Government for the contracted services. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractor's proposals. Developing cost estimates is the responsibility of the Project Officer. However, the Contracting Officer and activity resource management personnel can provide advice and assistance. The Government Budget Estimate is an internal Government estimate of what a contractor should propose based on the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

PWS. It is business confidential information that should not be discussed or shared with the contractor.

Government budget estimates are simple when the requirement is for commercially available services, since they can be based upon generally available information like price lists, historic data, market research, etc. For complex requirements or non-commercial items an Independent Government Cost Estimate (IGCE) is prepared. The IGCE is a detailed analysis of the various cost elements associated with the acquisition that is used to estimate its cost or price. The IGCE may also be referred to as the Independent Government Estimate (IGE) or the Independent Cost Estimate (ICE). In general, the following steps are used to develop an IGCE:



### **Step 1. Determine direct labor costs.**

Divide the effort into identifiable tasks or logical steps. List the categories of labor that will be required in each task or step and the level of expertise, training and experience required for each category. Estimate the per-day or per-month cost of each category of labor. The Project Officer should be aware that the Service Contract Act might apply to this acquisition. The Service Contract Act specifies certain minimum salaries and fringe benefits that must be paid for specified categories of labor. Consult with your Account Manager/Contracting Officer on this issue. Estimate the total effort from each labor category by task in terms of person-days or person-months. Calculate the estimated direct labor cost.

### **Step 2. Calculate other direct costs (ODCs).**

Estimate the amount and type of materials and supplies that will be required, and the cost of each. Estimate the type and cost of equipment that may have to be purchased. Identify any other elements of direct cost such as consultant services, computer rentals, subcontracts, etc., and estimate their cost. Estimate travel requirements, if any, and their costs. Use the Joint Travel Regulation for per diem rates. Total other direct costs equals the sum of all these costs.

### **Step 3. Calculate indirect costs.**

Estimate the amount of overhead, general & administrative expense that will be charged.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

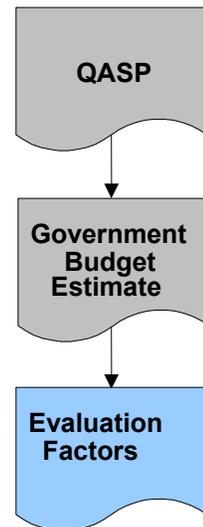
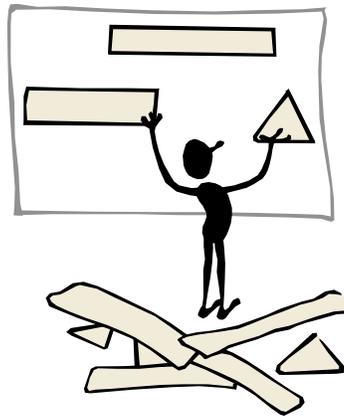
### **Step 4. Calculate Profit/fee.**

Profit/fee is the dollar amount over and above allowable costs that is paid to the contractor for contract performance. Profit/fee provides the motivation for the contractor to meet and exceed the goals of a contract. It also provides the financial capital necessary for a firm to remain a viable entity. Profit/fee stimulate efficient contract performance and attract the best capabilities of qualified large and small business concerns to Government contracts, consequently it is not in the best interests of the Government to strive for extremely low profits/fees. Profit/fee is normally dependent upon the complexity of the contract and the amount of risk.

The sum of direct labor, other direct cost, indirect costs and fee equal the anticipated cost/price of the contract. The Contracting Officer can assist in developing the IGCE. Additional information on the IGCE process can also be found at <http://www.acq.osd.mil/dp/cpf>.

### **Task 5. Prepare the Evaluation Factors**

The Project Officer should prepare a list of factors that can be used to evaluate the contractors' proposals. These factors and sub-factors, along with the weights assigned to each factor and sub-factor are used to determine if the offeror can meet the Government's needs. They are also used to determine which offer is most advantageous to the Government. Only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors. They should be chosen carefully as they will have a major effect on the outcome of the acquisition.



When developing evaluation factors, the Project Officer must be aware of what is called the **best value continuum**. The Government can obtain best value by using any one or a combination of source selection approaches. Depending upon the nature and complexity of the acquisition, the relative importance of cost or price may vary. For example, where the requirement is clearly defined and the risk of unsuccessful contract performance is minimal, cost or price usually plays the dominant role in source selection. Where the requirement is not well defined, development efforts are required or performance risk is high, then technical approach and/or past performance will play a more dominant role in source selection.

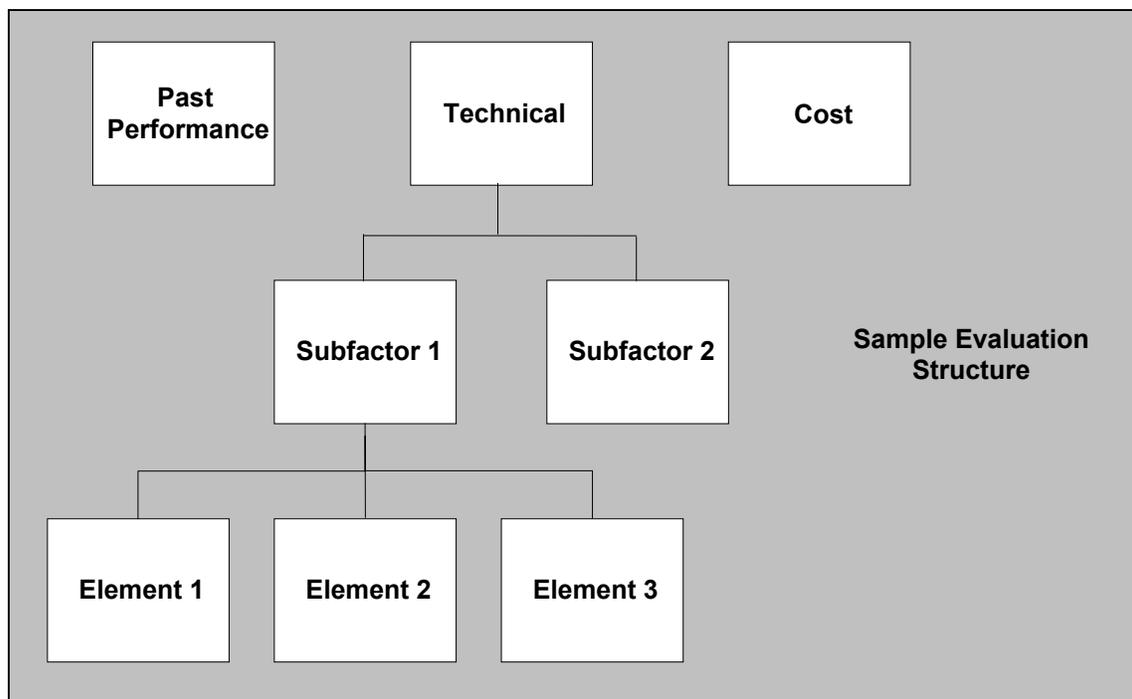


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

The best value continuum begins with the **lowest price technically acceptable source selection** approach. This is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. When using this approach, the evaluation factors and significant sub-factors that establish the requirements of acceptability are described. The Contracting Officer will include this information in the solicitation along with a notice that evaluations will be made on this basis. Once proposals are received, they will be evaluated for acceptability, but not ranked using non-cost/price factors. No **tradeoff** is permitted between cost/price and non-cost/price factors.

Continuing up the best value continuum, tradeoffs among cost/price and non-cost factors are permitted. However, the perceived benefits of the higher price must merit the additional cost. All evaluation factors and significant sub-factors that will be used for source selection and their relative importance must be clearly stated. The Project Officer must also include the rationale for these tradeoffs. Remember, only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

The following illustrates a sample evaluation structure.



The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. Each evaluation factor must be definable in readily



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

understood qualitative terms and represent the key areas of importance to be considered. This is normally done using colors (e.g., red, amber, green) or by using adjectival terms (e.g., poor, fair, good, excellent). The following are common factors that are often included in solicitation evaluations:

- Past performance (**mandatory**).
- Understanding of the requirement.
- Technical approach to performing the work.
- Experience in performing similar work.
- Qualifications of technical personnel.
- Quality of the facilities to be used for performing the work.
- Quality assurance programs and plans.
- Management capabilities and organization for the proposed work.
- Scheduling and delivery-related controls.
- Subcontracting.
- Cost realism.
- Price (**mandatory**).

The following is an example of an evaluation plan

<b>A Sample Evaluation Plan</b>			
<b>Evaluation Factor</b>	<b>Evaluation Criteria</b>	<b>Adjectival</b>	<b>Color</b>
Factor 1. Key Personnel Qualifications.	Personnel not qualified	Unsatisfactory	Red
	Personnel may be qualified but insufficient information provided	Susceptible to being made acceptable (with additional information)	Pink
	Personnel meet requirements	Satisfactory	Yellow
	Personnel meet all and exceed some requirements	Good	Green
	Personnel exceed all requirements	Excellent	Dark Blue



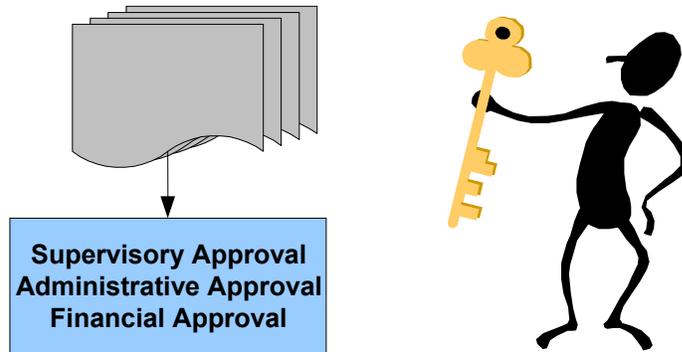
*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Factor 2. Technical Approach			
Sub-factor 2.1. Proposed Methodology	<p>Methodology poor and unorganized. High risk of failure</p> <p>Proposal demonstrates shallow understanding. Methodology has considerable risk.</p> <p>Proposal demonstrates acceptable understanding. Methodology has good probability of meeting performance requirements, but few, if any, strengths. Risk is moderate to high.</p> <p>Proposal demonstrates good understanding. Methodology has high probability of meeting or exceeding performance requirements and has one or more major strengths. Risk is moderate to low.</p> <p>Proposal demonstrates excellent understanding. Methodology has high probability of significantly exceeding the performance requirements. Risk is low.</p>	<p>Unsatisfactory</p> <p>Marginal</p> <p>Satisfactory</p> <p>Good</p> <p>Excellent</p>	<p>Red</p> <p>Pink</p> <p>Yellow</p> <p>Green</p> <p>Dark Blue</p>
Sub-factor 2.2. Management Plan			
Sub-factor 2.3. Knowledge and Task Understanding			
Factor 3. Past Performance			
Factor 4. Price			



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### Task 6. Obtain Necessary Concurrence and Approval



#### **Step 1. Ensure the purchase request and all supporting documents are current, accurate, and complete.**

At this point, the Project Officer should have a funded Purchase Request, Performance Work Statement, Budget Estimate or ICGE, Quality Assurance Plan, Evaluation Factors, a list of potential sources (at least 3 if possible), and justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions: 1. Are the documents written in terms that accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times? 2. Are they designed to obtain maximum competition and has sufficient consideration has been given to quality assurance requirements? 3. Do they satisfy the Government's needs in the most effective, economical, and timely manner? 4. Are the documents consistent with each other? 5. Do the documents request sufficient information from the contractor to adequately evaluate a proposal? 6. Do they request too much information from the contractor? (Information that will not be evaluated should not be requested.) 7. Have performance-based requirements been used to the maximum extent possible?

#### **Step 2. Secure all necessary authorizations.**

The Project Officer should then obtain all necessary concurrence and approvals. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from the requesting/user organization and the appropriate accounting, budgeting, or finance office.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 3. Submit the purchase request and supporting documents.**

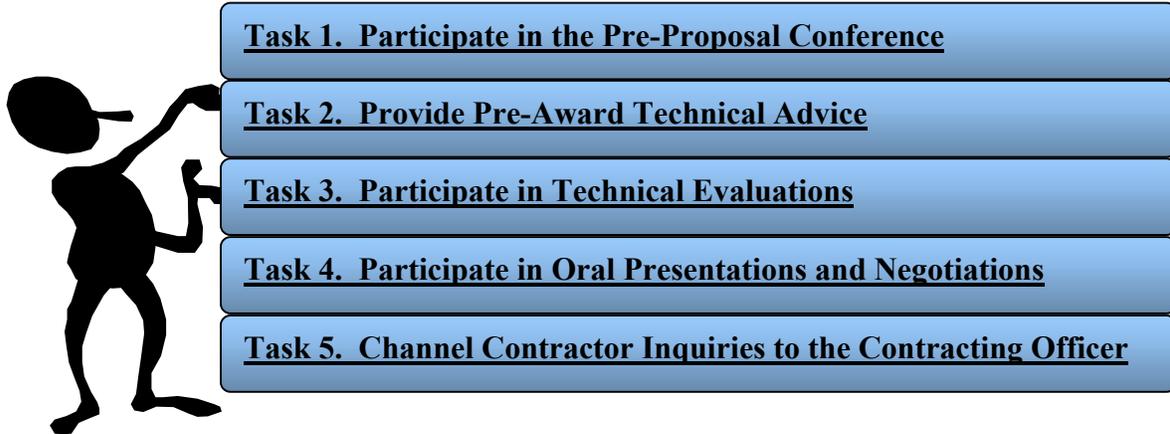
Army activities on Fort Detrick will submit the DA Form 3953 (Purchase Request and Commitment Document) through the Electronic Data Interchange (EDI), using any of the automated requisitioning processes capable of interfacing with PD<sup>2</sup>. The remaining supporting documents should be sent under separate cover, preferably electronic.

Non-Army activities on Fort Detrick and all customers not stationed on Fort Detrick should use the Aquiline system to input their purchase request. Complete instructions for using Aquiline are available at the USAMMRA web site <http://www.usamraa.army.mil>

The use of manual Purchase Requests is discouraged and requires the pre-approval/waiver by the USAMRAA Deputy for Business Support. This may be done telephonically. All manual Purchase Requests must be hand-delivered to the Deputy for Business Support.

## **DUTY 2. SUPPORTING THE SOLICITATION PROCESS**

The Contracting Officer, with assistance from the rest of the Acquisition Team, will accomplish most of the actions required during the solicitation phase. As the Contracting Officer's technical advisor, the Project Officer will play a key supporting role during this period by performing five tasks. Click on the task heading for a discussion of the steps associated with each task.



### **Task 1. Participate in the Pre-Proposal Conference**

A Pre-Proposal Conference may be held to ensure the industry understands the Request for Proposals (RFP) and to clarify any areas of concern or confusion. The Contracting Officer



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

conducts the Pre-Proposal Conference. The Project Officer assists the Contracting Officer in establishing the agenda and attends the conference to answer technical questions as directed by the Contracting Officer. If possible, a stenographer should be used to record the minutes of the conference. The minutes should be distributed as part of an amendment resulting from the conference. Objectives of the Pre-Proposal Conference include the following:

- Clarify complicated work statements.
- Disseminate background data that offer further insight into the size and risks of the projects as well as complexity of the procurement.
- Discuss anticipated difficulties during contract administration, including any exceptional demands on a prospective contractor's capacity and capability.
- Disclose any ambiguities, errors, or omissions in the RFP that must be corrected in a written amendment.
- Provide any additional information that is better presented at a conference or factors that may not have been known at the time the RFP was issued.

### **Task 2. Provide Pre-Award Technical Advice**

The Project Officer provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Project Officer is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the statement of work, terms or delivery schedule. The Project Officer also plays a key role in technical evaluations.

### **Task 3. Participate in Technical Evaluations**

The Project Officer normally participates in Technical Evaluations and recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal, describe strengths and weaknesses, identify potential items for negotiations and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is a meeting of the minds between the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Project Officer may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and by assisting the Contracting Officer review information from the Pre-Award Survey Report.

### **Task 4. Participate in Oral Presentations and Negotiations**

The Project Officer may participate in oral presentations, if conducted. Oral presentations are used to substitute for, or augment, written information. Oral presentations provide an opportunity for dialogue among the parties and can enhance the Government's understanding of the offeror's proposal. The offeror's capability, past performance, work plans or approaches, staffing resources, transition plans, or sample tasks are all suitable topics for oral presentations.

The Project Officer may also participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of its proposal (cost, price, technical approach, past performance, terms and conditions, etc.) Discussions do not have to be held, but when they are, they are tailored to each individual offeror.

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

### **Task 5. Channel Contractor Inquiries to the Contracting Officer**

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Project Officer requesting information about the services required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the RFP is mailed and the contract is awarded.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 3. DEVELOPING THE COR WORK PLAN**

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to develop a cost effective work plan and follow that plan to monitor contract performance. This plan must ensure that all required tasks are well defined and that all milestones are clearly flagged. There are four tasks associated with this duty. Click on the task heading for a discussion of the steps associated with each task.



**Task 1. Know Your Duties and Responsibilities**

**Task 2. Establish Files**

**Task 3. Develop and Follow a Work Plan**

**Task 4. Notify the Contracting Officer of Problems**

#### **Task 1. Know Your Duties and Responsibilities**

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer's Representative (COR), the technical or program person who is appointed to assist the Contracting Officer monitor contractor performance.

The Contracting Officer may select and designate any Government employee, military or civilian, to act as the COR. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases, the COR and the Project Officer will be the same person. The COR doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by a Letter of Appointment signed by the Contracting Officer.

**Know Your  
Duties and  
Responsibilities**

#### **Step 1. Review the COR Appointment Letter.**

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

specific limitations of the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.

### **Step 2. Review the contract.**

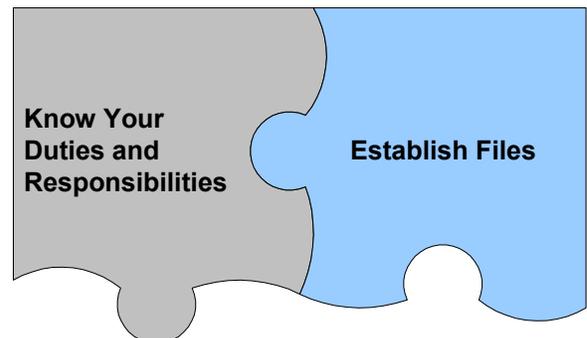
Once award has been made, the COR will receive a copy of the contract. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:

- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/PWS (Section C)** – The PWS is the basis for most contract monitoring activities.
- **Deliveries or Performance (Section F)** – This section designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – This section contains the dates that the Government expects to release incremental funds.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirements.

### **Task 2. Establish Files**

The COR is expected to maintain a separate file for each contract they oversee. At a minimum, the COR contract files shall contain a copy of the following documents:

- The Solicitation.
- The proposal on which the contract is based.
- The contract and any amendments.
- All correspondence with the contractor, the Contracting Officer, or other program





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

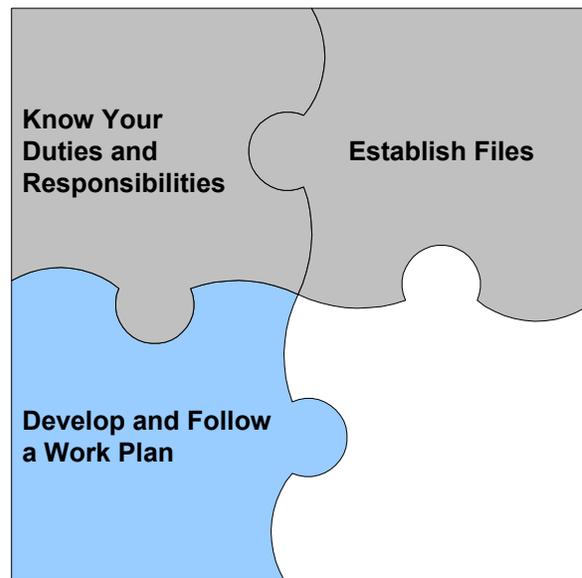
officials dealing with this contract.

- All reports submitted by the contractor.
- Reports of inspections and site visits.
- The COR Letter of Appointment signed by Contracting Officer.

### **Task 3. Develop and Follow a Work Plan**

Planning at the outset of the project is a necessary step in effective contract administration. This planning is needed to ensure that the intended administrative steps are consistent with the specific procurement. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action.

The planning should be based on a review and analysis of the project and award requirements. Include, for example, an analysis of the need for and timing of performance and cost reviews, inspections, scheduled delivery of Government-supplied items, subcontractors, key personnel issues, monitoring of the contractor's compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the contractor to arrive at a common understanding of what will be expected. A post-award conference may be scheduled by the Contracting Officer to assure that all parties are aware of requirements, responsibilities, and procedures. Developing a Work Plan involves the following:



- Read and understand the award document, and ensure that the contractor does the same.
- Develop a post-award milestone chart in coordination with the Contracting Officer and contractor.
- Read and act promptly on progress reports.
- Identify potential areas of conflict.
- Review progress and possible problems with the Contracting Officer regularly.
- Prepare the Work Plan.

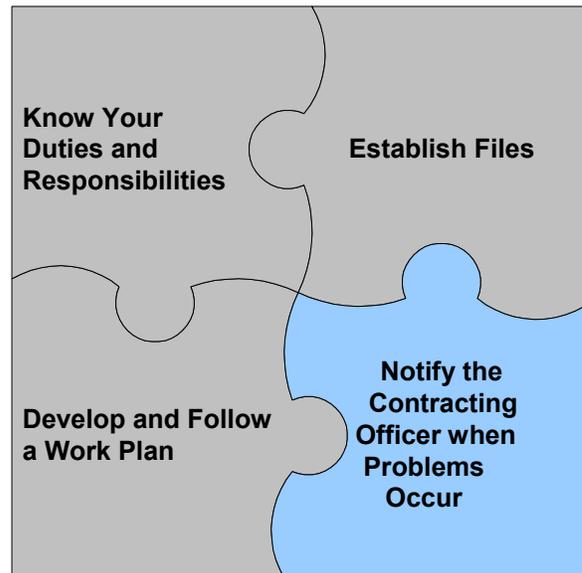


*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

Sample Work Plan Format	
Contract Title:	
Contractor:	
Key Contractor Personnel	
List of COR Files	
Description of Work to be Performed	
Assigned Tasks	Task Milestones
1.	
2.	

**Task 4. Notify the Contracting Officer of Problems**

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the only official with the authority to change or modify a contract. The Contracting Officer is the Government’s authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change, or amend a contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract. The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract.





*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **DUTY 4. SUPPORTING THE POST AWARD ORIENTATION AND DEBRIEFING OF UNSUCCESSFUL OFFERORS**

There are two events that normally occur shortly after contract award. The first is a meeting between the Government and the successful contractor called the Post Award Orientation. The second event is the debriefing of unsuccessful offerors, a series of meetings between the Government and the firms that were not selected for award. The COR normally performs three tasks in support of these events. Click on the task heading for a discussion of the steps associated with each task.



**Task 1. Provide Support for the Post Award Orientation**

**Task 2. Participate in the Post Award Orientation**

**Task 3. Participate in the Debriefing of Unsuccessful Offerors**

### **Task 1. Provide Support for the Post Award Orientation**

The Post Award Orientation is held to ensure that both parties have a clear and mutual understanding of all contract requirements. The Post Award Orientation also is used to identify and resolve potential problems; introduce the Government's representatives; furnish notices and other data to the contractor and otherwise set the stage for a good working relationship under the contract. Generally, the Post Award Orientation is a structured meeting chaired by the Contracting Officer. However, in less complex contracts, the initial meeting between the contractor and the COR serves the same purpose. The nature and complexity of this task will depend upon the nature and complexity of the contract and the manner in which the Contracting Officer decides to conduct the Post Award Orientation. If the contract is complex and a formal Post Award Orientation is to be held, the Contracting Officer may ask the COR to prepare a written issue or discussion paper in preparation for the Orientation. This should be accomplished as follows:

#### **Step 1. Prioritize all performance issues.**

All issues of concern should be addressed and prioritized based on potential risks to the



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

contractor or the Government. Select the issues at greatest risk to performance.

**Step 2. Develop solutions.**

Develop solutions or other recommendations. Document these in a clear and concise manner. Often the Post Award Orientation is to be held at the Government’s place of performance. Consequently, the COR may also be requested to make administrative arrangements and provide administrative support to the meeting. The COR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.

<b>Suggested Post Award Orientation Agenda</b>	
<b>Introduce the participants.</b>	At the opening of the conference, the chairperson introduces each attendee by name and title, along with a brief explanation of the role that person will play in contract administration. The contractor makes these introductions for the contractor team.
<b>Explain the purpose of the conference.</b>	Go over the agenda, but also emphasize that the conference is not intended to change or alter the contract in any way. Emphasize that the only way the contract will be changed or altered is by a written modification signed by the Contracting Officer.
<b>Summarize the roles of Government key personnel.</b>	Clarify the limits, authorities, roles, and responsibilities of each Government representative. Ask the contractor to advise the Government of the roles, responsibilities, limits, and authorities of each contractor representative. Emphasize: - That the Contracting Officer is the only official that can change or alter the contract. - No action may be taken at the orientation that in any way changes or alters the contract. -There is no obligation to make any contract adjustments as a result of an action taken by a Government representative unless the action has been specifically authorized in the representative's letter of appointment or by the contract itself.
<b>Provide general instructions.</b>	Provide general contract administration instructions to include information necessary for the contractor to understand his or her risks and the Government's risk. Address contractor responsibilities for management and supervision of the work force, protection and control of Government property, data, and reports, compliance with contract clauses, and other appropriate areas of concern. Advise contractors of the proper routing of correspondence, i.e. matters pertaining to technical performance may be addressed directly to the COR/COTR or Project Officer and matters pertaining to questions of fact dealing with contractual terms and conditions must be sent to the Contracting Officer.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<b>Discuss prohibition against personal service contracts.</b>	Stress the fact that supervision of contractor employees rests solely with the Contractor. Contract employees are to avoid all actions that might give the appearance that they are Government employees. While in government work areas, all contracted employees must display a badge or other appropriate identification media containing his or her name and the name of the company, wear and display a building pass, when applicable, and include the company's name in his or her email display.
<b>Provide presentations and address questions.</b>	At this point appropriate Government officials may provide a variety of presentations. Topics may include delivery requirements, labor policies, environmental considerations, safety, protection of Government property, monitoring methods, acceptance procedures, payment procedures, and other relevant topics. A general discussion of Performance-Based Contracting may be appropriate. If the contract is subject to the Service Contract Act, discuss the contractor's responsibilities under the Act. Questions can either be raised during the presentation or held until the end of all of the presentations. Responses to questions should be accurate and complete, and statements made do not bind the Government in any way that alters the contract.
<b>Discuss Past Performance Documentation</b>	Provide a discussion of how past performance will be documented and the ramifications of poor performance. This is particularly important and appropriate for a contractor with limited experiences with DOD contracts.
<b>Ensure that contractor understands all contract milestones, terms and conditions.</b>	Discuss any other issues that may impact performance.

**Task 2. Participate in the Post Award Orientation**

The COR will participate in the Post Award Orientation either as the chair or a member of the Contracting Officer's team. In either case, the COR will be expected to provide information in his/her areas of expertise, respond to questions and identify further action items. The COR needs to know how questions will be handled before the orientation,. The Contracting Officer should provide guidance on this subject. The COR should ensure that any information provided is consistent with the terms and conditions of the contract. In all discussions with the contractor, the COR should be careful not to bind the Government in any way that alters the contract. Any areas disputed by the contractor must be recorded and resolved by the Contracting Officer. This is true not only during the Post Award Orientation, but also throughout the life of the contract.

In some cases, the Post Award Orientation can be handled by letter or even telephonically if relatively little information needs to be conveyed. The following is an example of a Post Award Orientation Letter.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Sample Post Award Orientation Letter**

TO: Gary Green, Project Manager, XYZ Power Co.

FROM: Al Jones, Contracting Officer

SUBJECT: Contract No. 104230-97-C-1234

To avoid any potential difficulties, I am writing to point out a requirement of the subject contract that has led to problems in other contracts. Also, I would like to clarify the contract completion date and identify the Government personnel who will play a role in the contract's administration.

To install the four pieces of equipment required in contract line item #4, you will need to have a power outage in the west wing of Building 569, a heavily populated office building. Please note the paragraph 2.a (1) of the statement of work requires that this power outage take place on Sunday, a Federal holiday, between the hours of midnight and 6:00 a.m. In addition, paragraph 2.a (5) of the statement of work requires that you provide me with seven calendar days' notice of your need for this outage. Send the original notice to Mr. Smith (see below).

The reason for the preceding requirement is that we have computers on-line 24 hours a day in that wing of the building, as well as other operations, that cannot be disrupted.

Since performance time is expressed in the contract as 120 calendar days after contract award, I want to affirm the date for contract completion as January 30, 20XX.

Mr. Howard Smith is my representative for the technical aspects of this contract. Accordingly, he is referred to as the Contracting Officer's Representative (COR). He is not authorized to make any changes to the contract as written. He has the authority to inspect and accept the equipment installation services for the Government.

Any changes to the contract will be in the form of an official, signed modification.

Sincerely yours,

Al Jones  
Contracting Officer

**Task 3. Participate in the Debriefing of Unsuccessful Offerors**

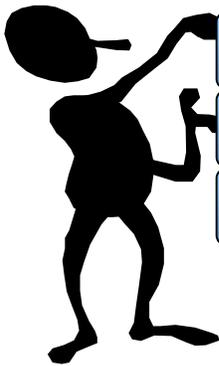
Unsuccessful Offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors which areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 5. MONITORING CONTRACTOR PERFORMANCE**

Monitoring contractor performance is the heart of the COR duties. The COR has the primary responsibility to see that the technical objectives of the contract are met. In cost type contracts, the COR has additional duties regarding costs. Contract monitoring is divided into three tasks. Click on the task heading for a discussion of the steps associated with each task.



**[Task 1. Monitor Contract Performance](#)**

**[Task 2. Respond to Requests from the Contractor](#)**

**[Task 3. Manage Constructive Change Situations](#)**

#### **Task 1. Monitor Contract Performance**

Performance monitoring involves contract administration activities that the Contracting Officer, COR and other Government personnel use to ensure services acquired under contracts conform to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques.

Under a contract, the obligation of both parties is to perform as specified in its terms and conditions. Not all contracts, however, are performed as specified or within their required timeframes. Poor performance or late deliveries under a contract may cause costly delays in a program. Thus, the Government monitors contract performance to ensure that required services are delivered on time.

The Quality Assurance Surveillance Plan (QASP) specifies how Government quality assurance surveillance of the contract tasks will occur. The QASP should focus on the quality of the contractor performance and not just on the steps taken or procedures used to provide that service. The QASP should include an appropriate use of pre-planned inspections, correspondence reviews, customer surveys, validation of complaints, audits and random unscheduled inspections. The QASP is a form of guarantee that the Government receives the services for which it contracted and pays only for the services it receives. It is the method by which the Government determines if the contractor meets the performance standards in the contract. It also provides guidelines for how and when surveillance will be performed.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

It is the contractor's responsibility to maintain an adequate quality control system throughout all aspect of contract performance. Contractors should be briefed on quality requirements and responsibilities at the post-award orientation. It is important to review and discuss the contractor's plan for maintaining an acceptable quality level under the contract. In fact, in many cases, contractors are required to submit a Quality Control Plan to the Government prior to the post-award orientation. It is the Government's responsibility to monitor the contractor's activities to ensure that these obligations are met. Government surveillance should be comprehensive, systematic, and well documented. One way to document surveillance is through use of a surveillance checklist. The extent of surveillance is determined by the surveillance schedule established in the QASP. It should be sufficient to systematically and fairly evaluate the contractor's total performance throughout the performance period. Where surveillance results show good performance consistently, the amount of surveillance may be adjusted accordingly. This saves the government money, reduces oversight burdens on the contractor, and recognizes the contractor's level of performance. When performance is deficient, the COR should promptly notify the Contracting Officer, who in turn, will notify the contractor. The COR should establish a system to track corrective action. The steps in contract monitoring are as follows:

### **Step 1. Determine what needs to be monitored.**

The COR normally monitors technical issues, performance, adherence to the schedule, and cost (in cost contracts). The COR will also be involved with statutory and regulatory compliance (Drug-Free Workplace, Privacy Act, Service Contract Act) through observation and responding to complaints.

### **Step 2. Select the techniques used for monitoring.**

In addition to the QASP, meetings, phone calls, reports, and contact with other Government officials all play a role in contract monitoring. The COR should maintain a record of all contacts with the contractor.

### **Step 3. Implement and execute the QASP.**

The COR implements the QASP and other monitoring activities and provides appropriate feedback to the contractor and the Contracting Officer.

## **Task 2. Respond to Requests from the Contractor**

There are times when the Contracting Officer's Representative (COR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the contractor during the performance of a contract. The COR's response must always be consistent with the contract. A COR can best handle contractor requests by performing the following three steps:



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Identify all contractual terms that allow contractor requests.**

The COR should be familiar with all contractual terms that allow the contractor to request some action by the Government. This information will be found in the contract or the COR Appointment Letter. If there is any doubt, the COR must consult the Contracting Officer.

### **Step 2. Determine the contractor's obligations.**

In addition to knowing what constitutes a proper request from the contractor, the COR must also be aware of when and how the request should be presented. This information should also be available in the contract.

### **Step 3. Provide a response that is timely.**

The COR should respond to the contractor's request within the timeframe set by the contract, or the request should be forwarded to the Contracting Officer in sufficient time to permit a timely response.

## **Task 3. Manage Constructive Change Situations**

A constructive change arises whenever, by informal action or inaction of the Government, the contract changes without going through the required legal or regulatory formalities. The common causes of constructive changes include inadequate or latently defective specifications, improper interpretations of specifications, overly strict inspections, Government-caused delays, or improper technical direction.

Whenever communicating with the contractor, either orally or in writing, the COR must exercise care not to accidentally generate the basis for claims or delays. When communicating with contractor personnel or when conveying technical or assessment information, it is critical that the COR not instruct, supervise, or attempt to control contractor efforts except as specifically authorized in the contract SOW.

Reasonably open and honest communication between the COR and the contractor can enhance performance. Professional discussions of options and alternative approaches are also necessary. However, the COR must remember, that there is a contract which defines rights and obligations of the parties. All communications with the contractor must be viewed in this light. The contractor has a right to proceed in any manner that is consistent with the terms of the contract. Excessive involvement of the COR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the contractor's rights under the contract. Even the appearance of unauthorized direction to the contractor, when none was intended, can lead to contract claims or other problems. Consequently, the COR must be discrete. Advice should be sought from the Contracting Officer if there is any question about the effect of any statement on the contractor's obligation to perform.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Continue to monitor the validity of the Performance Work Statement.**

Careful planning and development of the Performance Work Statement and other supporting documents will be obvious during contract administration. A good Performance Work Statement will minimize constructive changes. On the other hand, any ambiguities and inconsistencies in the initial contract will set the stage for constructive changes. If any are found, immediately bring these to the attention of the Contracting Officer.

### **Step 2. Know what the contract requires.**

The COR must know what the contract requires. Erroneous interpretation of specifications and overly strict inspections may lead to constructive changes. The COR must base all actions upon what the contract says, not what it ought to say.

### **Step 3. Keep proper records.**

Accurate, up-to-date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the contract.

### **Step 4. Notify the Contracting Officer if a potential constructive change situation arises.**

If a potential constructive change situation does occur, immediately notify the Contracting Officer. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Contracting Officer will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 6. ACCEPTING OR REJECTING SERVICES**

The inspection and acceptance process may be continuous where the services are continuous (housekeeping, ground maintenance, etc.). On the other hand, inspection may only occur once when the contractor provides a single service of short duration (producing a report). In any event, the result of the COR's surveillance or inspection will produce one of two outcomes. Either the service will be determined to be acceptable or unacceptable. Duty 6 discusses the tasks associated with acceptance or rejection of services. Click on the task heading for a discussion of the steps associated with each task.



**Task 1. Acceptance**

**Task 2. Rejection**

**Task 3. Evaluate the Contractor's Rejection Reply**

#### **Task 1. Acceptance**

Acceptance occurs when an authorized Government representative examines the services provided, compares the services provided to the requirements of the contract, and is satisfied that the services conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the services to be performed, and provided adequate oversight during contract performance, the result is usually conforming services. The COR can accept services on behalf of the Government, if authorized by the COR Appointment Letter. Acceptance is documented on a receiving report, normally after receipt of the vendor's invoice. The preferred form for the receiving report is the DD Form 250, Material Inspection and Receiving Report. A sample of the DD 250 and instructions for completing it are provided in [Appendix C](#). SF 1034, Public Voucher for Purchases and Services Other than Personal, may also be used for services when billing is based upon labor and materials. More information on invoicing/acceptance/payment procedures, including a discussion of common problems/errors, is found at the Defense Finance and Accounting Service web site - [www.dfas.mil/library/handbook.pdf](http://www.dfas.mil/library/handbook.pdf). Late submission of the DD Form 250 (or other acceptance document) normally results in the Government having to pay interest on the contractor's invoice.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Rejection**

If the services do not comply with the contract or meet the AQL, a notice of rejection should be promptly provided to the contractor. The COR can reject services if authorized by the COR Appointment Letter. Otherwise, the COR recommends rejection to the Contracting Officer or another official that is authorized to reject services. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the Contracting Officer whenever services are rejected. The COR should provide the Contracting Officer with documentation on the number of observations made, the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. DD Form 250 can be used to document rejection.

### **Task 3. Evaluate the Contractor's Rejection Reply**

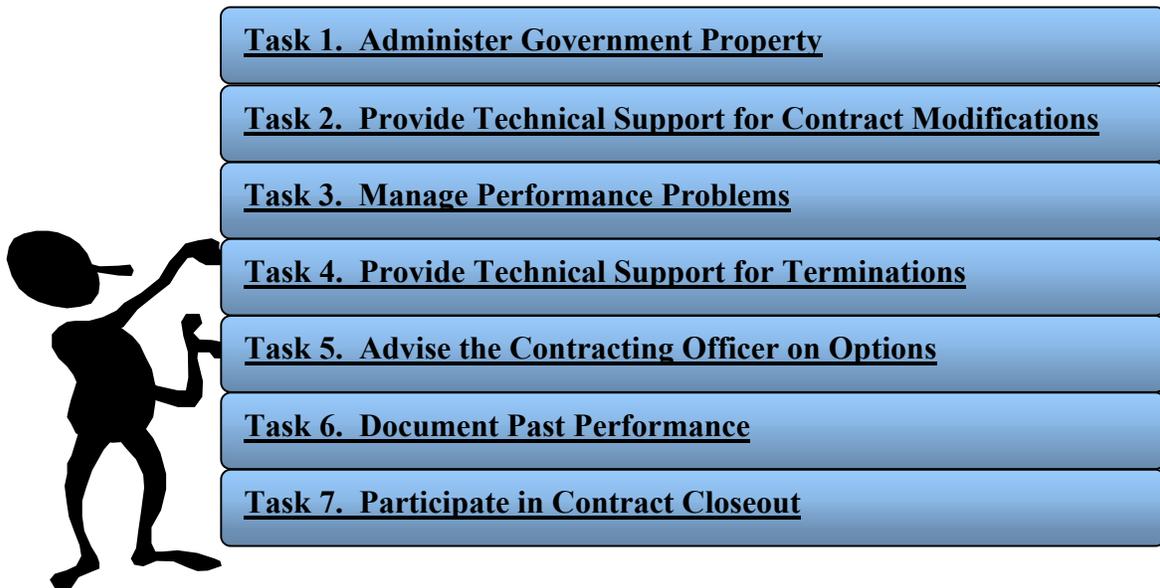
Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming services, or challenge the deficiency assessment. If the COR is authorized to reject services, he/she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (contractor challenges the assessment of defective services) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of the contractor's corrective action plan, the impact of accepting non-conforming services or whether or not the contractor's rebuttal is valid.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 7 COMPLETING OTHER COR SUPPORT TASKS**

The COR performs or participates in seven other tasks that play an essential role in successful contract performance. These are discussed below. Click on the task heading for a discussion of the steps associated with each task.



#### **Task 1. Administer Government Property**

Normally, contractors furnish all equipment and material necessary to perform Government contracts. However, there are times when it is in the best interest of the Government to provide Government furnished property to the contractor. For example, it is usual for the Government to provide office space, computers and office furniture to contractor employees performing at the Government site. When Government property is provided, the COR frequently will be asked to advise or assist the Contracting Officer in administering its use.

##### **Step 1. Supervise the initial transfer of Government property.**

Ensure that an inventory is conducted prior to signing the equipment over to the contractor. Ensure adequate property control procedures are placed in effect.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Monitor the contractor's use of Government property.**

Report loss, damage or destruction of Government property to the Contracting Officer. Also report any incidents of unauthorized use.

### **Step 3. Supervise the return of Government property.**

Supervise the return of Government property upon contract completion or when no longer required by the contractor.

## **Task 2. Provide Technical Support for Contract Modifications**

A modification is a written alteration of any aspect of the contract including the PWS, period of performance, quantity, price or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in three different aspects of the modification process.

### **Step 1. Identify any circumstance that may require modification to the contract.**

These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer.

### **Step 2. Provide the Contracting Officer with a technical evaluation of the proposed change.**

This evaluation should be completed with the same attention to detail used in developing the initial requirement. This evaluation should contain a thorough analysis of the affects of the proposed change on the other areas of the contract.

### **Step 3. Assist the Contracting Officer with negotiations.**

Assist the Contracting Officer in the negotiation of the change with the contractor, if necessary.

## **Task 3. Manage Performance Problems**

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibilities of both the Government and the contractor and to avoid actions that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely effect the Government's right to normally available remedies.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following:

- Providing notice to the contractor of the particular deficiency and obtaining a commitment for appropriate corrective action.
- Extending the schedule of work if excusable delays in performance are involved.
- Withhold payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminate the contract either for convenience or default (see next task).

The COR should follow these steps when dealing with performance problems.

### **Step 1. Document all instances of inadequate performance.**

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government has a difficult time dealing with the situation. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in contract termination if they are allowed to progress.

### **Step 2. Notify the Contracting Officer.**

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation. When it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

### **Step 3. Provide technical support to the Contracting Officer.**

The Contracting Officer has a number of ways of dealing with the contractor performance problems, ranging from an informal meeting with the contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences when the situation reaches the point that the Contracting Officer must initiate Termination for Default procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 4. Provide Technical Support for Terminations**

The Government has a unique right to terminate a contract for **convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item or service is no longer needed, funds are not available for continued contract performance, it is impossible for the contractor to perform as specified in the contract (through no fault of the contractor) or there has been a radical change in the requirement that goes beyond the contractor's expertise. Under a Termination for Convenience, the contractor may submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Office and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has a right to terminate a contract for **default** based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination the contractor only has a right to payment for delivered and accepted services. The COR's responsibilities in either a Termination for Convenience or a Termination for Default are essentially the same.

#### **Step 1. Identify any condition or event that may trigger a termination.**

Early identification of a problem, whether poor performance, a change in requirements, or a lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.

#### **Step 2. Notify the Contracting Officer.**

Notify the Contracting Officer as soon as possible that a termination may be required.

#### **Step 3. Provide technical support to the Contracting Officer during negotiations.**

Assist the Contracting Office by providing technical expertise during the termination process to include assisting in negotiations, if required.

### **Task 5. Advise the Contracting Officer on Options**

There is a considerable effort required by both the COR and the Contracting Officer prior to exercising an option. As discussed in "Writing the Performance Work Statement" the use of an Indefinite Delivery/Indefinite Quantity ("D" contract) may be a better approach, as it does not



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

take the same level of analysis or planning. Steps that must be taken by the COR prior to exercising an option are as follows:

### **Step 1. Conduct market research.**

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current cost/price of the same or similar services. The COR must also determine if there have been significant technological changes in the marketplace.

### **Step 2. Formally request that the option be exercised.**

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion of the impact on continuity of operations and the cost to the Government if the option is not exercised; and other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continued need for the services and that funds are available. A Purchase Request certifying funds must accompany the written request.

When a decision is made that it is not appropriate to exercise an option, the COR shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the COR by telephone or electronic transmission when notification is sent to the contractor's business office.

## **Task 6. Document Past Performance**

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases the probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. DOD also maintains a central Internet Past Performance database called the Past Performance Automated Information System (PPAIS). The COR plays a key role in documenting past performance. The following steps are useful in performing this task.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Determine whether a formal evaluation is required.**

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

### **Step 2. Document past performance information.**

Evaluations are required to be prepared at the time work under the contract is completed. The contract should specify the manner in which the evaluation is done, which Government officials are involved in the evaluation and documentation process, what will be included in the documentation, and the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor.

### **Step 3. Rate past performance.**

The COR, as the person most familiar with the contractor's performance, should prepare the initial evaluation. The contract will specify the manner in which the contractor's performance will be rated. The following is a list of sample rating areas.

- **Quality** – Did the services meet the requirements of the contract?
- **Timeliness** – Was the delivery schedule meet?
- **Cost Control** – Did the contractor manage costs in an appropriate manner?
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?
- **Customer Satisfaction** - This rating area looks at the satisfaction of the end users. The Quality Assurance Surveillance Plan should contain the procedures for receiving customer feedback on contractor performance. This can be done through either telephone calls by the COR; use of written survey forms, complaint boxes in strategic locations, or other means of measuring end user satisfaction; or use of sample random surveys. A customer satisfaction survey is an excellent method of measuring contractor performance from the perspective of the end user. Random surveys are best used when it is not cost effective to survey all end users. Either the Government or private information vendors may conduct the survey. The COR should evaluate the end user's comments to determine if the contractor reasonably tried to meet their demands within the contract requirements.
- **Key Personnel** - Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection officials. This information is critical when a newly formed company is bidding on a contract and its



***Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives***

past performance history is based on the past performance of the key personnel.

<b>Sample Rating Factors</b>	
Unsatisfactory	Non-conformances Cost control problems Delays on work Responses ineffective and/or not responsive Compromised contract requirements
Poor	
Fair	
Good	
Excellent	No quality problems No cost control problems No delays in work All responses were effective and responses
Excellent +	Reserved for instances when a contractor carries out his/her end of the bargain in a truly exceptional fashion. The comment section should clearly explain why the contractor earned this rating, enabling source selection boards to understand and give proper credit in their evaluation. An excellent + rating may be given for any single area or on an overall contract performance basis. When truly deserved, this recognition identifies contractors with whom the Government needs to continue doing business.

**Task 7. Participate in Contract Closeout**

A contract is completed when all services have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR’s assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on USAMRMC awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

USAMRMC projects. Centralized performance data maintained by USAMRAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

### **ADDITIONAL READINGS**

#### **Acquisition planning and developing requirements documents**

The Federal Acquisition Regulation<sup>1</sup>

- Part 7 – Acquisition Planning
- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 15 (15.304) - Evaluation factors and significant sub-factors.
- Part 16 – Types of Contracts
- Part 22 (22.10) Service Contract Act
- Part 32 (32.7) – Contract Funding
- Part 37 – Service Contracts
- Part 46 – Quality Assurance

OMB Circular No. A-76, Commercial Activity Program<sup>2</sup>

OFPP Guide to Best Practices for Performance-Based Contracting<sup>2</sup>

OFPP Pamphlet No. 4, A Guide for Writing and Administering Performance Statements of Work for Service Contracts<sup>2</sup>

MRMC Regulation 715-1, Procurement and Assistance Agreement Support and Purchase Request Procedures<sup>3</sup>

AR 380-19, Information Systems Security<sup>5</sup>

AR 380-67, Personnel Security Program<sup>5</sup>

#### **Project Officer actions during the solicitation phase**

FAR 3.104 – Procurement Integrity<sup>1</sup>

FAR 5.1 – Dissemination of Information<sup>1</sup>

FAR Part 15 – Contracting by Negotiations<sup>1</sup>

#### **Developing the Work Plan**

FAR 37.602-2 – Quality Assurance for Service Contract<sup>1</sup>

OFPP Best Practices Guide for Contract Administration<sup>2</sup>

#### **Supporting the Post award orientation**

FAR 42.5 Post Award Orientation<sup>1</sup>

#### **Monitoring Contract performance**

FAR 12.208 - Contract Assurance<sup>1</sup>

FAR 12.402 - Acceptance<sup>1</sup>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

FAR 43.104 - Notification of Contract Changes (Constructive Changes)<sup>1</sup>

FAR Part 42 - Quality Assurance

OFPP Pamphlet No. 4, A Guide for Writing and Administering Performance Statements of Work for Service Contracts<sup>2</sup>

OFPP Best Practices Guide for Contract Administration<sup>2</sup>

The COR Appointment Letter

The Contract Document

The Contract Quality Assurance or Surveillance Plan

**Acceptance or rejection of services**

FAR Part 46 - Quality Assurance<sup>1</sup>

DFARS, Appendix F - Material Inspection and Receiving Report<sup>4</sup>

FAR 52.232.25, Prompt Payment<sup>1</sup>

**Other COR Support Tasks**

FAR Part 45 - Government Property<sup>1</sup>

FAR Subpart 17.2 - Options<sup>1</sup>

FAR Part 49 - Termination of Contracts<sup>1</sup>

OFPP Best Practices Guide for Past Performance, Appendix 3<sup>2</sup>

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at [http://web.deskbook.osd.mil/htmlfiles/DBY\\_fed.asp](http://web.deskbook.osd.mil/htmlfiles/DBY_fed.asp)
3. Available on-line under "references" at <http://www.usamraa.army.mil>
4. Available on-line at <http://web1.deskbook.osd.mil>
5. Available on-line at <http://www.army.mil/usapa/>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **CHAPTER 2. CONTRACTING FOR SUPPLIES AND EQUIPMENT**

### **SUMMARY**

Contracting is a recognized means of obtaining the supplies and equipment that an agency requires to perform its mission. In contrast to service contracting, the bulk of Government contracting activities occurs during the pre-award phase when contracting for supplies and equipment. Except for major buying activities, post-award activities associated with the acquisition of supplies and equipment consists mainly of inspection and acceptance. Throughout this Chapter, the term Project Officer is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

### **KEY TERMS**

#### **Commercial Items**

Commercial items are items that are customarily used for non-governmental purposes. Commercial items are those that are sold, leased or licensed to the general public, or have been offered for sale, lease or license to the general public. Items not yet available in the commercial marketplace but can be expected to be sold in the commercial marketplace in time to meet the Government's requirement are also considered commercial items.

#### **Design Specifications**

Design Specifications detail the exact dimensions, materials, composition, physical and chemical requirements of the product to be furnished. The contractor must provide the item as specified, but the Government bears the responsibility for ensuring that following these specifications will produce the desired result.

#### **Federal Supply Schedules**

The Federal Supply Schedule Program, directed and managed by the General Services Administration, provides Government Agencies with a simplified process for obtaining common supplies and services at prices associated with volume buying.

#### **FOB Destination**

Free on board (FOB) destination means that the seller or consignor selects the mode of transportation and delivers the supplies or equipment to the final delivery place designated by the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Government. Unless otherwise specified in the contract, the seller or consignor is responsible for the cost of shipment and the risk of loss/damage during shipment.

### **FOB Origin**

Free on board (FOB) origin means that the seller or consignor is only responsible for placing items on a conveyance (means of transportation). Unless otherwise specified in the contract, the buyer or consignee (i.e. the Government) is responsible for the cost of shipment and the risk of loss.

### **Performance Specifications**

Performance specifications describe the end item in terms of output, function, or operation. The contractor is responsible for determining the specific design necessary to achieve the performance levels stated. Performance specifications are preferred over design specifications.

### **Reports of Discrepancies**

Reports of Discrepancies (ROD) are initiated whenever supplies or equipment are received that do not comply with the contract (wrong item, wrong quantity, damaged, etc.) A ROD is also initiated to report non-receipt of items. Standard Form 364 is utilized to complete the Report of Discrepancy.

### **Supplies**

Supplies are defined by the Federal Acquisition Regulation (FAR) as including all property except land or interest in land.

### **Warranties**

A warranty is a promise given by the contractor regarding the nature, usefulness, or condition of the supplies or services furnished under a contract. Warranties normally provide a contractual right for the correction of defects, notwithstanding any other contract provision. Warranties also establish a time period for exercising this right. Where available, the Government should take advantage of commercial warranty provisions normally offered by contractors rather than designing unique warranty provisions. However, the use of warranties is not mandatory, and should only be used when in the best interest of the Government.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **DUTIES AND RESPONSIBILITIES**

### **DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT**

Long before the Government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the USAMRMC. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the item being acquired. Early planning is the most effective method of preventing or resolving potential problems. There are six tasks that must be accomplished during acquisition planning. Click on the task heading to find the steps associated with each task.



**Task 1. Acquisition Planning and Concept Development**

**Task 2. Develop the Specification or Purchase Description**

**Task 3. Determine Inspection and Acceptance Criteria**

**Task 4. Prepare the Government Budget Estimate**

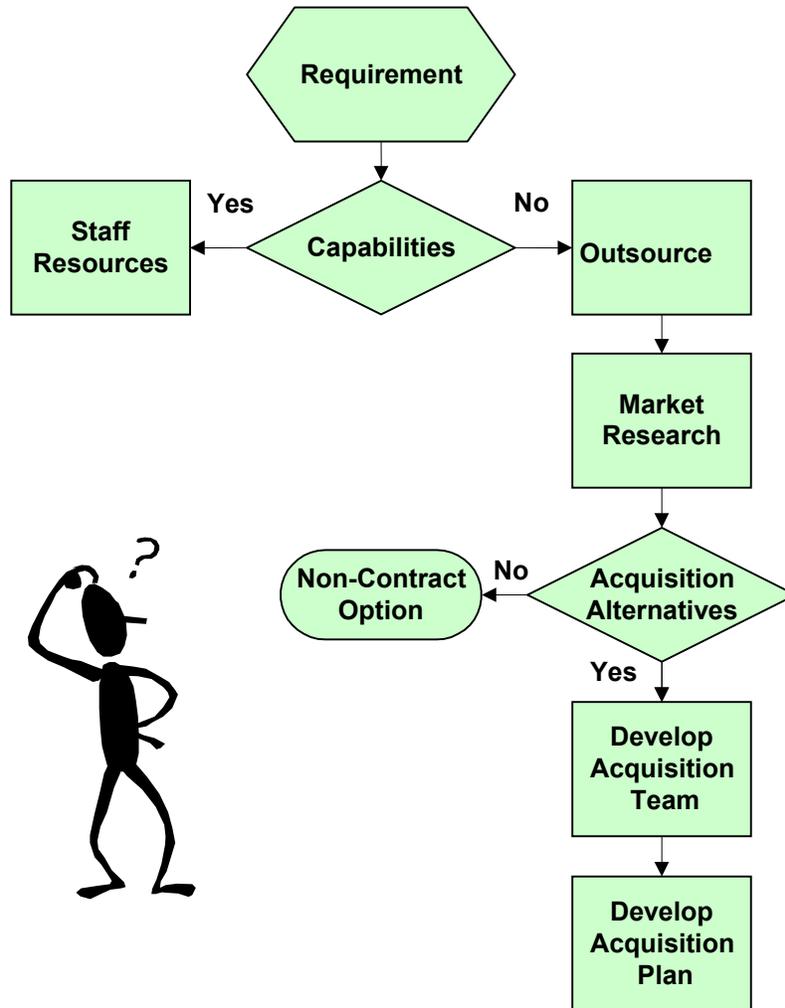
**Task 5. Prepare the Evaluation Factors**

**Task 6. Obtain Necessary Concurrence and Approval**



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Task 1. Acquisition Planning and Concept Development**



**Step 1. Identify the needs of the Government.**

Concept development is the first step in any acquisition. The Project Officer determines that additional resources are required and defines in broad terms what this effort entails. A plan or concept is evolved which reflects consideration of USAMRMC in-house capabilities. Early in this process, the Project Officer should seek assistance and begin coordination with the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

USAMRAA Account Manager/Contracting Officer. There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs, and budget documents.
- Surveys of requiring activities.
- Participation in meetings to plan, program, and budget for agency missions.
- New scientific studies; changes in policy, or regulations.
- Changes in previous/existing contract.
- Expiration of current contracts.
- In-depth literature searches.
- Discussions with technical and scientific personnel, both within and outside the Government.

Discussions with outside personnel may serve to determine interest, scientific approaches, technical capabilities, and the state-of-the-art relevant to the subject area. However, care must be taken not to disclose advance information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited. In most programs, the concept development phase is intimately connected with the budget process. Keep in mind that there is a specific order of preference for sources that must be followed when obtaining supplies and equipment. These must be taken into account during acquisition planning. Once the concept has been formulated, the appropriate management staff must review it for the following:

- Program relevance
- Need
- Merit
- Priority
- Timeliness

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps resolve problems early in the acquisition cycle. While very few acquisitions within USAMRMC require a formal, written acquisition plan, the Project Officer should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that need to be documented. The Acquisition Plan Format can be found in [Appendix A](#).

### **Step 2. Perform market research.**

The Project Officer uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market Research helps the Project Officer identify products that are available to satisfy the Government's needs, determine potential



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

sources for these products, and estimate their cost to the Government. The Project Officer can gather market research information from a variety of sources to include:

- Discussions with commercial experts and other knowledgeable individuals regarding market capabilities and business practices.
- Reviewing the results of other recent market research information. The Internet and web sites of other Government agencies often provide extremely useful information.
- Publishing formal requests for information in the FedBizOpps.com or technical/scientific journals.
- Querying Government and commercial databases.
- Reviewing source lists from other agencies or associations, company catalogs or product literature.
- Holding a pre-solicitation conference.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should also be taken into account. There are several automated systems available to obtain past performance information. The Past Performance Information Management System (PPIMS) is the Army's central repository for past performance information. DOD also maintains a central Internet location for past performance information called the Past Performance Automated Information System (PPAIS). When considering past performance information, review the quality of products, timeliness of performance, cost control, business practices and performance of key personnel.

The Project Officer should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSADBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSADBU is a valuable source of information on potential small and disadvantaged business sources. The ADSADBU can advise if there is a mandatory source for the required service and can help the Project Officer better understand the various federally mandated socioeconomic programs. See [Appendix D](#).

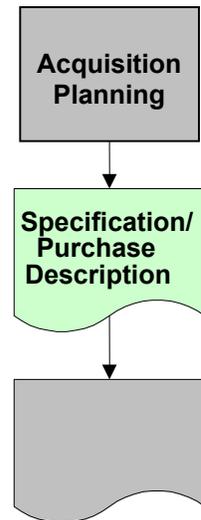
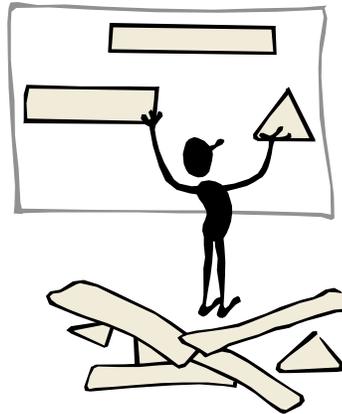
During the Market Research Phase, close coordination between the Project Officer and the Account Manager/Contracting Officer is extremely important. The Contracting Officer can provide valuable information about contracting lead-times, potential sources of information and potential problem areas.



## Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives

### Task 2. Develop the Specification or Purchase Description

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written specification or purchase description should be clear and concise. It should describe the requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written specification or purchase description will avoid delays, save administrative efforts and reduce the chance of a protest or claim against the Government. Carefully planning the specification or purchase description will save time and will make it possible to develop a concise, trouble-free solicitation.



#### Step 1. Write the Specification or Purchase Description.

The description of agency needs must contain sufficient detail for potential offerors to know what products will meet the Government's need. Generally, the Project Officer should describe the type of product to be acquired and explain how the agency intends to use the product. One method of describing the Government's needs for supplies and equipment is through a **Purchase Description**. A purchase description is a statement of essential and physical characteristics and functions (salient characteristics) required to meet the Government's needs. Normally, purchase descriptions include a reference to a Brand Name that has been predetermined to possess the salient characteristics required by the Government (Brand Name of Equal). In some cases, a **Specification** is used. Specifications are detailed descriptions of the technical requirements for a material product. These should state only the minimum essential needs of the Government and be designed to promote full and open competition. Specifications can be written either as design specifications, performance specifications, or a combination of both.

The Specifications or Purchase Descriptions for supplies and services will include the following:

- **Point of Contact** – Include the name, title, address, phone number, fax number and email address.
- **Effective Date** – Date of specification or purchase description. This is essential in order to track changes and revisions.
- **Agency/Activity** – identifies requesting organization.
- **Nomenclature** - Noun nomenclature of the desired item.
- **Description** - The description must contain sufficient detail for potential offerors to know



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

what products may be suitable. The description should include the type of product to be acquired and an explanation of how the product will be used. The description should be stated in terms of performance requirements and/or physical characteristics. Include as appropriate, accessories, initial operating supplies, training, maintenance, and warranty requirements.

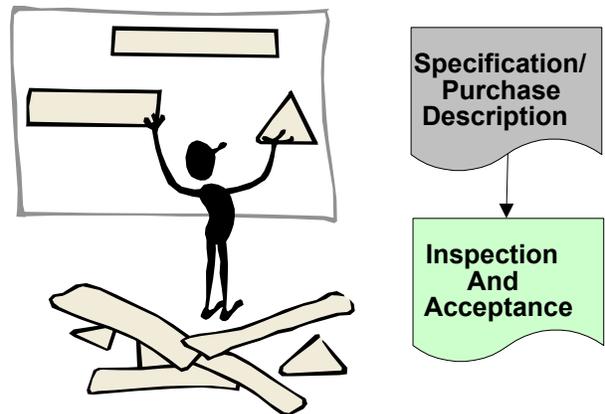
- **Delivery Schedule** - The delivery schedule should be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for supplies or equipment, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified. However, when supplies are required beyond the base period, the use of an Indefinite Delivery/Indefinite Quantity ("D" contract) is a better approach as it does not take the same level of analysis or planning as exercising an option.
- **Inspection and Acceptance** – Describe the criteria that will be used to inspect and accept the supplies or equipment and the place of inspection and acceptance.
- **Special Considerations** – Include any special consideration, unique requirements or additional information that would help contractors prepare their proposals.

### **Step 2. Prepare a justification for any requirements where competition will be limited.**

If less than full and open competition is being recommended, the project officer must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is used on this acquisition. A sample justification format can be found in [Appendix B](#).

### **Task 3. Determine Inspection and Acceptance Criteria**

Inspection and acceptance of commercial items are normally accomplished at destination. The Government relies upon the contractor to perform quality control and assurance. The Government accepts the item as is, but retains the right to inspect or test at its option. If the item is found to be defective, the Government has the right to require repair or replacement within a reasonable time. Other options are available to the Government for more complex items or non-commercial items e.g., inspection at origin, acceptance testing, and first article approval.

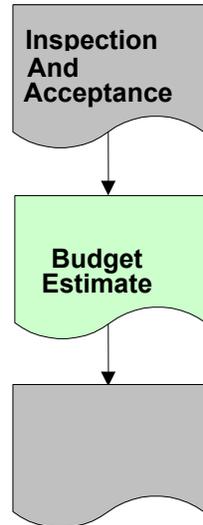
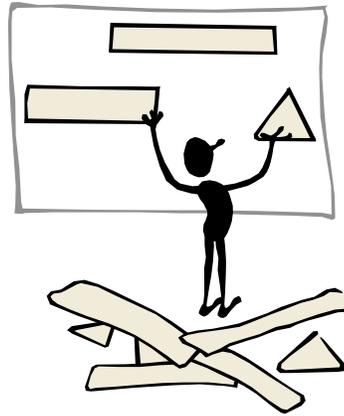




## Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives

### Task 4. Prepare the Government Budget Estimate

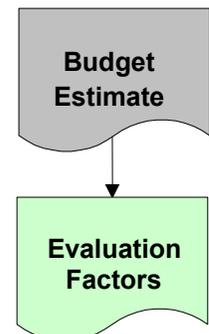
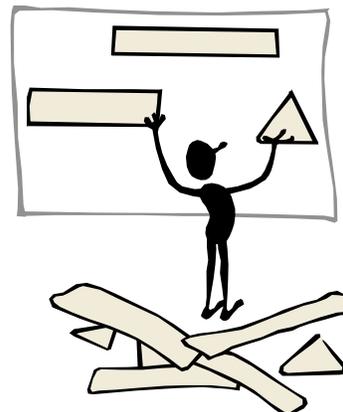
A government budget estimate is a detailed assessment of the price the Government can expect to pay for contracted supplies and equipment. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractors' proposals. Developing this estimate is the responsibility of the Project Officer. However, the Contracting Officer and activity resource management personnel can provide advice and assistance. This is business **confidential** information that should not be discussed or shared with the contractor.



Government budget estimates for commercially available products are normally based upon generally available information like price lists, historic data, market research, etc. For complex requirements or non-commercial items an Independent Government Cost Estimate (IGCE) is prepared. The IGCE is a detailed analysis of the various cost elements such as materials, components, and labor associated with manufacturing the end product. The IGCE may also be referred to as the Independent Government Estimate (IGE) or Independent Cost Estimate (ICE)

### Task 5. Prepare the Evaluation Factors

If the Government's requirement can be met by the lowest priced offer that meets all technical requirements, this task is completed once the Project Officer details what mechanism will be used to determine whether or not the product meets technical requirements. This could be as simple as reviewing product literature supplied with the contractor's proposal or could entail having the contractors provide a demonstration. If the Government intends to procure the item(s) using best value procedures, then evaluation





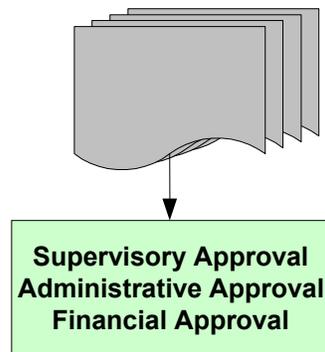
## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

factors, sub-factors, and their relative weights must be established and documented. Evaluation factors should be chosen carefully as they will have a major effect on the outcome of the acquisition. Only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. The following are common factors that are often included in solicitation evaluations:

- Past performance (**mandatory**).
- Understanding of the Government's Requirement.
- Salient characteristics of item offered and ability to meet the Government's minimum essential needs.
- Experience in supplying similar products.
- Qualifications of technical personnel.
- Quality of the facilities to be used.
- Quality assurance programs and plans.
- Training, maintenance, and warranty offered.
- Scheduling and delivery-related controls.
- Subcontracting and make-or-buy plans.
- Environmental objectives, including consideration for environmentally preferred products.
- Cost realism.
- Price (**mandatory**).

### Task 6. Obtain Necessary Concurrence and Approval





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Ensure the purchase request and supporting documents are current, accurate, and complete.**

At this point, the Project Officer should have a funded Purchase Request, Specification or Purchase Description, Budget Estimate or IGCE, Inspection and Acceptance Criteria, Evaluation Factors, a list of potential sources (at least 3 if possible), and justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions -

1. Are the documents written in terms that accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times? 2. Are they designed to obtain maximum competition? 3. Do they satisfy the Government's needs in the most effective, economical, and timely manner? 4. Are the documents consistent with each other? 5. Do the documents request sufficient information from the contractor to adequately evaluate a proposal? 6. Do they request too much information from the contractor? (Information that will not be evaluated should not be requested.) 7. Have we used performance specifications been used to the maximum extent possible?

### **Step 2. Secure all necessary authorizations.**

The assigned program official should then obtain all necessary concurrence and approvals for the Purchase Request and supporting documents. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from the requesting/user organization and the appropriate accounting, budgeting, or finance office.

### **Step 3. Submit the purchase request and supporting documents.**

Army Activities on Fort Detrick will submit the DA Form 3953 (Purchase Request and Commitment Document) through the Electronic Data Interchange (EDI), using any of the automated requisitioning processes capable of interfacing with PD<sup>2</sup>. The remaining supporting documents should be sent under separate cover, preferably electronically.

Non-Army activities on Fort Detrick and all customers not stationed on Fort Detrick should use the Aquiline system to input their purchase request. Complete instructions for using Aquiline are available at the USAMRAA Web site <http://www.usamraa.army.mil>.

The use of manual Purchase Requests is discouraged and requires the pre-approval/waiver by the Deputy for Business Support. This may be done telephonically. All manual Purchase Requests must be hand-delivered to the Deputy for Business Support.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 2. SUPPORTING THE SOLICITATION PROCESS**

The Contracting Officer, with assistance from the rest of the Acquisition Team, will accomplish most of the actions required during the solicitation phase. As the Contracting Officer's technical advisor, the Project Officer will play a key supporting role during this period by performing five tasks. Click on the task heading to find the steps associated with each task.



**Task 1. Participate in the Pre-Proposal Conference**

**Task 2. Provide Pre-Award Technical Advice**

**Task 3. Participate in Technical Evaluations**

**Task 4. Participate in Oral Presentations and Negotiations**

**Task 5. Channel Contractor Inquiries to the Contracting Officer**

**Task 6. Participate in the Debriefing of Unsuccessful Offerors**

#### **Task 1. Participate in the Pre-Proposal Conference**

A Pre-proposal Conference may be held to ensure the industry understands the Request for Proposals (RFP) and to clarify any areas of concern or confusion. The Contracting Officer conducts the pre-proposal conference. The Project Officer assists the Contracting Officer in establishing the agenda and attends the conference to answer technical questions as directed by the Contracting Officer. Pre-proposal conferences are not normally used for supplies or equipment except for unique or complex requirements.

#### **Task 2. Provide Pre-Award Technical Advice**

The Project Officer provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Project Officer is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the statement of work, terms or delivery schedule. The Project Officer also plays a key role in technical evaluations.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 3. Participate in Technical Evaluations**

The Project Officer normally participates in Technical Evaluations and recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal, describe strengths and weaknesses, identify potential items for negotiations and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is a meeting of the minds between the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Project Officer may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and/or by assisting the Contracting Officer review information from the Pre-Award Survey Report.

### **Task 4. Participate in Oral Presentations and Negotiations**

The Project Officer may participate in oral presentations, if conducted. Oral presentations are used to substitute for, or augment, written information. Oral presentations provide an opportunity for dialogue among the parties and can enhance the Government's understanding of the offeror's proposal. The offeror's capability, past performance, and functionality of proposed items are all suitable topics for oral presentations.

The Project Officer may also participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of their proposal (cost, price, technical approach, past performance, terms and conditions, etc.) Discussions do not have to be held, but when they are, they are tailored to each individual offeror.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

### **Task 5. Channel Contractor Inquiries to the Contracting Officer**

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Project Officer requesting information about the supplies or equipment required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the RFP is mailed and the contract is awarded.

### **Task 6. Participate in the Debriefing of Unsuccessful Offerors**

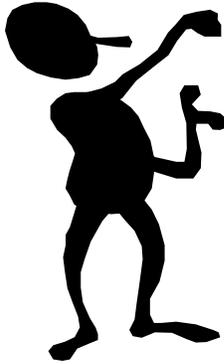
Unsuccessful Offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors which areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.

## **DUTY 3. MONITORING CONTRACT PERFORMANCE**

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer Representative (COR) will need to understand his/her duties and responsibilities. The COR must also develop an organized approach to carrying out these duties and responsibilities and maintain an open line of communications with both the contractor and the Contracting Officer. There are three tasks associated with this duty. Click on the task heading on the next page for a discussion of the steps associated with each task.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*



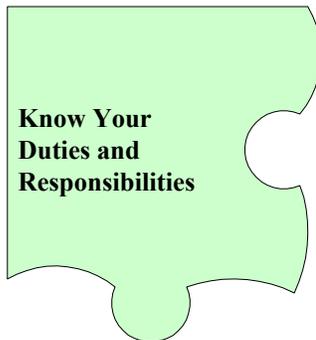
**Task 1. Know Your Duties and Responsibilities**

**Task 2. Develop and Follow a COR Work Plan**

**Task 3. Advise the Contracting Officer of Problems**

**Task 1. Know Your Duties and Responsibilities**

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer’s Representative (COR), the technical or program person who is appointed to assist the Contracting Officer monitor contractor performance.



The Contracting Officer may select and designate any Government employee, military or civilian, to act as the COR. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases, the COR and the Project Officer will be the same person. The COR doesn’t begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by a Letter of Appointment signed by the Contracting Officer.

**Step 1. Review the COR Appointment Letter.**

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations of the COR’s authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

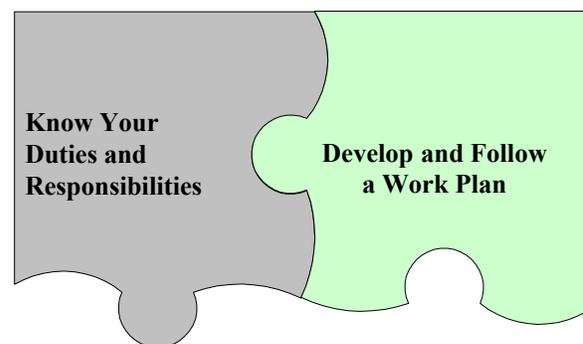
### **Step 2. Review the contract.**

Once award has been made, the COR will receive a copy of the contract. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:

- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/Specification (Section C)** – This section provides a detailed description of the item(s) being acquired.
- **Deliveries or Performance (Section F)** – This section designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – This section contains the dates that the Government expects to release incremental funds.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirements.

### **Task 2. Develop and Follow a COR Work Plan**

Normally, the COR's primary responsibilities on supply or equipment contracts focus on monitoring delivery, inspection of deliverables and product acceptance or rejection. Consequently, the amount of planning on these types of contracts is usually not extensive. However, the COR will need to be aware of all contract milestones and establish procedures to ensure that the contractor complies with these milestones. The COR is also required to maintain a separate file for each contract they oversee. The COR contract file should contain a copy of the following:



- The contract and any modifications
- The solicitation and the contractor's proposal
- All correspondence with the contractor, the Contracting Officer and any other program officials regarding the contract

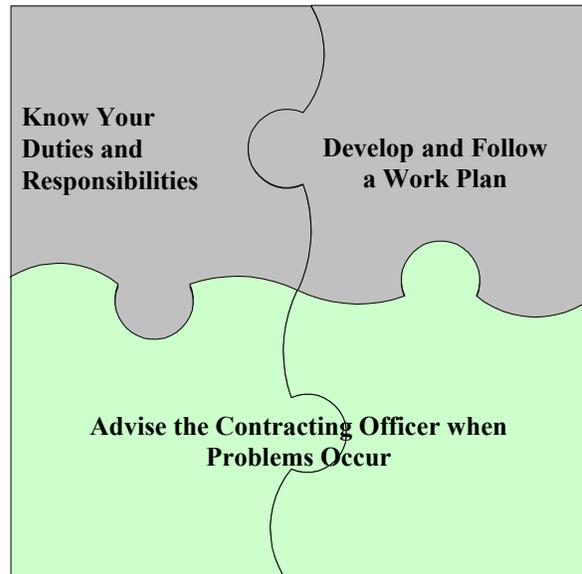


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- The COR Appointment Letters
- Inspection reports and acceptance/rejection documents
- Any other document pertinent to the contract.

### **Task 3. Advise the Contracting Officer of Problems**

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the Government's authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change, or modify the contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract. The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract.



### **DUTY 4. ACCEPTING OR REJECTING SUPPLIES OR EQUIPMENT**

The COR plays a key role in product acceptance or rejection. There are three tasks normally associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Acceptance**

**Task 2. Rejection**

**Task 3. Evaluate the Contractor's Rejection Reply**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Acceptance**

Acceptance occurs when the authorized Government representative examines the supplies or equipment, compares the supplies or equipment to the requirements of the contract, and is satisfied that the products conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the supplies or equipment requirement and provided adequate oversight during contract performance, the supplies or equipment provided normally comply with the contract. The COR can accept services on behalf of the Government if authorized by the COR Appointment Letter. Acceptance is documented on a receiving report, normally after receipt of the vendor's invoice. The preferred form for the receiving report is the DD Form 250. A sample of the DD 250 and instructions for completing it are provided in [Appendix C](#). More information on invoicing/acceptance/payment procedures is found at the Defense Finance and Accounting web site – [www.dfas.mil/library/handbook.pdf](http://www.dfas.mil/library/handbook.pdf). Late submission of the DD Form 250 results in the Government having to pay interest on the contractor's invoice.

### **Task 2. Rejection**

If the supplies or equipment do not comply with the contract or meet the AQL, a notice of rejection should be promptly provided to the contractor. The COR can reject supplies and equipment if authorized by the COR Appointment Letter. Otherwise, the COR recommends rejection to the Contracting Officer or another official that is authorized to reject the products. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the contracting officer whenever products are rejected. The COR should provide the Contracting Officer with documentation on the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. DD Form 250 can be used to document rejection.

### **Task 3. Evaluate the Contractor's Rejection Reply**

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming supplies or equipment, or challenge the deficiency assessment. If the COR is authorized to reject products, he or she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (contractor challenges the assessment of defective products) must be forwarded to the Contracting Officer for resolution. The Contracting

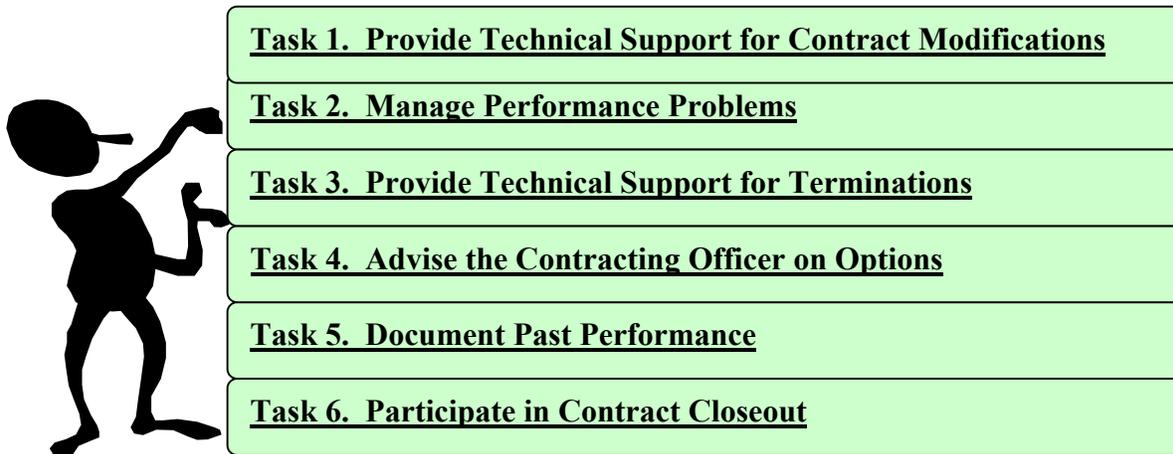


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of a contractor's corrective action plan, the impact of accepting non-conforming products or whether or not the contractor's rebuttal is valid.

### **DUTY 5. COMPLETING OTHER COR SUPPORT TASKS**

The COR performs or participates in six other tasks that play an essential role in successful contract performance. These are discussed below. Click on the task heading to find the steps associated with each task.



#### **Task 1. Provide Technical Support for Contract Modifications**

A modification is a written alteration of any aspect of the contract including the work statement, period of performance, quantity, price, or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in two different aspects of the modification process.

##### **Step 1. Identify circumstances that may necessitate a modification.**

Identify any circumstance that may require modification to the contract. These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Provide the Contracting Officer with technical support.**

Provide the Contracting Officer with a technical evaluation of the proposed change. This evaluation should contain a thorough analysis of the effects of the proposed change on the other areas of the contract. It should be done as thoroughly as the initial requirement determination. The Contracting Officer may also ask the COR to assist in negotiations with the contractor.

### **Task 2. Manage Performance Problems**

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibilities of both the Government and the contractor and to avoid actions that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely effect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following:

- Provide notice to the contractor of the particular deficiency and obtain a commitment for appropriate corrective action.
- Extend the schedule of work if excusable delays in performance are involved.
- Withhold payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminate the contract either for convenience or default (see next task). The COR should follow these steps when dealing with performance problems.

### **Step 1. Document all instances of inadequate performance.**

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government has a difficult time dealing with the situation. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early may end in contract termination if they are allowed to progress.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Notify the Contracting Officer.**

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation and when it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

### **Step 3. Provide technical support to the Contracting Officer.**

The Contracting Officer has a number of ways of dealing with the contractor performance problems, ranging from an informal meeting with the Contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences where the situation reaches the point that the Contracting Officer must initiate Default Termination procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.

### **Task 3. Provide Technical Support for Terminations**

The Government has a unique right to terminate a contract for convenience. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item is no longer needed or funds are not available for continued contract performance. A Termination for Convenience may also be appropriate if it is impossible for the contractor to perform as specified in the contract (through no fault on the part of the contractor) or there has been a radical change in the requirement that goes beyond the contractor's expertise. Under a Termination for Convenience, the contractor may submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Office and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has a right to terminate a contract for default based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination, the contractor only has a right to payment for delivered and accepted products. The COR's responsibilities in either Terminations for Convenience or Terminations for Default are essentially the same.

### **Step 1. Identify any condition or event that may trigger a termination.**

Early identification of a problem, whether it is poor performance, a change in requirements, or a lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Notify the Contracting Officer.**

Notify the Contracting Officer as soon as possible that a termination may be required.

### **Step 3. Provide technical support to the Contracting Officer during negotiations.**

Assist the Contracting Officer by providing technical expertise during the termination process to include assisting in negotiations if required.

### **Task 4. Advise the Contracting Officer on Options**

There is considerable effort required by both the COR and the Contracting Officer prior to exercising an option. As discussed in “Writing the Specification or Purchase Description”, an Indefinite Delivery/Indefinite Quantity (“D” contract) may be a better approach, as it does not take the same level of analysis or planning. Steps that must be taken by the COR prior to exercising an option are as follows:

#### **Step 1. Conduct market research.**

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current price of the same or similar supplies. The COR must also determine if there have been significant technological changes in the marketplace.

#### **Step 2. Formally request that the option be exercised.**

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion of the impact on continuity of operations and the cost to the Government if the option is not exercised; and other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continuing need for the supply and that funds are available. A Purchase Request certifying funds must accompany the written request.

When a decision is made that it is not appropriate to exercise an option, the customer shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the customer by telephone or electronic transmission when notification is sent to the contractor's business office.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 5. Document Past Performance**

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases the probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. DOD also maintains a central Internet Past Performance database call the Past Performance Automated Information System (PPAIS). The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

#### **Step 1. Determine whether a formal evaluation is required.**

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

#### **Step 2. Document past performance information.**

Evaluations are required to be prepared at the time work under the contract is completed. The manner in which the evaluation is done is usually provided in the contract that will specify which Government officials are involved in the evaluation and documentation process, what information will be included in the documentation, and indicate the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor.

#### **Step 3. Rate past performance.**

The COR, as the person most familiar with the contractor's performance, should rate the initial evaluation without bias. The contract will specify the manner in which the contractor's performance will be rated. The following is a list of sample rating areas.

- **Quality** – Did the contractor meet the requirements of the contract?



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

- **Timeliness** – Did the contractor meet the deliver schedule?
- **Cost Control** – Was the contractor’s cost control methods appropriate and effective?
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?

<b>Sample Rating Factors</b>	
Unsatisfactory	Non-conformances Cost control problems Delays on work Responses ineffective and/or not responsive Compromised contract requirements
Poor	
Fair	
Good	
Excellent	No quality problems No cost control problems No delays in work All responses were effective and responses
Excellent +	Reserved for instances where a contractor carries out its end of the bargain in a truly exceptional fashion. The comment section should clearly explain why the contractor earned this rating, enabling source selection boards to understand and give proper credit in their evaluation. An excellent plus rating may be given for any single area or on an overall contract performance basis. Where truly deserved, this recognition is important as it identifies contractors with whom the Government needs to continue doing business.

**Task 6. Participate in Contract Closeout**

A contract is completed when supplies have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all supplies have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR’s assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on USAMRMC awardees. When a contractor fails to meet goals, is delinquent in performance or delivery of data, or is generally non-



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

responsive to requirements, these facts shall be considered in selection to perform on future USAMRMC projects. Centralized performance data maintained by USAMRAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

### **ADDITIONAL READINGS**

#### **Acquisition planning and developing requirements documents**

The Federal Acquisition Regulation<sup>1</sup>

- Part 7 – Acquisition Planning
- Part 8 – Required Sources of Supplies and Services
- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 12 – Acquisition of Commercial Items
- Part 16 – Types of Contracts
- Part 32 (32.7) – Contract Funding
- Part 46 – Quality Assurance

MRMC Regulation 715-1, Procurement and Assistance Agreement Support and Purchase Request Procedures<sup>3</sup>

#### **Project Officer actions during the solicitation phase**

FAR 3.104 – Procurement Integrity<sup>1</sup>

FAR 5.1 – Dissemination of Information<sup>1</sup>

FAR Part 15 – Contracting by Negotiations<sup>1</sup>

#### **Acceptance or rejection of services**

FAR Part 46 – Quality Assurance<sup>1</sup>

DFARS, Appendix F – Material Inspection and Receiving Report<sup>4</sup>

FAR 52.232.25, - Prompt Payment<sup>1</sup>

#### **Other COR Support Tasks**

FAR Subpart 17.2 – Options<sup>1</sup>

FAR Part 49 – Termination of Contracts<sup>1</sup>

OFPP Best Practices for Past Performance<sup>2</sup>

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at <http://www.arnet.gov/Library/OFPP/BestPractices/>
3. Available under “references” at <http://www.usamraa.army.mil>
4. Available on-line at <http://web1.deskbook.osd.mil>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## CHAPTER 3. CONTRACTING FOR CONSTRUCTION

### SUMMARY

Construction contracting includes the alteration and repair of buildings, structures and other real property including streets, sewers, and power lines. Contracting for construction follows the same general rules as other types of contracts, however, there are a number of special procedures, policies and laws that apply only to construction contracting. The preferred method of acquiring construction services is through the use of sealed bidding procedures. Throughout this Chapter, the term Project Officer is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

### KEY TERMS

#### Bonds

Bonds are used in conjunction with construction contracts to assure the bidder or contractor meets his or her obligations. If the bidder or contractor's obligations are not met, the bond assures payment, to the extent stipulated, of any loss sustained by the Government. **Bid bonds** guarantee that the bidder will not withdraw a bid within the period specified for acceptance and will execute a written contract and furnish additional bonds required during performance of the contract. **Performance bonds** secure performance and fulfillment of the contractor's obligations under the contract. **Payment bonds** ensure payment to all persons supplying labor or material in conjunction with the contract.

#### Design

Design means defining the construction requirement (including the functional relationships and technical systems to be used, such as architectural, environmental, structural, electrical, mechanical and fire protection), producing the technical specifications and drawings and preparing the construction cost estimate.

#### Liquidated Damages

The compensation paid by the contractor to the Government for the harm caused by late delivery or untimely performance is called liquidated damages. In construction contracts, liquidated



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

damages are normally expressed in terms of a daily rate. This rate should be established by determining the actual cost to the Government caused by the delay to include the cost of performing additional inspections and the cost of renting substitute property. Liquidated damages are not intended to be punitive or a negative performance incentive. Liquidated damages provisions have a significant impact on pricing, competition, and contract administration. They should only be included in a contract if the impact of a delay and the costs associated with this delay are significant.

### **Specification**

A specification is a document that describes the technical requirements of the Government. They describe the required materials, execution and quality of performance. Specifications can be written either as design specifications, performance specifications, or a combination thereof. Design specifications detail the exact dimensions, materials, composition, physical, and chemical requirements of the product to be furnished. Performance specifications describe the end item in terms of output, function, or operation. Specifications must state only the Government's actual minimum needs in a manner that will encourage full and open competition.

### **Standard**

A standard is a document that establishes engineering and technical limitations and applications of items, materials, processes, methods, designs and engineering practices. Standards including criteria deemed to be essential to achieve the highest degree of uniformity in materials or products.

### **Sealed Bidding**

Sealed bidding is a method of contracting that employs competitive bids and public opening of bids. After bids are opened, an award is made to the responsible bidder whose bid, conforming to the invitation of bids, will be most advantageous to the Government, considering only price and price-related factors. The solicitation document used for sealed bidding is called an Invitation for Bid (IFB). Construction services are normally obtained using sealed bidding procedures.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **DUTIES AND RESPONSIBILITIES**

### **DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT**

Long before the government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the USAMRMC. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, complexity, or importance of the project. There are six tasks that must be accomplished during acquisition planning. Click on the task heading to find the steps associated with each task.

**Task 1. Acquisition Planning and Concept Development**

**Task 2. Develop the Statement of Work**

**Task3. Prepare a Quality Assurance Surveillance Plan**

**Task 4. Prepare the Independent Government Estimate**

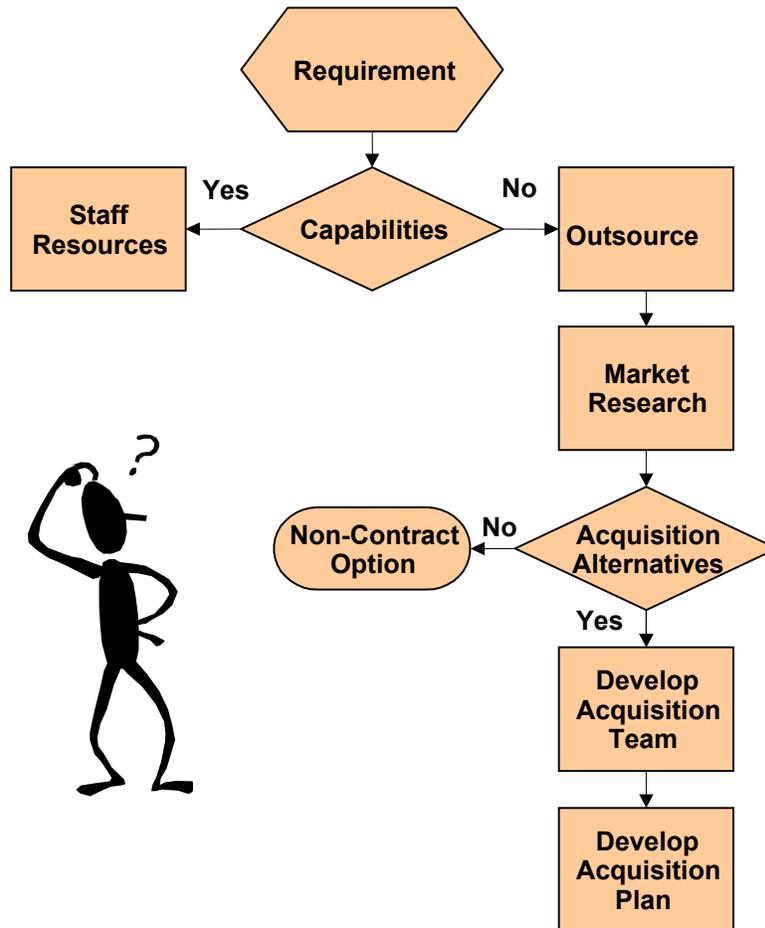
**Task 5. Obtain Necessary Concurrence and Approval**





## Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives

### Task 1. Acquisition Planning and Concept Development



#### Step 1. Identify the needs of the Government.

Concept development is the first step in an acquisition. In this phase the Project Officer realizes that an acquisition is necessary and defines in broad terms what this effort will entail. A plan or concept is evolved which reflects consideration of USAMRMC in-house capabilities. Early involvement by the Account Manager/Contracting Office is an important part of the process. There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs, and budget documents.
- Surveys of requiring activities.
- Meetings to plan, program, and budget for agency missions.
- Changes in policy or regulations.
- Changes in previous/existing contracts.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- Expiration of current contracts.
- In-depth literature searches.
- Discussions with technical personnel, both within and outside the Government.

Care must be taken during any discussions with personnel outside the Government. The Project Officer may not disclose information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited. In most programs, the concept development phase is intimately connected with the budget process since that is the primary means of identifying, defining, and approving program acquisitions. Once the concept has been formulated, the appropriate management staff must review it for the following:

- Program relevance
- Need
- Merit
- Priority
- Timeliness

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps resolve problems early in the acquisition cycle. USAMRMC construction contracts will not require a formal, written acquisition plan. Nevertheless, the Project Officer should use the acquisition plan format as a checklist to gather information and address all of the relevant issues that need to be documented. The Acquisition Plan Format can be found in [Appendix A](#)

### **Step 2. Perform market research.**

The Project Officer uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market research helps the Project Officer identify potential sources and their size, determine the most appropriate materials and practices to be used on the project, and to obtain information on the various cost elements of the project. During market research, the Project Officer will identify available standards and specifications applicable to the project. The Project Officer can gather market research information from a variety of sources to include:

- Contacting knowledgeable individuals in the Government and industry.
- Reviewing market research information on similar projects.
- Consulting technical journals and reviewing current regulations.
- Querying Government or commercial databases.
- Reviewing product literature.
- Publishing formal requests for information in the FedBizOpps.com.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

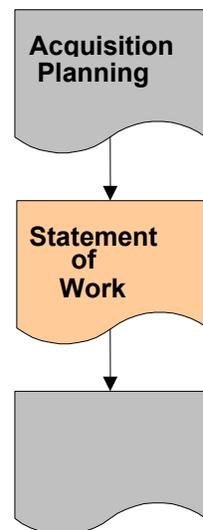
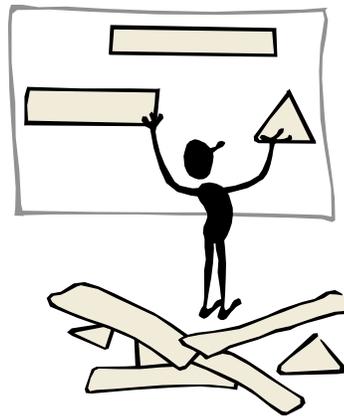
Past acquisition documents on similar projects should be reviewed. These will provide valuable information on current or potential contractors and previous procurement strategies, acquisition plans and lead times. These will also identify problems and issues in the award and administration of previous contracts. The past performance of previous contractors should be taken into account. The U.S. Corps of Engineers maintains a central database for past performance information for all construction contracts. This database is called the Construction Contract Appraisal Support System (CCASS). Additional information on CCASS is available at [www.nwp.usace.army.mil/ct/i/](http://www.nwp.usace.army.mil/ct/i/). When considering past performance information, review the quality of workmanship, timeliness of performance, cost control, business practices and performance of key personnel. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition.

The Project Officer should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSADBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSADBU is a valuable source of information on potential small and disadvantaged business sources. The ADSADBU can advise if there is a mandatory source for the required service and can help the Project Officer better understand the various federally mandated socioeconomic programs. See [Appendix D](#).

During the Market Research Phase, close coordination between the Project Officer and the Account Manager/Contracting Officer is extremely important. The Account Manager can provide valuable information about contracting lead-times, potential sources of information, and potential problem areas

### **Task 2. Develop the Statement of Work**

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written description should contain a clear and explicit description that reduces problems and enhances the quality of the offers submitted. A well-written Statement of Work will avoid delays, save administrative efforts, and reduce the chance of a protest or claim against the Government. Carefully planning the statement of work will save time and will make it possible to develop a concise, trouble-free solicitation.





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Write the Statement of Work.**

Construction specifications and statements of work need to describe the agency's need in terms that will promote full and open competition. Restrictive provisions or conditions may not be used except to the extent necessary to satisfy the needs of the agency or as authorized by law. Whenever possible, references in specifications should be made to widely recognized standards or specifications promulgated by governments, industries or technical sources. When using "brand name or equal" descriptions to describe contractor furnished materials and products, the specifications must clearly identify and describe the particular physical, functional and other characteristics of the brand-name items that are considered essential to satisfying the requirement. The statement of work will contain the following elements.

- **Point of Contact** – Name, title, address, phone number, fax number and email address.
- **Date** – Effective date of the SOW. This is essential in order to track changes and revisions.
- **Agency/Activity** – Identifies requesting organization.
- **Title** – Provides a short, unique and descriptive title of the service required.
- **Definitions** – Contains any special terms or phrases which are used in the SOW that may not be generally understood or have a unique meaning.
- **Background** - Explains why the acquisition is being pursued. If appropriate, explains how this project relates to past, current, or future projects. Includes a summary of statutory program authority and any applicable regulations.
- **Objectives** - Provides a concise overview of the goals and expectations of the project.
- **Scope** - Provides an overall, non-technical description of the work to be performed. It identifies and summarizes the various phases of the project, and defines specific objectives, time, special provisions, or limitations. Contractor responsibilities and the expected results of the project are often summarized here.
- **Specific Tasks** - Spells out, in detail, what is expected of the contractor. It describes the specific tasks, objectives and deliverables required under the contract. Each Task is titled and numbered sequentially. Complex Tasks should be further broken down into Subtasks. If the contract involves multiple phases, these phases and the effort required in each phase are identified. While the delivery schedule or period of performance is normally detailed in a separate section, it may also be included here if necessary for clarity. The criteria for acceptance of all deliverables should also be given in this section.
- **Contract Type** – States the recommended type of contract (firm fixed-price, time & materials, etc.)
- **Place of Performance** – States where performance is to occur.
- **Delivery Schedule/Period of Performance** – The delivery schedule/period of performance should be specified here. Delivery schedules can be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone.
- **Contract Deliverables** – Specifies precisely what items are to be delivered both during



## Acquisition Desk Reference for Project Officers, Contracting Officer’s Representatives And Grants Officer’s Representatives

performance of the contract and at completion.

- **Security** – Describe the physical security level required for the specific work to be done, if any.
- **Inspection and Acceptance** – Describes the criteria that will be used to inspect and accept contract services.
- **Special Considerations** – Includes any special consideration, unique requirements or additional information that would help contractors prepare their bids or proposals. Special emphasis should be given to **federal, state and local codes; environmental requirements and safety considerations.**
- **Specifications and Drawings.** Provides a list of all specification, technical exhibits and drawings that are applicable to the acquisition and where they can be obtained.

### Step 2. Prepare a justification for any requirements where competition will be limited.

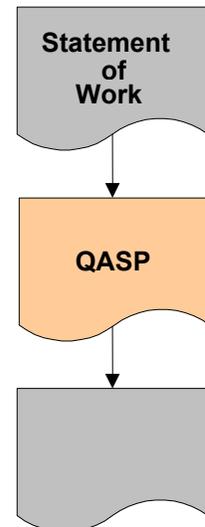
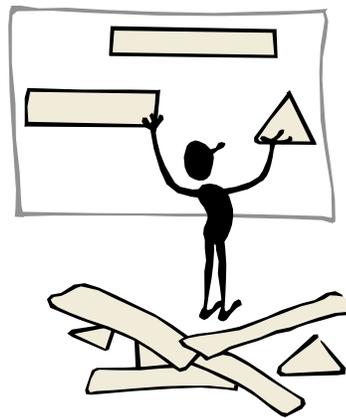
Non-competitive situations for construction should be rare. However, if justified, the project officer must provide a detailed, factual, written justification for this recommendation following the sample format at [Appendix B](#).

### Step 3. Prepare evaluation factors if acquisition is to be negotiated.

Construction services are normally obtained using sealed bidding procedures. However, in a limited number of situations, i.e. when there is insufficient time to solicit and evaluate sealed bids, the acquisition may be negotiated. Negotiated acquisitions utilize a Request for Proposals (RFP), permit discussions between the Government and the offerors, and allow factors other than just price to be considered when selecting a contractor. If negotiated procedures are to be used, the Project Officer must develop evaluation factors to be used during technical evaluations.

## Task3. Prepare a Quality Assurance Surveillance Plan

A Quality Assurance Surveillance Plan (QASP) provides a systematic, structure for the Government to evaluate services that contractors are required to furnish. The QASP is used to address how the Government will monitor a contractor's performance. Since most construction contracts within USAMRMC are for renovations, a lengthy, detailed Quality Assurance Surveillance Plan is usually not required. Nonetheless, the Project Officer should determine what aspects of the project require surveillance, when the





*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

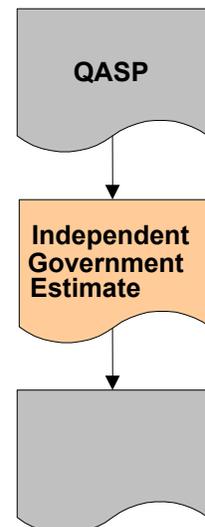
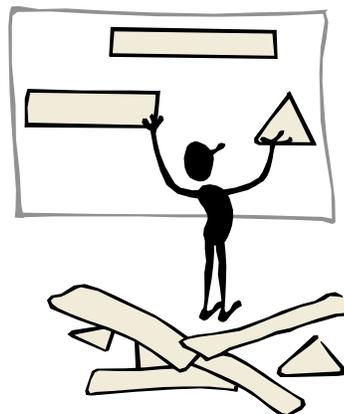
surveillance should occur, and how the surveillance will be accomplished.

- **Content** – The QASP should include a surveillance schedule and clearly state the surveillance method(s) to be used. The detail in the QASP regarding a particular task should be consonant with the importance of the task.
- **Style** – The QASP should be written using precise terms and clear, concise wording. Avoid using broad or vague statements or overly technical language.
- **Method of Surveillance** – The method of surveillance must be consistent with the task. Take into consideration task criticality, performance requirements and standards, and the availability of someone to do the inspections. Inspections should include not only a physical examination of work in progress, but also reviews of contractor maintained records. The timing of inspections should be carefully coordinated with the schedule of work. Every effort should be taken to ensure that examinations will not be required that cause the contractor to tear out or remove completed work. If this occurs and the work is found to conform to the specifications, the Government is required to reimburse the contractor for the cost of removing and re-completing the work.
- **Surveillance Checklist** – A surveillance checklist, using a format similar to the one below, should be used to document surveillance.

Surveillance Activity Checklist					
Contract Requirement	Contract Reference	Method of Surveillance/ Measurement	Date Reviewed	Place Reviewed	Compliance

**Task 4. Prepare the Independent Government Estimate**

An Independent Government Estimate (IGE) of construction costs shall be prepared for each proposed contract and for each contract modification anticipated to cost \$100,000 or more. The estimate shall be prepared in as much detail as though the Government was competing for award. The Contracting Officer may require an estimate when the cost of required work is anticipated to be less than \$100,000. The IGE is confidential,





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

internal information that should not be discussed or shared with the contractor. The IGE document shall be designated as “For Official Use Only”, unless the information is classified. The following are the steps associated with developing an IGE:

### **Step 1. Determine direct labor costs.**

Divide the effort into identifiable tasks or logical steps. List the categories of labor that will be required in each task or step and the level of expertise, training and experience required for each category. Estimate the per-day or per-month cost of each category of labor. The Project Officer should be aware that the Davis-Bacon Act dictates that certain classes of employees must be paid no less than the prevailing wage established by the Department of Labor. Consult with your Account Manager/Contracting Officer on this issue. Estimate the total effort from each labor category by task in terms of person-days or person-months. Calculate the estimated direct labor cost.

### **Step 2. Calculate other direct costs (ODCs).**

Estimate the amount and type of materials and supplies that will be required, and the cost of each. Estimate the type and cost of equipment that may have to be purchased or leased for performance of the contract. Identify the cost of any subcontracted services. Total other direct costs equal the sum of all these costs.

### **Step 3. Calculate indirect costs.**

Estimate the amount of overhead and general & administrative expense that will be charged.

### **Step 4. Calculate Profit/fee.**

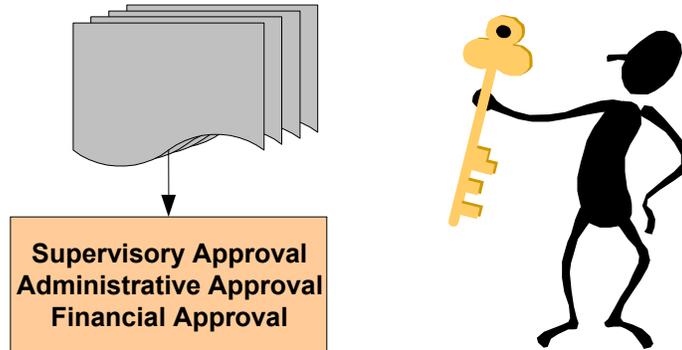
Profit/fee is the dollar amount over and above allowable costs that is paid to the contractor for contract performance. Profit/fee provides the motivation for the contractor to meet and exceed the goals of a contract. It also provides the financial capital necessary for a firm to remain a viable entity. Profit/fee stimulate efficient contract performance and attract the best capabilities of qualified large and small business concerns to Government contracts, consequently it is not in the best interests of the Government to strive for extremely low profits/fees. Profit/fee is normally dependent upon the complexity of the contract and the amount of risk.

The sum of direct labor, other direct cost, indirect costs and fee equal the anticipated cost/price of the contract. The Contracting Officer can assist in developing the IGE. Additional information on the IGE process can also be found at <http://www.acq.osd.mil/dp/cpf>.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### Task 5. Obtain Necessary Concurrence and Approval



#### **Step 1. Ensure the purchase request is current, accurate, and complete.**

At this point, the Project Officer should have a funded Purchase Request, Statement of Work, IGE, Quality Assurance Surveillance Plan, Evaluation Factors (if required), a list of potential sources (at least 3 if possible), and justification for limiting competition (if required).

Once these documents have been assembled, they should be reviewed to ensure they are complete and sufficient to proceed with contract action. Consider the following questions: 1. Are the documents written in terms that accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times? 2. Are they designed to obtain maximum competition? 3. Do they satisfy the Government's needs in the most effective, economical, and timely manner? 4. Are the documents consistent with each other? 5. Do the documents request sufficient information from the contractor to adequately evaluate a proposal? Do they request too much information from the contractor? Information that will not be evaluated should not be requested. 6. Have we used performance specifications to the maximum extent possible?

#### **Step 2. Secure all necessary authorizations.**

The assigned program official should then obtain all necessary concurrence and approvals. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from requesting/user organization and the appropriate accounting, budgeting, or finance office.

#### **Step 3. Submit the Purchase Request.**

The DA Form 3953 (Purchase Request and Commitment Document) will be submitted through the Electronic Data Interchange (EDI), using any of the automated requisitioning processes capable of interfacing with PD<sup>2</sup>. The remaining parts of the requirement package may be sent under separate cover, preferably electronically.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 2. SUPPORTING THE SOLICITATION PROCESS**

The Contracting Officer will accomplish most of the actions required during the solicitation phase. However, as the Contracting Officer's technical advisor, the Project Officer will play a key supporting role during this period. The Project Officer will be involved in three tasks (five tasks if a negotiated acquisition) during the solicitation phase. Click on the task heading to find the steps associated with each task.



**Task 1. Participate in the Site Visit**

**Task 2. Provide Pre-Award Technical Advice**

**Task 3. Participate in Technical Evaluations**

**Task 4. Participate in Negotiations**

**Task 5. Channel Contractor Inquiries to the Contracting Officer**

#### **Task 1. Participate in the Site Visit**

The solicitation may include provisions for a site visit to allow prospective offerors the opportunity to examine the work site and data available to the Government that may affect performance. Examples of information available during site visit include boring samples, original boring logs, and records of previous construction. The Project Officer assists the Contracting Officer to determine what materials, records, etc should be available during the site visit. The Project Offer normally is responsible for designating the location of the materials and records for the site visit and for showing the prospective contractors the site, data, and materials. The Project Officer should maintain a record of all individuals participating in the site visit.

#### **Task 2. Provide Pre-Award Technical Advice**

Much of the information in the Invitation for Bid is derived directly from the planning and other solicitation materials furnished by the Project Officer. During the Solicitation Phase, the Project Officer continues to provide technical advice to the Contracting Officer. This includes drafting



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

answers to technical questions submitted by potential offerors and advising on changes to the statement of work, terms or delivery schedule.

### **Task 3. Participate in Technical Evaluations**

Construction services are normally obtained using sealed bidding procedures. However, in a limited number of situations, i.e. when there is insufficient time to solicit and evaluate sealed bids, the acquisition may be negotiated. Negotiated acquisitions utilize a Request for Proposal (RFP), permit discussions between the Government and the offerors, and allow factors other than just price to be considered when selecting a contractor.

Technical evaluations are only used when negotiated acquisition procedures are used. The Project Officer normally participates in technical evaluations when held. The Project Officer also recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures securing the proposals whenever they are not being evaluated. After the evaluation is complete, all proposals must be accounted for by returning them to the Contracting Officer.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Project Officer may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and/or by assisting the Contracting Officer review information from the Pre-Award Survey Report.

### **Task 4. Participate in Negotiations**

If this is a negotiated acquisition, the Project Officer will normally participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of their proposal (such as cost, price, technical approach, past performance, and terms and conditions). Discussions do not have to be held, but when they are, they are tailored to each individual offeror.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

### **Task 5. Channel Contractor Inquiries to the Contracting Officer**

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Project Officer requesting information about the project. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time the IFB is mailed and the contract is awarded.

### **DUTY 3. DEVELOPING THE COR WORK PLAN**

As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to develop a cost effective contract administration plan and follow that plan to monitor contract performance. This plan must ensure that all required tasks are well defined and that all milestones are clearly flagged. There are four tasks associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Know Your Duties and Responsibilities**

**Task 2. Establish Files**

**Task 3. Develop and Follow a Work Plan**

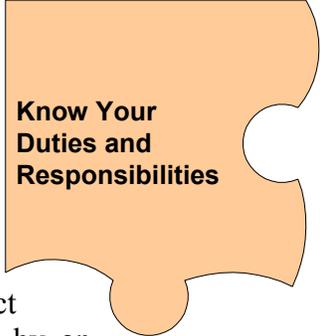
**Task 4. Notify the Contracting Officer of Problems**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Know Your Duties and Responsibilities**

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the COR, the technical or program person who is appointed to assist the Contracting Officer. The Contracting Officer may select and designate any Government employee, military or civilian, to act as the COR. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases, the COR and the Project Officer will be the same person. The COR doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by an Appointment Letter signed by the Contracting Officer.



**Know Your  
Duties and  
Responsibilities**

#### **Step 1. Review the COR Appointment Letter.**

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations on the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The Contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR in the contract.

#### **Step 2. Review the contract.**

Once award has been made, the COR will receive a copy of the award. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones, and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:

- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/SOW (Section C)** – The SOW is the basis for most contract monitoring activities.
- **Deliveries or Performance (Section F)** – This section designates the due dates of



## Acquisition Desk Reference for Project Officers, Contracting Officer’s Representatives And Grants Officer’s Representatives

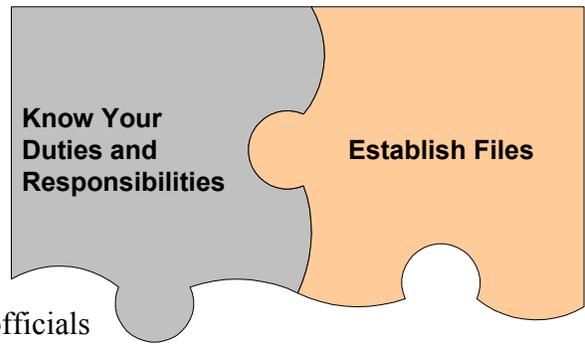
deliverables.

- **Contract Administrative Data (Section G)** – This section contains information on how the contract will be administered.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section covers any special contract requirement.

### Task 2. Establish Files

The COR is expected to maintain a separate file for each contract he/she oversees. At a minimum, the COR contract files shall contain a copy of:

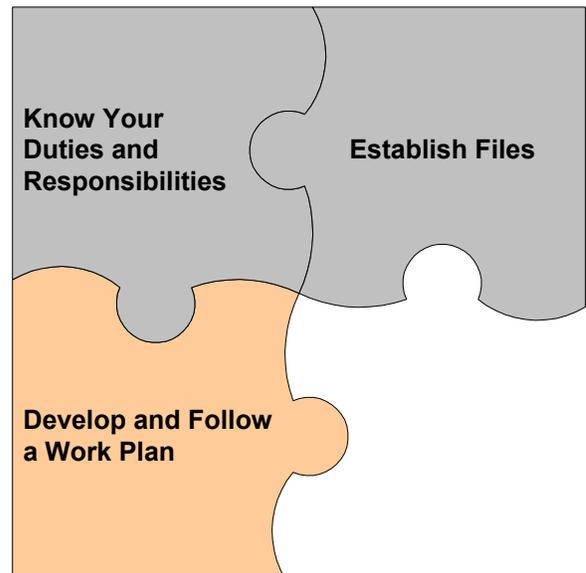
- The Solicitation.
- The contract and any amendments.
- All correspondence with the contractor, the Contracting Officer or other program officials dealing with this contract.
- All reports submitted by the contractor.
- Reports of inspections and site visits.
- The COR Appointment Letter signed by Contracting Officer.



### Task 3. Develop and Follow a Work Plan

Planning at the outset of the project is a necessary step in effective contract administration. This planning is needed to assure that the administrative steps intended are consistent with the specific procurement. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action before they become serious obstacles.

The planning should be based on a review and analysis of the project and award requirements. Include such things as an analysis of the need for and timing of such things as progress schedules,





***Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives***

planned or required inspections, subcontractor performance, key personnel issues, monitoring of the contractor’s compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the contractor to arrive at a common understanding of what will be expected. A pre-construction conference may be scheduled by the Contracting Officer to assure that all parties are aware of requirements, responsibilities and procedures. Developing a work plan involves the following:

- Read and understand the award document, and ensure that the contractor does the same.
- Develop a post-award milestone chart in coordination with the Contracting Officer and contractor.
- Read and act promptly on progress reports.
- Identify all potential problem areas.
- Review progress and possible problems with the Contracting Officer regularly.
- Prepare the work plan. The following is a sample format for the work plan.

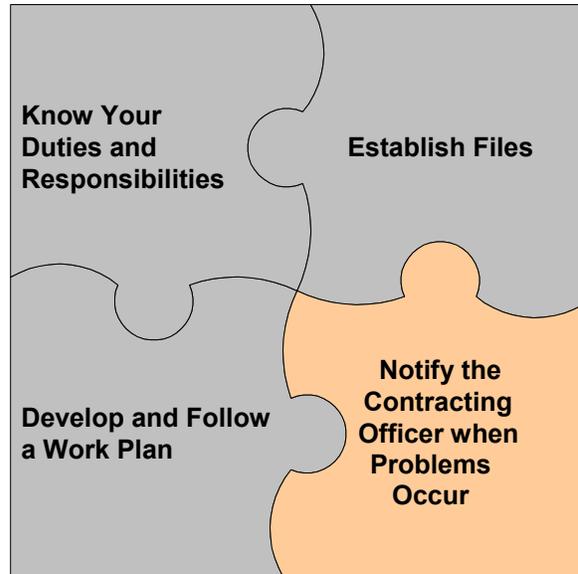
<b>Sample Work Plan</b>	
Contract Title:	
Contractor:	
Key Contractor Personnel	
List of COR Files	
Description of Work to be Performed	
Assigned Tasks	Task Milestones
1.	
2.	
3.	
4.	



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 4. Notify the Contracting Officer of Problems**

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the Government's authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change or amend a contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the written contract. The COR should make certain that the contractor does not take suggestions or comments as directions to proceed on a course of action not covered by the contract. When recommending requests for changes in a contract, the COR should be sure the changes do not add new work, objectives or data for which a new contract might be needed.



### **DUTY 4. SUPPORTING THE PRECONSTRUCTION CONFERENCE**

The Preconstruction Conference is a meeting between Government and the contractor to ensure that both parties have a clear and mutual understanding of all contract requirements. The Preconstruction Conference is used to identify and resolve potential problems; introduce the Government's representatives; furnish notices and other data to the contractor, and otherwise set the stage for a good working relationship under the contract. Generally, the Preconstruction Conference is a structured meeting chaired by the Contracting Officer. However, in less complex contracts, the initial meeting between the contractor and the COR serves the same purpose. Click on the task heading to find the steps associated with each task.



**Task 1. Provide Support for the Preconstruction Conference**

**Task 2. Participate in the Preconstruction Conference**



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

**Task 1. Provide Support for the Preconstruction Conference**

The nature and complexity of this task will depend upon the nature and complexity of the contract and the manner in which the Contracting Officer decides to conduct the Preconstruction Conference. If the contract is complex and a formal Preconstruction Conference is to be held, the Contracting Officer may require that the COR prepare a written issue or discussion paper in preparation for the Conference. This should be accomplished as follows:

**Step 1. Prioritize all performance issues.**

All issues of concern should be addressed and prioritized based on potential risks to the contractor or the Government.

**Step 2. Develop solutions.**

Develop solutions or other recommendations. Document these in a clear and concise manner.

The COR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.

<b>Suggested Preconstruction Conference Agenda</b>	
<b>1. Introduction of participants</b>	At the opening of the conference, the chairperson introduces each attendee by name and title, along with an explanation of the role that person will play in contract administration. The contractor makes similar introductions for his/her team.
<b>2. Function and authority of Government personnel</b>	<p>The Contracting Officer is the only person authorized to change any of the terms and conditions, including the specifications of the contract, or order the performance of any additional work, services, or supplies not called for by the contract. Any work or services performed or materials furnished by the Contractor or not authorized by written order of the Contracting Officer shall be at the Contractor’s own risk and responsibility.</p> <p>The Contract Specialist may represent the Contracting Officer in all matters; however, he/she may not change any of the terms and conditions of the contract or authorize any additional work.</p> <p>The COR shall represent the Contracting Officer for inspection purposes only within the limits of his/her appointment issued at time of award. The COR is not authorized to change any of the</p>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

	terms and conditions of the contract or authorize any additional work.
<b>3. Changes</b>	Changes shall be in accordance with the Changes Clause of the contract or by supplemental agreement. Normally, the price of the change shall be agreed to before the work is performed or deleted.
<b>4. Submittals</b>	All submittals, including submittals of shop drawings, equipment, material, and progress charts, if required, shall be delivered to the Contracting Officer for approval.
<b>5. Equipment and Materials</b>	<p>Equipment and materials shall be located and stored in authorized areas</p> <p>Temporary buildings and construction trailers may be erected or located in authorized areas as directed by the COR</p> <p>Deliveries shall be coordinated with suppliers to ensure that Contractor personnel are on-site when deliveries are made. Deliveries will not be accepted or received by Government personnel.</p>
<b>6. Safety and Accident Prevention</b>	<p>Contractor shall comply with the Corps of Engineers Safety Manual, Fort Detrick Safety and Traffic Regulations and shall at all times perform the work in a prudent and safe manner.</p> <p>All injuries shall be reported to the COR</p> <p>Open burning shall not be permitted.</p> <p>Welding and torch burning shall be permitted only after approval by the COR and coordination with the Fort Detrick Fire Department.</p>
<b>7. Payment</b>	<p>Payment shall be made in accordance with the clause entitled "Payments to Contractor."</p> <p>Progress payments shall be based on the percentage of work completed which shall be verified by the COR and approved by the Contracting Officer prior to submitting an invoice.</p> <p>The Contracting Officer may retain up to 10 percent of all progress payments until final completion and acceptance of the contract work.</p>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<p><b>8. Commencement and completion of work</b></p>	<p>Work shall commence within 10 calendar days after the date of receipt of the Notice to Proceed.</p> <p>Work shall be completed, including final clean-up, within _____ calendar days after the date of receipt of Notice to Proceed.</p> <p>Liquidated damages apply in the amount of _____ for each day of delay</p>
<p><b>9. Davis Bacon Act</b></p>	<p>Employees shall be paid not less often than once a week and not less than the aggregate of the basic hourly rates and fringe benefits stated in the wage determination decision of the Secretary of Labor incorporated in the contract.</p> <p>A copy of the wage rates shall be posted on the job site in a prominent place where the workers can see it.</p> <p>The COR shall make regular interviews of Contractor's employees to determine that the Act is being adhered to and shall submit his/her reports to the Contracting Officer on SF Form 1445 as they are accomplished.</p>
<p><b>10. Contract Work Hours and Safety Standards Act – Overtime Compensation</b></p>	<p>The Contractor shall not require or permit any laborer or mechanic to work more than 40 hours in one week unless he/she is compensated at a rate of not less than one and one half times his/her basic hourly rate of pay, exclusive of fringe benefits, for all such hours worked in excess of 40 hours per week.</p> <p>In the event that employees are not compensated in accordance with the Act, the Contractor shall be liable to the employee for all wages due and to the Government for liquidated damages in the amount of the \$10.00 per day per violation.</p>
<p><b>11. Apprentices and Trainees</b></p>	<p>Apprentices and trainees shall be permitted only if employed and registered pursuant to a bona fide program with the U.S. Department of Labor or State Apprenticeship Agency as appropriate.</p>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

<p><b>12. Payrolls and Basic Records</b></p>	<p>Within seven days after the date of the payroll, the Contractor shall submit and cause subcontractors to submit certified payrolls in an original and one copy.</p> <p>The Contractor and all subcontractors shall preserve payrolls and basic records for a period of three years after completion of the contract.</p>
<p><b>13. Copeland Act</b></p>	<p>It is unlawful to include, by force or otherwise, any employee to give up any part of the compensation to which he/she is entitled under his/her contract of employment (29 CFR Part 3)</p>
<p><b>14. Withholding of Funds</b></p>	<p>The Contracting Officer may withhold or cause to be withheld payment under the contract to ensure payment to all employees the full amounts of wages to which they are entitled under the contract as well as provide for payment of liquidated damages under the Contract Work Hours and Safety Standards Act-Overtime Compensation.</p>
<p><b>15. Subcontracts</b></p>	<p>The Contractor shall insert the following clauses in all subcontracts: Davis Bacon Act, Contract Work Hours and Safety Standards Act-Overtime Compensation, Apprentices and Trainees, Payrolls and Basic Records, Compliance with Copeland Regulations, Withholding of Funds, Subcontracts, and Contract Termination Debarment.</p> <p>Within seven days after the award of any subcontractor, the Contractor shall deliver to the Contracting Officer a SF 1413, “Statement and Acknowledgment,” executed by both the Contractor and subcontractor stating the name and address of the subcontractor, a summary description of the work subcontracted, and an acknowledgment of the clauses required by the prime contract clause entitled “Subcontractor.”</p>
<p><b>16. Contract Termination – Debarment</b></p>	<p>Breach of the clauses pertaining to labor provisions of the contract may be grounds for termination of the contract and for debarment as provided in CFR 5.6.</p>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

<b>17. Equal Opportunity</b>	<p>The Contractor shall comply with all the requirements of the Equal Opportunity Clause.</p> <p>The Contractor shall post the notices required by paragraphs (1) and (3) of the Equal Opportunity Clause entitled “Equal Opportunity is the Law.”</p>
<b>18. Required Permits, Licenses or any other Environmental Requirements</b>	
<b>19. Vehicle Decals</b>	
<b>20. Approval for use of Frederick County Landfill</b>	
<b>21. Material Safety Data Sheets (MSDS)</b>	
<b>22. Site Safety Plan Required prior to issuing notice to proceed</b>	
<b>23. Discussions and clarification of specifications and drawings</b>	

**Task 2. Participate in the Preconstruction Conference**

The COR will participate in the Preconstruction Conference either as the chair or a member of the Contracting Officer’s team. In either case, the COR will be expected to provide technical information, respond to questions and identify further action items. The COR needs to know how questions will be handle before the orientation. The Contracting Officer should provide guidance on this subject. The COR should ensure that any information provided is consistent with the terms and conditions of the contract. In all discussions with the contractor, the COR should be careful not to bind the Government in any way that alters the contract. Any areas disputed by the contractor must be recorded and resolved by the Contracting Officer. This is true not only during the Preconstruction Conference, but also throughout the life of the contract.

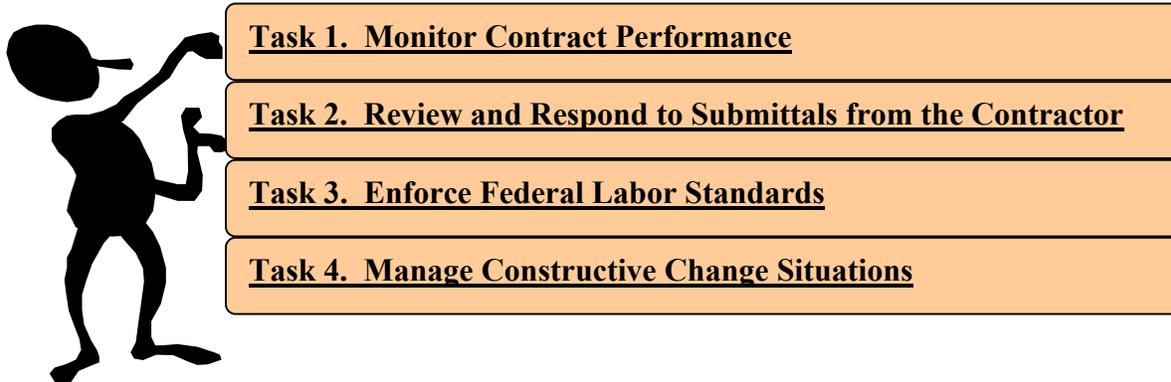
**DUTY 5. MONITORING CONTRACTOR PERFORMANCE**

Monitoring contractor performance is the heart of the COR duties. The COR has the primary responsibility to see that the technical objectives of the contract are met. Contract monitoring



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

can be divided into three tasks. Click on the task heading to find the steps associated with each task.



### **Task 1. Monitor Contract Performance**

Performance monitoring involves contract administration activities that the Contracting Officer, COR and other Government personnel use to ensure services acquired under contracts conform to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques. Under a contract, the obligation of both parties is to perform as they have promised to do under its terms and conditions. Not all contracts, however, are performed according to their terms and conditions or within their required timeframes. Poor performance or late deliveries under a contract may cause costly delays in a program. Thus, the Government monitors contract performance to ensure that required end items or services are delivered on time.

The contractor is responsible for all activities necessary to manage, control and document work so as to ensure compliance with the contract plans and specifications. This responsibility includes ensuring that adequate quality control services are provided for work activities accomplished both onsite and offsite by the contractor's own organization, and its suppliers, subcontractors, technical laboratories and consultants. The contractor's staff must be sufficient in quality and quantity to meet the technical requirements of the contract.

The responsibility of the Government is to monitor the contractor's activities to ensure that he/she is meeting contract quality control obligations and verifying contractor compliance with contract specifications to include quality of workmanship and materials used. Government Quality Assurance activities include testing, reviews of daily progress reports, reviews of contractor submittals, and various inspections. The COR uses a Quality Assurance Surveillance Plan (QASP) to specify how Government quality assurance and surveillance of the contract tasks



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

will occur. A QASP should include an appropriate use of pre-planned inspections, validation of complaints, and random unscheduled inspections. The QASP is a form of guarantee that the Government receives the services for which it contracted and pays only for the services it receives. It is the method by which the Government determines if the contractor meets the performance standards in the contract. It also is the guideline for how and when surveillance will be performed.

Surveillance should be comprehensive, systematic, and well documented. Contractors should be briefed on surveillance requirements and responsibilities at the Preconstruction Conference. The contractor's plan for maintaining an acceptable quality level under the contract should be reviewed and discussed as soon as possible. In fact, in many cases, contractors are required to submit a Quality Control Plan to the Government prior to the Preconstruction Conference. One way to document surveillance is through use of a surveillance checklist. Techniques include inspections, correspondence reviews, customer surveys, and audits. The extent of surveillance is determined by the surveillance schedule established in the QASP. It should be sufficient to systematically and fairly evaluate the contractor's total performance throughout the performance period. Where surveillance results show good performance consistently, the amount of surveillance may be adjusted accordingly. This saves the government money, reduces oversight burdens on the contractor, and recognizes the contractor's level of performance. When performance is deficient, the COR should promptly notify the Contracting Officer who in turn will notify the contractor. The COR should establish a system to track corrective actions.

The COR should maintain an open line of communication with the contractor throughout the project. The COR should meet face-to-face with the contractor whenever possible. Communication is the cornerstone to successful project management. The steps in contract monitoring are as follows:

### **Step 1. Determine what needs to be monitored.**

The COR normally monitors technical issues, performance, adherence to the schedule, and use of acceptable materials. The COR will also be involved with statutory and regulatory compliance through observation and responding to complaints.

### **Step 2. Select the techniques used for monitoring.**

In addition to the QASP, meetings, phone calls, reports, and contact with other Government officials all play a role in contract monitoring. The COR will also use the Daily Construction Quality Control Report to monitor contractor activities. A sample format for this report is shown on the following page.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Contractor's Name:		
Address:		
Phone Number:		Fax Number:
<b>Daily Construction Quality Control Report</b>		
Project Name:		Date:
Location:		Report Number:
Contract Number: DAMD17-		
Weather:		Temp @ 7 am:                      Temp @ 1pm:
Type of Workers	No.	Work Performed
Subcontractors		Subcontractor – Work Performed
Total Workers on Site		
Materials Delivered	Outstanding Problems	
Tests Performed		
	1. 2. 3. 4. 5. 6. 7.	
Prepared by Contractor's Quality Control On-Site Representative		
Signature:		
This Block for Government Use:		Reviewed:
Comments:		
COR Signature:		



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Review and Respond to Submittals from the Contractor**

There are times when the Contracting Officer's Representative (COR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the contractor during the performance of a contract. The COR's response must always be consistent with the contract. A COR can best handle contractor requests by performing the following three steps:

#### **Step 1. Identify all contractual terms that require contractor submittals.**

The COR should be familiar with all contractual terms that require submittals by the contractor. Submittals include, but are not limited to, shop drawings, progress schedules and reports, proposed material and equipment recommendations, material samples, subcontracting plans and accident prevention plans. All submittal requirements can be found in the contract. If there is any doubt, the COR must consult the Contracting Officer.

#### **Step 2. Take prompt action on all submittals.**

In most cases, the COR is required to take some sort of action on all submittals. At a minimum, all submittals must be reviewed for compliance with the contract. The COR may also be required to approve, disapprove, reply to the contractor, coordinate review/approval with other technical experts or take other action as specified in the contract or the COR Appointment Letter. All required actions must be taken expeditiously and in accordance with the timeframes specified in the contract.

### **Task 3. Enforce Federal Labor Standards**

In addition to monitoring contract performance, the COR will be involved in administration and enforcement of labor standards provisions contained in the contract. The COR will be required to ensure that the contractor is fully aware of the labor standards provisions of the contract and to monitor compliance at all tiers (prime and all subcontractors).

#### **Step 1. Conduct payroll reviews, onsite compliance checks and interview contractor employees.**

The COR should initiate regular checks to ensure compliance with labor standards requirements. The COR should interview contractor and subcontractor employees to determine correctness of classification and rates of pay, including fringe benefit payments. The COR should inspect the work site to determine the ratio of laborers, helpers, apprentices or trainees to journeymen. During this inspections, the COR should determine the types and classifications of work being performed, the number of workers, and the fulfillment of posting requirements. The COR must also determine that apprentices are employed under a bona fide apprenticeship program, spot



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

check to ensure that the payrolls of prime contractors and subcontractors have been submitted on time and that they are complete and correct.

### **Step 2. Report all discrepancies to the contracting officer.**

If a discrepancy is found, the COR must immediately notify the contractor and the Contracting Officer.

### **Task 4. Manage Constructive Change Situations**

A constructive change arises whenever, by informal action or inaction of the Government, the contract changes without going through the required legal or regulatory formalities. The common causes of constructive changes include inadequate or latently defective specifications, improper interpretations of specifications, overly strict inspections, Government caused delays, and improper technical direction.

In drafting correspondence to the contractor and in oral communication, the COR must exercise care not to accidentally generate the basis for claims or delays. When communicating with contractor personnel, or when conveying technical or assessment information, it is critical that the COR not instruct, supervise, or attempt to control contractor efforts except as specifically authorized in the contract.

Reasonably open and honest communication between the COR and the contractor can enhance performance. Professional discussions of options and alternative approaches are necessary. However, the COR must remember that there is a contract which defines rights and obligations of the parties. All communications with the contractor must be viewed in this light. The contractor has a right to proceed in any manner that is consistent with the terms of the contract. Excessive involvement of the COR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the contractor's rights under the contract. Even the appearance of unauthorized direction to the contractor when none was intended can lead to contract claims or other problems. Consequently, the COR must be discrete. Advice should be sought from the Contracting Officer if there is any question about the effect of any statement on the contractor's obligation to perform.

### **Step 1. Continue to monitor the validity of the Statement of Work.**

Careful planning and development of the Statement of Work and supporting documents will be obvious during contract administration. A well-written SOW minimizes constructive changes. On the other hand, any ambiguities and inconsistencies in the initial contract will set the stage for a constructive change. If ambiguities or inconsistencies are found, or if conditions change during the course of the contract, the Contracting Officer must be notified immediately.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Know what the contract requires.**

The COR must know what the contract requires. Erroneous interpretation of specifications and overly strict inspections normally result in a constructive change. The COR must base all actions upon what the contract says, not what it ought to say.

### **Step 3. Keep proper records.**

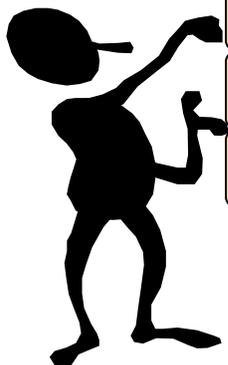
Accurate, up-to-date date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the contract.

### **Step 4. Notify the contracting officer if a potential constructive change situation arises.**

If a potential constructive change situation does occur, immediately notify the Contracting Officer. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Contracting Officer will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.

## **DUTY 6. ACCEPTING OR REJECTING SERVICES**

The result of the COR's surveillance or inspection will produce one of two outcomes. Either the service will be determined to be acceptable or unacceptable. Duty 6 discusses the three tasks associated with acceptance or rejection of services. Click on the task heading to find the steps associated with each task.



**Task 1 - Acceptance**

**Task 2. Rejection**

**Task 3. Evaluate the Contractor's Rejection Reply**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Acceptance**

Acceptance occurs when an authorized Government representative examines the services provided, compares the services provided to the requirements of the contract, and is satisfied that the services conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the services to be performed, and provided adequate oversight during contract performance, the result is usually conforming services. The COR can accept services if authorized by the COR Appointment Letter. Acceptance is documented on a receiving report, normally after receipt of the vendor's invoice or request for progress payments. The preferred form for the receiving report is the DD Form 250. A sample of the DD 250 and instructions for completing it are provided in [Appendix C](#). Additional information on invoicing/acceptance/payment procedures, including a discussion of common problems/errors is found at the Defense Finance and Accounting Web site – [www.dfas.mil/library/handbook.pdf](http://www.dfas.mil/library/handbook.pdf). Late submission of the DD Form 250 normally results in the Government having to pay interest on the contractor's invoice.

### **Task 2. Rejection**

If the services do not comply with the contract, a notice of rejection should be promptly provided to the contractor. The COR rejects services if authorized by the COR Appointment Letter. Otherwise, the COR recommends rejection to the Contracting Officer or another official that is authorized to reject services. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should also immediately notify the Contracting Officer, providing documentation on the number of observations made, the number and type of defects, actions taken to notify the contractor, and any corrective actions already taken by the contractor. DD Form 250 can be used to document rejection.

### **Task 3. Evaluate the Contractor's Rejection Reply**

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming services, or challenge the assessment that the services are defective. If the COR is authorized to reject services, he/she may only approve a contractor's proposed course of action to repair or correct the deficiencies. Other courses of action that require a change in the contract (e.g. a price reduction) or that results in a dispute (e.g. contractor challenges the assessment of defective services) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the

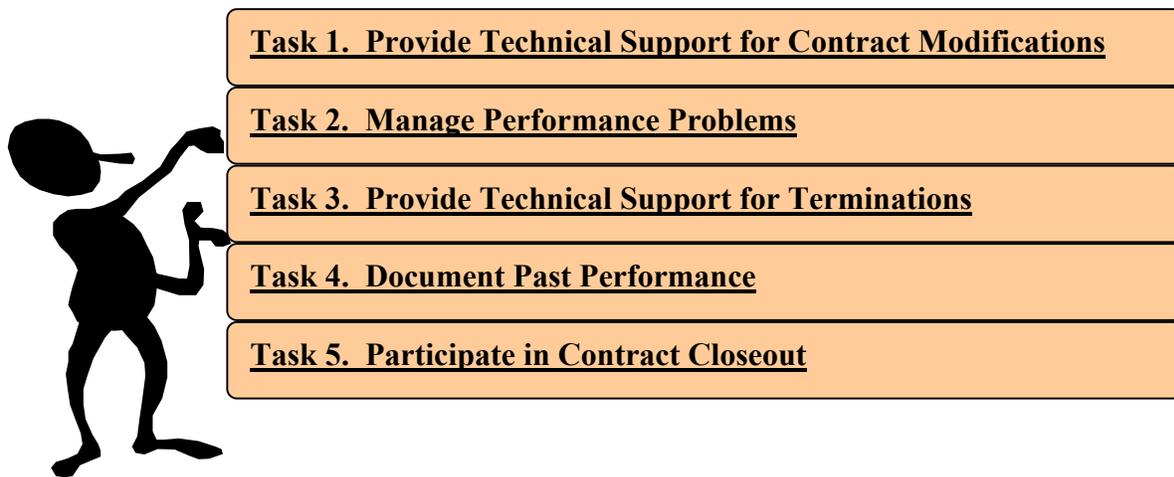


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

contractor's reply. The COR can provide advice on the appropriateness of the contractor's corrective action plan, the impact of accepting non-conforming services, or whether or not the contractor's rebuttal is valid.

### **DUTY 7. COMPLETING OTHER COR SUPPORT TASKS**

The COR performs or participates in five other tasks that play an essential role in successful contract perform. Click on the task heading to find the steps associated with each task.



#### **Task 1. Provide Technical Support for Contract Modifications**

A modification is a written alteration of any aspect of the contract including the work statement, period of performance, quantity, price, or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in two different aspects of the modification process.

##### **Step 1. Identify the need for a modification.**

Identify any circumstance that may require modification to the contract. These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Provide technical support to the Contracting Officer.**

Provide the Contracting Officer with a technical evaluation of the proposed change. This evaluation should contain a thorough analysis of the effects of the proposed change on the other areas of the contract. The Contracting Officer may also request that the COR provide assistance with negotiations, if required.

### **Task 2. Manage Performance Problems**

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibility of both the Government and the contractor so that nothing will be done that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely effect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the evaluation of the seriousness of the unsatisfactory performance, the Contracting Officer may choose from a variety of courses of action. These include the following:

- Providing notice to the contractor of the particular deficiency and obtaining a commitment for appropriate corrective action.
- Extending the schedule of work if excusable delays in performance are involved.
- Withholding payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Assessing liquidated damages.
- Terminating the contract for either convenience or default (see next task). The COR should follow these steps when dealing with performance problems.

### **Step 1. Document all instances of inadequate performance.**

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government has a difficult time dealing with the situation. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in contract termination if they are allowed to progress.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Notify the Contracting Officer.**

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation and when it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

### **Step 3. Provide technical support to the Contracting Officer.**

The Contracting Officer has a number of ways of dealing with contractor performance problems, ranging from an informal meeting with the contractor to contract termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences where the situation reaches the point where the Contracting Officer must initiate default termination procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.

### **Task 3. Provide Technical Support for Terminations**

The Government has a unique right to terminate a contract for **Convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the project is no longer needed, funds are not available for continued contract performance, it is impossible for the contractor to perform as specified in the contract, or there has been a radical change in the requirement that goes beyond the contractor's expertise. Under a Terminations for Convenience the contractor is allowed to submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Office and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has the right to terminate a contract for **Default**, based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination, the contractor only has a right to payment for delivered and accepted services. The COR responsibilities in either a Terminations for Convenience or a Termination for Default are essentially the same.

### **Step 1. Identify any condition or event that may trigger a termination.**

Early identification of a problem, whether it is poor performance, a change in requirements, or lack of continued funding, will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Notify the Contracting Officer**

Notify the Contracting Officer as soon as possible that a termination may be required.

### **Step 3. Provide technical support to the Contracting Officer during negotiations**

Assist the Contracting Office by providing technical expertise during the termination process to include assisting in negotiations if required.

### **Task 4. Document Past Performance**

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases our probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. For construction contracts, the U.S. Corps of Engineers maintains the CCASS repository. The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

#### **Step 1. Determine whether a formal evaluation is required.**

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.

#### **Step 2. Rate past performance.**

DD Form 2626, Performance Evaluation (Construction), shall be prepared at final acceptance of work (or contract termination). The COR is normally responsible for completing this form and forwarding it to the Contracting Officer. In addition to an overall rating, the contractor will be rated in each of the following categories:

- Quality Control.
- Timely Performance.
- Effectiveness of Management.
- Compliance with Labor Standards.
- Compliance with Safety Standards.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 5. Participate in Contract Closeout**

A contract is completed when all services have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on USAMRMC awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future USAMRMC projects. Centralized performance data maintained by USAMRAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

### **ADDITIONAL READINGS**

#### **Acquisition planning and developing requirements documents**

The Federal Acquisition Regulation<sup>1</sup>

- Part 7 – Acquisition Planning
- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 15 (15.304) Evaluation factors and significant sub factors.
- Part 16 – Types of Contracts
- FAR Part 22 (22.4) - Labor Standards for Contracts Involving Construction
- Part 32 (32.7) – Contract Funding
- Part 36 – Construction and Architect-Engineer Contracts
- Part 46 – Quality Assurance

MRMC Regulation 715-1, Procurement and Assistance Agreement Support and Purchase Request Procedures<sup>3</sup>

#### **Project Officer actions during the solicitation phase**

FAR 3.104 – Procurement Integrity<sup>1</sup>

FAR 5.1 – Dissemination of Information<sup>1</sup>

FAR Part 14 – Sealed Bidding<sup>1</sup>

FAR Part 15 – Contracting by Negotiations<sup>1</sup>

#### **Developing the Work Plan**

OFPP Best Practices Guide for Contract Administration<sup>2</sup>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Supporting the Preconstruction Conference**

FAR 36.212 - Preconstruction Orientation<sup>1</sup>

**Monitoring Contract performance**

FAR 12.208 - Contract Assurance<sup>1</sup>

FAR 12.402 – Acceptance<sup>1</sup>

FAR 43.104 - Notification of Contract Changes (Constructive Changes)<sup>1</sup>

FAR Part 42 – Quality Assurance<sup>1</sup>

OFPP Best Practices Guide for Contract Administration<sup>2</sup>

The COR Appointment Letter

The Contract Document

The Contract Quality Assurance or Surveillance Plan

**Acceptance or rejection of services**

FAR Part 46 – Quality Assurance<sup>1</sup>

DFARS, Appendix F – Material Inspection and Receiving Report<sup>4</sup>

FAR 52.232.27, - Prompt Payment for Construction Contracts<sup>1</sup>

**Other COR Support Tasks**

FAR Part 49 – Termination of Contracts<sup>1</sup>

OFPP Best Practices Guide for Past Performance, Appendix 3<sup>2</sup>

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line at [http://web.deskbook.osd.mil/htmlfiles/DBY\\_fed.asp](http://web.deskbook.osd.mil/htmlfiles/DBY_fed.asp)
3. Available on-line under “references” at <http://www.usamraa.army.mil>
4. Available on-line at <http://web1.deskbook.osd.mil>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **CHAPTER 4. RESEARCH AND DEVELOPMENT CONTRACTING**

### **SUMMARY**

The primary purpose of a contracted Research and Development (R&D) program is to advance scientific knowledge and apply that knowledge to the extent necessary to achieve agency goals. R&D contracts are directed toward objectives where the work or methods cannot be precisely described in advance. The contracting process should be used to encourage the best sources from the scientific and industrial community to become involved in the program. It must provide an environment in which the work can be pursued with reasonable flexibility and minimum administrative burdens. Throughout this Chapter, the term Project Officer is used to identify the technical and program individuals responsible for planning and supporting the acquisition process prior to contract award. The term Contracting Officer's Representative is used to identify technical and program individuals responsible for monitoring contract quality and performance during the post award phase of the acquisition process.

### **KEY TERMS**

#### **Advanced Development**

All effort directed toward projects that have moved into the development of hardware for test. The prime result of this type of effort is proof of design concept rather than the development of hardware for service use. Projects in this category have a potential military application.

#### **Applied Research**

Applied research is the effort that normally follows basic research, but may not be severable from the related basic research. It attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices or techniques. It attempts to advance the state of the art.

#### **Basic Research**

Basic research is research directed toward increasing knowledge in science. The primary aim of basic research is a fuller knowledge or understanding of the subject under study.

#### **Broad Agency Announcements**

A Broad Agency Announcements (BAA) is a general announcement of an agency's research interest including criteria for selecting proposals and soliciting the participation of all offerors capable of satisfying the Government's needs. The BAA process recognizes that the selection of a basic research proposal is primarily a technical decision, with very low business risk. Its



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

purpose is to accelerate the acquisition process and to save on the significant costs and efforts associated with that process. Proposals submitted under a BAA are evaluated through peer or scientific review rather than the more formal source selection procedures used to evaluate most other proposals. Research proposals received under a BAA and then subjected to a peer review are considered competitive. BAAs are used for basic research, applied research and development research not related to the development of a specific system or hardware. The BAA for USAMRMC is published periodically. The BAA describes basic research needs, the criteria for evaluating proposals, and the instructions for preparing and submitting proposals. Supplementary announcements of basic research needs are published, as required. In general, proposals submitted under a BAA are screened for military relevance and program merit by Research Area Directors (RAD) and reviewed for technical merit by the laboratory/institutes through in-house and/or peer review groups.

### **Biosafety Level 1**

Biosafety Level 1 is one of four levels of environmental safety assigned to activities involving infectious microorganisms and laboratory animals in order to designate the degree of protection required by personnel, the environment and the research community. Biosafety Level 1 is suitable for work involving well-characterized agents not known to consistently cause disease in healthy adult humans, and of minimal potential hazard to laboratory personnel and the environment. The laboratory is not necessarily separated from the general traffic patterns in the building. Work is generally conducted on open bench tops using standard microbiological practices. Special containment equipment or facility design is neither required nor generally used. Laboratory personnel have specific training in the procedures conducted in the laboratory and are supervised by a scientist with general training in microbiology or a related science.

### **Biosafety Level 2**

Biosafety Level 2 is one of four levels of environmental safety assigned to activities involving infectious microorganisms and laboratory animals in order to designate the degree of protection required by personnel, the environment and the research community. Biosafety Level 2 is similar to Biosafety Level 1 and is suitable for work involving agents of moderate potential hazard to personnel and the environment. It differs from BSL-1 in that (1) laboratory personnel have specific training in handling pathogenic agents and are directed by competent scientists; (2) access to the laboratory is limited when work is being conducted; (3) extreme precautions are taken with contaminated sharp items; and (4) certain procedures in which infectious aerosols or splashes may be created are conducted in biological safety cabinets or other physical containment equipment.

### **Biosafety Level 3**

Biosafety Level 3 is one of four levels of environmental safety assigned to activities involving infectious microorganisms and laboratory animals in order to designate the degree of protection required by personnel, the environment and the research community. Biosafety Level 3 is



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

applicable to clinical, diagnostic, teaching, research, or production facilities in which work is done with indigenous or exotic agents which may cause serious or potentially lethal disease as a result of exposure by the inhalation route. Laboratory personnel have specific training in handling pathogenic and potentially lethal agents, and are supervised by competent scientists who are experienced in working with these agents. All procedures involving the manipulation of infectious materials are conducted within biological safety cabinets or other physical containment devices, or by personnel wearing appropriate personal protective clothing and equipment. The laboratory has special engineering and design features

### **Biosafety Level 4**

Biosafety Level 4 is one of four levels of environmental safety assigned to activities involving infectious microorganisms and laboratory animals in order to designate the degree of protection required by personnel, the environment and the research community. Biosafety Level 4 is required for work with dangerous and exotic agents that pose a high individual risk of aerosol-transmitted laboratory infections and life-threatening disease. Agents with a close or identical antigenic relationship to Biosafety Level 4 agents are handled at this level until sufficient data are obtained either to confirm continued work at this level, or to work with them at a lower level. Members of the laboratory staff have specific and thorough training in handling extremely hazardous infectious agents and they understand the primary and secondary containment functions of the standard and special practices, the containment equipment, and the laboratory design characteristics. Competent scientists who are trained and experienced in working with these agents supervise the laboratory staff. The laboratory director strictly controls access to the laboratory. The facility is either in a separate building or in a controlled area within a building, which is completely isolated from all other areas of the building. A specific facility operations manual is prepared or adopted. Within work areas of the facility, all activities are confined to Class III biological safety cabinets, or Class II biological safety cabinets used with one-piece positive pressure personnel suits ventilated by a life support system. The Biosafety Level 4 laboratory has special engineering and design features to prevent microorganisms from being disseminated into the environment.

### **Development**

The systematic use of scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service) to meet specific performance requirements or objectives. It includes the functions of design engineering, prototyping and engineering testing.

### **Engineering Development**

Those projects that are in full-scale engineering development for service use, but which have not yet received approval for production or had production funds included in the DOD budget submission for the budget or subsequent fiscal year. This area is characterized by major line item projects and program control will be exercised by review of individual projects.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Exploratory Development**

All efforts directed toward the solution of specific military problems, short of major development projects. This type of effort may vary from fairly fundamental applied research to quite sophisticated hardware, study, programming, and planning efforts. It includes studies, investigations, and planning efforts. The dominant characteristic of this category of effort is that it is pointed to specific military problem areas with a view toward developing and evaluating the feasibility and practicability of proposed solutions and determining their parameters.

### **Interagency Acquisitions**

Interagency acquisitions, obtaining services from other Government Agencies, is an authorized mechanism to satisfy the R&D needs of USAMRMC. Interagency acquisition generally follow the same process as any solicitation and contract action, however, there is no legal restrictions on discussions and planning for projects to be supported by the intergovernmental transfer of funds.

### **Principal Investigator (PI)**

The individual with the primary role of conducting or coordinating the research effort for the contractor. This is the individual that the GOR will normally have the most direct contract with during agreement performance.

## **DUTIES AND RESPONSIBILITIES**

### **DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT**

Long before the government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The acquisition planning process begins as soon as a need is identified and it is obvious that the need must be met outside the USAMRMC. Acquisition planning involves a general consideration of all the elements that will be required in connection with a particular acquisition. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the item or service being acquired. Early planning is the most effective method of preventing or resolving potential problems early in the process.

Extramural research efforts can be acquired either through contracts or agreements. If the primary purpose of the acquisition is to obtain supplies and services for the direct benefit or use of the Federal Government, then a **contract** must be used. This chapter covers the use of contracts to acquire research and development. If the purpose of the acquisition results in an indirect benefit to the Federal Government, a **Grant, Cooperative Agreement or Cooperative Research and Development Agreement** should be used. Procedures for Agreements are covered in [Chapter 5. Assistance Agreements](#).



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

There are two avenues for acquiring extramural research efforts by contracts. A **Broad Agency Announcement** can be used if the following conditions are met:

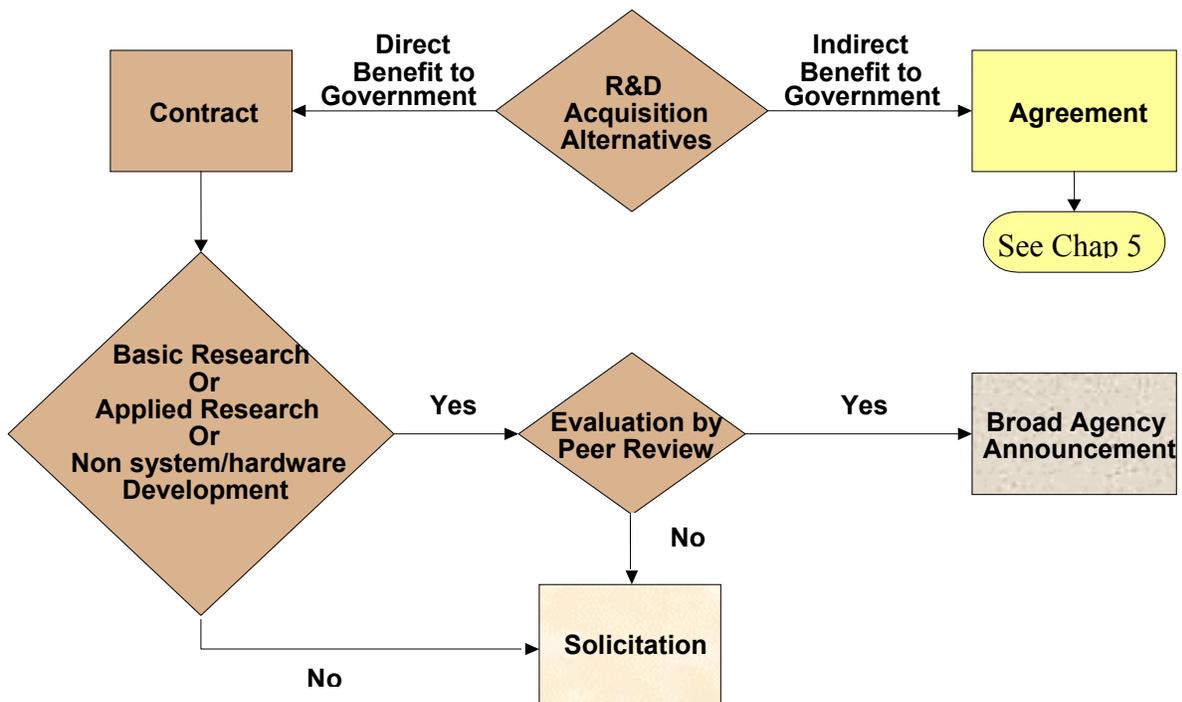
- The requirement results in a direct benefit to the Government.
- The requirement is for basic research, applied research or a development effort not related to the development of a specific system or hardware.
- Proposals will be evaluated through peer or scientific review rather than the more formal source selection procedures.

A **solicitation** is use if the following conditions are met:

- The requirement results in a direct benefit to the Government.
- The requirement is for a category of support not appropriate for a BAA.
- Proposals will be evaluated using normal source selection procedures.

The following figure depicts the decision process for determining when a contract is appropriate or when an agreement is appropriate. It also demonstrates when to use a BAA and when to use a solicitation.

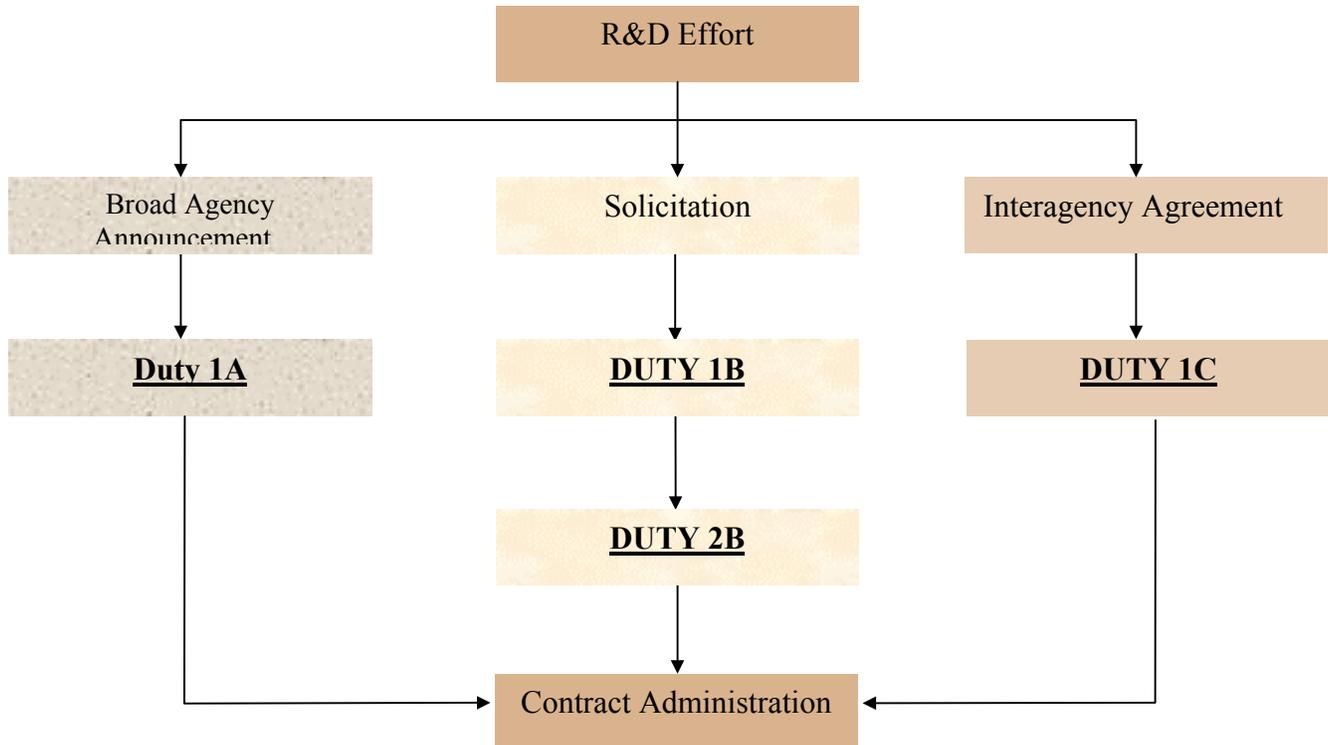
### • R&D Acquisition Decision Matrix





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Both Broad Agency Announcements and Solicitations require planning and coordination to ensure attainment of mission goals. However, each follows somewhat different procedures during concept development and the path that they follow in reaching contract award. Pre-award activities that are required when using a Broad Agency Announcement are discussed under Duty 1A. Pre-award activities associated with using a solicitation are discussed under Duty 1B and 2B. Research and Development requirements may also be satisfied through support from other Government Agencies. Pre-award activities associated with interagency acquisitions are discussed under Duty 1C. (See figure below)

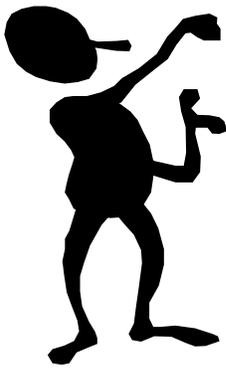




*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**DUTY 1A. DEVELOPING AND DOCUMENTING REQUIREMENTS  
WHEN USING BROAD AGENCY ANNOUNCEMENTS**

The path that an acquisition follows from concept development to contract award when using a Broad Agency Announcement is considerably different from that used for standard solicitations. There are four tasks that the Project Officer will accomplish when using a BAA to solicit a requirement. Click on the task heading to find the steps associated with each task.



**Task 1. Acquisition Planning and Concept Development**

**Task 2. Prepare Evaluation Factors**

**Task 3. Participate in Scientific and Technical Evaluations**

**Task 4. Obtain Necessary Concurrence and Approval**

**Task 1. Acquisition Planning and Concept Development**

Like any other acquisition, concept development is the first step. When using a BAA, concept development starts with a review of ongoing research programs to include directed appropriation funded projects. The Project Officer reviews each of these to determine if additional capabilities are required and if these capabilities are available in-house. The Project Officer may conduct discussions with technical and scientific personnel, both within and outside the Government to assist in this assessment. These discussions may serve to determine interest, scientific approaches, technical capabilities, and the state-of-the-art relevant to the subject area. In holding such discussions with people outside the Government, care must be taken not to disclose advance information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited. Early involvement by the Account Manager/Contracting Office is an important part of the process. If the Project Officer determines that ongoing or directed research projects can be assisted by additional capability/external effort, a requirements document is prepared and forwarded to USAMRAA for publication in the Broad Agency Announcement. There is no specific format for the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

requirements document, but it should be in sufficient detail to enable understanding and encourage participation by the external research community. The BAA requirement document should include the following information:

- A description of the on-going or directed research effort.
- A description of its goals and objectives.
- Identification of specific areas where external research efforts are being sought.

### **Task 2. Prepare Evaluation Factors**

Proposals submitted under a Broad Agency Announcement are normally evaluated using a standard set of criteria. If these are acceptable, the Project Officer can skip this task. If the uniqueness of the research project is such that different evaluation factors are required, the Project Officer must establish them at this time and forward them with the requirement document. There is no specific format for an evaluation factor. However, the Project Officer needs to identify each factor and explain how it will be applied to a proposal. The Standard evaluation factors currently being applied to USAMRMC Broad Agency Announcements include the following:

- Military and Program Relevance.
- Research Objective.
- Scientific Excellence.
- Qualifications of the Principal Investigator (PI) and key personnel.
- Facilities.
- Budget.
- Programmatic review which includes peer review recommendations, programmatic priorities and portfolio balance.

### **Task 3. Participate in Scientific and Technical Evaluations**

The evaluation process normally begins when an organization (university, college, nonprofit research institute or commercial firm) submits a preliminary research proposal (pre-proposal). Pre-Proposals will be evaluated, either internally or externally, for scientific merit and programmatic relevance. The Project Officer either participates personally in this process or recommends other panel members who are knowledgeable about the scientific and technical aspects of the particular research project and who are competent to identify the strengths and weaknesses of a specific proposal. The Project Officer normally drafts the letter either rejecting a Pre-Proposal that is considered to lack scientific merit or program relevance, or encouraging the submission of a Full Proposal.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

All Full Proposals are reviewed by USAMRMC scientists and/or independent review panels for scientific merit, technical merit and military relevance using the following factors:

- Military and Program Relevance
- Research Objective
- Scientific Excellence
- Qualifications of the PI and other and other key staff
- Facilities
- Budget

The Project Officer either participates personally in this process or recommends other panel members who are knowledgeable about the scientific and technical aspects of the particular research project and who are competent to identify the strengths and weaknesses of a specific proposal. The Project Officer will normally be responsible for coordinating the efforts of the peer review process, i.e., coordinating correspondence, convening meetings, etc.

### **Task 4. Obtain Necessary Concurrence and Approval**

Once the program decision has been made to proceed with a BAA proposal, the Project Officer must first obtain all necessary concurrence and approvals for the Purchase Request and supporting documents. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from the requesting/user organization and the appropriate accounting, budgeting, or finance office. There are numerous types of acquisitions, or elements within an acquisition that require special approvals or clearances. If applicable, these must be accomplished prior to forwarding the requirements document. Special program approvals or clearances include the following:

- **Human Use** - Safeguarding the rights and welfare of human subjects participating in research and development supported by contracts awarded by USAMRMC is of utmost concern to the Command. While this is primarily the responsibility of the contractor, the sensitivity of such research necessitates that the Command exercises prudent oversight. Accordingly, coordination with the USAMRMC Deputy Chief of Staff for Regulatory Compliance & Quality, Human Subjects Protection Division is essential to complete planning. The Human Subjects Protection Division will determine which protocols must be submitted to The Surgeon General's Human Subjects Research Review Board, and arrange for such submissions. AR 70-25 covers the use of volunteers as subjects of research.
- **Animal Use** - The use of animals is an extremely sensitive issue. Army Regulation 70-18, "The Use of Animals in DOD Programs" prescribes the procedures that must be followed in this matter. While responsibility rests with the contractor, USAMRMC maintains an



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

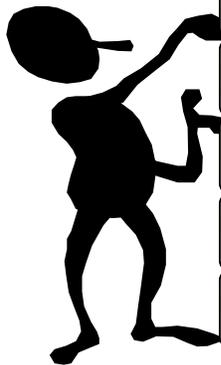
oversight role that should be considered in acquisition planning and contract administration.

- **Chemical Surety Materiel** - Research involving the use of chemical surety materiel must comply with the safety/surety requirements applicable to the use of such materiel. Safety and Surety requirements must be set forth in the contract.
- **Recombinant DNA** - Research on recombinant DNA must conform to the policies and procedures in “NIH Guidelines for Research Involving Recombinant DNA Molecules” and its Administrative Supplements. The contract must set forth all of these requirements.

After all necessary approvals have been obtained, the Project Officer forwards the Purchase Request, along with all supporting documents, in accordance with established procedures.

### **DUTY 1B. DEVELOPING AND DOCUMENTING REQUIREMENTS WHEN USING SOLICITATIONS**

There are six tasks that must be accomplished during acquisition planning and concept development phase when following standard solicitation procedures. Click on the task heading to find the steps associated with each task.



**Task 1. Acquisition Planning and Concept Development**

**Task 2. Develop the Work Statement**

**Task 3. Prepare a Quality Assurance Plan**

**Task 4. Prepare the Government Budget Estimate**

**Task 5. Prepare the Evaluation Factors**

**Task 6. Obtain Necessary Concurrence and Approval**

**Task 1. Acquisition Planning and Concept Development**

#### **Step 1. Identify the needs of the Government.**

Concept development is the first step in an acquisition. In this phase the Project Officer realizes that an acquisition is necessary and defines in broad terms what this effort will entail. A plan or concept is evolved which reflects consideration of USAMRMC in-house capabilities. Early



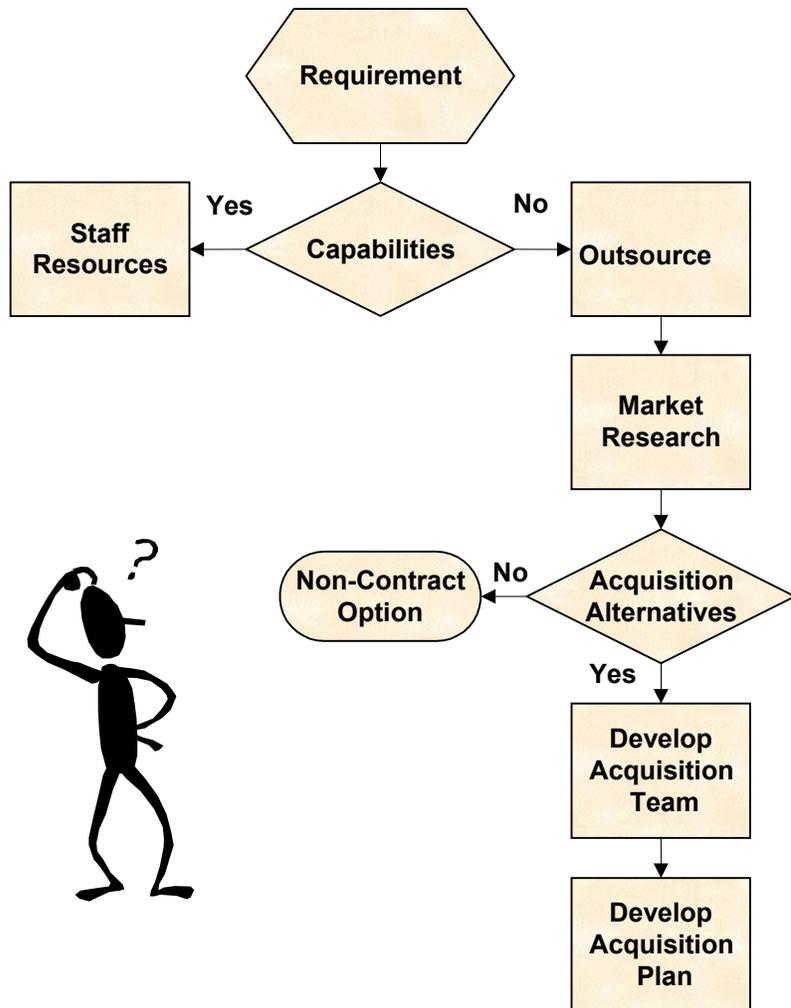
## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

involvement by the Account Manager/Contracting Office is an important part of the process. There are a number of sources for the initial identification of a requirement. These include:

- Projections from data on past procurements.
- Plans, programs and budget documents.
- Surveys of requiring activities.
- Meetings to plan, program and budget for agency missions.
- New scientific studies.
- Changes in policy or regulations.
- Changes in previous/existing contracts.
- The expiration of current contracts.
- In-depth literature searches.
- Discussions with technical and scientific personnel, both within and outside the Government.

Discussions with outside sources may serve to determine interest, scientific approaches, technical capabilities, and the state-of-the-art relevant to the subject area. However, care must be taken not to disclose advance information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited. In most programs, the concept development phase is intimately connected with the budget process since that is the primary means of identifying, defining, and approving program acquisitions. Once the concept has been formulated, appropriate management staff should review it for the following:

- Program relevance
- Need





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- Merit
- Priority
- Timeliness

After the concept is developed and data collected, an acquisition plan is prepared to identify the information necessary for the Acquisition Team to use in completing the necessary acquisition documents. The acquisition plan also identifies and helps resolve problems early in the acquisition cycle. Development acquisitions expected to exceed \$5 million or acquisitions for production or services expected to exceed \$30 million over all years (\$15 million for a single year) require a formal, written acquisition plan. While very few acquisitions within USAMRMC meet this threshold, the Project Officer should, nevertheless, use the acquisition plan format as a checklist to gather information and address all of the various issues that will need to be documented. The Acquisition Plan Format can be found in [Appendix A](#).

### **Step 2. Perform market research.**

The Project Officer uses market research to obtain a greater understanding of the market place and to obtain information required by the acquisition plan. Market Research helps the Project Officer identify what products and services are available to satisfy the Government's needs, determine potential sources of these products and services and estimate what these products and services will cost the Government. The Project Officer can gather market research information from a variety of sources to include:

- Discussions with scientists and other technical experts.
- Reviewing recent market research information. The Internet and web sites of other Government agencies often provide extremely useful information.
- Reviewing technical and scientific journals.
- Publishing formal requests for information in the FedBizOpps.com.
- Querying commercial and Government databases.
- Obtaining source lists from other agencies or associations.
- Reviewing company catalogs and product literature.
- Holding a pre-solicitation conference.

Past acquisition documents often provide valuable information on current suppliers; potential suppliers; previous procurement strategies, acquisition plans, and lead times; and problems and issues in the award and administration of previous contracts. Industry data and/or trends will also have a bearing on how a requirements document or performance schedule may be developed for the acquisition. The past performance of previous contractors should also be taken into account. There are several automated systems available to obtain past performance information. The Army's central repository for past performance information is the Past Performance Information Management System (PPIMS). DOD also maintains a central Internet location for past performance information called the Past Performance Automated Information System



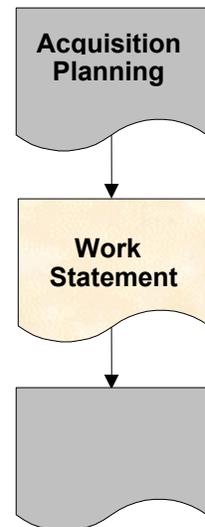
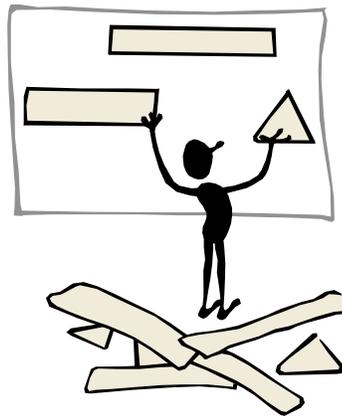
## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

(PPAIS). When considering past performance information, review the quality of products or services, timeliness of performance, cost control, business practices and performance of key personnel. The USAMRAA Account Manager can assist you in obtaining past performance information.

The Project Officer should meet with the Associate Director for Small and Disadvantaged Business Utilization (ADSADBU) to determine if the acquisition is appropriate for set-aside under one of the socioeconomic acquisition programs. The ADSADBU is a valuable source of information on potential small and disadvantaged business sources. He/she can advise if there is a mandatory source for the required service and can help the Project Officer better understand the various federally mandated socioeconomic programs. See [Appendix D](#). During the Market Research Phase, close coordination between the Project Officer and the Account Manager/Contracting Officer is extremely important. The Contracting Officer can provide valuable information about contracting lead-times, potential sources of information and potential problem areas.

### **Task 2. Develop the Work Statement**

Providing an adequate description of the Government's needs is one of the most important aspects of any acquisition. A well-written description should contain a clear and explicit description that reduces problems and enhances the quality of the offers submitted. It should describe requirements in sufficient detail to allow the Government to develop sound proposal evaluation criteria. A well-written Work Statement will avoid delays, save administrative efforts and reduce the chance of a protest or claim against the Government. Carefully planning the Work Statement will save time and will make it possible to develop a concise, trouble-free solicitation.



#### **Step 1. Write the Work Statement.**

The Work Statement should describe the requirement in terms of the results required rather than the process to be used to achieve these results (performance-based). It should describe the area of exploration, tasks to be performed and the objectives of the research effort. It should include any background information that provides a clearing understanding of the requirement. It should



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

provide information on personnel, environment or interface problems that may constrain the results of the effort. It should specify what deliverables, reports and information the contractor is expected to furnish.

Begin with a detailed outline that makes it easier to focus on content and to spot inconsistencies, redundancies, and preclude gaps. The Project Officer should draft the Work Statement, writing one part at a time, and include enough details to communicate clearly with the reader. The Project Officer should explain and illustrate salient points wherever it is necessary to convey the correct meaning. Because each acquisition is unique, each Work Statement must be tailored to the specifics of the project. The elements of a Work Statement will vary with the objective, complexity, size, and nature of the acquisition. In general, it should contain the following sections:

- **Point of Contact** – Name, title, address, phone number, fax number and email address.
- **Date** – Effective date of the Work Statement to track changes and revisions.
- **Agency/Activity** – Identifies requesting organization.
- **Title** – Provides a short, unique and descriptive title of the service required.
- **Definitions** – Contains any special terms or phrases which are used in the Work Statement that may not be generally understood or have a unique meaning.
- **Background** - Provides a description of the client organization, how the requested services support's the client's mission and explains why the acquisition is being pursued. If appropriate, explains how this project relates to past, current, or future projects. Includes a summary of statutory program authority and any applicable regulations.
- **Objectives** - Provides a concise overview of the client's goals and expectations of the services requested.
- **Scope** - Provides an overall, non-technical description of the work to be performed. It identifies and summarizes the various phases of the project, and defines its limits in terms of specific objectives, time, special provisions, or limitations. Contractor responsibilities and the expected results of the project are often summarized here.
- **Specific Tasks** - Spells out, in detail, what is expected of the contractor. It describes the specific tasks, objectives, and deliverables required under the contract. Each Task is titled and numbered sequentially. Complex Tasks should be further broken down into Subtasks. Each task should be performance-based, i.e., they should define the work in terms of "what" is required rather than "how" the work is to be performed. If the contract involves multiple phases, these phases and the effort required in each phase are identified. While the delivery schedule or period of performance is normally detailed in a separate section, it may also be included here if necessary for clarity. The criteria for acceptance of all deliverables should also be given in this section.
- **Contract Type** – States the recommended type of contract (firm fixed-price, time & materials, cost plus fixed fee, etc.)
- **Place of Performance** – States where performance is to occur.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- **Delivery Schedule/Period of Performance** – The delivery schedule/period of performance should be specified here. Delivery schedules can be expressed as a specific calendar date or dates. It can also be expressed as a certain number of calendar days from the date of contract award or major contract milestone. When there is a clearly defined quantity or requirement for services, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award, an option can be specified. However, when services are required beyond the base period, the use of an Indefinite Delivery/Indefinite Quantity (“D” contract) is a better approach as it does not take the same level of analysis or planning as exercising an option.
- **Contract Deliverables** – Specifies precisely what items are to be delivered both during performance of the contract and at completion. If the deliverable is a task, the criteria for accepting or rejecting that task must also be detailed. If the deliverable is a report, this section should discuss what topics are to be addressed, the report format, the criteria to be used in accepting reports, the number of copies the contractor should submit, and to whom they should be submitted.
- **Government Furnished Support** – Lists any property, equipment or supplies that the Government will provide to the contractor for performance on this contract.
- **Security** – Describes the physical security level required for the specific work to be done, security clearance requirements of contractor personnel and other security related topics. If the contractor will require access to classified information, the Project Officer will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Account Manager/Contracting Officer for inclusion in the solicitation. This form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award.
- **Inspection and Acceptance** – Describes the criteria that will be used to inspect and accept contract services.
- **Replication, Dissemination or Use of Results** - Describes who will use the results of the contract, how it will be used, and what format the results should follow. Includes a description of how the results are to be delivered.
- **Data, Data Rights, Patents, Copyrights and Licensing** - Discusses what data will be developed. Specifies what data should be delivered and what data should remain in the contractor's possession. Discusses how the data will be used, maintained, disclosed, and disposed of by the contractor. Discusses what data will be subject to the Privacy Act or Confidentiality of Information clause. Discusses what data will be delivered with limited rights, data where title would not vest in the Government, and anticipated copyrights or patents. Discusses whether or not the data will permit any follow-on acquisitions to be competitive.
- **Reference Material** – Lists and describes study reports, plans, drawings and other data that will be made available to the contractor.
- **Special Considerations** – Includes any special consideration, unique requirements or additional information that would help contractors prepare their proposals. Examples include



## Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives

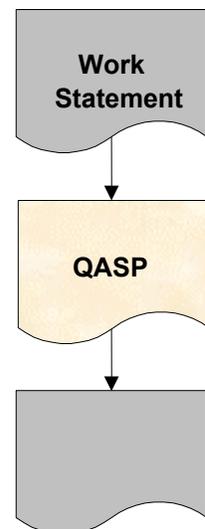
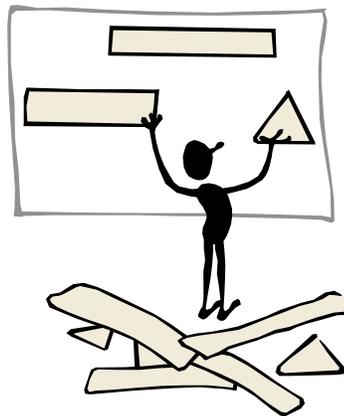
possible follow-on work, potential conflicts of interest, travel requirements and applicable agency standards, or requirements for human use, animal use and surety materials.

### Step 2. Prepare a justification for any requirements where competition will be limited.

If less than full and open competition is being recommended, the project officer must provide a detailed, factual, written justification for this recommendation. This justification must be supported by verifiable facts, not opinions. It must show how the Government will be harmed if full and open competition is used on this acquisition. A sample justification format can be found in [Appendix B](#).

### Task 3. Prepare a Quality Assurance Surveillance Plan

A Quality Assurance Surveillance Plan (QASP) provides a systematic, structure for the Government to evaluate services that contractors are required to furnish. The QASP is used to address how the Government will monitor a contractor's performance. R&D contracts are not normally subject to the same degree of surveillance and quality assurance that are found on supply and other service contracts. Contract performance is normally monitored through the review of technical reports, periodic progress reports and site visits. Therefore, a lengthy, detailed Quality Assurance Surveillance Plan is usually not required. Nonetheless, the Project Officer should determine what aspects of the project require surveillance, when the surveillance should occur, and how the surveillance will be accomplished.



- **Content** – The QASP should include a surveillance schedule and clearly state the surveillance method(s) to be used. The detail in the QASP regarding a particular task should be consonant with the importance of the task.
- **Style** – The QASP should be written using precise terms and clear, concise wording. Avoid using broad or vague statements or overly technical language.
- **Method of Surveillance** – The method of surveillance must be consistent with the task. Take into consideration task criticality, performance requirements and standards, and the availability of someone to do the inspections.
- **Surveillance Checklist** – A surveillance checklist, using a format similar to the one below,



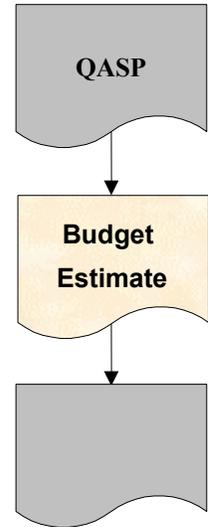
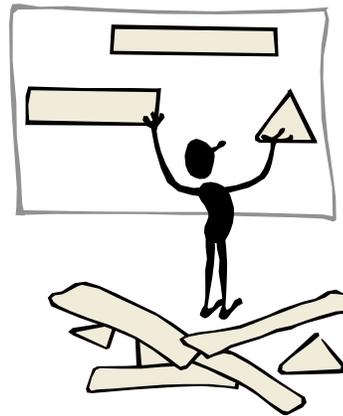
*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

should be used to document surveillance.

Surveillance Activity Checklist					
Contract Requirement	Contract Reference	Method of Surveillance/ Measurement	Date Reviewed	Place Reviewed	Compliance

**Task 4. Prepare the Government Budget Estimate**

A government budget estimate is a detailed assessment of the cost to the Government for the contracted services. A budget estimate is required for all acquisitions. This information is used for budgeting purposes and for evaluation of contractors' proposals. Developing cost estimates is the responsibility of the Project Officer. However, the Contracting Officer and activity resource management personnel can provide advice and assistance. The Government Budget Estimate is an internal Government estimate of what a contractor should propose based on the SOW. The information is business confidential and should not be discussed or shared with the contractor.



Government budget estimates are simple when the requirement is for commercially available products or services since they can be based upon generally available information like price lists, historic data, market research, etc. However, budget estimates for complex requirements or non-commercial endeavors, such as those normally found in R&D efforts, require considerably more detail. This detailed estimate is referred to as an Independent Government Cost Estimate (IGCE), Independent Government Estimate (IGE) or Independent Cost Estimate (ICE), and requires a detailed analysis of the various cost elements associated with the acquisition to arrive at the estimated cost or price. In general, the following steps are used to develop an IGCE.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Determine Direct Labor Costs.**

Divide the effort into identifiable tasks or logical steps. List the categories of labor that will be required in each task or step and the level of expertise, training and experience required for each category. Estimate the per-day or per-month cost of each category of labor. Estimate the total effort from each labor category by task in terms of person-days or person-months. Calculate the estimated direct labor cost.

### **Step 2. Calculate Other Direct Costs (ODCs).**

Estimate the amount and type of materials and supplies that will be required, and the cost of each. Estimate the type and cost of equipment that may have to be purchased by the contractor. Identify any other elements of direct cost that the acquisition may require, such as consultant services, computer rentals, etc., and estimate their cost. Estimate the travel requirements, if any, and their costs. Use the Joint Travel Regulation for per diem rates. Estimate the cost of any subcontracted services. Calculate total Other Direct Costs.

### **Step 3. Calculate indirect costs.**

Estimate the amount of fringe benefits, overhead, and general & administrative expense that will be charged.

### **Step 4. Calculate Profit/fee.**

Profit/fee is the dollar amount over and above allowable costs that is paid to the contractor for contract performance. Profit/fee provides the motivation for the contractor to meet and exceed the goals of a contract. It also provides the financial capital necessary for a firm to remain a viable entity. Profit/fee stimulate efficient contract performance and attract the best capabilities of qualified large and small business concerns to Government contracts, consequently it is not in the best interests of the Government to strive for extremely low profits/fees. Profit/fee is normally dependent upon the complexity of the contract and the amount of risk.

The sum of direct labor, other direct cost, indirect costs and fee equal the anticipated cost/price of the contract.

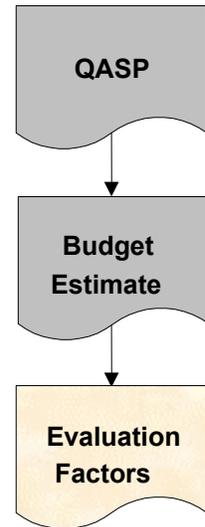
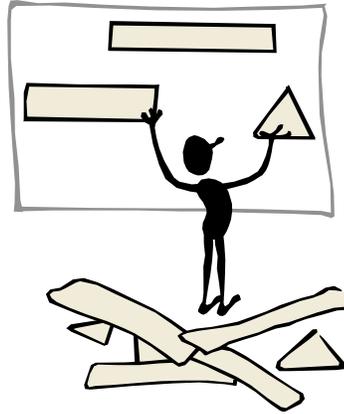
The Contracting Officer can assist in developing the IGCE. Additional information on the IGCE process can also be found at <http://www.acq.osd.mil/dp/cpf>.



## Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives

### Task 5. Prepare the Evaluation Factors

The Project Officer should prepare a list of factors that can be used to evaluate the Government's Requirement. These factors and sub-factors, along with the weights assigned to each factor and sub-factor are used to determine if the offeror can meet the Government's needs and to determine which offer is most advantageous to the Government. Only those factors stated in the Request for Proposals can be used to evaluate the proposals submitted by the various contractors. They should be chosen carefully as they will have a major effect on the outcome of the acquisition.



When developing evaluation factors, the Project Officer must be aware of what is called the **best value continuum**. The Government can obtain best value by using any one or a combination of source selection approaches. Depending upon the nature and complexity of the acquisition, the relative importance of cost or price may vary. For example, where the requirement is clearly defined and the risk of unsuccessful contract performance is minimal, cost or price usually plays the dominant role in source selection. Where the requirement is not well defined, development efforts are required or performance risk is high, then technical approach and/or past performance will play a more dominant role in source selection.

The best value continuum begins with the **lowest price technically acceptable source selection** approach. This is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. When using this approach, the evaluation factors and significant sub-factors that establish the requirements of acceptability are described. The Contracting Officer will include this information in the solicitation along with a notice that evaluations will be made on this basis. Once proposals are received, they will be evaluated for acceptability, but not ranked using the non-cost/price factors. No **tradeoff** is permitted between cost/price and non-cost/price factors.

Continuing along the best value continuum, tradeoffs among cost/price and non-cost factors are permitted. However, the perceived benefits of the higher price must merit the additional cost. All evaluation factors and significant sub-factors that will be used for source selection and their relative importance must be clearly stated. The Project Officer must also include the rationale



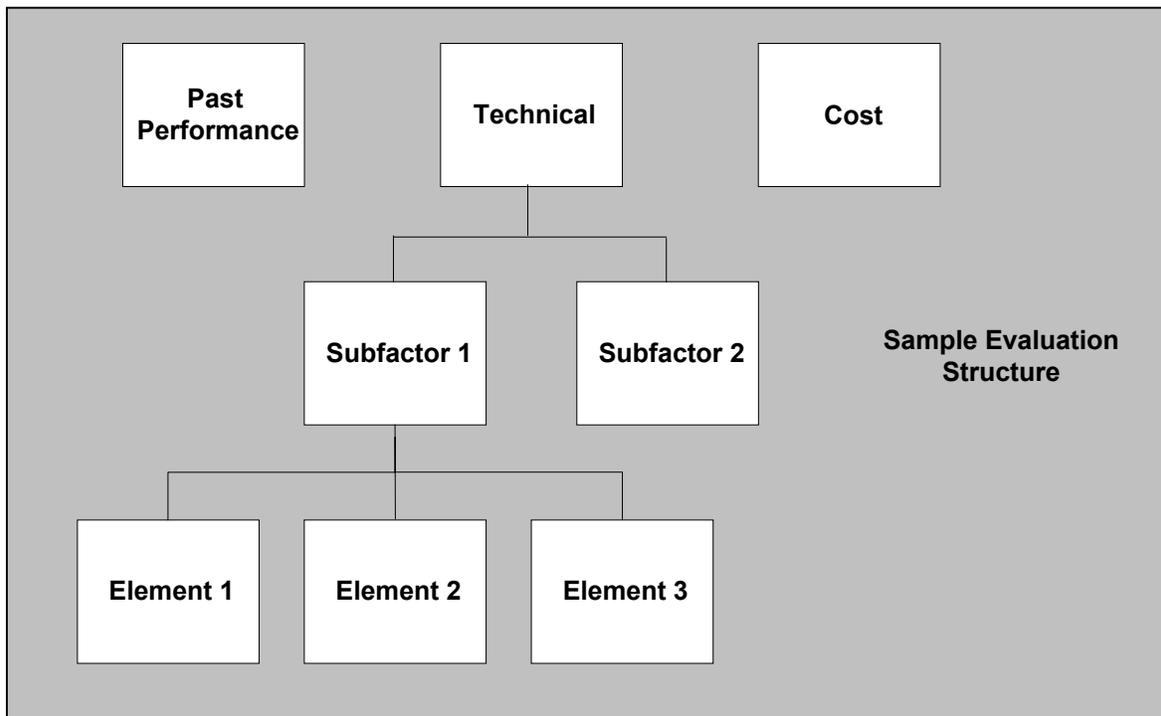
## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

for these tradeoffs. Remember, only those factors stated in the Request for Proposal can be used to evaluate the proposals submitted by the various contractors.

The number of evaluation factors and the complexity of the evaluation process are based upon the complexity and nature of the acquisition. Each evaluation factor must be definable in readily understood qualitative terms and represent the key areas of importance to be considered. This is normally done by using colors (e.g., red, amber, green) or adjectival terms (e.g., poor, fair, good excellent). The following are common factors that are often included in solicitation evaluations:

- Past performance (**mandatory**).
- Understanding of the requirement.
- Technical approach to performing the work.
- Experience in performing similar work.
- Qualifications of scientific, engineering or other technical personnel.
- Quality of the facilities to be used for performing the work.
- Quality assurance programs and plans.
- Management capabilities and organization for the proposed work.
- Cost realism.
- Cost is a mandatory factor and must always be considered even though it is not normally the primary basis for award in an R&D contract.

The following illustrations provide a sample evaluation structure.





*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

The following figure shows an example of an evaluation plan showing both adjectival ratings and color ratings.

<b>A Sample Evaluation Plan</b>			
<b>Evaluation Factor</b>	<b>Evaluation Criteria</b>	<b>Adjectival</b>	<b>Color</b>
Factor 1. Key Personnel Qualifications.	Personnel not qualified	Unsatisfactory	Red
	Personnel may be qualified but insufficient information provided	Susceptible to being made acceptable (with additional information)	Pink
	Personnel meet requirements	Satisfactory	Yellow
	Personnel meet all and exceed some requirements	Good	Green
	Personnel exceed all requirements	Excellent	Dark Blue



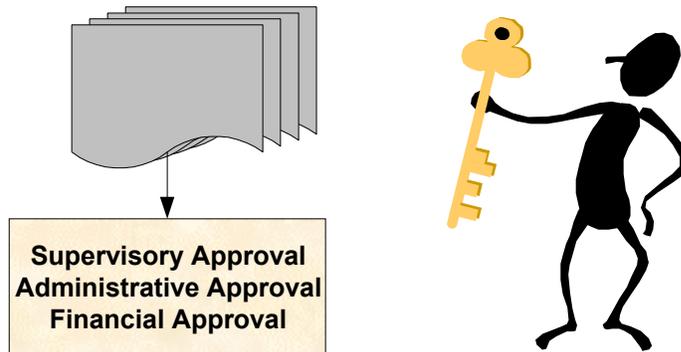
*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Factor 2. Technical Approach			
Subfactor 2.1. Proposed Methodology	Methodology poor and unorganized. High risk of failure	Unsatisfactory	Red
	Proposal demonstrates shallow understanding. Methodology has considerable risk.	Marginal	Pink
	Proposal demonstrates acceptable understanding. Methodology has good probability of meeting performance requirements, but few if any strengths. Risk is moderate to high.	Satisfactory	Yellow
	Proposal demonstrates good understanding. Methodology has high probability of meeting or exceeding performance requirements and has one or more major strengths. Risk is moderate to low.	Good	Green
	Proposal demonstrates excellent understanding. Methodology has high probability of significantly exceeding the performance requirements. Risk is low.	Excellent	Dark Blue
Subfactor 2.2. Management Plan			
Subfactor 2.3. Knowledge and Task Understanding			
Factor 3. Past Performance			
Factor 4. Cost			



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### Task 6. Obtain Necessary Concurrence and Approval



#### **Step 1. Ensure the purchase request and supporting documents are current, accurate, and complete.**

At this point, the Project Officer should have a funded Purchase Request, a Work Statement, a Budget Estimate or IGCE, a Quality Assurance Surveillance Plan, Evaluation Factors, a list of potential sources, and a justification for limiting competition, if required.

Once these documents have been assembled, they should be reviewed to ensure that they are sufficient to proceed with contract action. Consider the following questions: 1. Are they written in terms that accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times? 2. Are they designed to obtain maximum interest from the scientific community? 3. Do they satisfy the Government's needs in the most effective, economical, and timely manner? 4. Are the documents consistent with each other? 5. Do the documents request sufficient information from the contractor to adequately evaluate a proposal? 6. Do they request too much information from the contractor? (Information that will not be evaluated should not be requested.)

#### **Step 2. Secure all necessary authorizations.**

The assigned program official should then obtain all necessary concurrence and approvals for the Purchase Request. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from requesting/user organization and the appropriate accounting, budgeting, or finance office. There are numerous types of acquisitions, or elements within an acquisition that require special approvals or clearances. If applicable, these should be obtained prior to forwarding the Purchase Request. These include the following:

- **Human Use** - Safeguarding the rights and welfare of human subjects participating in research and development supported by contracts awarded by USAMRMC is of utmost concern to the Command. While this is primarily the responsibility of the contractor, the



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

sensitivity of such research necessitates that the Command exercises prudent oversight. Accordingly, coordination with the USAMRMC Deputy Chief of Staff for Regulatory Compliance & Quality, Human Subjects Protection Division is essential to complete planning. The Human Subjects Protection Division will determine which protocols must be submitted to The Surgeon General's Human Subjects Research Review Board, and arrange for such submissions. AR 70-25 covers the use of volunteers as subjects of research.

- **Animal Use** - The use of animals is an extremely sensitive issue. Army Regulation 70-18, "The Use of Animals in DOD Programs" prescribes the procedures that must be followed in this matter. While responsibility rests with the contractor, USAMRMC maintains an oversight role that should be considered in acquisition planning and contract administration.
- **Chemical Surety Materiel** - Research involving the use of chemical surety materiel must comply with the safety/surety requirements applicable to the use of such materiel. Safety and Surety requirements must be set forth in the contract.
- **Recombinant DNA** - Research on recombinant DNA must conform to the policies and procedures in "NIH Guidelines for Research Involving Recombinant DNA Molecules" and its Administrative Supplements. The contract must set forth all of these requirements.

**Step 3. Submit the purchase request.**

The Purchase Request and all supporting documents will be forwarded in accordance with established procedures.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 2B. PRE-AWARD SUPPORT WHEN USING SOLICITATIONS**

The Contracting Officer will accomplish most of the actions required during the solicitation phase. However, as the Contracting Officer's technical advisor, the Project Officer will play a key supporting role during this period. The Project Officer will be involved in five tasks during the solicitation phase. Click on the task heading to find the steps associated with each task.



**Task 1. Participate in the Pre-Proposal Conference**

**Task 2. Provide Pre-Award Technical Advice**

**Task 3. Participate in Technical Evaluations**

**Task 4. Participate in Oral Presentations and Negotiations**

**Task 5. Channel Contractor Inquiries to the Contracting Officer**

---

---

#### **Task 1. Participate in the Pre-Proposal Conference**

A Pre-Proposal Conference may be held to ensure the industry understands the Request for Proposals (RFP) and to clarify areas of concern or confusion. The Contracting Officer conducts the Pre-Proposal Conference. The Project Officer assists the Contracting Officer in establishing the agenda and attends the conference to answer technical questions as directed by the Contracting Officer. If possible, a stenographer should be used to record the minutes of the conference. The minutes should be distributed as part of an amendment resulting from the conference. Objectives of the Pre-Proposal Conference include the following:

- Clarify complicated work statements.
- Disseminate background data that offer further insight into the size and risks of the projects as well as complexity of the procurement.
- Discuss anticipated difficulties during contract administration, including any exceptional demands on a prospective contractor's capacity and capability.
- Disclose any ambiguities, errors, or omissions in the RFP that may later be corrected in a written amendment.
- Provide any additional information that is better presented at a conference or factors that may not have been known at the time the RFP was issued.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Provide Pre-Award Technical Advice**

The Project Officer provides technical advice to the Contracting Officer throughout the solicitation phase. This includes drafting answers to technical questions submitted by potential offerors. The Project Officer is responsible for identifying any changes in the Government's requirement that would necessitate revising the RFP in terms of the statement of work, terms or delivery schedule. The Project Officer also plays a key role in technical evaluations

### **Task 3. Participate in Technical Evaluations**

The Project Officer normally participates in Technical Evaluations and recommends other panel members who are knowledgeable about the technical aspects of the acquisition and who are competent to identify the strengths and weaknesses of the various proposals. The Contracting Officer will brief the evaluation panel on their responsibilities and establish procedures for securing the proposals whenever they are not being evaluated.

The evaluators read each proposal, describe strengths and weaknesses, identify potential items for negotiations and assign preliminary ratings to each evaluation factor using the criteria set forth in the solicitation. No factors other than those contained in the RFP may be used. After individual review, the evaluators discuss in detail the strengths and weaknesses described by each evaluator. The purpose of this discussion is to determine a consensus rating for each factor. Consensus is reached when there is agreement among the panel members. It is not simply an averaging of the individual ratings. At the conclusion of these discussions, a summary evaluation report is prepared that includes the consensus rating for each evaluation factor.

Prior to any contract award, the Contracting Officer must make a positive determination that the prospective contractor is a responsible contractor. This determination takes into account a variety of factors to include the prospective contractor's financial capacity, production capacity or expertise, performance history, record of business ethics, and similar factors. If the Contracting Officer does not have significant information to make this determination he/she may request that a **pre-award survey** be conducted. If a pre-award survey is conducted, the Project Officer may be required to assist the Contracting Officer by identifying technical areas that must be reviewed and/or by assisting the Contracting Officer review information from the Pre-Award Survey Report.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 4. Participate in Oral Presentations and Negotiations**

The Project Officer may participate in oral presentations, if conducted. Oral presentations are used to augment written information. Oral presentations provide an opportunity for dialogue among the parties and can enhance the Government's understanding of the offeror's proposal. The offeror's capability, past performance, work plans or approaches, staffing resources, transition plans, or sample tasks are all suitable topics for oral presentations.

The Project Officer may also participate in negotiations. Negotiations are discussions with the offerors to address significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions). Discussions do not have to be held, but when they are, they are tailored to each individual offeror.

To ensure that negotiations are conducted fairly and appropriately, the Contracting Officer will establish specific ground rules prior to meeting with the contractor. These will normally include the negotiation objectives, the subjects to be discussed, and the limitations placed on the discussion by each of the Government's team members. Negotiations may be conducted either orally or in writing. Oral negotiations can be either face-to-face or telephonic.

### **Task 5. Channel Contractor Inquiries to the Contracting Officer**

To ensure that the competition is fair and equitable, every firm must be provided with the same information. Under no circumstances may Government employees take any action that might give one firm an advantage over another. Firms may contact the Project Officer requesting information about the services required. If this should occur, the prospective offeror should be referred to the Contracting Officer, as only contracting personnel should have any contact with offerors during the interval between the time that RFPs are mailed and the contract is awarded.

## **DUTY 1C. PLANNING AND CONCEPT DEVELOPMENT WHEN USING INTERAGENCY AGREEMENTS**

Concept development and planning for acquisitions that will be accomplished through the interagency transfer of fund generally follow the same path as any other solicitation. A key difference is that there are no legal restrictions on discussions with scientists and representatives of other Government Agencies. Consequently, it is standard for individuals from the other agency to assist our researchers in this process. Concept development and market research are still conducted to ensure that the interagency acquisition is the best method of meeting USAMRMC's needs. And, just like any other acquisition, a Work Statement is prepared that establishes the goals and objects of the acquisition. A Quality Assurance Surveillance Plan is



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

also developed to ensure that these goals and objectives are met. Finally, a budget estimate is prepared to ensure that adequate funding is available for the project. The acquisition is initiated by submitting a Military Interdepartmental Purchase Request (MIPR). All necessary administrative, fiscal and special approvals must be accomplished prior to forwarding a MIPR.

### **DUTY 3. DEVELOPING THE COR WORK PLAN**

Regardless of whether a BAA or solicitation is used to reach contract award, the steps for administering the contract are identical. As the individual officially delegated responsibilities by the Contracting Officer, the Contracting Officer's Representative (COR) will need to develop a cost effective contract administration plan and follow that plan to monitor contract performance. This plan must ensure that all required tasks are well defined and that all milestones are clearly flagged. There are four tasks associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Know Your Duties and Responsibilities**

**Task 2. Establish Files**

**Task 3. Develop and Follow a Work Plan**

**Task 4. Notify the Contracting Officer of Problems**

#### **Task 1. Know Your Duties and Responsibilities**

Once the contract is in place, the task of monitoring contractor performance begins. The individual most involved in this process is the Contracting Officer's Representative (COR) the technical or program person who is appointed to help the Contracting Officer with the monitoring task.

The Contracting Officer may select and designate any Government employee, military or civilian, to be the COR. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases, the COR and the Project Officer will be the same

**Know Your  
Duties and  
Responsibilities**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

person. The COR doesn't begin performing his or her duties until the contract has been awarded and the COR has been designated in writing by an Appointment Letter signed by the Contracting Officer.

### **Step 1. Review the COR Appointment Letter.**

The COR should review the COR Appointment Letter in detail. This letter will identify the Contracting Officer who will administer the contract and the contract number. The COR Appointment Letter will identify the specific areas of COR authority and responsibility and the specific limitations on the COR's authority. This letter should also provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The COR must sign the letter and return a copy to the Contracting Officer. This signature acknowledges receipt of the letter and acceptance of COR responsibilities for this contract. The Contractor is also provided a copy of this letter, and required to acknowledge receipt, ensuring that Contractor personnel are aware of the identity and role of the COR.

### **Step 2. Review the contract.**

Once award has been made, the COR will receive a copy of the award. Since the COR should have been involved in the acquisition from the very beginning, there should be no surprises. Nonetheless, the COR should read the contract in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the contract will be performed. Key information can be found in the following sections:

- **Cover Page** – The cover page will contain the contract number, the effective date of the contract, the name of the contractor, the project title, the term of the contract, and total amount funded.
- **Supplies or Services and Prices/Costs (Section B)** – This section provides the description, quantity, unit of issue, unit price and total price for each contract line item.
- **Description/Work Statement (Section C)** – The Work Statement is the basis for most contract monitoring activities.
- **Deliveries or Performance (Section F)** – Designates the due dates of deliverables.
- **Contract Administrative Data (Section G)** – Contains the dates on which incremental funds are expected to be released for contractor use.
- **Special Contract Requirements (Section H)** – As indicated by the title, this section details any special contract requirements.

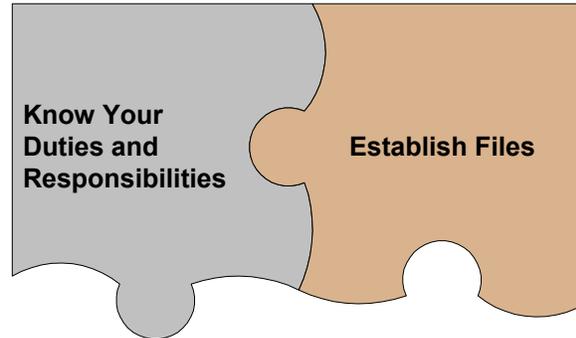
### **Task 2. Establish Files**

The COR is expected to maintain a separate file for each contract he/she oversees. At a minimum, the COR contract files shall contain a copy of:



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- Any RFP or BAA relating to the contract.
- The proposal on which the contract is based.
- The contract and any amendments.
- All correspondence with the contractor, the Contracting Officer or other program officials dealing with this contract.
- All reports submitted by the contractor.
- Reports of inspections and site visits.
- The COR Appointment Letter signed by Contracting Officer.

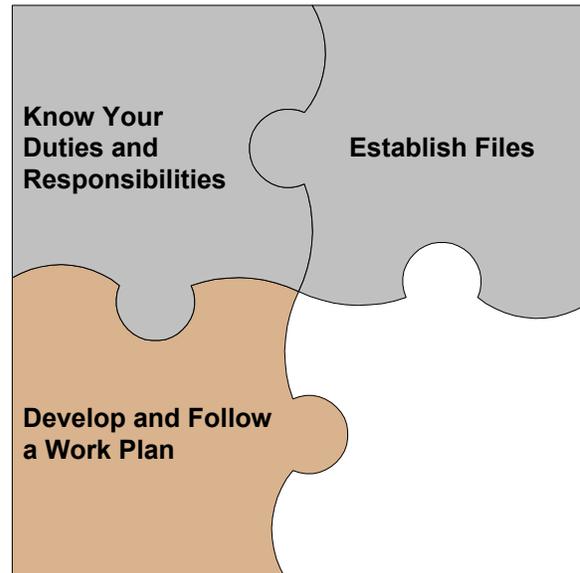


### **Task 3. Develop and Follow a Work Plan**

Planning at the outset of the project is a necessary step in effective contract administration. This planning is needed to assure that the administrative steps intended are consistent with the specific procurement. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action before they become serious obstacles.

The planning should be based on a review and analysis of the project and award requirements. Include such things as an analysis of the need for and timing of such things as performance and cost reviews, inspections, scheduled delivery of

Government-supplied items, subcontractors, key personnel issues, monitoring of the contractor's compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the contractor to arrive at a common understanding of what will be expected. A post-award conference may be scheduled by the Contracting Officer to assure that all parties are aware of requirements, responsibilities and procedures. Developing a Work Plan involves the following:



- Read and understand the award document, and ensure that the contractor does the same.
- Develop a post-award milestone chart in coordination with the Contracting Officer and



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

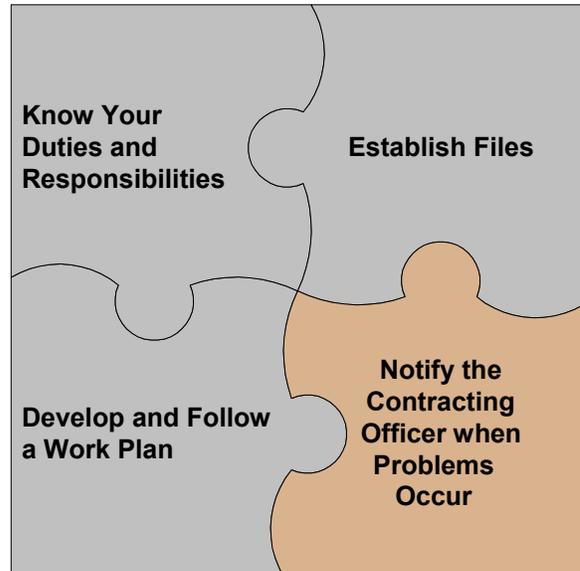
contractor.

- Read and act promptly on progress reports.
- Identify potential areas of conflict.
- Review progress and possible problems with the Contracting Officer regularly.
- Prepare the Work plan.

<b>Sample Work Plan</b>	
Contract Title:	
Contractor:	
Key Contractor Personnel	
List of COR Files	
Description of Work to be Performed	
Assigned Tasks	Task Milestones
1.	
2.	
3.	
4.	

**Task 4. Notify the Contracting Officer of Problems**

Contact the Contracting Officer to resolve any areas of concern or conflict as soon as possible. The Contracting Officer is the Government’s authorized agent in dealing with contractors and is the only person who has the authority to negotiate, award, change or amend a contract. The COR should never act in such a manner as to cause the contractor to believe that the COR has the authority to obligate the Government. The COR should never request or direct the contractor to do anything that is not expressed as a term or condition of the contract. The COR should make certain that the contractor does not take





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

suggestions or comments as directions to proceed on a course of action not covered by the contract. When recommending requests for changes in a contract, the COR should be sure the changes do not add new work, objectives or data for which a new contract might be needed.

### **DUTY 4. SUPPORTING THE POST AWARD ORIENTATION AND DEBRIEFING OF UNSUCCESSFUL OFFERORS**

There are two events that occur shortly after contract award. The first is a meeting between the Government and the successful contractor called the Post Award Orientation. The second event is the debriefing of unsuccessful offerors, a series of meetings between the Government and the firms that were not selected for award. The COR normally performs three tasks in support of these events. Click on the task heading to find the steps associated with each task.



**Task 1. Provide Support for the Post Award Orientation**

**Task 2. Participate in the Post Award Orientation**

**Task 3. Participate in the Debriefing of Unsuccessful Offerors**

---

---

#### **Task 1. Provide Support for the Post Award Orientation**

The Post Award Orientation is held to ensure that both parties have a clear and mutual understanding of all contract requirements. The Post Award Orientation also is used to identify and resolve potential problems; introduce the Government's representatives; furnish notices and other data to the contractor and otherwise set the stage for a good working relationship under the contract. Generally, the Post Award Orientation is a structured meeting chaired by the Contracting Officer. However, in less complex contracts, the initial meeting between the contractor and the COR serves the same purpose. The nature and complexity of this task will depend upon the nature and complexity of the contract and the manner in which the Contracting Officer decides to conduct the Post Award Orientation. If the contract is complex and a formal Post Award Orientation is to be held, the Contracting Officer may require that the COR prepare a written issue or discussion paper in preparation for the Orientation. This should be accomplished as follows:



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

**Step 1. Prioritize all performance issues.**

All issues of concern should be addressed and prioritized based on potential risks to the contractor or the Government. Select the issues at greatest risk to performance.

**Step 2. Develop solutions.**

Develop solutions and other recommendations. Document these in a clear and concise manner.

If the Post Award Orientation is to be held at the Government’s place of performance, the COR may be requested to make administrative arrangements and provide administrative support to the meeting. The COR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.

<b>Suggested Post Award Orientation Agenda</b>	
<b>Introduce the participants.</b>	At the opening of the conference, the chairperson introduces each attendee by name and title, along with an explanation of the role that person will play in contract administration. The contractor makes these introductions for his/her team.
<b>Explain the purpose of the conference.</b>	Go over the agenda, but also emphasize that the conference is not intended to change or alter the contract in any way. Emphasize that the only way the contract can be changed or altered is by a written modification signed by the Contracting Officer.
<b>Summarize the roles of Government key personnel.</b>	Clarify the limits, authorities, roles, and responsibilities of each Government representative. Ask the contractor to advise the Government of the roles, responsibilities, limits, and authorities of each contractor representative. Emphasize: Contracting Officer is the official that can change or alter the contract. - No action may be taken at the orientation which in any way changes or alters the contract. - There is no obligation to make any contract adjustments as a result of an action taken by a Government representative unless the action has been specifically authorized in the representative's letter of designation or by the contract itself.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<p><b>Provide general instructions.</b></p>	<p>Provide general contract administration instructions to include information necessary for the contractor to understand its risks and the Government's risk. Address contractor responsibilities for management and supervision of the work force, protection and control of Government property, data, and reports, compliance with contract clauses, and other appropriate areas of concern. Advise contractors of the proper routing of correspondence, i.e. matters pertaining to technical performance may be addressed directly to the COR and matters pertaining to questions of fact dealing with contractual terms and conditions must be sent to the Contracting Officer.</p>
<p><b>Discuss administrative matters.</b></p>	<p>Stress the fact that supervision of contractor employees rests solely with the Contractor. Contract employees are to avoid all actions that might give the appearance that they are Government employees. While in Government work areas, all contracted employees must display a badge or other appropriate identification media containing his or her name and the name of the company, wear and display a building pass, when applicable, and include the company's name in his or her email display.</p>
<p><b>Provide presentations and address questions.</b></p>	<p>At this point appropriate Government officials may provide a variety of presentations. Topics may include delivery requirements, environmental considerations, safety, protection of Government property, monitoring methods, acceptance procedures, payment procedures and other relevant topics. Questions can either be raised during the presentation or held until the end of all of the presentations. Responses to questions should be accurate and complete. Ensure that statements made during the conference do not bind the Government in any way that alters the contract.</p>
<p><b>Discuss Past Performance Documentation.</b></p>	<p>Provide a discussion of how past performance will be documented and the ramifications of poor performance. This is particularly important and appropriate for a contractor with limited experiences with DOD contracts.</p>
<p><b>Ensure that contractor understands all contract milestones, terms and conditions.</b></p>	<p>Discuss any other issues that may impact performance.</p>



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Participate in the Post Award Orientation**

The COR will participate in the Post Award Orientation either as the chair or a member of the Contracting Officer's team. In either case, the COR will be expected to provide information in his/her areas of expertise, respond to questions and identify further action items. The COR needs to know before the orientation how questions will be handled. The Contracting Officer should provide guidance on this subject. The COR should ensure that any information provided is consistent with the terms and conditions of the contract. In all discussion with the contractor, the COR should be careful not to bind the Government in any way that alters the contract. Any areas disputed by the contractor must be recorded and resolved by the Contracting Officer. This is true not only during the Post Award Orientation, but also throughout the life of the contract.

### **Task 3. Participate in the Debriefing of Unsuccessful Offerors**

Unsuccessful Offerors are entitled to a debriefing. The debriefing is intended to tell unsuccessful offerors which areas of their proposals were judged to be weak and/or deficient, and whether the weaknesses or deficiencies were factors in not having been selected. Debriefings also identify factors that were the basis for selection of the successful contractor. The Contracting Officer will conduct the debriefing. The COR will attend the debriefing and respond to technical issues as directed by the Contracting Officer.

## **DUTY 5. MONITORING CONTRACTOR PERFORMANCE**

Monitoring contractor performance is the heart of the COR duties. The COR has the primary responsibility to see that the technical objectives of the contract are met. In cost type contracts, the COR has additional duties regarding costs. Contract monitoring can be divided into three tasks. Click on the task heading to find the steps associated with each task.



**Task 1. Monitor Contract Performance**

**Task 2. Respond to Requests from the Contractor**

**Task 3. Manage Constructive Change Situations**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Monitor Contract Performance**

Performance monitoring involves contract administration activities that the Contracting Officer, COR and other Government personnel use to ensure services acquired under contracts conform to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques.

Under a contract, the obligation of both parties is to perform as they have promised to do under its terms and conditions. Not all contracts, however, are performed according to their terms and conditions or within their required timeframes. Poor performance or late deliveries under a contract may cause costly delays in a program. Thus, the Government monitors contract performance to ensure that required end items or services are delivered on time.

#### **Step 1. Determine what needs to be monitored.**

The COR normally monitors technical issues, performance, adherence to the schedule, and cost (in cost contracts). The COR may also be involved with statutory and regulatory compliance issues.

#### **Step 2. Select the techniques used for monitoring.**

In addition to using the Quality Assurance Surveillance Plan, meetings, phone calls, reports, site visits and contact with other Government officials all play a role in contract monitoring.

#### **Step 3. Implement and execute the QASP.**

The actions that must be taken by the COR while monitoring contracting performance include the following:

- Maintaining personal contact with the Principal Investigator (PI) to identify technical and administrative problems that could jeopardize contract performance.
- Monitoring PI performance to assure compliance with the technical and Work Statement requirements of the contract.
- Reviewing and where required by the contract approving technical reports, drawings, specifications and other technical information to be delivered to the Government under the provisions of the contract.
- Conducting site visits to the PI's laboratory as required during the term of the contract. The visits must be coordinated with the Contracting Officer and appropriate staff officers. Written reports on all such visits are required.
- Maintaining a separate correspondence file for each contract.
- Advising the Contracting Officer of delays in meeting milestones, of poor PI performance, and of failure to submit timely, acceptable reports.
- Providing prompt technical review and recommendations regarding all requests for contract



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

changes.

- Assuring that changes under a contract are not implemented before the Contracting Officer issues written authorization (contract modification).
- Reviewing and commenting upon inventions discovered under the contract, and following-up on licensing to the Government.
- Ensuring that the PI has a copy of the contract under which the research is to be done.
- Ensuring that the PI receives fair treatment in light of possible technical and administrative problems that may arise during performance of the contract.
- Ensuring that the PI is generally aware of the procedures that must be followed to obtain changes, supplements, extensions and other modifications to the contract.
- Ensuring that the PI understands and meets the deadlines for reports, performance milestones, and contract completion.
- Ensuring that the PI is familiar with contract requirements pertaining to the use of humans, animals, chemical surety materials, and other sensitive areas.
- Ensuring that the PI maintains an awareness of the part his individual project plays in other USAMRMC research and development programs.
- Ensuring that the PI receives the guidance and evaluation necessary to ensure a completed, goal-oriented effort.
- Ensuring that the PI adheres to the SOW in the contract.

When dealing with cost contracts, the COR also plays a key role in monitoring costs and expenditures. In order to control cost expenditures, provisions are often used that require prior authorization from the Contracting Officer before specific actions may be taken or certain costs incurred. For example, prior consent may be required for subcontracting; prior approval is needed for reimbursement of costs to be incurred in excess of limitations set in cost reimbursement contracts; and, prior approval is needed before a contractor may purchase equipment valued above \$5000, even though the items are in the agreed-upon budget. All of these requirements will be specified in the contract. While the Contracting Officer is normally the approving official, the COR will usually be consulted before approval is granted or withheld.

### **Step 4. Review progress reports.**

Progress reports should show whether or not the awardee is completing milestones on schedule, applying resources at the appropriate level, and producing the quality products required by the contract. This information should be adequate for Government decisions, yet not so extensive, comprehensive and formatted as to create an unnecessary or excessive administrative or financial burden. Moreover, the information requirements should not detract excessively from time that might better be devoted to technical performance.

While any number of reports may be specified, it must be recognized that there is a cost associated with each report and therefore, they should be required at the level essential to properly monitor the work performed. USAMRMC contracts will normally require a midterm



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

and a final report. The reporting format, which will also be spelled out in the contract, is as follows:

- Front Cover.
- Standard Form 298 - Report Documentation Page.
- Table of Contents.
- Introduction. Narrative that briefly describes the subject, purpose and scope of the research.
- Body. This section describes the research accomplishments associated with each task outlined in the approved Work Statement.
- Key Research Accomplishments Bulleted list of key accomplishments.
- Reportable Outcomes.
- Conclusions.
- References.
- Appendices.

### **Step 5. Conduct site visits.**

The COR will conduct site visits as necessary to monitor contract performance. The Contracting Officer should be advised of all proposed site visits. The Contracting Officer may participate in these as required.

A site visit is usually arranged in advance with the contractor or PI. In rare cases, there may be a reason to make an unannounced visit, but these situations require careful consideration and should have the explicit approval of the Contracting Officer. It is highly recommended that the COR use a checklist when conducting the site visit. This not only ensures complete coverage of topics and inspections, but aids in the preparation of the subsequent trip report. A written trip report is required for each site visit. The report should include:

- Contract number, date, and place.
- Names of the Government representatives making the visit.
- Names of the PI and contractor personnel that were contacted during the visit.
- A summary of the discussions.
- Some comment on the site and status of work.
- Detailed comments on observed discrepancies.
- Copies of the report are to be sent to the Contracting Officer and other interested parties as appropriate.

### **Task 2. Respond to Requests from the Contractor**

There are times when the Contracting Officer's Representative (COR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the contractor



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

during the performance of a contract. The COR's response must always be consistent with the contract. A COR can best handle contractor requests by performing the following three steps:

### **Step 1. Identify all contractual terms that allow contractor requests.**

The COR should be familiar with all contractual terms that allow the contractor to request some action by the Government. This information will be found in the contract or the COR Appointment Letter. If there is any doubt, the COR must consult the Contracting Officer.

### **Step 2. Determine the contractor's obligations.**

In addition to knowing what constitutes a proper request from the contractor, the COR must also be aware of when and how the request should be presented. This information should also be available in the contract.

### **Step 3. Provide a response that is timely.**

The COR must respond within the timeframe set by the contract or must forward the request to the Contracting Officer in sufficient time to permit a timely response.

## **Task 3. Manage Constructive Change Situations**

A constructive change arises whenever, by informal action or inaction of the Government, the contract changes without going through the required legal or regulatory formalities. The common causes of constructive changes include inadequate or latently defective specifications, improper interpretations of specifications, overly strict inspections, Government caused delays and improper technical direction.

In drafting correspondence to the contractor and in oral communication, the COR must exercise care not to accidentally generate the basis for claims or delays. When communicating with contractor personnel, or when conveying technical or assessment information, it is critical that the COR not instruct, supervise, or attempt to control contractor efforts except as specifically authorized in the contract Work Statement. Reasonably open and honest communication between the COR and the contractor can enhance performance. Professional discussions of options and alternative approaches are necessary. However, the COR must remember that there is a contract which defines rights and obligations of the parties. All communications with the contractor must be viewed in this light. The contractor has a right to proceed in any manner that is consistent with the terms of the contract. Excessive involvement of the COR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the contractor's rights under the contract. Even the appearance of unauthorized direction to the contractor when none was intended can lead to contract claims or other problems. Consequently, the COR must be discrete. Advice should be sought from the Contracting Officer if there is any question about the effect of any statement on the contractor's obligation to perform.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Continue to monitor the validity of the Work Statement.**

Careful planning and development of the Work Statement and other supporting documents will be obvious during contract administration. A good Work Statement will minimize constructive changes. On the other hand, any ambiguity or inconsistency in the initial contract will set the stage for a constructive change. If ambiguities, inconsistencies or other changes that might affect performance are found, they should be immediately reported to the Contracting Officer.

### **Step 2. Know what the contract requires.**

The COR must know what the contract requires. Erroneous interpretation of specifications and overly strict inspections normally result in a constructive change. The COR must base all actions upon what the contract says, not what it ought to say.

### **Step 3. Keep proper records.**

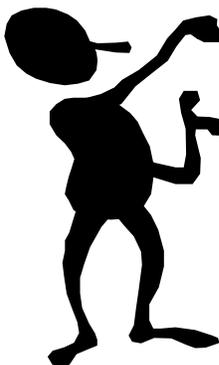
Accurate, up-to-date date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the contract.

### **Step 4. Notify the Contracting Officer if a potential constructive change situation arises.**

If a potential constructive change situation does occur, immediately notify the Contracting Officer. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Contracting Officer will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.

## **DUTY 6. ACCEPTING OR REJECTING SERVICES**

The COR's efforts in monitoring contract performance ultimately leads to either acceptance or rejection of services. Generally, there are three specific tasks associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Acceptance**

**Task 2. Rejection**

**Task 3. Evaluate the Contractor's Rejection Reply**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Acceptance**

Acceptance occurs when an authorized Government representative examines the services provided, compares the services provided to the requirements of the contract, and is satisfied that the services conform to contractual requirements. If the Government properly prepared the contract, chose a responsible contractor who demonstrated full understanding of the services to be performed, and provided adequate oversight during contract performance, the result is usually conforming services. The COR can accept services on behalf of the Government, if authorized by the COR Appointment Letter. The preferred form for the receiving report is the DD Form 250, Material Inspection and Receiving Report. A sample of the DD 250 and instructions for completing it are provided in [Appendix C](#). SF 1034, Public Voucher for Purchases and Services Other than Personal, may also be used for research and development services when billing is based upon labor and materials. More information on invoicing/acceptance/payment procedures, including a discussion of common problems/errors, is found at the Defense Finance and Accounting Service web site - [www.dfas.mil/library/handbook.pdf](http://www.dfas.mil/library/handbook.pdf). Late submission of the DD Form 250 (or other acceptance document) normally results in the Government having to pay interest on the contractor's invoice.

### **Task 2. Rejection**

If the services do not comply with the contract, a notice of rejection should be promptly provided to the contractor. The COR can reject services if authorized by the COR Appointment Letter. Otherwise, the COR recommends rejection to the Contracting Officer or another official that is authorized to reject service. The rejection notice should contain the reasons for rejection and a stated time period for the contractor to reply to the rejection notice. The COR should promptly notify the contracting officer whenever services are rejected. The COR should provide the Contracting Officer with documentation on the number of observations made, the number and type of defects, actions taken to notify the contractor and any corrective actions already taken by the contractor. DD Form 250 can be used to document rejection.

### **Task 3. Evaluate the Contractor's Rejection Reply**

Normally, the contractor will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies, offer to provide a downward adjustment to cost or price as a basis for accepting non-conforming services, or challenge the assessment that the services are defective. If the COR is authorized to reject services, he/she may only approve a contractor's proposed course of action to repair or correct the deficiency. Other courses of action that require a change in the contract (a price reduction) or that result in a dispute (the contractor challenges the



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

assessment of defective services) must be forwarded to the Contracting Officer for resolution. The Contracting Officer will normally consult with the COR when considering the contractor's reply. The COR can provide advice on the appropriateness of the contractor's corrective action plan, the impact of accepting non-conforming services, or whether or not the contractor's rebuttal is valid.

### **DUTY 7. COMPLETING OTHER COR SUPPORT TASKS**

The COR performs or participates in various other tasks that play an essential role in successful contract performance. These are discussed below. Click on the task heading to find the steps associated with each task.



**Task 1. Administer Government Property**

**Task 2. Provide Technical Support for Contract Modifications**

**Task 3. Manage Performance Problems**

**Task 4. Technical Support for Terminations**

**Task 5. Advise the Contracting Officer on Options**

**Task 6. Document Past Performance**

**Task 7. Participate in Contract Closeout**

#### **Task 1. Administer Government Property**

There are times when it is in the best interest of the Government to provide the contractor with Government furnished property. When Government property is provided, the COR frequently will be asked to advise or assist the Contracting Officer in administering its use.

##### **Step 1. Supervise the initial transfer of Government property.**

Ensure that an inventory is taken and adequate property control procedures are placed into effect.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Monitor the contractor's use of Government property.**

Report loss, damage or destruction of Government property to the Contracting Officer. Also report any incidents of unauthorized use.

### **Step 3. Supervise the return of Government property.**

Supervise the return of Government property upon contract completion or when no longer required by the contractor.

## **Task 2. Provide Technical Support for Contract Modifications**

A modification is a written alteration of any aspect of the contract including the work statement, period of performance, quantity, price, or other provisions. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Contracting Officer in order to preclude misunderstanding between the parties concerning the work to be performed. The COR may be involved in three different aspects of the modification process.

### **Step 1. Identify any circumstance that may require modification to the contract.**

These may include changes in Government requirements, inadequate specifications, a need to increase or decrease funds, and Government caused delays. Any such circumstance must be immediately reported to the Contracting Officer.

### **Step 2. Assist the Contracting Officer with technical evaluations.**

Provide the Contracting Officer with a technical evaluation of the proposed change. This evaluation should contain a thorough analysis of the effects of the proposed change on the other areas of the contract.

### **Step 3. Assist the Contracting Officer with negotiations.**

Assist the Contracting Officer in the negotiation of the change with the contractor, if necessary.

## **Task 3. Manage Performance Problems**

In a delinquency or default situation, performance is delayed, inadequate, or both. The COR must thoroughly understand the rights and responsibility of both the Government and the contractor so that nothing will be done that might be considered prejudicial to either party. When unsatisfactory performance is identified, the COR must notify the Contracting Officer promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely effect the Government's right to normally available remedies.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the seriousness of the unsatisfactory performance, the Contracting Officer may take one of the following actions:

- Provide notice to the contractor of the particular deficiency and obtain a commitment for appropriate corrective action.
- Extend the schedule of work if excusable delays in performance are involved.
- Withhold payments in cases where the contractor fails to comply with delivery or reporting provisions.
- Terminate the contract for convenience or default (see next duty).

The COR should follow these steps when faced with performance problems.

### **Step 1. Document all instances of inadequate performance.**

Good record keeping should always be a priority for the COR. When the COR fails to document performance problems, the Government has a difficult time dealing with the situation. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in contract termination if they are allowed to progress.

### **Step 2. Notify the Contracting Officer.**

Keep the Contracting Officer advised of all performance issues. Continuously monitor and evaluate the situation and when it becomes apparent that Government action is required to rectify performance issues, immediately notify the Contracting Officer. Be prepared to provide documentation of the problems and recommendations for corrective action.

### **Step 3. Provide technical support to the Contracting Officer.**

The Contracting Officer has a number of ways of dealing with the contractor performance problems, ranging from an informal meeting with the Contractor to Contract Termination. Regardless of the action taken, the Contracting Officer will require technical support from the COR. In those rare occurrences where the situation reaches the point where the Contracting Officer must initiate Default Termination procedures, the COR should have no further contact with the contractor unless specifically directed to do so by the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 4. Technical Support for Terminations**

The Government has a unique right to terminate a contract for **convenience**. Under the Terminations for Convenience clause, the Government has the right to cancel a contract when to do so is in the best interest of the Government, notwithstanding the contractor's ability and readiness to perform. Terminations for Convenience may occur when the item or service is no longer needed, funds are not available for continued contract performance, it is impossible for the contractor to perform as specified in the contract, or there has been a radical change in the requirement that goes beyond the contractor's expertise. Under a Terminations for Convenience the contractor is entitled to submit a settlement proposal for the work that has been accomplished under the contract up to the effective date of the termination to include the cost associated with any work in progress. A settlement agreement is then negotiated between the Contracting Officer and the contractor. The settlement agreement is finalized in a modification to the contract.

The Government also has a right to terminate a contract for **Default** based upon the contractor's actual or anticipated failure to perform contractual obligations. Under a default termination, the contractor only has a right to payment for delivered and accepted services. The COR's responsibilities in either a Termination for Convenience or a Termination for Default are essentially the same.

#### **Step 1. Identify any condition or event that may trigger a termination.**

Early identification of a problem, whether it be poor performance, a change in requirements, lack of continued funding, etc. will minimize the ultimate cost of a contract termination. Ensure that complete and thorough documentation is maintained.

#### **Step 2. Notify the Contracting Officer.**

Notify the Contracting Officer as soon as possible that a termination may be required.

#### **Step 3. Provide technical support to the Contracting Officer during negotiation.**

Assist the Contracting Officer by providing technical expertise during the termination process to include assisting in negotiations, if required.

### **Task 5. Advise the Contracting Officer on Options**

There is a considerable effort required by both the COR and the Contracting Officer prior to exercising an option. Steps that must be taken by the COR prior to exercising an option are as follows:



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 1. Conduct market research.**

Prior to exercising an option, the Contracting Officer must determine that it is in the best interest of the Government. To support this decision, the COR must conduct market research to determine the current/price of the same or similar services. The COR must also determine if there have been significant technological changes in the marketplace.

### **Step 2. Formally request that the option be exercised.**

The COR should prepare a written request to the Contracting Officer recommending that the option be exercised. The request should include a comparison of the option price to current market prices; a discussion on the effects on continuity of operations and the cost to the Government if the option is not exercised. Also include any other rationale supporting the recommendation that exercising the option is in the best interest of the Government. The request should also include a statement that there is a continuing need for the services and that funds are available. A Purchase Request certifying funds must accompany the written request.

When a decision is made that it is not appropriate to exercise an option, the COR shall notify the Contracting Officer at least 90 days in advance. The Contracting Officer will notify the COR by telephone or electronic transmission when notification is sent to the contractor's business office.

## **Task 6. Document Past Performance**

Since the passage of the Federal Acquisition Streamlining Act of 1994, all Federal Departments and Agencies have initiated procedures to record contractor performance and to use past contractor performance information in source selection. The use of past performance information is a valuable evaluation factor in the analysis and award process. Not only is this a powerful motivator for contractors to maintain high quality performance, but it also increases our probability of awarding contracts to quality contractors.

In addition to maintaining information locally, the Army maintains a central repository for the collection and utilization of Army-wide contractor past performance information. This repository is called The Past Performance Information Management System (PPIMS) and is available to authorized Government personnel. The COR plays a key role in documenting past performance. The following steps are useful in performing this task.

### **Step 1. Determine if a formal evaluation is required.**

The COR should prepare an evaluation of the contractor's performance for each contract valued at \$100,000 or more, or as directed by the Contracting Officer.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 2. Document past performance Information.**

Evaluations are required to be prepared at the time work under the contract is completed. The manner in which the evaluation is done is usually provided in the contract which will specify which Government officials are involved in the evaluation and documentation process, identify what will be included in the documentation, prescribe the format for documenting the evaluation.

If this information is not contained in the contract, the Contracting Officer will provide additional guidance. Interim evaluations should be prepared on contracts with periods of performance (including options) exceeding one year. Interim evaluations should be conducted at sufficient intervals to be useful to source selection officials seeking current performance information about a contractor.

### **Step 3. Rate past performance.**

The COR, as the person most familiar with the contractor's performance, should rate the initial evaluation without bias. The contract will specify the manner in which the contractor's performance will be rated. The following is a list of sample rating areas.

- **Quality**
- **Timeliness**
- **Cost Control**
- **Business Relations** – Was the contractor cooperative in working with the Government to solve problems? Did the contractor effectively recommend solutions? Was the contractor responsive to the administrative issues of the contract? Did the contractor exhibit a propensity to submit unnecessary contract change proposals with cost or price increases?
- **Customer Satisfaction** - This rating area looks at the satisfaction of the end users. The Quality Assurance Surveillance Plan prepared to administer a contract should contain the procedures for receiving customer feedback on contractor performance. The COR should evaluate the end user comments to determine if the contractor reasonably tried to meet their demands within the contract requirements.
- **Key Personnel** - Identifying how long key personnel stayed on the contract and how well they managed their portion of the contract can be of great benefit to source selection officials. This information is critical when a newly formed company is bidding on a contract and its past performance history is based on the past performance of the key personnel.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<b>Sample Rating Factors</b>	
Unsatisfactory	Non-conformances Cost control problems Delays on work Responses ineffective and/or not responsive Compromised contract requirements
Poor	
Fair	
Good	
Excellent	No quality problems No cost control problems No delays in work All responses were effective and responses
Excellent +	Reserved for instances where a contractor carries out its end of the bargain in a truly exceptional fashion. The comment section should clearly explain why the contractor earned this rating, enabling source selection boards to understand and give proper credit in their evaluation. An excellent + rating may be given for any single area or on an overall contract performance basis. Where truly deserved, this recognition is important as it identifies contractors with whom the Government needs to continue doing business.

**Task 7. Participate in Contract Closeout**

A contract is completed when all services have been rendered; all articles, material, report data, exhibits, etc., have been delivered and accepted; all administrative action accomplished; and final payment has been made. Closeout actions are primarily the responsibility of the Contracting Officer, but the assistance of the COR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The COR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved. Poor performance shall be documented, and detailed information provided to the Contracting Officer for inclusion in a database on USAMRMC awardees. When an awardee fails to meet goals, is delinquent in performance or delivery of data, or is generally non-responsive to requirements, these facts shall be considered in selection to perform on future



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

USAMRMC projects. Centralized performance data maintained by USAMRAA permit determinations of responsibility and responsiveness of awardees by the Contracting Officer.

### **ADDITIONAL READINGS**

#### **Acquisition planning and developing requirements documents**

The Federal Acquisition Regulation<sup>1</sup>

- Part 7 – Acquisition Planning
- Part 10 – Market Research
- Part 11 – Describing Agency Needs
- Part 15 (15.304) - Evaluation factors and significant subfactors.
- Part 16 – Types of Contracts
- Part 32 (32.7) – Contract Funding
- Part 35 – Research and Development Contracting

MRMC Regulation 715-1, Procurement and Assistance Agreement Support and Purchase Request Procedures<sup>2</sup>

AR 70-18 - The Use of Animals In DOD Programs<sup>4</sup>

AR 70-25 - Use of Volunteers as Subjects of Research<sup>4</sup>

#### **Project Officer actions during the solicitation phase**

FAR 3.104 – Procurement Integrity<sup>1</sup>

FAR 5.1 – Dissemination of Information<sup>1</sup>

FAR Part 15 – Contracting by Negotiations<sup>1</sup>

#### **Supporting the Post award orientation**

FAR 42.5 Post Award Orientation<sup>1</sup>

#### **Monitoring Contract performance**

FAR 12.208 - Contract Assurance<sup>1</sup>

FAR 12.402 – Acceptance<sup>1</sup>

FAR 43.104 - Notification of Contract Changes (Constructive Changes)<sup>1</sup>

The COR Appointment Letter

The Contract Document

#### **Acceptance or rejection of services**

FAR Part 46 – Quality Assurance<sup>1</sup>

DFARS, Appendix F – Material Inspection and Receiving Report<sup>3</sup>

FAR 52.232.25, Prompt Payment<sup>1</sup>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Other COR Support Tasks**

FAR Part 45 – Government Property<sup>1</sup>

FAR 35.014 – Government Property and Title<sup>1</sup>

FAR Subpart 17.2 – Options<sup>1</sup>

FAR Part 49 – Termination of Contracts<sup>1</sup>

Notes:

1. Available on-line at <http://www.arnet.gov/far>
2. Available on-line under “references” at <http://www.usamraa.army.mil>
3. Available on-line at <http://web1.deskbook.osd.mil>
4. Available on-line at <http://www.army.mil/usapa>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## CHAPTER 5. ASSISTANCE AGREEMENTS

### SUMMARY

The primary purpose of a Research and Development (R&D) program is to advance scientific knowledge and apply that knowledge to the extent necessary to achieve agency goals. R&D Assistance Agreements are directed toward objectives where the work or methods cannot be precisely described in advance. The use of Assistance Agreements encourages the best sources from the scientific, academic, and industrial communities to become involved in the program. Assistance relationships provide an environment in which the work can be pursued with reasonable flexibility and minimum administrative burdens. Throughout this Chapter, the term Project Officer is used to identify the technical and program individuals responsible for planning and supporting the agreement process prior to contract award. The term Grants Officer's Representative is used to identify technical and program individuals responsible for monitoring quality and performance during the post award phase of the agreement process.

### KEY TERMS

#### Applied Research

Applied research is the effort that normally follows basic research, but may not be severable from the related basic research. It attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices or techniques. It attempts to advance the state of the art.

#### Assistance Agreements

A **grant** is the legal instrument used to enter into a relationship, the principal purpose of which is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation, rather than to acquire property or services for the direct benefit or use of DOD. It is a relationship in which substantial involvement **is not** expected between the DOD and the recipient when carrying out the activity contemplated by the grant.

A **cooperative agreement** is utilized when the purpose of the relationship is to extend authorized federal assistance and substantial involvement **is** expected between the executive agency and the recipient while carrying out the activity.

#### Basic Research

Basic research is research directed toward increasing knowledge in science. The primary aim of basic research is a fuller knowledge or understanding of the subject under study.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Broad Agency Announcements**

A Broad Agency Announcements (BAA) is a general announcement of an agency's research interest and needs. It includes a description of the research need, the instructions for submitting proposals and the criteria for selecting proposals. The BAA process recognizes that the selection of a basic research proposal is primarily a technical decision with very low business risk. Its purpose is to accelerate the acquisition process and to save on the significant costs and efforts associated with that process. Proposals submitted under a BAA are evaluated through peer or scientific review rather than the more formal source selection procedures utilized to evaluate most other proposals. Research proposals received under a BAA and then subjected to a peer review are considered competitive. The BAA for USAMRMC is published periodically. Supplementary announcements of basic research needs are published as required. The availability of the BAA is announced on the Federal Business Opportunities web site (FedBizOpps.com) and is distributed openly and widely outside the Government. Copies are made available to USAMRMC personnel and posted on our web site at <http://www.usamraa.army.mil>.

### **Cooperative Research and Development Agreements (CRDA).**

A CRDA may be used whenever a USAMRMC institute wants to enter into an agreement for cooperative technology development with private sector and civilian public sector organizations, pursuant to the Federal Technology Transfer Act, 15 U.S.C. 3710. A CRDA for collaboration permits the USAMRMC institute to provide to the collaborating partner personnel, services, facilities, equipment or other resources, but not funds; the collaborating partner may also provide these assets and funds to the USAMRMC institute. A CRDA for material transfer may be used where only material or information will be exchanged and no actual collaboration is contemplated. USAMRMC Regulation 70-57 provides guidance on CRDAs and includes model agreements of the two types. Technology transfer activities are managed in each USAMRMC institute through an Office of Research and Technology Applications (ORTA)

### **Principal Investigator (PI)**

The individual with the primary role of conducting or coordinating the research effort for the recipient. This is the individual that the GOR will normally have the most direct contract with during agreement performance.

### **Recipient**

A recipient is any organization (university, college, nonprofit research institute or commercial firm) that enters into a grant or cooperative agreement to conduct research.



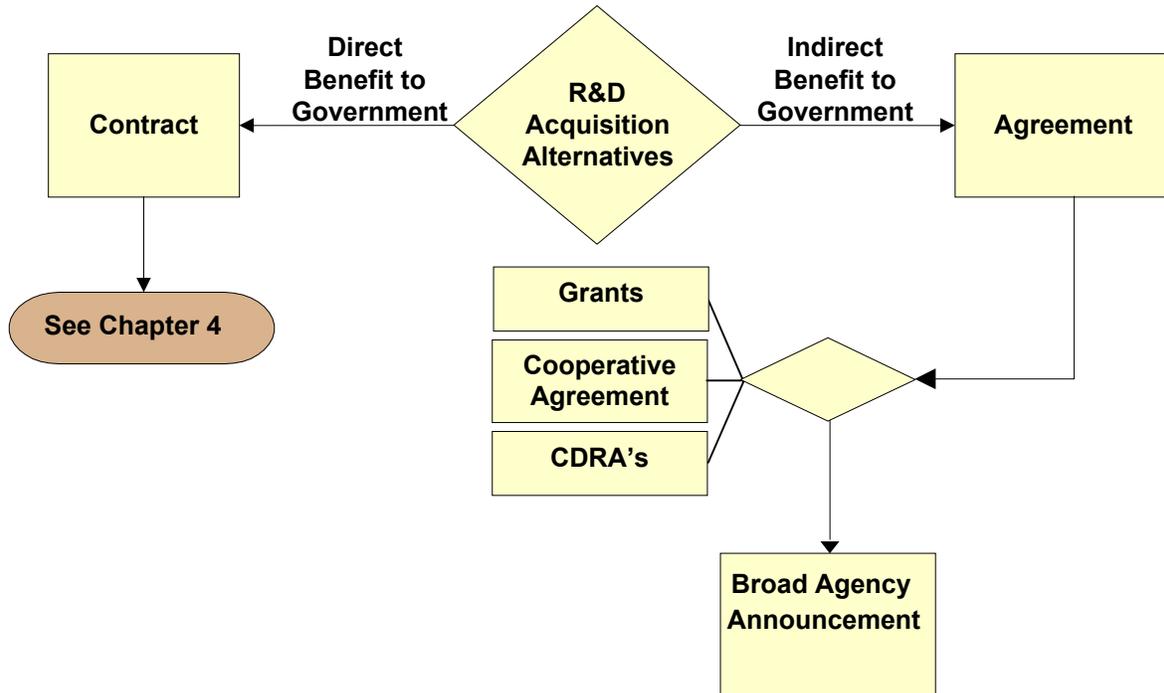
*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## DUTIES AND RESPONSIBILITIES

### DUTY 1. DEVELOPING AND DOCUMENTING THE REQUIREMENT

Long before the government approaches the business community for proposals, it must successfully accomplish a myriad of planning and scheduling tasks. The success of any acquisition is directly related to the time and effort expended completing these planning tasks. The planning process begins as soon as a need is identified and it is obvious that the need must be met outside the USAMRMC. Program planning involves a general consideration of all the elements that will be required in connection with a particular program. This process may be quite simple or very elaborate, depending on the cost, political sensitivity, complexity, or importance of the item or service being acquired. Early planning is the most effective method of preventing or resolving potential problems early in the process.

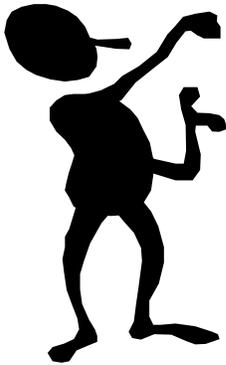
Extramural research efforts can be acquired either through contracts or agreements. If the primary purpose of the acquisition is to obtain supplies and services for the direct benefit or use of the Federal Government, then a **contract** must be used. The use of contracts to acquire research and development is covered in [Chapter 4 – Research and Development Contracting](#). If the purpose of the acquisition results in an indirect benefit to the Federal Government, a **Grant, Cooperative Agreement or Cooperative Research and Development Agreement** should be used. Procedures for Agreements are covered in this chapter.





## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

The Broad Agency Announcement is used to solicit proposals for all grants and cooperative agreements. The Project Officer must accomplish four tasks during concept development of an agreement. Click on the task heading to find the steps associated with each task.



**Task 1. Acquisition Planning and Concept Development**

**Task 2. Prepare Evaluation Factors**

**Task 3. Participate in Scientific and Technical Evaluations**

**Task 4. Obtain Necessary Concurrence and Approval**

---

---

### **Task 1. Acquisition Planning and Concept Development**

Like any other acquisition, concept development is the first step. When using a BAA, concept development starts with a review of ongoing research programs to include directed appropriation funded projects. The Project Officer reviews each of these to determine if additional capabilities are required and if these capabilities are available in-house. The Project Officer may conduct discussions with technical and scientific personnel, both within and outside the Government to assist in this assessment. These discussions may serve to determine interest, scientific approaches, technical capabilities, and the state-of-the-art relevant to the subject area. In holding such discussions with people outside the Government, care must be taken not to disclose advance information on any specific acquisition, proposed or contemplated. Such disclosure might create the impression that the Government has given the recipient an unfair advantage over other organizations subsequently solicited. Early involvement by the Account Manager/Grants Officer is an important part of the process. If the Project Officer determines that ongoing or directed research projects can be assisted by additional capability/external effort, a Requirements Document is prepared and forwarded to USAMRAA for publication in the Broad Agency Announcement. There is no specific format for the Requirements Document, but it should be in sufficient detail to enable understanding and encourage participation by the external research community. The BAA Requirements Document should include the following information:

- A description of on going or directed research efforts.
- A description of the projects goals and objectives.
- Identification of specific areas where external research efforts are being sought.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Prepare Evaluation Factors**

Proposals submitted under a Broad Agency Announcement are normally evaluated using a standard set of criteria. If these are acceptable, the Project Officer can skip this step. If the uniqueness of the research project is such that different evaluation factors are required, the Project Officer must establish them at this time and forward them with the Requirements Document. There is no specific format for an evaluation factor. However, the Project Officer needs to identify each factor and explain how it will be applied to a proposal. Standard evaluation factors currently being applied to USAMRMC Broad Agency Announcements include the following:

- Military and Program Relevance
- Research Objective
- Scientific Excellence
- Qualifications of the Principal Investigator (PI) and key personnel
- Facilities
- Budget
- Programmatic review which includes peer review recommendations, programmatic priorities and portfolio balance

### **Task 3. Participate in Scientific and Technical Evaluations**

There are normally three different evaluations performed on proposals submitted under a BAA. The Project Officer is usually involved in all three of these evaluations. All **Pre-Proposals** will be evaluated, either internally or externally, for scientific merit and programmatic relevance. The Project Officer either participates personally in this process or recommends other panel members who are knowledgeable about the scientific and technical aspects of the particular research project and who are competent to identify the strengths and weaknesses of a specific proposal. The Project Officer normally drafts the letter either rejecting a proposal that is considered to lack scientific merit or program relevance or encouraging the submission of a Full Proposal.

All **Full Proposals** are subjected to a two-tiered evaluation process. The first tier consists of USAMRMC scientists and/or outside experts that evaluate the proposal on research strategy and objectives, impact, PI and other key personnel qualifications, facility and budget. The second tier consist of USAMRMC scientists, other Federal Agency Representatives, outside scientists with diverse expertise, clinicians and or consumers that provide peer review recommendations and review the proposal for programmatic priorities, portfolio balance and other appropriate considerations. Again, the Project Officer either participates personally in this process or



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

recommends other panel members who are knowledgeable about the scientific and technical aspects of the particular research project and who are competent to identify the strengths and weaknesses of a specific proposal. The Project Officer will normally be responsible for coordinating the efforts of the peer review process, i.e., coordinating correspondence, convening meetings, etc.

### **Task 4. Obtain Necessary Concurrence and Approval**

Once the program decision has been made to proceed with a BAA proposal, the Project Officer must first obtain all necessary concurrence and approvals for the Requirements Package. At a minimum, prior to forwarding the package to the contracting office, it will need to be approved by the designated official(s) from requesting/user organization and the appropriate accounting, budgeting, or finance office. There are numerous types of acquisitions, or elements within an acquisition that require special approvals or clearances. If applicable, these must be obtained prior to forwarding the Purchase Request. Special program approvals include the following:

- **Human Use** - Safeguarding the rights and welfare of human subjects participating in research and development supported by contracts awarded by USAMRMC is of utmost concern to the Command. While this is primarily the responsibility of the contractor, the sensitivity of such research necessitates that the Command exercise prudent oversight. Accordingly, coordination with the USAMRMC Deputy Chief of Staff for Regulatory Compliance & Quality, Human Subjects Protection Division is essential to complete planning. The Human Subjects Protection Division will determine which protocols must be submitted to The Surgeon General's Human Subjects Research Review Board, and arrange for such submissions. AR 70-25 covers the use of volunteers as subjects of research.
- **Animal Use** - The use of animals is an extremely sensitive issue. Army Regulation 70-18, "The Use of Animals in DOD Programs" prescribes the procedures that must be followed in this matter. While responsibility rests with the contractor, USAMRMC maintains an oversight role that should be considered in acquisition planning and contract administration.
- **Chemical Surety Materiel** - Research involving the use of chemical surety materiel must comply with the safety/surety requirements applicable to the use of such materiel. Safety and Surety requirements must be set forth in the contract.
- **Recombinant DNA** - Research on recombinant DNA must conform to the policies and procedures in "NIH Guidelines for Research Involving Recombinant DNA Molecules" and its Administrative Supplements. The contract must set forth all of these requirements.

After all necessary approvals are obtained, the Project Officer forwards the Purchase Request and all supporting documents according to established procedures.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **DUTY 2. DEVELOPING THE GOR WORK PLAN**

As the individual officially delegated responsibilities by the Grants Officer/Account Manager, the Grants Officer's Representative (GOR) will need to develop a cost effective agreement administration plan and follow that plan to monitor agreement performance. There are four tasks associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Know Your Duties and Responsibilities**

**Task 2. Establish Files**

**Task 3. Develop and Follow a Work Plan**

**Task 4. Notify the Grants Officer of Problems**

---

---

#### **Task 1. Know Your Duties and Responsibilities**

Once the agreement is in place, the task of monitoring performance begins. The individual most involved in this process is the Grants Officer's Representative (GOR), the technical or program person who is appointed to help the Grants Officer/Account Manager with the monitoring task.

The Grants Officer/Account Manager may select and designate any Government employee, military or civilian, to act as the authorized representative in administering an agreement. In most cases, that individual will have been involved with the acquisition from the very beginning. In some cases the GOR and the Project Officer will be the same person. The GOR doesn't begin performing his/her duties until the agreement has been awarded and the GOR has been designated in writing by an Appointment Letter signed by the Grants Officer/Account Manager.

**Know Your  
Duties and  
Responsibilities**

#### **Step 1. Review the GOR Appointment Letter.**

The GOR should review the GOR Appointment Letter in detail. This letter will identify the Grants Officer/Account Manager who will administer the agreement and the agreement number. The GOR Appointment Letter will identify the specific areas of GOR authority and responsibility and the specific limitations on the GOR's authority. This letter should also



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

provide a detailed description of the files to be maintained and guidance on ethics and standards of conduct. The GOR must sign the letter and return a copy to the Grants Officer/Account Manager. This signature acknowledges receipt of the letter and acceptance of GOR responsibilities for this agreement. The recipient or Principal Investigator (PI) is also provided a copy of this letter, ensuring that the recipient's personnel are aware of the identity and role of the GOR in the agreement.

### **Step 2. Review the Assistance Agreement.**

Once award has been made, The GOR will receive a copy of the agreement. Since the GOR should have been involved in the acquisition process from the very beginning, there should be no surprises. Nonetheless, the GOR should read the agreement in its entirety to ensure complete understanding of the task, the major milestones and the terms and conditions under which the agreement will be performed. An Agreement is organized into three parts – the cover page, table of contents and terms and conditions.

The cover page contains the award number, effective date and amount. It identifies the recipient and the PI. It contains the name and address of the payment office and contains accounting appropriations data. The cover page identifies the project name. It also contains the Requirements Document or incorporates it by reference.

All other pertinent information is contained in the terms and conditions to include:

- Responsibilities of the recipient, Grants Officer/Account Manager and Grants Officer's Representative.
- Citations of Office of Management and Budget Circulars, which govern cost principles and administration of the projects.
- Pre-award cost recognition and extension or expiration date of agreement.
- Payment provisions and schedule.
- Technical and financial reporting requirements and publications.
- Site visits.
- Special requirements concerning the use of human subjects and animals
- Suspension, termination and dispute procedures.

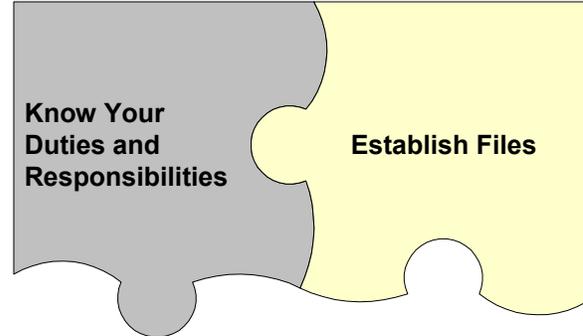
### **Task 2. Establish Files**

The GOR is expected to maintain a separate file for each agreement he/she oversees. At a minimum, the GOR agreement files shall contain a copy of:



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- The proposal on which the agreement is based.
- The agreement and any amendments.
- All correspondence with the recipient, the Grants Officer/Account Manager or other program officials dealing with the agreement.
- All reports submitted by the recipient or PI.
- Reports of inspections and site visits.
- The GOR Appointment Letter signed by Grants Officer/Account Manager.

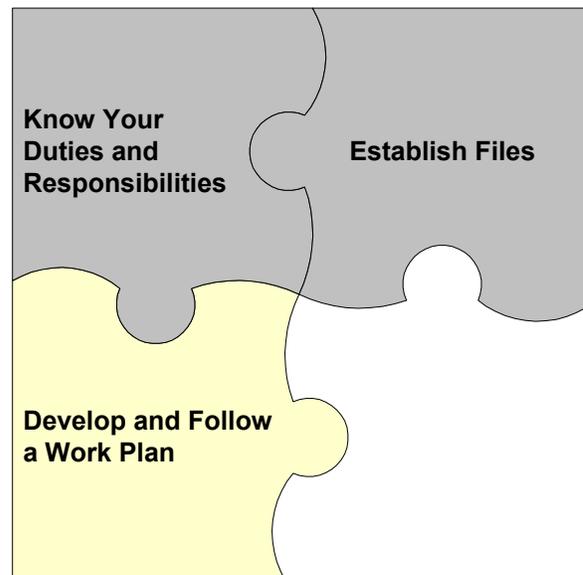


### **Task 3. Develop and Follow a Work Plan**

Planning at the outset of the project is a necessary step in effective agreement administration. This planning is needed to assure that the administrative steps intended are consistent with the specific acquisition. Also, the analysis of administration requirements can disclose potential problems in performance of the work that might have been overlooked prior to award, making it possible to take early corrective action before they become serious obstacles.

The planning should be based on a review and analysis of the project and award requirements. Include such things as an analysis of the need for and timing of such things as performance and cost reviews, inspections, scheduled delivery of Government-supplied items, key personnel issues, monitoring of the recipient or PI compliance with terms and conditions, and other administrative duties. Depending on the nature of the work, it may be helpful to discuss the planning with the recipient or PI to arrive at a common understanding of what will be expected. A post-award conference may be scheduled by the Grants Officer/Account Manager to assure that all parties are aware of requirements, responsibilities and procedures. Establishing a Work Plan requires the following actions:

- Read and understand the award document, and ensure that the PI does the same.
- Develop a post-award milestone chart.
- Read and act promptly on progress reports.
- Identify potential areas of conflict.





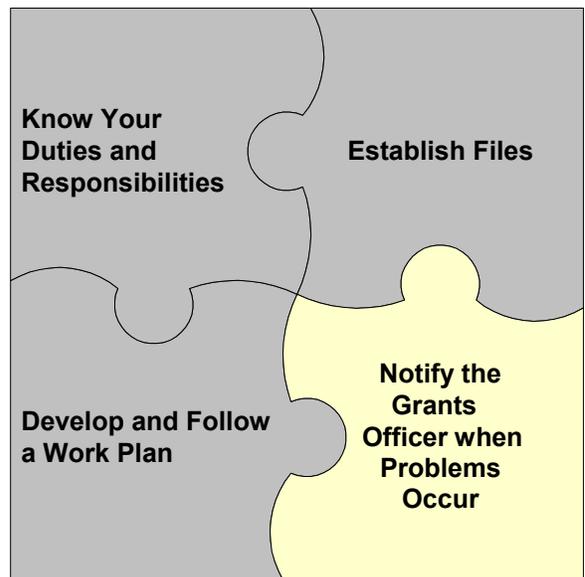
*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

- Review progress and possible problems with the Grants Officer/Account Manager regularly.
- Prepare the Work Plan.

Sample Work Plan	
Grant Title:	
Recipient:	
Key Personnel to include the Principal Investigator	
List of GOR Files	
Description of Work to be Performed	
Assigned Tasks	Task Milestones
1.	
2.	
3.	
4.	

**Task 4. Notify the Grants Officer of Problems**

Contact the Grants Officer/Account Manager to resolve any areas of concern or conflict as soon as possible. The Grants Officer/Account Manager is the Government's authorized agent in dealing with recipient and PI and is the only person who has the authority to negotiate, award, change or amend an agreement. The GOR should never act in such a manner as to cause the recipient or PI to believe that the GOR has the authority to obligate the Government. The GOR should never request or direct the recipient or PI to do anything that is not expressed as a term or condition of the written agreement. The GOR should make certain that the recipient does not take suggestions or comments as directions to proceed on a course of action not covered by the agreement. When recommending requests for changes in an agreement, the GOR should be sure



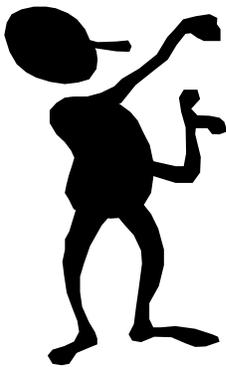


## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

the changes do not add new work, objectives or data for which a new agreement might be needed.

### **DUTY 3. SUPPORTING THE POST AWARD ORIENTATION**

A Post Award Orientation may be held if required to ensure both parties have a clear and mutual understanding of all Assistance Agreement requirements. It can be either formal or informal. It provides the opportunity to identify the key players and sets the stage for a good working relationship under the Assistance Agreement. In some cases, the Post Award Orientation may take place in the form of a written letter. If conducted, the GOR normally performs two tasks in support of the Post Award Orientation. Click on the task heading to find the steps associated with each task.



**Task 1. Support the Post Award Orientation**

**Task 2. Participate in the Post Award Orientation**

---

---

#### **Task 1. Support the Post Award Orientation**

If a Post Award Orientation is held, the nature and complexity of this task will depend upon the nature and complexity of the agreement and the manner in which the Grants Officer/Account Manager decides to conduct the Post Award Orientation. If the agreement is complex and a formal Post Award Orientation is to be held, the Grants Officer/Account Manager may require that the GOR prepare a written issue or discussion paper in preparation for the Orientation.

If the Post Award Orientation is to be held at the Government's place of performance, the GOR may be requested to make administrative arrangements and provide administrative support to the meeting. The GOR may be required to prepare an agenda if asked to chair the meeting. While each orientation will be uniquely structured, the following is a sample agenda that can be tailored to each situation.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

<b>Suggested Post Award Orientation Agenda</b>	
<b>Introduce the participants.</b>	At the opening of the conference, the government and contractor or PI introduces each attendee by name and title, along with an explanation of the role that person will play.
<b>Explain the purpose of the conference.</b>	Go over the agenda, but also emphasize that the conference is not intended to change or alter the agreement in any way.
<b>Summarize the roles of Government key personnel.</b>	Clarify the limits, authorities, roles, and responsibilities of each Government representative. Ask the recipient to advise the Government of the roles, responsibilities, limits, and authorities of their representatives. Emphasize: - Grants Officer/Account Manager is the official that can change or alter the agreement. - No action may be taken at the orientation which in any way changes or alters the agreement. - There is no obligation to make any adjustments as a result of an action taken by a Government representative unless the action has been specifically authorized in the representative's letter of designation or by the Assistance Agreement.
<b>Provide general instructions.</b>	Provide general Assistance Agreement administration instructions to include information necessary for the recipient to understand its risks and the Government's risk. Address recipient/PI responsibilities for protection and control of Government property, data, and reports, compliance with Assistance Agreement terms and conditions and other appropriate areas of concern. Advise recipient of the proper routing of correspondence, i.e. matters pertaining to technical performance may be addressed directly to the GOR and matters pertaining to questions of fact dealing with Assistance Agreement terms and conditions must be sent to the Grants Officer/Account Manager.
<b>Provide presentations and address questions.</b>	Appropriate Government officials may provide a variety of presentations. Topics may include reporting requirements, environmental considerations, safety, protection of Government property, monitoring methods, acceptance procedures, payment procedures and other relevant topics. Questions can be raised during the presentation or held until the end of all of the presentations. Responses to questions should be accurate and complete. Ensure that any statements made do not bind the Government in any way that alters the agreement.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer’s Representatives  
And Grants Officer’s Representatives*

<b>Ensure recipient or PI understands all milestones, terms and conditions.</b>	Discuss any other issues that may impact performance.
---	---

**Task 2. Participate in the Post Award Orientation**

If conducted, the GOR will participate in the Post Award Orientation either as the chair or a member of the Grants Officer/Account Manager’s team. In either case, the GOR will be expected to provide information in his/her areas of expertise, respond to questions and identify further action items. The GOR needs to know before the orientation how questions will be handled. The Grants Officer/Account Manager should provide guidance on this subject. The GOR should ensure that any information provided is consistent with the terms and conditions of the agreement. In all discussions with the contractor, the GOR should be careful not to bind the Government in any way that alters the agreement. Any areas disputed by the recipient must be recorded and resolved by the Grants Officer/Account Manager. This is true not only during the Post Award Orientation, but also throughout the life of the agreement.

**DUTY 4. MONITORING PERFORMANCE**

Monitoring performance is the heart of the GOR duties. The GOR has the primary responsibility to see that the technical objectives of the agreement are met. In cost type agreements, the GOR



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

has additional duties regarding costs. Agreement monitoring can be divided into three tasks. Click on the task heading to find the steps associated with each task.



**Task 1. Monitor Agreement Performance**

**Task 2. Respond to Requests from the Recipient**

**Task 3. Manage Constructive Change Situations**

---

---

### **Task 1. Monitor Agreement Performance**

Performance monitoring involves administrative activities that the Grants Officer/Account Manager, GOR and other Government personnel use to ensure services acquired under agreements conform to prescribed quality, quantity, and other requirements. Monitoring activities include, but are not limited to, inspection and acceptance, as well as quality assurance techniques.

Under an agreement, the obligation of both parties is to perform as they have promised to do under its terms and conditions. Not all agreements, however, are performed according to their terms and conditions or within their required timeframes. Poor performance or late reports under an agreement may cause costly delays in a program. Thus the Government monitors agreement performance to ensure that requirements are met in a timely manner.

#### **Step 1. Determine what needs to be monitored.**

The GOR normally monitors technical issues, performance, adherence to the schedule, and cost (in cost agreements). The GOR may also be involved with statutory and regulatory compliance issues.

#### **Step 2. Select the techniques used for monitoring.**

Meetings, phone calls, reports, site visits and contact with other Government officials all play a role in agreement monitoring.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 3. Implement and execute the monitoring plan.**

The actions that must be taken by the GOR while monitoring agreement performance include the following:

- Maintaining personal contact with the Principal Investigator (PI) to identify technical and administrative problems that could jeopardize agreement performance.
- Monitoring PI performance to assure compliance with the technical requirements of the agreement.
- Reviewing and where required by the agreement, approving technical reports, drawings, specifications and other technical information to be delivered to the Government under the provisions of the agreement.
- Conducting site visits to the PI's laboratory as required during the term of the agreement. The visits must be coordinated with the Grants Officer/Account Manager and appropriate staff officers. Written reports on all such visits are required.
- Maintaining a separate correspondence file for each agreement.
- Advising the Grants Officer/Account Manager of delays in meeting milestones, of poor PI performance, and of failure to submit timely, acceptable reports.
- Providing prompt technical review and recommendations regarding all requests for agreement changes.
- Assuring that changes under an agreement are not implemented before written authorization (agreement modification) is issued by the Grants Officer/Account Manager.
- Reviewing and commenting on inventions discovered under the agreement, and following-up on licensing to the Government.
- Ensuring that the PI has a copy of the agreement under which the research is to be done.
- Ensuring that the PI receives fair treatment in light of possible technical and administrative problems that may arise during performance of the agreement.
- Ensuring that the PI is generally aware of the procedures that must be followed to obtain changes, extensions and other modifications to the agreement.
- Ensuring that the PI understands and meets the deadlines for reports, performance milestones, and agreement completion.
- Ensuring that the PI is familiar with agreement requirements pertaining to the use of humans, animals, chemical surety materials, etc.
- Ensuring that the PI maintains an awareness of the part this project plays in other USAMRMC research and development programs.
- Ensure that the PI receives the guidance and evaluation necessary to ensure a completed, goal-oriented effort.
- Ensuring that the PI adheres to the Requirements Document in the agreement.

### **Step 4. Monitor reports submitted by the PI.**

Reports should show whether or not the recipient or PI is completing milestones on schedule, if resources are being applied at the appropriate level, and if the quality of the products is at a level



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

consistent with the documented requirements of the award. This information should be adequate for Government decisions, yet not so extensive, comprehensive and formatted as to create an unnecessary or excessive administrative and financial burden. Moreover, the information requirements should obviously not detract excessively from time that might better be devoted to technical performance. Grants and cooperative agreements will normally require an annual and a final report. Reports will contain the following:

- Front Cover.
- Standard Form 298 - Report Documentation Page.
- Table of Contents.
- Introduction. Brief narrative that describes the subject, purposes and scope of the work.
- Body. This section describes the research accomplishments associated with each task outlined in the approved Requirements Document.
- Key Research Accomplishments.
- Reportable Outcomes.
- Conclusions.
- References.
- Appendices.

### **Step 5. Conduct site visits.**

The GOR will conduct site visits as necessary to monitor contract performance. The Grants Officer/Account Manager should be advised of all proposed site visits. The Grants Officer/Account Manager may participate in these as required.

A site visit is usually arranged in advance with the recipient or PI. In rare cases, there may be a reason to make an unannounced visit, but these situations require careful consideration and should have the explicit approval of the Grants Officer/Account Manager. It is highly recommended that the GOR use a checklist when conducting the site visit. This not only ensures complete coverage of topics and inspections, but aids in the preparation of the subsequent trip report. A written trip report is required for each site visit. The report should include:

- Agreement number, date, and place.
- Names of the Government representatives making the visit.
- Names of the PI and other personnel that were contacted during the visit.
- A summary of the discussions.
- Some comment on the site and status of work.
- Detailed comments on observed discrepancies.
- Copies of the report are to be sent to the Grants Officer/Account Manager and other interested parties as appropriate.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 2. Respond to Requests from the Recipient/PI**

There are times when the Grants Officer's Representative (GOR) is responsible for reviewing, approving, making decisions, or taking other actions at the request of the recipient/PI during the performance of an agreement. The GOR's response must always be consistent with the agreement. A GOR can best handle requests by performing the following three steps:

#### **Step 1. Identify all agreement terms that allow PI requests.**

The GOR must be familiar with all agreement terms that allow the recipient/PI or contractor to request action by the Government. This information will be found in the agreement or the GOR Appointment Letter. If there is any doubt, the GOR must consult the Grants Officer/Account Manager.

#### **Step 2. Determine the PI's obligations.**

In addition to knowing what constitutes a proper request, the GOR must also be aware of when and how the request should be presented. This information should also be available in the agreement.

#### **Step 3. Provide a response that is timely.**

The GOR must respond within the timeframe set by the agreement or forward the request to the Grants Officer/Account Manager in sufficient time to permit a timely response.

### **Task 3. Manage Constructive Change Situations**

A constructive change arises whenever, by informal action or inaction of the Government, the agreement changes without going through the required legal or regulatory formalities. The common causes of changes on agreements include Government caused delays and improper technical direction.

In drafting correspondence to the PI and in oral communication, the GOR must exercise care not to accidentally generate the basis for claims or delays. When communicating with the recipient/PI, or when conveying technical or assessment information, it is critical that the GOR not instruct, supervise, or attempt to control work efforts except as specifically authorized in the agreement's Requirements Document.

Reasonably open and honest communication between the GOR and the recipient/PI can enhance performance. Professional discussions of options and alternative approaches are necessary. However, the GOR must remember that there is an agreement that defines rights and obligations of the parties. All communications with the PI must be viewed in this light. The PI has a right to



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

proceed in any manner that is consistent with the terms of the agreement. Excessive involvement of the GOR in the day-to-day conduct of the project or comments on performance that are too strongly or improperly worded can interfere with the recipient/PI's rights under the agreement. Even the appearance of unauthorized direction when none was intended can lead to agreement claims or other problems. Consequently, the GOR must be discrete. Advice should be sought from the Grants Officer/Account Manager if there is any question about the effect of any statement on the PI's obligation to perform.

### **Step 1. Know what the agreement requires.**

The GOR must know what the agreement requires. Erroneous interpretations of the Requirements Document and overly strict inspections normally result in a constructive change. The GOR must base all actions upon what the agreement says, not what it ought to say.

### **Step 2. Keep proper records.**

Accurate, up-to-date records and written communications will help minimize misunderstandings and will provide an historical record should a potential constructive change situation arise during the agreement.

### **Step 3. Notify the Grants Officer/Account Manager if a potential change situation arises.**

If a potential constructive change situation does occur, immediately notify the Grants Officer/Account Manager. Provide as much detail as possible regarding the events leading up to the current situation and any supporting documents or report. The Grants Officer/Account Manager will require this information in order to determine if a constructive change actually occurred, and to determine appropriate corrective action.

## **DUTY 5. ACCEPTING OR REJECTING SERVICES**

The GOR's efforts in monitoring performance ultimately lead to either acceptance or rejection of services. Generally, there are three specific tasks associated with this duty. Click on the task heading to find the steps associated with each task.



**Task 1. Acceptance**

**Task 2. Rejection**

**Task 3. Evaluate the Recipient's/PI's Rejection Reply**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Acceptance**

Acceptance occurs when an authorized Government representative examines the reports provided and is satisfied that the services conform to the requirements of the Assistance Agreement. The GOR can accept on behalf of the Government, if authorized by the GOR Appointment Letter. Receipt and acceptance is documented after review and approval of the final report.

### **Task 2. Rejection**

The GOR should promptly notify the Grants Officer/Account Manager whenever the final report is rejected. The GOR should identify the deficiencies noted to the Grants Officer/Account Manager, along with a list of actions taken to notify the recipient/PI and any corrective actions already taken by the recipient or PI.

### **Task 3. Evaluate the Recipient's/PI's Rejection Reply**

Normally, the PI will reply to a notice of rejection by submitting a proposal to repair or correct the deficiencies or challenge the assessment that the services are defective. The Grants Officer/Account Manager will normally consult with the GOR when considering the recipient's reply. The GOR can provide advice on the appropriateness of the corrective action plan, the impact of accepting non-conforming services or whether or not the recipient's rebuttal is valid.

## **DUTY 6. COMPLETING OTHER GOR SUPPORT TASKS**

The GOR performs or participates in five other tasks that play an essential role in successful agreement performance. These are discussed below. Click on the task heading to find the steps associated with each task.



**Task 1. Administer Government Property**

**Task 2. Provide Technical Support for Modifications**

**Task 3. Manage Performance Problems**

**Task 4. Provide Support for Terminations and Suspensions**

**Task 5. Participate in Agreement Closeout**



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 1. Administer Government Property**

There are times when it is in the best interest of the Government to provide the recipient with Government furnished property. When Government property is provided, the GOR frequently will be asked to advise or assist the Grants Officer/Account Manager in administering its use. Provisions on Government Property are specified in the award document.

#### **Step 1. Supervise the initial transfer of Government property.**

Ensure that an inventory is conducted and adequate property control procedures are placed in effect.

#### **Step 2. Monitor the PI's use of Government property.**

Report loss, damage or destruction of Government property to the Grants Officer/Account Manager. Also report any incidents of unauthorized use.

#### **Step 3. Supervise the return of Government property.**

Supervise the return of Government property upon agreement completion or when no longer required.

### **Task 2. Provide Technical Support for Modifications**

A modification is a written alteration of any aspect of the agreement. During the project life, different types of modifications may be necessary to incorporate new requirements or to handle problems that develop after award. Modifications must be made in writing by the Grants Officer/Account Manager in order to preclude misunderstanding between the parties concerning the work to be performed. The GOR may be involved in three different aspects of the modification process.

#### **Step 1. Identify any circumstance that may require modification to the agreement.**

These may include changes in requirements, a need to increase or decrease funds and Government-caused delays. Any such circumstance must be immediately reported to the Grants Officer/Account Manager.

#### **Step 2. Assist Grants Officer/Account Manager with technical evaluations.**

Provide the Grants Officer/Account Manager with a technical evaluation of the proposed change. This evaluation should contain a thorough analysis of the affects of the proposed change on the other areas of the agreement.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Step 3. Assist Grants Officer/Account Manager modification/negotiations.**

Assist the Grants Officer/Account Manager during the modification process, to include participation in negotiations, if required.

### **Task 3. Manage Performance Problems**

In a delinquency or default situation, performance is delayed, inadequate, or both. The GOR must thoroughly understand the rights and responsibilities of both the Government and the recipient so that nothing will be done that might be considered prejudicial to either party. When unsatisfactory performance is identified, the GOR must notify the Grants Officer/Account Manager promptly so that remedial steps can be taken. Silence on the part of the Government could be interpreted as revised Government expectation of performance. Such situations could adversely effect the Government's right to normally available remedies.

Unsatisfactory performance can be considered in degrees, and the Government's actions can be oriented to correct the unsatisfactory performance or to protect the Government's interest in the event of default. Depending upon the seriousness of the unsatisfactory performance, the Grants Officer/Account Manager may take one of the following actions:

- Provide notice to the recipient of the particular deficiency and obtain a commitment for appropriate corrective action.
- Extend the schedule of work if excusable delays in performance are involved.
- Withhold payments in cases where the recipient fails to comply with delivery or reporting provisions.
- Suspend performance or terminate the agreement for default.

The GOR should follow these steps when dealing with performance problems.

#### **Step 1. Document all instances of inadequate performance.**

Good record keeping should always be a priority for the GOR. When the GOR fails to document performance problems, the Government has a difficult time dealing with the situation. Do not overlook minor infractions. Performance problems often escalate gradually over a period of time. Situations that could have been corrected if they had been addressed early on may end in agreement termination if they are allowed to progress.

#### **Step 2. Notify the Grants Officer/Account Manager.**

Keep the Grants Officer/Account Manager advised of all performance issues. Continuously monitor and evaluate the situation and when it becomes apparent that Government action is required to rectify performance issues, immediately notify the Grants Officer/Account Manager.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Be prepared to provide documentation of the problems and recommendations for corrective action.

### **Step 3. Provide technical support to the Grants Officer/Account Manager.**

The Grants Officer/Account Manager has a number of ways of dealing with recipient/PI performance problems, ranging from an informal meeting with the recipient to Agreement Termination. Regardless of the action taken, the Grants Officer/Account Manager will require technical support from the GOR. In those rare occurrences where the situation reaches the point where the Grants Officer/Account Manager must initiate Default Termination procedures, the GOR should have no further contact with the recipient/PI unless specifically directed to do so by the Grants Officer/Account Manager.

### **Task 4. Provide Support for Terminations and Suspensions**

The Government has the right to terminate or suspend an agreement, in whole or part, based upon a determination that the recipient or PI has failed to comply with the terms and conditions of the agreement, if the objectives of the agreement have been materially changed, or if funding is no longer available to support the agreement. Agreements can also be terminated by written notice of either party that beneficial results cannot reasonably be expected. No expenditures or cost will be allowed that occur during a suspension or after the effective date of a termination, unless the Grants's Officer determines that these costs could not reasonably have been avoided, provided they are otherwise allowable and do not exceed the cost originally obligated on the agreement. The GOR responsibilities in Terminations or Suspensions are as follows:

#### **Step 1. Identify any condition or event that may trigger a termination or suspension.**

Early identification of a problem, whether it be poor performance, a change in requirements, or lack of continued funding, will minimize the cost of a Termination or Suspension. Always ensure that complete and thorough documentation is maintained.

#### **Step 2. Notify the Grants Officer/Account Manager.**

Notify the Grants Officer/Account Manager as soon as possible that a Termination or Suspension may be required

#### **Step 3. Provide technical support to the Grants Officer/Account Manager during negotiations.**

If negotiations occur, the GOR will be required to provide technical support to the Grants Officer/Account Manager. When a decision is made not to apply incremental funds to an existing agreement, or to terminate an agreement, the GOR should notify the Grants Officer/Account Manager at least 90 days in advance.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Task 5. Participate in Agreement Closeout**

An Assistance Agreement is considered complete when all research is finished, the final report has been reviewed and accepted and final payment has been made. Closeout actions are primarily the responsibility of the Grants Officer/Account Manager, but the assistance of the GOR is required to certify that all services have been rendered in a satisfactory manner and that all deliverables are complete and acceptable. The GOR's assistance is indispensable when disputes, litigation, patent and copyright problems, etc., are involved.

## **ADDITIONAL READINGS**

### **Acquisition planning and developing Requirements Documents**

DODGAR<sup>2</sup>

OMB Cir A110, A21, A122, A133<sup>1</sup>

AR 70-18 The Use of Animals In DOD Programs<sup>3</sup>

AR 70-25 Use of Volunteers as Subjects of Research<sup>3</sup>

Notes:

1. Available on-line at [http://web.deskbook.osd.mil/htmlfiles/DBY\\_fed.asp](http://web.deskbook.osd.mil/htmlfiles/DBY_fed.asp)
2. Available on-line under "references" at <http://www.usamraa.army.mil>
3. Available on-line at <http://www.army.mil/usapa>



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## **APPENDIX A - ACQUISITION PLAN FORMAT**

### **Background of the Acquisition**

- **Purpose of the Contract** - Briefly describe the general requirements of the contract, including the requirement document that may authorize the program/project.
- **Need** - Discuss the need for the project.
- **Background History** - Describe the background and necessity of the acquisition. Include prior, present, and planned efforts in the program area and closely related work that has been supported by DOD and other Federal agencies. Describe and give the results of the literature searches.
- **Alternatives to the Acquisition** - Discuss efforts made to determine if existing projects, supplies, or materials would satisfy the requirement. Include any in-house efforts, searchers and clearinghouse reviews conducted to avoid duplication of effort.
- **Project Risk** - Discuss major areas of project risk, including technical, cost, and schedule risk. Describe what efforts are planned to reduce risk. If an acquisition that is planned to be awarded using other than full and open competition represents a significant portion of a proposed contractor's business, discuss the effect on technical capability, schedules, changes in contractor workload, and related effects on cost.
- **Estimated Cost** – Determine an estimate of the total cost to perform the proposed contract and an estimate for individual phases or areas of the work. An estimate of technical staff hours and direct material required to perform the service should be included. An Independent Government Cost Estimate (IGCE) may be appropriate.
- **Project Funding** - Include a summary of funds expected to be obligated for the entire project by fiscal year and phases. Include expenditures for previous years. Discuss the probability of obtaining future-year funding and/or what specific managerial action can be taken to ensure future funding.
- **Project Officers** - Identify the program personnel who have key roles in planning the proposed acquisition. At a minimum, give the name, title, full mailing address, email address and telephone number of a Point of Contact.

### **Objectives of the Acquisition**

- **Statement of Work, Specification or Purchase Description** - Describe exactly, but succinctly, what is to be done and when it is to be done. Detail why the agency is undertaking the acquisition and all the individual requirements that must be accomplished in order for the acquisition to be successful. Determine what supplies services or equipment are required, who will use these products, and how they will be used. For equipment items consider provisions for initial operating supplies, maintenance, and training. Also determine if modifications to the building will be required to accommodate the new piece of equipment.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

- **Period of Performance** - Specify number of months (or other time period) required for total performance and, if appropriate, for each phase of the work. Indicate the proposed starting date and required date of delivery for each deliverable.
- **Reporting/Delivery Requirements** - Describe the basis for establishing the delivery/reporting requirements and include the anticipated deliverables and time(s) for delivery and place of delivery.
- **Replication, Dissemination or Use of Results** - Describe who will use it, how it will be used, and what format the results should follow. Include a description of the system for delivering the results.
- **Data, Data Rights, Patents, Copyrights and Licensing** - Discuss the data to be developed. Specify what data should be delivered and what data should remain in the contractor's possession. Discuss how the data will be used, maintained, disclosed, and disposed of by the contractor. Discuss what data will be subject to the Privacy Act or Confidentiality of Information clause. Discuss data to be delivered with limited rights, data where title would not vest in the Government, and anticipated copyrights or patents. Discuss whether or not the data will permit any follow-on acquisitions to be competitive.
- **Phasing** - Briefly describe discrete tasks or stages of accomplishment that are appropriate to phasing. Describe the performance evaluation criteria for each phase before proceeding to the next.
- **Special Terms and Conditions** - Identify any special terms or conditions that should be included in the contract. Requirements for Good Laboratory Practices and Good Clinical Practices, human use, animal use, and surety materials are but a few of the possibilities in this regard. Also, consider if the contractor will require access to classified information.

### **Plan of Action**

- **Sources for Solicitation** – Potential sources may be known based upon participation in previous participation in the Command's acquisition program. Sources may also be identified based upon their reputation in a particular field of interest. Appropriate business scientific journals are a good source of information on new suppliers. Most contracting opportunities will also be advertised in Federal Business Opportunities (FedBizOpps.com). The Associate Director for Small and Disadvantaged Business Utilization (ADSADBU) is a valuable source of information on small and small disadvantaged businesses and HBCU/MIs that may be potential sources. The Associate Director will also be involved in determining whether or not an acquisition will be targeted as a set-aside for one of the federally mandated socioeconomic programs.
- **Justification for Other Than Full and Open Competition** - A full, factual explanation of why it is impossible or impractical to obtain full and open competition for the acquisition is required and must be developed whenever competition will be limited.
- **Post-award Administration and Monitoring** - Detail the milestones that require periodic evaluation of the contractor's progress. Discuss any formal management systems to be used



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

in contract monitoring. Discuss plans for post-award or Preconstruction Conferences and site visits. Delineate the timing of the periodic status reports.

- **Technical Evaluation Plans** - Discuss the plans for technical evaluation of the proposal. Give the name, title, full address, email address and telephone number of each evaluator who has agreed to serve as a member of the Source Selection Evaluation Board (SSEB). Discuss potential conflict of interest situations.
- **Technical Proposal Instructions and Evaluation Criteria** - Include any instructions or information that will help the contractor prepare a technical proposal. Also, outline a system for evaluating technical proposals, the evaluation criteria, and the relative weights assigned to each.
- **Reference Material** - List and describe study reports, plans, drawings, and other data to be made available to the contractor for use in preparation of proposals and/or in performance of the contract. Information should also be provided as to whether such material is currently available and, if not, when it will become available.
- **Contract Type** - Provide the rationale for recommending a particular type. Explain plans for multiple awards, options and incremental funding.
- **Government Furnished Material/Facilities** - Indicate material and facilities that will be furnished to the contractor and any associated problems that may be encountered. Discuss possible inequities that may arise in furnishing the materials or facilities. Discuss Contracting Officer screening efforts for availability of these items through GSA excess-property schedules.
- **Socioeconomic Programs** - Discuss preliminary liaison with the ADSADBU to determine if the acquisition is appropriate for the various socioeconomic acquisition programs; i.e., small business or disadvantaged business set-asides.
- **Data for Future Acquisition** - The Project Officer should state whether or not, at the conclusion of the proposed contract, it is anticipated that another acquisition action will be required. If so, the kinds and amounts of technical data required from the proposed contract should be indicated to assure competition in future acquisitions. Measures should be taken to prevent the contractor from becoming a sole source because the Government lacks the data, drawings, techniques, test results, etc., to permit a full and open competition on future acquisitions.
- **FedBizOpps.com Announcement** - Draft a statement to announce the solicitation in the FedBizOpps.com.
- **Special Approvals/Coordination/Clearances** - Copies of required clearances and approvals should be part of the planning documentation. Areas of concern in this regard are human use, animal use, recombinant DNA actions, etc.
- **Safety and Environmental Considerations** - All acquisition actions must consider and report on the possibility of environmental and safety issues in the work to be supported.
- **Security** – If the contractor will require access to classified information, the Project Officer will need to complete DD Form 254, Contract Security Classification Specification and forward it to the Account Manager/Contracting Officer for inclusion in the solicitation. This



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

form should clearly specify whether access to classified information is required during the pre-award phase or only after contract award

- **Access to Government Computers** - Address the degree to which contractor personnel will have access to Government computers – either hardware or software, and determine the appropriate ADP position sensitivity designation in the PWS.
- **Other Considerations, as Applicable** - Discuss special contract clauses, if required. Discuss circumstances such as the effect of a protest on a previous acquisition, special public law or regulatory requirements that place restrictions on this acquisition, special geographical restrictions, and use of a special type of synopsis. Address necessity for a Pre-Proposal or Preconstruction Conferences, pre-award surveys, or pre-award site visits.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**APPENDIX B - JUSTIFICATION FOR OTHER THAN FULL AND OPEN  
COMPETITON**

(Office Symbol)

MEMORANDUM FOR Commander, U.S. Army Medical Research Acquisition  
Activity, SGRD-RMA-IS, Fort Detrick, Frederick,  
MD 21702-5014

SUBJECT: Justification for Other Than Full and Open Competition;  
Document Number:

The undersigned has identified (Name and address of company) as the only source capable of meeting the Government's requirement and/or schedule as described herein.

- a. Description of item or service and the required delivery schedule.
- b. The minimum essential characteristics or unique features of the item. (If requesting a service, fully describe all services to be performed.)
- c. Describe why each feature, item characteristic, or essential service is required by the Government and why only the suggested source is capable of supplying the item or service. Provide comparisons of each feature required with those offered by other firms in the marketplace.
- d. Justify the need for the stated delivery schedule (if limiting competition is based upon delivery time). Compare delivery schedules provided by other sources, if known.
- e. State whether the requested item or service has been purchased previously, and if so, state the purchase order, agreement, or document number under which the previous purchase was made. If the requirement is in support of ongoing research, state the project title, project/protocol number, and the date the project was begun.
- f. The type and degree of market survey conducted.
- g. Description of similar products and the reason why those products do not meet the mission requirements.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

- h. Describe any measures being taken to foster competition for future acquisitions of the same item or service.
- i. State the estimated price of the requirement.

Date \_\_\_\_\_

\_\_\_\_\_  
Requesting Official

Date \_\_\_\_\_

\_\_\_\_\_  
Approving Official  
(Commander,  
Deputy Commander,  
XO, Div Chief)



**Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives**

**APPENDIX C - MATERIAL INSPECTION AND RECEIVING REPORT  
(DD FORM 250)**

MATERIAL INSPECTION AND RECEIVING REPORT						Form Approved OMB No. 0704-0248
<p>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Dept. of Defense, Washington Headquarters Services Directorate for Information, Operations, and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22204-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0248), Washington, DC 20503</p> <p style="text-align: center;"><b>PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES, SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401</b></p>						
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO.		ORDER NO.	6. INVOICE NO/DATE 3990.004.005 2002AUG19	7. PAGE 1	OF 1	8. ACCEPTANCE POINT  D
2. SHIPMENT NO	3. DATE SHIPPED	4. B/L		5. DISCOUNT TERMS  NET		
9. PRIME CONTRACTOR ABC Company 100 Innovation Drive Suite #1 Anywhere, MD 21204		CODE ODG9XX3	10. ADMINISTERED BY US ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY ATTN: MR. JOHN JONES 301 619 XXXX FREDERICK, MD 21702		CODE DAMD17	
11. SHIPPED FROM (if other than 9)  See Block 9		CODE	FOB:	12. PAYMENT WILL BE MADE BY DEFENSE FINANCE AND ACCOUNTING SERVICE DFAS-SA/FPA 500 MCCULLOUGH AVE SAN ANTONIO, TX 78215-2100		
13. SHIPPED TO Commander, USAMRIID 1425 Porter Street ATTN: Dr Joe Smith Fort Detrick, MD 21702-5011		CODE	14. MARKED FOR 211204000001748112665801M02AB252GP1H4ABW81XWH10860001HXX XXXX			
15. ITEM NO.	16. STOCK/PART NO.	DESCRIPTION (Indicates number of shipping containers - type of container – container number)	17. QUANTITY SHIP/REC'D	18. UNIT	19. UNIT PRICE	20. AMOUNT
0001		Services – Research Support for the month of JULY 2002	1	LOT	\$99,500.45	\$99,500.45
21. CONTRACT QUALITY ASSURANCE A. ORIGIN  <input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents		B. DESTINATION  <input type="checkbox"/> CQA <input checked="" type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents		RECEIVER'S USE QUANTITIES SHOWN IN COLUMN 17 WERE RECEIVED IN APPARENT GOOD CONDITION EXCEPT AS NOTED.		
DATE _____ SIGNATURE OF AUTH GOVERNMENT REP _____ TYPED NAME : _____ TITLE: _____ MAILING ADDRESS: _____ COMMERCIAL TELEPHONE NUMBER _____		DATE <u>31 July 2002</u> SIGNATURE OF AUTH GOVERNMENT REP <u>/s/ Joe Smith</u> TYPED NAME : Joe Smith TITLE: COR MAILING ADDRESS: 135 Bldg. 10 Ft Detrick, MD COMMERCIAL TELEPHONE NUMBER: 301-333-XXXX		DATE RECEIVED <u>31 JULY 2002</u> SIGNATURE OF AUTH GOVT REP <u>/S/ JOE SMITH</u> TYPED NAME: Joe Smith TITLE: COR MAILING ADDRESS: 135 Bldg 10 Ft Detrick, Md COMMERCIAL TELEPHONE NUMBER: 301-333-XXXX		
23. CONTRACTOR USE ONLY						
DD Form 250, AUG 2000 <span style="float: right;">Previous edition is obsolete</span>						



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Completion Instructions**

**Block 1** -- Procurement Instrument Identification (Contract) No. - enter the 13-position alpha-numeric basic Procurement Instrument Identification Number (PIIN) of the contract. When applicable, enter the four-position alpha-numeric call/order serial number (SPIIN) that is supplementary to the 13-position basic PIIN. SPIINs are used for delivery orders under indefinite-delivery type contracts, orders under basic ordering agreements, and calls under blanket purchase agreements.

**Block 2** --Shipment No. The shipment number has a three-position alpha character prefix and a four-position numeric or alpha-numeric serial number. The prime contractor shall control and assign the shipment number prefix. The shipment number shall consist of three alphabetic characters for each "Shipped From" address (Block 11). The shipment number prefix shall be different for each "Shipped From" address and shall remain constant throughout the life of the contract. The prime contractor may assign separate prefixes when shipments are made from different locations within a facility identified by one "Shipped From" address. Number the first shipment 0001 for shipments made under the contract or contract and order number shown in Block 1 from each "Shipped From" address, or shipping location within the "Shipped From" address. Consecutively number all subsequent shipments with the identical shipment number prefix.

**Block 3** -- Date Shipped. Enter the date the shipment is released to the carrier or the date the services are completed. If the shipment will be released after the date of CQA and/or acceptance, enter the estimated date of release. When the date is estimated, enter an "E" after the date. Do not delay distribution of the MIRR for entry of the actual shipping date.

**Block 4** -- B/L TCN. When applicable, enter the commercial or Government bill of lading number or the transportation control number after "TCN"

**Block 5** -- Discount Terms. The contractor may enter the discount in terms of percentages on all copies of the MIRR.

**Block 6** -- Invoice No./Date. The contractor may enter the invoice number and actual or estimated date of invoice submission on all copies of the MIRR. When the date is estimated, enter an "E" after the date.

**Block 7** -- Page/Of. Consecutively number the pages of the MIRR. On each page enter the total number of pages of the MIRR.

**Block 8** -- Acceptance Point. Enter an "S" for Origin or "D" for destination.

**Block 9** -- Prime Contractor/Code. Enter the code and address.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Block 10** -- Administered By/Code. Enter the code and address of the contract administration office (CAO) cited in the contract.

**Block 11** -- Shipped From/Code/FOB. Enter the code and address of the "Shipped From" location. If identical to Block 9, enter "See Block 9." For performance of services line items which do not require delivery of items upon completion of services, enter the code and address of the location at which the services were performed. If the DD Form 250 covers performance at multiple locations, or if identical to Block 9, enter "See Block 9." Enter FOB as "S" for Origin, "D" for Destination or "O" for other. For destination or origin acceptance shipments involving discount terms, enter "Discount Expedite" in at least one-half inch outline-type style letters across Blocks 11 and 12. Do not obliterate other information in these blocks.

**Block 12** -- Payment Will Be Made By/Code. Enter the code and address of the payment office cited in the contract.

**Block 13** -- Shipped To/Code. Enter the code and address from the contract or shipping instructions.

**Block 14** -- Marked For/Code. Enter the code and address from the contract or shipping instructions. When three-character project codes are provided in the contract or shipping instructions, enter the code in the body of the block, prefixed by "Proj"; do not enter in the code block.

**Block 15** -- Item No. Enter the item number used in the contract. Use item numbers under the Uniform Contract Line Item Numbering System. Position the item numbers as follows: For item numbers with four or less digits, enter the number immediately to the left of the vertical dashed line and prefix them with zeros, to achieve four digits. For item numbers with six digits, with alpha digits in the final two positions, enter the last two digits to the right of the vertical dashed line. For item numbers with six digits, with numbers in the final two positions, enter the first four digits immediately to the left of the vertical dashed line. Do not use the last two digits. Line item numbers not in accordance with the Uniform Contract Line Item Numbering System may be entered without regard to positioning.

**Block 16** -- Stock/Part No./Description. Use single or double spacing between line items when there are less than four line items. Use double spacing when there are four or more line items. For each item, enter the national stock number or applicable reference number. For service line items, enter the word "**Service**" followed by as short a description as is possible in no more than 20 additional characters. Do not complete Blocks 4, 13, and 14 when there is no shipment of material.

**Block 17** -- Quantity Shipped/Received. Enter the quantity shipped, using the unit of measure in the contract for payment.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**Block 18** – Unit. Enter the abbreviation of the unit measure as indicated in the contract for payment.

**Block 19** -- Unit Price. Enter unit prices from Section B of the contract.

**Block 20** -- Amount. Enter the extended amount.

**Block 21** -- Contract Quality Assurance (CQA). The words “conform to contract” contained in the printed statements in Blocks 21a and 21b relate to quality and to the quantity of the items on the report. Do not modify the statements. Enter notes taking exception in Block 16 or on attached supporting documents with an appropriate block cross-reference. When acceptance is at origin, the authorized Government representative must -- place an “X” in the appropriate CQA and/or acceptance box(es) to show origin CQA and/or acceptance. Sign and date the form and enter the typed, stamped, or printed name, title, mailing address, and commercial telephone number of the signing official. When inspection and acceptance is at destination place an “X” in the appropriate box(es) in 21b. The form is then signed and dated and the signing official enters typed, stamped, or printed name, title, mailing address, and commercial telephone number.

**Block 22** -- Receiver's Use. The authorized representative of the receiving activity (Government or contractor) must use this block to show receipt, quantity, and condition. The authorized representative must enter the date the supplies arrived, sign the form and enter the signing official's typed, stamped, or printed name, title, mailing address, and commercial telephone number.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

**APPENDIX D - SOURCES OF SUPPLIES AND FEDERAL  
SOCIOECONOMIC PROGRAMS**

The tables on the following pages describe mandatory sources of supply and the various Federal Socioeconomic programs.

**I. Required Supply Sources and Set-Aside Programs**

		<b>Small Business Considerations by Dollar Value of Requirement</b>				
		<b>Simplified Acquisitions (.&lt;\$100,000)</b>				
<b>Program</b>	<b>Description and Conditions for Use</b>	<b>\$2,500 to 25,000</b>	<b>\$25,000 to 50,000</b>	<b>\$50,000 to 100,000/SA T</b>	<b>\$100,000 to 500,000</b>	<b>Over \$500,000</b>
<p>Government Supply Sources  (Required Sources of Supply)</p>	<p><b>FAR Reference 8.001</b> Agencies shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:</p> <p>1. SUPPLIES</p> <ul style="list-style-type: none"> <li>▪ Agency inventories;</li> <li>▪ Excess from other agencies;</li> <li>▪ Federal Prison Industries</li> <li>▪ Committee for Purchase from People who are Blind or Severely Disabled (JWOD Program /NIB/NISH)</li> <li>▪ Wholesale supply source, such as stock programs of GSA, DLA, VA and military inventory control points;</li> <li>▪ Mandatory Federal Supply Schedules</li> <li>▪ Optional use Federal Supply Schedules</li> <li>▪ Commercial sources (consider Small Business Programs (below) first)</li> </ul> <p>2. SERVICES</p> <ul style="list-style-type: none"> <li>▪ Services available from Committee for Purchase from</li> <li>▪ People who are Blind or Severely Disabled (JWOD/NIB/NISH)</li> <li>▪ Mandatory Federal Supply Schedules</li> <li>▪ Optional use Federal Supply Schedules</li> <li>▪ Federal Prison Industries, Inc. or commercial sources</li> </ul>	<p>Government Supply Sources are required consideration for all acquisitions</p> <p><b>Federal Prison Industries and the Committee for Purchase From People Who Are Blind or Severely Disabled (JWOD/NIB/NISH) are mandatory sources (respectively) for products that are provided through those programs and meet the Government requirement.</b> Federal Prison Industries: <a href="http://www.unicor.gov">http://www.unicor.gov</a></p> <p><b>The Committee for Purchase From People Who Are Blind or Severely Disabled (JWOD/NIB/NISH) is the mandatory source for services at specified locations that are on the Procurement List and should be considered for new services.</b> JWOD Program (NIB/NISH): <a href="http://www.jwod.gov">http://www.jwod.gov</a></p> <p>Consideration of small business is encouraged for optional use Federal Supply Schedules and is required for commercial sources GSA Federal Supply Schedules Program: <a href="http://apps.fss.gsa.gov/publications">http://apps.fss.gsa.gov/publications</a></p>				

**I. Required Supply Sources and Set-Aside Programs**

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (<\$100,000)				
Program	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000
<p><b>Emerging Small Business (ESB) Set-asides</b></p> <p>(of the Small Business Competitive-Demo Program)</p>	<p><b>FAR Reference 19.1006(c)</b>                      Limited to use by 10 Agencies in 19.1004:                      USDA DOT DOI GSA                      DOD (except NIMA) VA NASA                      DOE EPA HHS</p> <ul style="list-style-type: none"> <li>For requirements within four Designated Industry Groups (DIGS) reference FAR 19.1005(a)</li> <li>All acquisitions in the four DIGS with estimated value equal to or less than emerging small business reserve amount shall be set-aside for ESBs. (NOTE: Emerging small business reserve amount is established annually by OFPP; as of June 1999 the amount is \$25,000 (\$50,000 for A&amp;E))</li> <li>Must be reasonable expectation of obtaining offers from 2 ESBs (If not and \$25K or less, proceed with 19.8 or 19.5; over \$25K, consider under 19.8 or 19.13.</li> </ul>	19.1006(c)  <b>Set-aside for ESB Required (within four DIGS) if reasonable expectation of obtaining two offers (if not, proceed with 19.8 or 19.5)</b>	<b>A&amp;E ONLY:</b>  <b>Set-aside for ESB Required (up to \$50,000)</b>	N/A		
<p><b>8(a) Business Development Program</b></p>	<p><b>FAR Reference 19.8</b>                      Per 19.800(e), Contracting Officers should review acquisition for offering under 8(a) before deciding to set-aside in accordance with 19.13 (HUBZone) or 19.5 (SB set-aside). If the acquisition is offered to the SBA, SBA regulations give first priority to HUBZone 8(a) concerns.                      Identify for 8(a) program through:                      - SBA Search Letter                      - SBA request                      - Agency/SBA agreement                      - Agency supplemental policy</p> <p>NOTE: All requirements should be considered including requirements over the emerging small business reserve amount in DIGS</p>	Related Internet Site: SBA ProNet: <a href="http://www.pronet.sba.gov">http://www.pronet.sba.gov</a>  19.800(e) Contracting Officers should <b>review all requirements for offering under the 8(a) program</b> before deciding to set-aside under 19.13 or 19.5  (non-competitive to \$3M or \$5M, depending on NAICS Code, non-competitive to any dollar threshold for requirements offered to an 8(a) program participant owned by an Indian tribe or an Alaska Native Corporation)				

**I. Required Supply Sources and Set-Aside Programs**

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (<\$100,000)				
		\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000
Program	Description and Conditions for Use					
<b>Very Small Business (VSB) Set-asides</b>  (of the Very Small Business Pilot Program)	<b>FAR Reference 19.9</b> <ul style="list-style-type: none"> <li>Acquisitions between \$2,500 -\$50,000 must be set-aside for VSBs, if:                             <ul style="list-style-type: none"> <li>For supplies, the contracting office is within the geographical area served by a designated SBA district, or</li> <li>For services, if the contract is required to be performed within the geographical area served by a designated SBA district, AND</li> <li>There is a reasonable expectation of obtaining two competitive or more competitive offers from VSBs. If no reasonable expectation of obtaining two offers, proceed with 19.5, per FAR 19.904(c).</li> </ul> </li> <li>Per FAR 19.903(b), does not apply to 8(a) acquisitions or any requirement subject to Small Business Competitiveness Demo Program (SBCDP)</li> <li>NOTE: Offerors may not have more than 15 employees and \$1 million in annual average receipts (52.219-5)</li> </ul>	Related Internet Site: Designated SBA Districts: <a href="http://www.sba.gov/services">http://www.sba.gov/services</a>				
		19.904(a) <b>Set-aside for VSBs required if criteria are met</b>	N/A  <b>19.903(a)</b>			
		19.903(b) Note: do not set-aside when requirement is in Designated Industry Group (DIG)(see ESB program)	If no reasonable expectation of obtaining two offers, proceed with 19.5.			

**I. Required Supply Sources and Set-Aside Programs**

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (.<\$100,000)				
		\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/ SAT	\$100,000 to 500,000	Over \$500,000
<p><b>HUBZone Small Business Set-asides (Competitive)</b></p> <p>Historically under- utilized business zone program</p>	<p><b>FAR Reference 19.13</b></p> <ul style="list-style-type: none"> <li>Must set-aside acquisitions exceeding the SAT for HUBZone small businesses when:                             <ul style="list-style-type: none"> <li>Reasonable expectation of offers from two or more HubZone SB concerns, and</li> <li>Award will be made at fair market price</li> </ul> </li> </ul>	<p>Related Internet Sites: SBA HUBZone: <a href="http://www.sba.gov/hubzone">http://www.sba.gov/hubzone</a> SBA ProNet : <a href="http://www.pronet.sba.gov">http://www.pronet.sba.gov</a></p>			<p>19.1305(a)</p> <p><b>Requires set-aside for HubZone small businesses over the SAT when criteria are met</b></p>	
	<ul style="list-style-type: none"> <li>HUBZone dealer must offer products manufactured by HUBZone firm(s)</li> <li>NOTE: Contracting Officers should review for offering under the 8(a) program first, per FAR 19.800(e)</li> </ul>	<p>N/A</p>				
<p><b>HUBZone (Non-competitive)</b></p>	<p><b>FAR Reference 19.1306</b></p> <ul style="list-style-type: none"> <li>NOTE: Must consider HUBZone competitive first</li> <li>A Contracting Officer may award contract to HUBZone small business concern (sbc) on sole source basis IF:                             <ul style="list-style-type: none"> <li>Only 1 HUBZone sbc can satisfy requirement</li> <li>Acquisition is greater than SAT but price will not exceed \$5M for manufacturing NAICS codes and \$3M for all other NAICS codes</li> <li>Requirement is not currently being performed by a non-HUBZone small business concern</li> <li>HUBZone small business concern determined responsible</li> <li>Award can be made at fair and reasonable price</li> </ul> </li> <li>SBA has right to appeal CO’s decision not to make a HUBZone sole source award.</li> </ul>	<p>Related Internet Sites: SBA HUBZone: <a href="http://www.sba.gov/hubzone">http://www.sba.gov/hubzone</a> SBAProNet: <a href="http://pronet.sba.gov">http://pronet.sba.gov</a></p>			<p>19.1306(a)</p> <p>From \$500K to \$3M or \$5M (depending on NAICS code) may sole source without considering 19.5 (but must consider competitive HUB Zone</p>	
		<p><b>19.1306(a)(4)</b></p> <p><b>PROHIBITED</b></p>			<p>May sole Source w/out Considering 19.5 (but must consider competitive HUBZone)</p>	

**I. Required Supply Sources and Set-Aside Programs**

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (.<\$100,000)				
		\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000
Program	Description and Conditions for Use	Related Internet Sites: Waivers: <a href="http://www.sba.gov/GC/nonmanuf.html">http://www.sba.gov/GC/nonmanuf.html</a>				
<b>Small Business Total Set-aside</b>	<p><b>FAR Reference 19.502-2</b></p> <ul style="list-style-type: none"> <li>NOTE: Should review first for 8(a) and must review for competitive HubZone (over Simplified Acquisition Threshold)</li> <li>Offers from at least two SB firms are expected</li> <li>Nonmanufacturing rule applies over \$25,000 [19.102(f)(7)]</li> <li>Follow agency direction for Set-asides for requirements in DIGs above the emerging small business reserve amount when agency goals have not been met</li> <li>See 19.502-5 for insufficient causes for not setting aside an acquisition</li> </ul>	19.502-2(a) <b>automatically</b> reserved for SB unless requirement falls under: 19.8: 8(a) 19.9: VSB set-aside 19.10: SBCDP (ESB) set-aside 19.13: HUBZone set-aside	19.502-2(a) <b>automatically</b> reserved for SB -unless requirement falls under 19.8: 8(a) 19.10: SBCDP (ESB) 19.13: HUBZone	19.502-2(b) Shall set-aside if conditions are met: <ul style="list-style-type: none"> <li>offers from two responsible SBCs offering products of different SBCs</li> <li>award will be made at fair market prices</li> </ul> Over SAT, must consider HUB Zone first (19.501(c))		
		N/A <b>19.502-3(a)(4)</b>		19.502-3(a) Use partial set-aside when total set-aside is not appropriate and criteria are met		
<b>Small Business Partial Set-aside</b>	<p><b>FAR Reference 19.502-3</b></p> <ul style="list-style-type: none"> <li>A total set-aside is not appropriate</li> <li>Requirement is severable in two parts</li> <li>One or more Small Business firms are capable</li> <li>Acquisition is not subject to Simplified Acquisition Procedures</li> <li>Follow agency direction for set-asides for requirements in DIGs above the emerging small business reserve amount when agency goals have not been met</li> </ul>					

## II. Programs for Full and Open Competitions

(Over the Simplified Acquisition Threshold)

NOTE: Programs are not mutually exclusive

		Use by Dollar Value of the Requirement				
		Simplified Acquisitions (e.g. <\$100,000)				
Small Business Programs	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to SAT	\$100,000 to 500,000	Over \$500,000
<b>Price Evaluation Adjustment</b>  (Small Business Programs)	<b>FAR Reference 19.11</b> <b>SDB: Price Evaluation Adjustment (PEA)</b> Use in competitive acquisitions in the authorized NAICS Major Groups (as determined by the Dept. of Commerce [FAR 19.201] (See web site at right), UNLESS: <ul style="list-style-type: none"> <li>• Equal to or under SAT</li> <li>• 8(a)</li> <li>• Set-aside for small business concerns</li> <li>• HUBZone set-aside</li> <li>• Price not a selection factor</li> <li>• All fair and reasonable offers will be accepted for award</li> </ul> Do not evaluate offers using the PEA when it would cause award, as a result of this adjustment, to be made at a price that exceeds fair market price by more than the factor as determined by the Dept. of Commerce (see 19.202-6(a)).	Related Internet Sites: SDB Major NAICS Codes: <a href="http://www.arnet.gov/References/sdbadjustments.htm">http://www.arnet.gov/References/sdbadjustments.htm</a> SBA ProNet: <a href="http://pronet.sba.gov">http://pronet.sba.gov</a> SBA HUBZone: <a href="http://www.sba.gov/hubzone">http://www.sba.gov/hubzone</a>				
		<b>PROHIBITED</b> <b>19.1102(b)(1)</b>			19.1102  Use for competitive acquisitions in authorized NAICS major Groups over the SAT  (Shall not be used with: 19.8 B 8(a) 19.5 BSB set-aside 19.13 B HUBZone)	
	<b>FAR Reference 19.1307</b> <b>HUBZone Price Evaluation Preference (PEP)</b> Use in Full and Open Competition acquisitions UNLESS: <ul style="list-style-type: none"> <li>• Price is not a selection factor</li> <li>• All fair and reasonable offers are accepted</li> <li>• Less than or equal to the SAT</li> </ul>	<b>PROHIBITED</b> <b>19.1307(a)(1)</b>			19.1307 Shall be used for full and open competitive acquisition over the SAT (As of 9/30/2000, applicable to all agencies with a CO)	

## II. Programs for Full and Open Competitions

(Over the Simplified Acquisition Threshold)

NOTE: Programs are not mutually exclusive

		Use by Dollar Value of the Requirement				
		Simplified Acquisitions (e.g. <\$100,000)				
Small Business Programs	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to SAT	\$100,000 to 500,000	Over \$500,000
<b>Subcontracting Programs</b>  For SB, SDB, HUBZone SB, and Women-owned	<b>FAR Reference 19.7 Subcontracting Plans:</b> <ul style="list-style-type: none"> <li>N/A to Small Businesses</li> <li>N/A for performance outside US</li> <li>N/A for personal services</li> </ul> Over \$100K: Via inclusion of 52.219-8, Contractor agrees to maximum practicable subK opportunities  Over \$500K: (\$1M for Construction): Acceptable Formal plan required prior to award	N/A 19.702(a)			19.702 No Formal Plan Required, But Contractor compliance with 52.219-8 required	19.702 Formal Plan Required (Over \$1M for Construction)

## II. Programs for Full and Open Competitions

(Over the Simplified Acquisition Threshold)

NOTE: Programs are not mutually exclusive

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (.<\$100,000)				
Program	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000
		NAICS Major Groups are listed at: <a href="http://www.arnet.gov/References/sdbadjustments.htm">http://www.arnet.gov/References/sdbadjustments.htm</a>				
<p><b>Small Disadvantaged Business Participation Program</b></p> <p>(Source Selection Factor)</p>	<p><b>FAR Reference 19.12</b></p> <p>Program: Offerors provide Targets for SDB Participation in NAICS Major Groups, which are included in proposal evaluation</p> <p>For competitive, negotiated acquisitions exceeding \$500K (\$1M for construction) in NAICS Major Groups (as designated by Dept. of Commerce B see web site) UNLESS:</p> <ul style="list-style-type: none"> <li>• SB set-aside (19.5)</li> <li>• HUBZone set-aside (19.13)</li> <li>• 8(a) (19.8)</li> <li>• Selection based on lowest price/technically acceptable</li> <li>• Performance entirely outside US</li> </ul> <p>Credit under evaluation factor or subfactor is not available to SDB concerns that receive a price evaluation adjustment under 19.11</p>	<p>N/A</p> <p><b>19.1202-2(a)</b></p>			<p>Mandatory over \$500K in NAICS Major Groups</p> <p>(\$1M for construction)</p>	

## II. Programs for Full and Open Competitions

(Over the Simplified Acquisition Threshold)

NOTE: Programs are not mutually exclusive

		Small Business Considerations by Dollar Value of Requirement				
		Simplified Acquisitions (<\$100,000)				
Program	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000
<p><b>Small Disadvantaged Business (SDB) Participation Program</b></p> <p>(Incentive for Actual SDB Contracting)</p>	<p><b>FAR Reference 19.1203</b>  <i>For Optional Use with SDB NAICS Major Group Targets (above)</i></p> <p>Program: Monetary incentives for actual SDB subcontracting:</p> <ul style="list-style-type: none"> <li>• Used when Contracting by Negotiation</li> <li>• Performance is monitored against proposed targets and tracked separately from other programs/plans/goals (traditional 8(d) subcontracting plan)</li> <li>• Incentive based on actual performance</li> </ul> <p>An award fee may be used as substitute for incentive program</p>	N/A				Optional use with SDB NAICS Major Group Targets

NOTE: Suggested priority order based on FAR Part 19 indications of consideration. Where FAR prescribes/suggests the order of priority, the prescription/suggestion has been repeated herein in the Description column. Contracting Officers are advised to consult FAR prior to making final determination to set-aside the requirements.

NOTE: This matrix does not include additional FAR socioeconomic coverage that falls under FAR Parts 22 through 26 (Part 22--Application of Labor Laws to Government Acquisitions; Part 23--Environment, Conservation, Occupational Safety, and Drug-Free Workplace; Part 24--Protection of Privacy and Freedom of Information; Part 25--Foreign Acquisition; and Part 26--Other Socioeconomic Programs). It also does not include recent legislation that established a Government-wide annual goal of not less than 3% for Service-Disabled Veteran Owned Small Businesses (SDVOSB) and negotiated specific subcontracting goals for Veteran Owned Small businesses (VOSB); legislation that established a mandatory 5% Government-wide goal for women-owned small businesses; or contract bundling regulations which prohibit the consolidation of two or more procurements into one if the consolidation will result in the contract being unsuitable for award to a small business concern.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

# GLOSSARY OF ACQUISITION TERMS

### **Account Managers**

Account Managers are the USAMRAA focal point for customer service, communications and product delivery. They coordinate with customers to plan and execute acquisition strategies and serve as Contracting Officers/Grants Officers for the award of all assigned contracts/assistance agreements. They are the appointing officials for Contracting/Grants Officer's Representatives. Learn who your Account Manager is by visiting us at <http://www.usamraa.army.mil>.

### **Acquisition Team**

Once a decision is made to acquire products or services through the contracting process, a partnership is formed between the Project Officer and the Account Manager/Contracting Officer. This partnership is essential. These two officials play a critical role in ensuring that the contracting process is successful. Assisting the Project Officer and the Contracting Officer is an integrated team of individuals based upon the complexity and nature of the acquisition. Within USAMRMC, our integrated team approach is called an Integrated Process Team (IPT). (See also *Head of the Contracting Activity (HCA)*, *Principal Assistant Responsible for Contracting (PARC)*, *Chief of the Contracting Office (CCO)*, *Contracting Officers*, *Grants Officers*, *Account Managers*, *Administrative Contracting Officers*, *Contracting Officer's Representatives*, *Grants Officer's Representatives*, *Project Officers*, *Ordering Officers*, *Associate Director of Small and Disadvantaged Business Utilization*, and *Competition Advocate*).

### **Administrative Contracting Officers (ACO)**

Contracting Officers may authorize other individuals to act in their behalf. An Administrative Contracting Officer is a Contracting Officer designated in writing to administer the contract.

### **Anti - Deficiency Act**

No officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Anti-Deficiency Act, 31 U.S.C. 1341), unless otherwise authorized by law. Violating the Anti-Deficiency Act is a very serious offense which may result in criminal penalties.

### **Associate Director of Small and Disadvantaged Business Utilization**

The Associate Director of Small and Disadvantaged Business Utilization (ADSADBU) provides advice and counsel to the HCA and PARC on all small business matters. The Associate Director of Small and Disadvantaged Business Utilization also advises and assists program managers and contracting officials in developing strategies to ensure maximum participation by small businesses, small disadvantaged businesses, women-owned small businesses and historically



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

black colleges and universities and minority institutions in the Command's prime and subcontracting opportunities.

### **Blanket Purchase Agreement (BPA)**

A BPA is an agreement that is written with suppliers that are capable of providing anticipated repetitive needs for supplies and services. A BPA, in effect, is a charge account with a supplier. Under a BPA, separate acquisitions are made according to detailed but simple procedures. No single purchase can exceed the simplified purchase threshold. The USAMRAA Account Manager or the logistics staff at your activity can provide additional information on BPAs.

### **Chief of the Contracting Office (CCO)**

The Chief of the Contracting Office (the USAMRAA Deputy for Business Operations) performs procurement review and approval duties, as described in the Federal Acquisition Regulations and its supplements. The CCO is the appointment authority for Ordering Officers.

### **Collusive Bidding and Other Antitrust Violations**

Collusive bidding, price fixing, and other antitrust violations are express or implied agreements between independent competitors, which limit competition. Examples: agreements to allocate business among competing firms; joint ventures by independent competitors which effectively reduce available competition; no bids from obvious competitors; and, token bids from obvious competitors.

### **Competition**

With few exceptions, the law requires full and open competition. This is also the most desirable and favored form of contracting. Competition uses market forces to ensure the Government receives favorable pricing from a wide variety of prospective suppliers. It facilitates the promotion of innovative, state-of-the-art solutions. There is a common misconception that the use of full and open competition often results in the Government having to "settle" for inferior products or services. This is simply not true. A well-written work statement, combined with valid offer evaluation criteria, will ensure the Government's needs are met.

### **Competition Advocate**

The Command's Competition Advocate fosters competition consistent with public law and the established competition goals of the Command. The Competition Advocate is a key player in acquisition planning.

### **Competition, Other Than Full and Open (Sole Source)**

There are times, when it is impossible or impractical to solicit for goods and services on a full and open competitive basis and the use of **other than full and open competition** is the best method to fulfill the government's need. Other than full and open competition is the least



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

desirable method of acquiring goods and services. Under this method, a proposal is requested from only one or a few sources.

If you require additional information on the role of competition in federal contracting, you should contact the USAMRAA Competition Advocate/Deputy for Business Management. If you anticipate having a future acquisition requiring the limiting of competition, you should discuss this with both the USAMRAA Competition Advocate and your USAMRAA Account Manager and review USAMRMC Regulation 715-1, as soon as possible

### **Conflicts of Interest**

Basically, the policies governing conflicts of interest prohibit an employee from participating “personally and substantially” as a Government employee in a matter, procedure, determination or contract in which any of the following individuals or organizations has a financial interest:

- The employee, or a member of the employee’s household including the employee’s spouse or the employee’s minor child,
- An organization in which the employee serves as an officer, director, trustee, partner, or employee; or,
- A person or organization with which the employee is negotiating for prospective employment or has an arrangement for prospective employment.

If you feel that any of these circumstances may exist or if you feel that circumstances would cause a reasonable person with knowledge of the relevant facts to question your impartiality in a matter, you should not participate in that matter until you have consulted with your ethics advisor.

### **Contract**

A contract is legally binding relationship between two or more parties. A contract contains four elements: (1) It must contain an *offer* to provide something of value, usually goods or services. (2) There must be *acceptance* of that offer and communication of that acceptance to the offeror. (3) There must be *consideration*, something of value exchanged by the parties to bind the contract. (4). It must be for a *legal purpose*. In Government contracts, the proposal from the commercial concern is the offer. A Request for Proposal (RFP) issued by the government is not an offer. It is an informational document that expresses the Government’s needs to the community of potential sources. The RFP seeks offers. When the Government, after proposal review and negotiation, chooses an offeror to contract with, it performs the act of acceptance. Consideration in Government contracts is usually payment by the Government and delivery of supplies or services by the contractor. Government contracts (including modifications) are always written.

### **Contracting Officers**

Contracting Officers have the authority to enter into agreements, e.g., contracts, or otherwise direct non-federal government firms and institutions to provide goods and services that will



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

require an expenditure of government funds or other resources. **Only** Contracting Officers can execute agreements that bind the government by negotiating and awarding contracts and making changes and modifications to contracts. The Principal Assistant Responsible for Contracting (PARC) appoints Contracting Officers.

### **Contracting Officer's Representative (COR)**

A COR is a technical or program person appointed by the Contracting Officer to monitor the technical or scientific aspects of a contract. This delegation must be done in writing.

### **Contracts With Federal Employees**

Contracts between the Government and Government employees or between the Government and organizations that are substantially owned or controlled by Government employees may not knowingly be entered into, except for the most compelling reasons.

### **Cost Mischarging**

Contractors maintain accounting systems that accumulate the costs for various things and allocate them to various cost objectives. The Government uses the costs gathered in this way to calculate progress payments, the charges paid under cost reimbursement contracts, and future prices on negotiated fixed-price contracts. When the contractor assigns a cost to the wrong cost objective, then it has mischarged the costs. When done with fraudulent intent, then the individual requests for payment are considered false claims. Mischarging includes allocation of material used on one contract to another contract; allocation of labor costs from one cost objective to another; and classifying costs that the Government refuses to pay, e.g., entertainment, alcohol, and bad debts, as costs which the Government ordinarily pays, such as wages and office supplies.

### **Cost Type Contracts**

Many USAMRMC requirements cannot be specified with the certainty required for fixed-price contracts. In the absence of this certainty, responsible potential contractors have no way of estimating the price of the work with the degree of accuracy needed for fixed-price contract risk, nor is USAMRMC able to determine the accuracy of a proposed price. Research and development, demonstrations, the conduct of surveys and studies, and their related requirements, are typical examples of work that has too much uncertainty associated with it to be used as the basis for fixed-price contracts.

**Cost-reimbursement contracts** are used when the uncertainties involved in contract performance are of such magnitude that cost of performance cannot be estimated with sufficient reasonableness to permit use of fixed-price type contracts. There are several variations of cost reimbursement contracts. The most common is the **cost-plus-fixed-fee contract**. Under this type of contract, the contractor agrees to deliver its best efforts to perform the requirements in return for costs incurred and a reasonable fee. This negotiated fee cannot be changed unless the scope



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

of work in the contract is changed. The total estimated cost is agreed upon in advance by both the Government and the contractor. This estimate becomes the contract cost limitation that the contractor cannot exceed, except at the risk of non-reimbursement. This limit can be changed by mutual agreement of the Government and the contractor through a modification to the contract.

In cost-plus-fixed-fee contracts, the contractor's risk is minimal. The contractor only agrees a "best effort". No guarantee is given. Failure to do the specified work will not be a breach of contract, nor will it cost the contractor any money, so long as a "best effort" was provided. On the other hand, the Government's risk in a cost-plus-fixed-fee contract is high. It has no guarantee that it will get the specified work. If the work is not completed and the maximum costs have been reimbursed to the contractor, the Government has two choices. It can elect not to add funds to the contract and, essentially terminate the effort without receiving the desired product, or it can add money to the contract in the hope that the additional funds will be sufficient to achieve the expected result.

Cost type contracts require considerable greater effort on the part of the Government in monitoring performance. Appropriate oversight is required to ensure that the contractor is actually providing a best effort and that the contractor is judiciously expending funds and controlling cost. Closer involvement is also required in monitoring status and progress towards milestones. While contractor's waste or inefficiency occasionally causes overruns, far more often the cost overruns are due to the lack of certainty in contract requirements, which may have resulted from inappropriate direction provided to the contractor by someone other than the Contracting Officer. Given the nature of the work acquired by cost-reimbursement contracts, contractor performance often evolves in ways that neither the contractor nor the Government foresaw at the time of award. Early and continued involvement on the part of the Government is critical to dealing with these unexpected events. The COR plays a pivotal role in the successful completion of a cost type contract.

The cost type contract family also contains several variations that provide flexibility in determining how the fee will be computed or if there will even be a fee. Common cost contract types include cost-reimbursement contracts (no fee), cost sharing contracts and cost contracts with a various fee arrangements (cost-plus-fixed-fee contract, cost-plus-award-fee contracts and cost-plus-incentive-fee contracts)

### **Contract Types**

The Government uses two basic types or families of contracts. – fixed-price and cost-reimbursement. These differ in the relative amount of risk placed on the Government and the contractor, and the degree of contract management or administration that is required. The Contracting Officer, after consulting with the Project Officer, will determine the contract type most appropriate for the requirement. This may also be determined through negotiations between the Contracting Officer and the prospective contractor. In any event, the Project Officer



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

needs to understand the characteristics of each major contract type as this can significantly affect acquisition planning and contract administration duties. (See also *fixed-price contracts* and *cost type contracts*).

### **Defective Pricing**

This is defined as the failure to give the Government cost and pricing information that is current, accurate, and complete as the basis for the negotiation of a reasonable cost or price. Areas of defective pricing include direct labor hours, material costs, scrap rates, subcontract costs, and rebates and discounts.

### **Fixed-price Contracts**

The most common fixed-price contract is the **firm fixed-price contract**. These contracts are normally used for commercial items or requirements where the Government can describe its needs in a clear-cut, unambiguous manner sufficient for prospective contractors to develop a fair and reasonably priced proposal in which they assume only reasonable risk. In a firm fixed-price contract, the contractor agrees to deliver all supplies or services, at the times specified, for an agreed upon price. This price cannot be changed (unless the contract is modified). Profit is determined by the contractor's ability to control costs relative to the contract price. If the contractor's costs exceeds the contract price, the contractor must absorb the difference. Firm fixed-price contracts place maximum risk on the contractor and little or no risk on the Government. Consequently, the contractor has a high incentive to perform according to the terms and conditions of the contract and to control costs. Under firm fixed-price contracts, the Government's contract monitoring requirements are usually limited to ensuring that the contractor meets the requirements of the contract.

There are a number of other variations of fixed-price contracts. Essentially these operate much the same as a firm fixed-price contract, but they contain predetermined provisions for price adjustments. For example, fixed-price with economic adjustment contracts, which may be appropriate in a volatile labor market, can provide for upward or downward price adjustments based upon the results of an external labor rate index.

### **Fraud in Government Contracts**

One of the cornerstones of the Federal acquisition system is the requirement that Government contracts shall be awarded, to the greatest extent possible, on the basis of free and open competition. More than a dozen Federal statutes define and specify the penalties for the varied methods through which the Government and its contracting process can be defrauded or corrupted. Department of Justice experience shows that violations of those statutes can occur in all phases of the contracting process; involve both contractor and Government employees; and, entangle people who have no criminal intent. The well-meaning Government program planner and executor should be aware of the indicators of fraud to ensure integrity of the contract process and avoid violation of the fraud statutes. Common sense is probably the keyword for the typical



## ***Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives***

COR or Project Officer in meeting the intent of the fair and open competition principle. (See also ***Collusive Bidding and Other Antitrust Violations, Cost Mischarging, Defective Pricing, Kickbacks and Commercial Bribery, Product Substitution, and Progress Payment Fraud***).

### **Funding Rules**

No employee of the Government can request or direct a contractor or other entity to provide any goods or services without funding or in the advance of funding. (Anti-Deficiency Act, 31 U.S.C. 1341). Before executing any contract, the contracting officer shall obtain written assurance from responsible fiscal authority that adequate funds are available or expressly condition the contract upon availability of funds.

#### **Contracts Crossing Fiscal Years**

A contract that is funded by annual appropriations may not cross fiscal years, except in accordance with statutory authorization or when the contract calls for an end product that cannot feasibly be subdivided for separate performance in each fiscal year (*e.g.*, contracts for expert or consultant services). However, a Contracting Officer may enter into a contract, exercise an Option or issue a Task Order for severable services that begin in one fiscal year and end in another if the period awarded does not exceed one year.

#### **Incrementally Funded Contracts**

Funds are obligated to cover the amount allotted and any corresponding increment of fee.

#### **Fiscal Year Contracts**

The Contracting Officer may initiate a contracting action properly chargeable to funds of the new fiscal year before these funds are available provided the contract includes the "Availability of Funds" clause. This authority may be used only for operation and maintenance and continuing services (rentals, utilities, and supply items not financed by stock funds).

#### **Fully Funded Contracts**

Funds are obligated to cover the price or target price of a fixed-price contract or the estimated cost and any fee of a cost-reimbursement contract.

#### **Task Order Contracts**

Task Order contracts or other contracts for services with a performance period of 12 months or less and that are funded by annual appropriations may extend beyond the fiscal year in which it begins provided that any specified minimum quantities are certain to be ordered in the initial fiscal year and the contract includes the "Availability of Funds" clause.

The Government shall not accept supplies or services under a contract conditioned upon the availability of funds until the Contracting Officer has given the contractor notice, to be confirmed in writing, that funds are available.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Government Purchase Card**

Normally, purchases below \$2500, the Micro Purchase threshold, are accomplished by using the Government Purchase Card. This allows the requiring activity to purchase routine items below \$2500 using a card issued to someone in the organization thereby streamlining the process for these small purchases. These types of purchases can also be accomplished using an Inter Military Purchase Agreement Card (IMPAC).

### **Grants Officer/Account Manager**

Grants Officer/Account Managers have the authority to enter into Assistance Agreements e.g., grants or cooperative agreements that will require an expenditure of government funds or other resources. **Only** Grants Officer/Account Managers can execute Assistance Agreements that bind the government by awarding grants and cooperative agreements and make changes and modifications to these agreements. The Principal Assistant Responsible for Contracting (PARC) appoints Grants Officer/Account Managers.

### **Grants Officer's Representative (GOR)**

A GOR is a technical or program person appointed by the Grants Officer/Account Manager to monitor the technical or scientific aspects of Assistance Agreements. This delegation must be done in writing.

### **Gratuities**

Gratuities are defined as gifts, entertainment, or favors generally given to enhance the relationship between the offeror and the Government employee, rather than to bribe. Government employees are prohibited from accepting gratuities on the premise that gifts, entertainment, or favors, no matter how innocently offered and received, may be a source of embarrassment both to USAMRMC and to the employee involved. Accepting gratuities might give the impression that the objective judgement of the recipient has been affected and could erode public confidence in the integrity of the relationship between USAMRMC and the private organization.

### **Head of the Contracting Activity (HCA)**

The HCA is the person, by his position in an organization, who has the overall responsibility for the effective and legal execution of the organization's acquisition program. The Commanding General, USAMRMC is the Head of the Contracting Activity for USAMRMC.

### **Integrity of the Procurement Process**

The term, "integrity of the acquisition process," means allowing private sector firms to compete for the Government's business on a scrupulously fair basis. The emphasis here is on the word "fair." Not only is fairness a prerequisite in Government acquisition due to the Government's unique position as representative of the American people, but fairness also helps ensure that the Government will obtain its supplies and services at the best price available.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

Government personnel who are associated with the acquisition process have a responsibility to protect its integrity, maintaining fairness in the Government's treatment of all contractors or potential contractors. Procurement officials are subject to additional requirements and restrictions regarding conduct while in the employ of the Government and after they leave Government employment. These requirements and restrictions are complex, subject to change and beyond the scope of the desk reference. In general, if you had anything to do with a procurement, from developing the Statement of Work, to the evaluation of proposals, to monitoring technical performance of the contract, then you are probably a procurement official. If this is the case, it is your responsibility to learn the restrictions placed upon you by visiting with the Command's ethics advisor.

### **Kickbacks and Commercial Bribery**

This may occur when a subcontractor gives the prime contractor or one of its employees something in order to receive the subcontract or other favorable treatment. Kickbacks have been specifically prohibited on Government contracts for many years. Examples are direct payments to individuals (purchasing agents to presidents) in exchange for taking action; gratuities to individuals to curry favor; and passing kickbacks through agents by paying excessive commissions.

Contractors, contract employees and Government personnel committing fraud may be subject to one or more criminal, civil, administrative and/or contractual remedies of a punitive and/or pecuniary nature. Government personnel observing an indicator of fraud, or being informed by a non-Government person or entity (e.g., competing contractor) of alleged fraudulent activity, should immediately inform the Contracting Officer and the Command Judge Advocate.

### **Misconduct in Science**

In recent years the issue of misconduct in science has become a matter of concern to research institutions, individual scientists, sponsors of research, and the general public. Although instances of verified misconduct are rare, virtually every instance raises serious questions about the integrity of research and, since most biomedical and behavioral research is Federally funded, about the stewardship of Federal funds.

### **Options**

Options are used when there is a clearly defined quantity or requirement for products or services, but due to funding availability or other restrictions, they cannot be ordered at the time of contract award. When supplies or services are required beyond the base period, the use of an Indefinite Delivery/Indefinite Quantity ("D" contract) is a better approach as it does not take the same level of analysis or planning as exercising an option.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Order of Preference**

The Government follows an order of preference when acquiring goods and services. This order of preference is as follows: government inventory; mandatory sources of supply, i.e., UNICIOR, JWOD; existing contracts, e.g., GSA Schedules; small, minority owned businesses; small businesses, and large businesses.

### **Ordering Officers**

Ordering Officers have limited authority to order supplies and services from priced procurement instruments, such as General Service Administration Schedules, Blanket Purchase Agreements, and Indefinite Quantity/Indefinite Delivery contracts. The Principal Assistant Responsible for Contracting or the USAMRAA Deputy for Business Operations can appoint Ordering Officers.

### **Principal Assistant Responsible for Contracting (PARC)**

The PARC is the senior staff official responsible for the oversight and administration of the contracting and Assistance Agreement function within USAMRMC. The PARC is appointed by the HCA. Even though the PARC is normally an assigned position in a research and acquisition command, this individual's duties must be delegated in writing by the HCA. The PARC is assisted by acquisition professionals assigned to the Office of the Principal Assistant for Contracting. The PARC exercises oversight responsibilities through issuing policy and direction and through procurement management reviews of USAMRAA and other USAMRMC subordinate activities.

### **Product Substitution**

The delivery of a different product to the Government from that specified in the contract can be fraudulent. When done intentionally, delivery of a non-compliant product is fraud, rather than a mere breach of contract. Examples: failure to properly test or report false test results; altering test equipment to produce inaccurate results; and, altering the Government inspector's vigilance with bribes or gratuities.

### **Progress Payment Fraud**

When a contract provides for progress payments, a contractor's inclusion of expenses not yet incurred results in a fraudulent interest free loan from the Government to the contractor, e.g., payment for materials in advance of delivery, or issuing a check for payment but not mailing it until a later date.

### **Project Officers**

For purposes of this guide, the term Project Officer is used generically to refer to technical or program individuals assigned the responsibilities of initiating acquisition actions and providing technical planning and guidance for the acquisition process. After contract award, the Project Officer may continue involvement in the contract as a Contracting Officer's Representative.



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Purchase Orders**

Purchase Orders are offers by the Government to buy supplies or services under specified terms and conditions, the aggregate amount of which does not exceed \$100,000. The Purchase Order is unique in Government acquisition. A Purchase Order is a Government offer that becomes binding when the contractor indicates his acceptance by signing the Purchase Order document, beginning work, or delivering the supplies. Purchase Orders are normally issued on a fixed-price basis. Unfinalized Purchase Orders may be issued where the price cannot be predetermined, i.e., for the repair of an item where the item must be disassembled to determine the extent of repair needed. However, unfinalized Purchase Orders contain a *not to exceed* authorization

### **Purchase Request**

A Purchase Request (PR) is a form or a document that is submitted to the Contracting Officer to initiate a requisition for the purchase of services or supplies. This form will include the amount of money allotted and accounting classification number for the requirement, a description of requirement and necessary signatures. As appropriate, the Purchase Request will include a detailed purchase description, statement of work or specifications, delivery schedule, solicitation evaluation factors, estimate of the cost/price and/or a Quality Assurance Surveillance Plan.

### **Simplified Acquisitions**

Simplified Acquisition Procedures (SAP) are normally used to buy Government requirements below \$100,000. SAP is an informal process that maximizes the use of electronic communications. Simply put, SAP consists of a Request For Quote (RFQ), a Proposal, and a Purchase Order. (See also *Purchase Orders, Government Purchase Cards, and Blanket Purchase Agreements*).

### **Small Business' Role in Federal Contracts**

The role of small business is key to the economic health of the United States and readiness of the military forces. Small businesses make up the largest percentage of businesses in the United States and are the employers of the largest percentage of the workforce. The greatest innovations have come from small businesses. For example, MicroSoft and Apple Computer delivered their greatest innovations when they were small businesses. They provide the greatest owner involvement, innovation, lowest overhead expenses, and fuel the economic power of the United States. It is paramount that small businesses be provided every reasonable opportunity to fulfill the needs of the Federal Government. If you have any questions or would like to learn more about the Command's Socioeconomic Programs, you should contact our Associate Director of Small and Disadvantaged Business Utilization (ADSDBU).



## *Acquisition Desk Reference for Project Officers, Contracting Officer's Representatives And Grants Officer's Representatives*

### **Unauthorized Commitments**

An unauthorized commitment is an agreement made to bind the Government by an employee of the Government that does not have the authority to do so. Only a Contracting Officer, operating within the limits of their authority, may obligate the Government. Although the Government is not bound by the acts of unauthorized individuals, such acts bring discredit to the activity, strain relationships with the vendor community and in general, generate considerable additional paperwork. Individuals responsible for unauthorized commitment could be held personally liable and/or be subject to disciplinary action.

### **Unsolicited Proposals**

An unsolicited proposal is a written proposal for a new or innovative idea that is submitted to an agency on the initiative of the offeror for the purpose of obtaining a contract with the Government. In order to be accepted by the Government, an unsolicited proposal must meet all of the following criteria:

- Be innovative and unique
- Be independently originated and developed by the offeror
- Be prepared without Government supervision
- Include sufficient detail for determination of support and benefit the Government
- Not be an advance proposal for a known requirement.

### **Use of Official Information**

The public interest requires that certain information in the possession of the Government be kept confidential and released only with general or specific authority under DOD or other regulations. Such information may involve the national security or be private, personal, or business information that has been furnished to the Government in confidence. In addition, information in the possession of the Government and not generally available to the public, may not be used for private gain.

Most prohibitions against use of official information are applicable to the regulations governing conflict of interest. In addition, regulations governing use of official information prohibit an employee from allowing others to make use of official information. Employees shall not, directly or indirectly, make use of official information not made available to the general public, for the purpose of furthering any private interest.



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

## INDEX

Acceptable Quality Level (AQL), 2, 32, 36, 63, 95  
Acceptance, 10, 24, 29, 31, 35, 46, 53, 60, 61, 62, 63, 71, 77, 85, 90, 94, 99, 100, 104, 120, 135, 140, 142, 146, 147, 164, 168, 170, 174, 175, 187, 188, 189, 202, 210  
Account Manager, 7, 8, 11, 14, 50, 51, 74, 76, 80, 113, 117, 119, 121, 160, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 182, 200, 201, 202, 207  
Acquisition planning, 5, 7, 44, 48, 50, 70, 73, 75, 105, 110, 118, 155, 179  
ADP position sensitivity designation, 2, 11, 183  
ADP-I, 2  
ADP-II, 2  
ADP-III, 3  
Advanced Development, 107  
Anti - Deficiency Act, 200  
Applied research, 107, 157  
Aquiline, 20, 56  
Assistance Agreements, 1, 110, 157  
Associate Director for Small and Disadvantaged Business Utilization (ADSADBU), 8, 51, 76, 119, 181, 182, 200  
Basic research, 107, 157  
Best value continuum, 15, 16, 125  
Best value tradeoff, 16, 125  
Biosafety Level 1, 108  
Biosafety Level 2, 108  
Biosafety Level 3, 108  
Biosafety Level 4, 109  
Blanket Purchase Agreement, 201  
Bonds, 71  
Broad Agency Announcements, 107, 112, 114, 158, 161  
Collusive Bidding, 201  
Commercial items, 46  
Competition, 11, 19, 22, 52, 53, 56, 59, 72, 77, 78, 81, 84, 122, 129, 133, 180, 181, 182, 184, 185, 201, 202, 205, 206  
Competition Advocate, 200, 201, 202  
Concept development, 6, 49, 74, 116, 133  
Conflicts of Interest, 202  
Constructive changes, 33, 34, 98, 99, 145, 146, 173, 174  
Contract, 10, 11, 12, 13, 14, 24, 26, 29, 30, 31, 32, 38, 43, 44, 45, 61, 64, 69, 70, 76, 77, 79, 86, 87, 89, 91, 92, 93, 94, 96, 101, 105, 106, 120, 121, 122, 123, 135, 137, 140, 141, 142, 144, 149, 150, 154, 155, 180, 182, 187, 188, 189, 202, 204



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Contracting Officer, 1, 2, 4, 7, 8, 11, 13, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 46, 50, 51, 54, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 76, 80, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 97, 98, 99, 100, 101, 102, 103, 104, 105, 107, 119, 121, 123, 124, 125, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 182, 192, 194, 199, 200, 202, 203, 204, 209, 210

Contracting Officer's Representative, 1, 2, 23, 46, 60, 71, 84, 107, 134, 203

Cooperative Agreements, 1, 157, 160, 172, 207

COR Appointment Letter, 23, 25, 33, 35, 36, 45, 60, 63, 85, 86, 97, 100, 106, 135, 136, 145, 147, 155

Daily Construction Quality Control Report, 95, 96

DD Form 250, 35, 36, 63, 100, 147, 186, 188

Debriefings, 27, 30, 59, 138, 141

Defective Pricing, 205

Design, 46, 71, 72

Design Specifications, 46

Development, 107, 109, 110, 112, 113, 118, 155, 157, 158, 159, 192

Evaluation factors, 4, 15, 16, 17, 55, 114, 125, 126, 161, 210

FedBizOpps.com, 8, 51, 75, 118, 158, 181, 182

Federal Supply Schedule, 46

FOB Destination, 46

FOB Origin, 47

Fraud, 205, 209

    Product substitution, 209

    Progress payment, 209

Government budget estimate, 13, 54, 123

Government Cost Estimate (IGCE), 14, 54, 123, 180

Government furnished property, 37, 148, 176

Grants, 1, 160, 207

Grants Officer's Representative, 1, 157, 163, 164, 173

Independent Cost Estimate (ICE), 14, 54, 123

Independent Government Estimate (IGE), 14, 54, 79, 123

Inherently governmental functions, 3

Interagency Acquisitions, 110

Inter-governmental orders, 1

Liquidated Damages, 71

Lowest price technically acceptable source selection, 16, 125

Market Research, 8, 14, 41, 44, 50, 51, 54, 67, 70, 75, 76, 105, 118, 119, 123, 133, 152, 155

Military Interdepartmental Purchase Request, 134

Modifications, 38, 64, 101, 149, 176

Negotiations, 21, 22, 40, 58, 59, 65, 67, 83, 84, 102, 104, 132, 133, 151, 177, 178, 204



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Nonpersonal service contracts, 3  
Options, 10, 40, 41, 53, 67, 121, 151, 152, 206, 208  
Oral presentations, 22, 58, 133  
Past performance, 8, 15, 22, 29, 41, 42, 43, 51, 58, 68, 76, 83, 104, 118, 125, 133, 140, 152, 153  
Past Performance Automated Information System (PPAIS), 8, 41, 51, 119  
Past Performance Information Management System (PPIMS), 8, 41, 51, 68, 118, 152  
Performance specifications, 47, 72  
Performance Work Statement  
    See also PWS, 4, 9, 19, 34, 40  
Performance Work Statements  
    See also PWS, 4  
Performance-based contracting, 3  
Personal services contracts, 3, 197  
Post Award Orientation, 27, 28, 29, 30, 138, 139, 141, 167, 168, 169  
Pre-award survey, 22, 58, 83, 132  
Preconstruction Conference, 88, 89, 93, 95, 106  
Pre-Proposal Conference, 20, 57, 131  
Project Officer, 1, 2, 6, 7, 8, 9, 11, 13, 14, 15, 16, 19, 20, 21, 22, 23, 28, 44, 46, 49, 50, 51, 52, 54, 56, 57, 58, 59, 60, 70, 71, 74, 75, 76, 78, 80, 81, 82, 83, 84, 85, 105, 107, 113, 114, 115, 116, 118, 119, 120, 121, 122, 123, 125, 129, 131, 132, 133, 134, 155, 157, 160, 161, 162, 163, 182, 200, 204, 206, 209  
Purchase Descriptions, 52  
Purchase Request, 4, 19, 20, 56, 81, 105, 115, 116, 129, 130, 155, 162, 210  
PWS, 9, 10, 11, 12, 14, 24, 38, 120, 183  
    See also Performance Work Statement, 4  
QASP  
    See also Quality Assurance Surveillance Plan, 11, 12, 31, 32, 78, 79, 94, 95, 122, 142  
Quality Assurance, 4, 11, 12, 13, 19, 31, 42, 44, 45, 70, 78, 81, 94, 105, 106, 122, 129, 133, 142, 153, 189  
Rejection, 35, 36, 45, 61, 62, 63, 70, 99, 100, 106, 146, 147, 155, 174, 175  
Reports of Discrepancies, 47  
Sealed Bidding, 72  
Simplified Acquisitions, 191, 192, 194, 195, 196, 198, 199, 210  
Site visit, 82, 144, 172  
Small Business, 191, 192, 193, 194, 195, 196, 198, 199, 210  
Specification, 11, 52, 56, 61, 67, 72, 121, 180, 182  
Standard, 47, 72, 114, 144, 161, 172  
Technical Evaluations, 21, 58, 83, 114, 132, 161  
Termination for Default, 39, 40, 103, 151  
Terminations for Convenience, 40, 66, 103, 151  
Unauthorized Commitments, 211



*Acquisition Desk Reference for Project Officers,  
Contracting Officer's Representatives  
And Grants Officer's Representatives*

Undefinitized purchase orders, 210

Unsolicited Proposals, 211

Warranties, 47

Work plan, 22, 23, 25, 26, 44, 61, 86, 87, 105, 136, 137, 165, 166