CONTRACTING BASICS
LEARNING OBJECTIVES

- CONTRACTING OFFICER
- CONTRACTING FUNDAMENTALS
- CONTRACTING PROCESS
- HOW TO READ A CONTRACT
Contract Authority (FAR 1.602)

- Only Contracting Officers have authority to enter into, administer, or terminate contracts and **AND MAKE CHANGES TO THE CONTRACT**

- Contracting Officers may bind the Government only to the extent of the authority delegated to them

- Contracting Officers must ensure contracts are in compliance with all laws, executive orders, regulations, and all other applicable procedures

- Appointed via a Warrant with dollar limitations
WHAT IS A CONTRACT?

- An agreement between two or more parties
- Enforceable by law
- Oral or Written
- Must contain the following five elements:
  1. Offer
  2. Acceptance
  3. Consideration
  4. Legal w/possible objective
  5. Competent Parties
UNAUTHORIZED COMMITMENT/CONSTRUCTIVE CHANGE

- The contractor performs work beyond that required by the contract without a formal change order
- Originated from a Government informal order
- A Government informal order can be defined as words or deeds
- CORs are primary source of unauthorized commitment/constructive change; e.g., Following Commander’s Order
- THE GOVERNMENT IS NOT LIABLE FOR UNAUTHORIZED ACTS OF ITS EMPLOYEES!
TYPES OF UNAUTHORIZED COMMITMENTS/CONSTRUCTIVE CHANGES

- Disagreement over contract requirements
- Failure of the Government to cooperate during contract performance.
- Defective specifications and misleading information
- Acceleration of contract performance to finish sooner than what is stated in the contract schedule
Ratification

- Is the subsequent adoption of an unauthorized act

- This is a long and time consuming process, involving justifications and approvals – It is not automatic

- Be careful when instructing a contractor to perform a task that may be outside the scope of the contract

- You may be liable for the cost involved if the action is not ratified!
COST REIMBURSEABLE VS. FIXED PRICE CONTRACTS

GOVERNMENT

LOW → HIGH

FFP

RISK

Cost Reimbursable

HIGH ← LOW

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CONTRACTING FUNDAMENTALS

- Acquisition Planning
- Solicitation Process
- Submission of Proposals
- Contract Admin
- Contract Award
- Evaluation of Proposals
ACQUISITION PLANNING
Customer Establishes Requirements
• Determine Acquisition Strategy (w/KO)
• Conduct Market Research
• Define Requirement/Develop Requirements Package
  - PR&C
  - SOW/PWS (Drawings/Specifications)
  - IGCE
  - Security Requirements (DD 254)

SOLICITATION PROCESS
KO Prepares/ Issues Solicitation
• Post Synopsis
• Conduct Site Visits/Industry Days
• Develop Solicitation/Documentation
• Obtain Reviews/Approvals
• Release Request for Proposal
EVALUATION OF PROPOSALS
KO/COR Evaluates Proposals
- Evaluate proposals IAW Solicitation Factors
- May require COR participation

AWARD SELECTION
KO Awards Contract
- Select Awardee IAW Solicitation Factors
- Debriefs Unsuccessful Offerors
- May require COR participation

CONTRACT ADMINISTRATION
- COR Monitors Contractor’s Performance
- Quality Assurance, Documents Past Performance
- Options, Modifications, etc.
- Contract Closeout

EVALUATION OF PROPOSALS
AWARD SELECTION
CONTRACT ADMINISTRATION COR OVERSIGHT
CONTRACT NUMBER

204.7003 Basic PII number (PIIN)

(a) Elements of a number. The number consists of 13 alpha-numeric characters grouped to convey certain information.

(1) Positions 1 through 6. The first six positions identify the department/agency and office issuing the instrument. Use the DoD Activity Address Code (DoDAAC) assigned to the issuing office. DoDAACs can be found at https://www.daas.dla.mil/daasing/.

(2) Positions 7 through 8. The seventh and eighth positions are the last two digits of the fiscal year in which the PII number was assigned.

(3) Position 9. Indicate the type of instrument by entering one of the following upper case letters in position nine—

W912D1-09-P-9999
TYPES OF CONTRACTS 204.7003

(3) Position 9. Indicate the type of instrument by entering one of the following upper case letters in position nine—

(i) Blanket Purchase Agreements A

(iii) Contracts of all types except indefinite delivery contracts, facilities contracts, sales contracts, and contracts placed with or through other Government departments or agencies or against contracts placed by such departments or agencies outside the DoDC D

(iv) Indefinite Delivery Contracts

(vi) Contracting actions placed with or through other Government departments or agencies or against contracts placed by such departments or agencies outside the DoD (including actions with the National Industries for the Blind (NIB), the National Industries for the Severely Handicapped (NISH), and the Federal Prison Industries (UNICOR)) F

(xvi) Purchase order--automated (assign V when numbering capacity of P is exhausted during a fiscal year) P

W912D1-09-P-9999
ADDITIONS TO THE CONTRACT NUMBER

(a) Uses of the supplementary number. Use supplementary numbers with the basic PII number, to identify—

(1) Amendments to solicitations;
(2) Modifications to contracts and agreements, including provisioned item orders; and
   Contract Administration Office A####
   Administration Contracting Office P####
(3) Calls or orders under contracts, basic ordering agreements, or blanket purchase agreements, issued by the contracting office or by a DoD activity other than the contracting office, including DoD orders against Federal supply schedules.
   MOST calls or orders are a 4 digit number. 0001, 0032, 0101, etc.
   A modification to the call or order adds 2 additional characters

ORDER 0001 with MOD 3 would show as -000103
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TYPES OF CONTRACTS – Are these valid contract numbers?

W912D1-09-P-9999 P0003

N0062-91-D-1234-000101

W912D1-07-A-0023

W912D1-06-D-0003-0015

W52P1J-08-P-0006

GS-02F-0024P

W912D1-07-F-0012
HOW TO READ A CONTRACT

CONTRACT NUMBER
ORDER NUMBER
EFFECTIVE DATE
DODAAC
CAGE vs. NATO CAGE
9. CONTRACT OFFICE
12. DISCOUNT TERMS
15. SHIP TO
16. ADMINISTERED BY
17A. VENDOR
18A. PYMT OFFICE
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HOW TO READ A CONTRACT

BOX UNDER 18A

28. SIGNATURE OF VENDOR

29. CONTRACTING OFFICER SIGNATURE

AWARD DATE
The SF1449 is a method for receiving supplies and services. This method is most effective when full delivery occurs.

Blocks 32a through 42d

Notations by each CLIN are required for partial delivery.

The preferred method in KUWAIT is the DD250.
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HOW TO READ A CONTRACT

CLIN STRUCTURE
SUBCLIN
ITEM DESCRIPTION
QUANTITY
UNIT OF ISSUE
UNIT PRICE
ROUNDING IN PD2
3-DECIMAL KWD
LOCATION OF FOB
INFORMATION
FUNDING BY ACRN
PR NUMBER
WHAT IS AN OPTION?

PRICED vs UNPRICED

OPTION FUNDING

OPTION POP

OPTION NOTICE – requires planning

INSPECTION/ACCEPTANCE

SHIP TO ADDRESS:
SUPPLY – CRSP
SERVICE - UNIT
PERIOD OF PERFORMANCE

CONTRACT vs. CLIN

ACCOUNTING INFORMATION

Funding by CLIN = not by contract
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