

# DFARS Procedures, Guidance, and Information

## PGI 201—Federal Acquisition Regulations System

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*(Revised September 20, 2011)*

### PGI 201.6—CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES

#### PGI 201.602 Contracting officers.

##### PGI 201.602-2 Responsibilities.

See the Director, Defense Procurement and Acquisition Policy memorandum dated [July 11, 2011, Contracting Officer's Representative Designation—Iraq](#), which provides the procedures to be used when designating Department of State personnel as a contracting officer's representative (COR for contracts executed by DoD in support of Department of State in Iraq).

(i) A COR assists in the technical monitoring or administration of a contract.

(A) For contract actions for services awarded by a DoD component or by any other Federal agency on behalf of DoD, contracting officers shall designate a properly trained COR in writing before award. The surveillance activities performed by CORs should be tailored to the dollar value/complexity of the specific contract for which they are designated. Contracting officers may exempt service contracts from this requirement when the following three conditions are met:

(1) The contract will be awarded using simplified acquisition procedures;

(2) The requirement is not complex; and

(3) The contracting officer documents the file, in writing, why the appointment of a COR is unnecessary.

(B) Contracting officers also may designate a properly trained COR for contract actions other than those for services.

(C) The contracting officer shall include a copy of the written designation required by DFARS [201.602-2\(2\)\(v\)](#) in the official contract file.

(ii) In addition to the requirements of DFARS [201.602-2\(2\)](#), a COR must maintain a file for each contract assigned. This file must include, as a minimum—

(A) A copy of the contracting officer's letter of designation and other documentation describing the COR's duties and responsibilities; and

(B) Documentation of actions taken in accordance with the delegation of authority.

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## PGI 204—Publicizing Contract Actions

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(Added September 20, 2011)

### PGI 204.4—SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

#### PGI 204.402—General.

(1) The use of “Not Releasable to Foreign Nationals” (NOFORN) caveat on Department of Defense (DoD) Information, to include contract documents, shall not be applied to non-intelligence information except for Naval Nuclear Propulsion Information and the National Disclosure Policy document (NDP-1).

(2) Agencies shall not restrict procurements on the basis of foreign origin but rather on the level of security clearance required by industry to submit an offer and perform on the contract.

#### PGI 204.403 Responsibilities of contracting officers.

Consistent with the requirements at FAR subpart 4.403, contracting officers shall ensure that solicitations, to include any Broad Agency Announcement (BAA) or notice to industry, that requires industry access to classified information and/or controlled unclassified information ([see policy memos](#)), shall contain one or more of the following:

(1) Draft DoD Form DD 254, DoD Contract Security Classification Specification. See Defense Security Service (DSS) guide for the preparation of the DD Form 254: <http://www.dss.mil/seta/seta.html> (select the “Resources” tab, then security-related brochures and guides, followed by selecting “A Guide for the Preparation of a DD Form 254”).

(2) The clause at FAR 52.204-2, Security Requirements.

(3) Detailed agency instructions for industry requirements to request access to classified information and/or controlled unclassified information. Agency instructions shall clearly reference and be in accordance with the National Industrial Security Program Operating Manual (NISPOM) (DoD 5220-22-M) and Industrial Security Regulation (DoD 5220.22-R).

(4) The following is a template of agency instructions to industry:

“Offerors must have a valid U.S. security clearance of *[to be filled in by the contracting officer]* or higher in order to respond to this RFP (Announcement), because the RFP (Announcement) includes an annex (information) classified at the *[to be filled in by the contracting officer]* level which will be released only to offerors possessing the appropriate clearance. All classified material must be handled in accordance with the National Industrial Security Program Operating Manual (NISPOM) (DoD 5220-22-M) and Industrial Security Regulation (DoD 5220.22-R).”

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### PGI 204.6—CONTRACT REPORTING

#### PGI 204.602 General.

(1) *Helpful documents.* The Federal Procurement Data System (FPDS) website at <https://www.fpds.gov> provides useful documents and on-line training to assist with FPDS data entry. Key manuals can be found at the top of the website homepage under the “Training” and “Worksite” drop-down links to include:

(i) FPDS Data Element Dictionary – The data dictionary outlines relevant information for each data field. The version 1.4 Data Dictionary identifies whether a data field is Required, Optional, Propagates from the base action, Not Applicable or System Generated, for each type of data entry screen (Awards, Indefinite Delivery Vehicles, and Transactions/Modifications). It also identifies the source of data entry (e.g., Contracting Officer, Central Contractor Registration, FPDS); the format of the field; and whether the field input is derived from entries in other fields. At the back of the Data Dictionary is a useful summary “J3 DoD Use Case Summary.” Note that version 1.3 of the Data Dictionary (and earlier editions) used a term called “Not Required,” and did not distinguish between Not Applicable, Propagates, or System Generated. If a data field is identified as “Not Required,” it may mean that the data is pre-populated from another source, such as the Central Contractor Registration for vendor data, or the originating contract action report if the current action is referencing a previously reported award.

(ii) FPDS Data Validations – This document identifies all the validation rules that are applied to data entry. The majority of the rules apply Governmentwide. DoD specific validation rules appear at “J5.5.1 DoD Specific Validations.”

(iii) FPDS Users Manual – This manual provides guidance on the various types of data entry screens and addresses whether a particular field is: [R] – requires contracting officer/buyer entry; [A] – pre-populated by FPDS or a contract writing system, if using machine-to-machine process; or [C] – calculated by FPDS for each type of data entry screen. However, the nature of the field is determined based on Governmentwide requirements. To determine DoD-specific requirements, refer to J3 “DoD Use Case Summary” in the FPDS Data Element Dictionary.

(2) *Reporting technical or policy issues.*

(i) *Technical issues.* To report an FPDS technical issue—

(A)(1) Users of the Standard Procurement System (SPS) should contact their local SPS Help Desk (authorized SPS caller);

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(2) Users of other contract writing systems should contact the local contract writing system administrator to determine the appropriate procedures; and

(3) Web users should contact their local system administrator, who will then contact the FPDS Help Desk; or

(B) If the issue is an obvious FPDS technical issue that needs to be documented and corrected by the system, the user should contact the FPDS Help Desk, by phone at 703-390-5360 or by e-mail at [fpdssupport@gcefederal.com](mailto:fpdssupport@gcefederal.com). When e-mailing the FPDS Help Desk, also send a copy to the applicable agency representative identified in paragraph (2)(iii) of this section.

(ii) *Policy issues.* Report policy issues to the applicable agency representative identified in paragraph (2)(iii) of this section.

(iii) *Agency representatives.* Department and component FPDS representatives and their contact information can be found on the DPAP website at [http://www.acq.osd.mil/dpap/pdi/eb/federal\\_procurement\\_data\\_system\\_-\\_next\\_generation\\_fpds-ng.html](http://www.acq.osd.mil/dpap/pdi/eb/federal_procurement_data_system_-_next_generation_fpds-ng.html) under “Additional Resources.”

### PGI 204.606 Reporting data.

(1) *Methods of reporting to FPDS.*

(i) *Individual contract action report (CAR) (one CAR per contract action).*

The normal method of reporting to FPDS is through the use of individual CARs. However, see paragraphs (1)(ii) and (iii) of this section for exceptions to individual reporting.

(ii) *Multiple CARs (more than one CAR per contract action).*

(A) Prepare multiple CARs if—

(1) The contract or order award is anticipated to include foreign military sales (FMS) funding in addition to non-FMS funding.

(2) The contract or order award includes line items with more than one type of contract pricing (e.g., fixed-price, cost-plus-fixed-fee) and at least two of the types of contract pricing have a dollar value greater than \$5,000,000 for that type. Use a separate CAR for each type of contract pricing arrangement.

(B) The determination of whether multiple CARs are needed for the situations described in (A) of this section is made when the contract or order is awarded. Contracting officers are not required to delete and re-enter CARs in FPDS as multiple CARs if, during

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the life of the contract or order, subsequent unanticipated modifications make the award eligible for multiple CARs.

(C) The following multiple CAR transaction identification numbers have been established for reporting multiple CARs and shall be used by all DoD contracting offices. Do not use transaction numbers other than '0' if the requirements for multiple CARs in (A) and (B) of this section do not apply at the time of contract or order award. When reporting modifications, include the transaction number that was reported on the initial base award in order to properly identify the referenced contract action report. If both situations described in PGI [204.606](#)(1)(ii)(A) exist, transaction numbers should be assigned based on FMS and non-FMS rather than by type of contract pricing arrangement.

Transaction Type	Transaction Number
No multiple CARs	0
DoD-Cost	1
DoD-Cost-Sharing	2
DoD-CPAF	3
DoD-CPFF	4
DoD-CPIF	5
DoD-FFP	6
DoD-FP-EPA	7
DoD-FP-LOE	8
DoD-FPAF	9
DoD-FPI	10
DoD-FPR	11
DoD-LH	12
DoD-TM	13
FMS	14
Non-DoD	15
Non-FMS	16
DoD	17

(iii) *Express reporting (consolidated reporting of multiple contract actions, to be submitted at least monthly).*

(A) Express reporting may be used for—

(1) Multiple contract actions against a single contract or agreement, when monthly volume of actions is such that individual contract action reporting is overly burdensome (e.g., orders placed by the Defense Commissary Agency for resale; installation housing maintenance; and recurring blanket purchase agreement actions);

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(2) Multiple contract actions accomplished away from the contracting office, such as ships away from home port; contingency, humanitarian, or peacekeeping operations; or other remote deployments;

(3) Multiple delivery orders that use the Governmentwide purchase card as both the method of purchase and payment under federal supply schedules, Governmentwide acquisition contracts (GWACs), blanket purchase agreements (BPAs), basic ordering agreements (BOAs), and other indefinite-delivery type contracts;

(4) Multiple contract actions for energy-related supplies and associated services accomplished by the Defense Logistics Agency (DLA) Energy; and

(5) Orders under communications service agreements for local dial tone services, in accordance with agency procedures.

(B) When express reports reflect more than one contractor for overseas actions or consolidated delivery orders made using the Government purchase card where identification of the contract or agreement is not possible, use the appropriate generic DUNS number.

(C) When express reports are used, sum all of the actions and enter in the 'Number of Actions' data field. Also sum all of the obligations and enter in the 'Action Obligation', 'Base and Exercised Options Value', and 'Base and All Options Value' data fields. Express reports must be submitted no less frequently than monthly.

(2) *Actions not reported.* In addition, to the types of actions listed in FAR 4.606(c), do not report the following types of actions to FPDS:

(i) Orders placed by ordering officers against indefinite-delivery vehicles awarded by—

(A) The United States Transportation Command (USTRANSCOM) or its components for decentralized transportation-related services. USTRANSCOM will report these orders. Contracting officers shall submit consolidated reports of orders (bookings/bills of lading) at least annually to USTRANSCOM; or

(B) The Defense Logistics Agency (DLA) Energy for energy-related supplies and associated services. DLA Energy will report these orders.

(ii) Contracts, agreements, or orders that are themselves classified.

(3) *Specific instructions for entering data in FPDS.*

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(i) Contracting officers shall choose the correct FPDS format (e.g., purchase order, basic ordering agreement (BOA), blanket purchase agreement (BPA)) to report the award of a new contract, agreement, or order. Note that prior to FY10, DoD offices reported BOAs and BPAs as Indefinite-Delivery Contracts (IDCs) in FPDS; BPA calls issued under those pre-FY10 reported BPAs are reported using the task/delivery order format in FPDS. BPA calls issued under DoD issued BPAs reported FY10 or later or any civilian agency issued BPA should be reported using the BPA call format.

(ii) The remaining instructions in this section cover the different sections of an FPDS contract action report, as presented to the user in the system. Not every data element is addressed here, as many are self-explanatory. Users should also consult the FPDS User Manual referenced in PGI [204.602\(1\)\(iii\)](#) for more complete descriptions and examples. Also, the instructions in this section use data field names based on what is shown to the user while entering data in FPDS; for more specific information, review the FPDS Data Element Dictionary referenced in PGI [204.602\(1\)\(i\)](#).

(iii) *FPDS Entry – Document Information Section.*

(A) Enter the new contract, agreement, or order number in the 'Procurement Identifier' data field. Note that new awards will be reflected as Modification 0 in FPDS.

(B) If the action is a BPA awarded against a Federal Supply Schedule, enter the Federal Supply Schedule contract number in the 'Referenced IDV' data field.

(C) If the action is a delivery order awarded against a Federal Supply Schedule, Governmentwide acquisition contract (GWAC), BOA, or other indefinite-delivery contract (IDC); enter that contract or BOA number in the 'Referenced IDV' data field.

(D) If the action is a BPA call awarded against a BPA, enter the BPA number in the 'Referenced IDV' data field.

(E) If the action is a modification, enter the contract, agreement, or order number in the 'Procurement Identifier' data field and the modification number in the 'Modification No' data field.

(F) If multiple reports are required by PGI [204.606\(1\)\(ii\)](#), then enter the appropriate transaction number in the 'Trans No' data field.

(G) If the award is associated with a solicitation, enter the solicitation number in the 'Solicitation ID' data field.

(H) If the award is associated with an initiative identified in FPDS (e.g., American Recovery and Reinvestment Act), choose the appropriate value in the 'Initiative' data field.

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(iv) *FPDS Entry – Treasury Account Symbol (TAS) data fields.*

(A) The TAS is used in FPDS to identify the type of funding obligated on a contract action. Per guidance from the Office of Management and Budget, the TAS is used as the 'program source' data element required by the Federal Funding Accountability and Transparency Act.

(B) The TAS should be provided by the requiring organization with the purchase request, and is often part of the line of accounting. The list of valid TAS is maintained by the Department of Treasury in the FASTBook; an on-line version of the FASTBook is available at <http://www.fms.treas.gov/fastbook/index.html>. Each TAS reported to FPDS includes a character agency identifier and a four character main account code (example: 97 0100). Some TAS also require a three character subaccount code. Note that the Department of Treasury FASTBook indicates a transition from a two character agency identifier to a three character agency identifier, completing in FY14. However at this time, DoD contracting officers are advised to drop the leading zero (0) from a three character agency identifier, and enter the next two characters in FPDS (e.g., 097 becomes 97).

(C) Report the TAS on CARs for each contract action with an obligation amount other than \$0. The TAS that is reported on a CAR should represent the predominant type of funding in terms of absolute dollars obligated and deobligated on the specific contract action being reported.

(D) For contract actions awarded by working capital funds offices, and the original type of funds received from the customer are not tied to specific procurements or otherwise identifiable, use the TAS that represents the working capital funds provided.

(E) For contract actions funded by foreign governments, and those funds are not considered under the Foreign Military Financing Program identified by the Department of Treasury in its FASTBook, in order to report the action to FPDS using the code that most closely approximates the use of the funds, then enter—

(1) 97 0100 (Operation and Maintenance, Defense-Wide, Defense) as the TAS for requirements that can be categorized as operations and maintenance in nature;

(2) 97 0300 (Procurement, Defense-Wide) as the TAS for requirements that can be categorized as procurement in nature; or

(3) 97 0400 (Research, Development, Test, and Evaluation, Defense-Wide) as the TAS for requirements that can be categorized as research and development in nature.

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(F) USTRANSCOM should use 97 0100 (Operation and Maintenance, Defense-Wide, Defense) as the TAS when reporting the consolidated orders of from their decentralized transportation-related services contracts.

(G) Additional information regarding the TAS is available in Frequently Asked Questions on the DPAP website at <http://www.acq.osd.mil/dpap/> in the eBusiness / FPDS section.

(v) *FPDS Entry – Dates Section.*

(A) The 'Date Signed' data field represents the date the contracting officer signed or otherwise awarded the contract action. For actions where a verbal authorization to proceed was given prior to the signed contract action, use the date of the verbal authorization.

(B) The date entered in the 'Completion Date' data field shall be the latest period of performance / delivery date of all of the exercised line items on the contract or order. This data field must be updated on the contract action report used to report the modification whenever line items are added or exercised by modification that extend the period of performance / delivery date beyond what was previously entered, including the exercise of any option years.

(C) The date entered in the 'Est. Ultimate Completion Date' data field shall be the latest period of performance / delivery date of all line items on the contract or order, including unexercised line items and option years. This data field must be updated on the contract action report used to report the modification whenever line items are added or changed by modification that extend the period of performance/delivery date beyond what was previously entered.

(D) The date entered in the 'Last Date to Order' data field on indefinite-delivery contracts, BOAs, and BPAs shall be the last date allowed by the contract for the contractor to accept orders. This data field must be updated whenever this date is changed by modification from what was previously entered.

(vi) *FPDS Entry – Amounts Section.*

(A) When entering a net deobligation on a contract action, include the minus (-) sign.

(B) The amount entered in the 'Base and Exercised Options Value' for new awards shall be the total value of all the exercised line items on the contract or order regardless of whether they are partially or fully funded. This data field must be updated on the contract action report used to report the modification whenever the current value of the contract or order is changed by modification, including when options are exercised. When

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reporting such a modification, report the net value of the change itself in 'Current' field; FPDS will calculate the new total Base and Exercised Options Value.

(C) The amount entered in the 'Base and All Options Value' for new awards shall be the total potential value of the award (i.e., total price, total not-to-exceed amount, maximum award amount, etc), including the value of all unexercised line items and options. This data field must be updated on the contract action report used to report the modification whenever the total potential value is changed by modification. When reporting such a modification, report the net value of the change itself in 'Current' field; FPDS will calculate the new total Base and All Options Value.

(vii) *FPDS Entry – Purchaser Information Section.*

(A) Enter the contracting office's DoD Activity Address Code (DoDAAC) in as the 'Contracting Office ID' data field.

(B) If the requiring organization is a DoD organization, enter the DoDAAC for the requiring office in the 'Funding Office ID' data field. This is normally the DoDAAC that is included on the purchase request in the purchase request number. If the contract action is supporting working capital funded efforts and the specific requiring office is unknown, enter the DoDAAC for the working capital funded office.

(C) If the requiring organization is not a DoD organization, enter the Funding Office ID provided on the interagency agreement in the 'Funding Office ID' data field.

(viii) *FPDS Entry – Contractor Information Section.*

(A) Enter the DUNS number for the vendor in the 'DUNS No.' data field. This DUNS number will be used to pull the associated current record from the Central Contractor Registration (CCR) database.

(B) If a CCR exception applies to the procurement, ensure the correct exception is chosen from the 'CCR Exception' data field. In this case the DUNS number entered in the 'DUNS No.' data field will be used to pull the contractor's name and location information from Dun & Bradstreet's database.

(ix) *FPDS Entry – Contract Data Section.*

(A) On the contract action report used to report the base award, choose the type of contract pricing in the 'Type of Contract' data field that is applicable to the predominant amount of the action, based on the value of the line items. This value will automatically populate any subsequent contract action reports for modifications.

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(B) Enter '1' in the 'Number of Actions' data field unless using Express Reporting procedures described in PGI [204.606\(1\)\(iii\)](#).

(x) *FPDS Entry – Legislative Mandates Section.*

(A) For the 'Clinger-Cohen Act', 'Service Contract Act', 'Walsh-Healey Act', and 'Davis Bacon Act'; answer 'Yes' if the acts apply to any of the line items on the award. Choose 'Not Applicable' if the act itself is not applicable based on implementation requirements in the FAR for each act. Choose 'No' if the act is applicable, but the associated clauses were not included in the award.

(B) If the contracting officer selects 'Other Statutory Authority' in the 'Interagency Contracting Authority', they must enter the name of the other authority in the associated text box.

(xi) *FPDS Entry – Principal Place of Performance Section.*

(A) The data entered in this section shall reflect the predominant place where manufacturing occurred on contracts for supplies, not on the Government delivery location. For services, identify the location that represents the predominant place the services are performed.

(B) For place of performance based in the United States, ensure the zip code + 4 data element is entered. This will populate the city and state fields accordingly.

(xii) *FPDS Entry – Product or Service Information Section.*

(A) For the product or service code (PSC) data field choose the code that best represents the predominant amount of supplies or services being procured on the award. The list of active PSCs for use in FPDS reporting is available on the FPDS website under the 'Worksite' section under 'Reference'.

(B) For the principal NAICS code data field, enter the NAICS code that best represents the type of industry related to the predominant amount of supplies or services being procured on the award. If the award was a result of a solicitation that included any of the following provisions, use the NAICS code that was included in the provision: 52.204-8 'Annual Representations and Certifications', 52.212-3 'Offeror Representations and Certifications – Commercial Items', or 52.219-1 'Small Business Program Representations'. The list of active NAICS codes for use in FPDS reporting is available on the FPDS website under the 'Worksite' section under 'Reference'.

(C) For the place of manufacture data field, only choose Manufactured Outside the United States – Qualifying Country if the country of product or service origin is Australia, Austria, Belgium, Canada, Denmark, Egypt, France, Finland, Germany, Greece, Israel, Italy,

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Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, or the United Kingdom. These are the only current qualifying countries.

(D) For the description of requirement data field, enter a short description of what is being procured by the action. This should be entered in plain English with no acronyms or military jargon such that the public can understand what is being acquired by the Department. When reporting modifications, do not use this field to explain what type of procurement process is accomplished (e.g., exercise option year, incremental funding); continue to address what is being procured.

(xiii) *FPDS Entry – Competition Information Section.*

(A) Indefinite-delivery vehicle (IDV) selection.

(1) *BPA* – use the BPA screen when awarding either a FAR part 8 or a FAR part 13 BPA. If the BPA is a FAR part 8 BPA, enter the Federal Supply Schedule number in the “Referenced IDV” field. NOTE: Orders placed under BPAs will use the BPA call screen.

(2) *BOA* – use the BOA screen when issuing a BOA. NOTE: Orders placed under BOAs will use the task and delivery order screen.

(3) *Indefinite-Delivery Contracts (IDC)* – Use the IDC screen when awarding a FAR part 16 task or delivery order contract. NOTE: Orders placed under IDCs will use the task and delivery order screen.

(B) Multiple or single award indefinite-delivery vehicles.

(1) *Multiple Award* – Select Multiple Award when the contract action is—

(i) One of several indefinite-delivery indefinite-quantity (IDIQ) contracts awarded under a single solicitation in accordance with FAR 16.504(c);

(ii) One of several blanket purchase agreements BPAs awarded against a Federal Supply Schedule in accordance with FAR 8.405-3;

(iii) Any other IDIQ contract that an agency enters into with two or more sources under the same solicitation that requires contracting officers to compare or compete their requirements among several vendors; or

(iv) A part 13 BPA or Blanket Ordering Agreement (BOA) with multiple awards.

NOTE: The requirement to report on fair opportunity is not triggered by the selection of multiple awards for part 13 BPAs or BOAs.

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(2) *Single Award* – Select Single Award when the contract does not satisfy the above criteria for a multiple award.

(C) Solicitation procedures. Select the appropriate entry from the following list:

(1) *Simplified Acquisition* – Report this code for competitive and noncompetitive contract actions that used simplified acquisition procedures in accordance with FAR part 13, to include acquisitions using the Commercial Items Test Program. However, if the action is noncompetitive and the reason for other than full and open competition is other than “Authorized by Statute”, “Authorized Resale”, or “SAP Noncompetition”, then enter “Only One Source Solicited” as the solicitation procedure. (Note that most times when in conflict, the reason for other than full and open competition takes precedence over the type of solicitation procedure used.)

(2) *Only One Source Solicited* – Use this code if no solicitation procedure was used or only one source is solicited for the action.

(3) *Negotiated Proposal/Quote* – Use this code for competitive contract actions that use negotiated procedures (FAR parts 12, 13, or 15).

(4) *Sealed Bid* – Use this code for contract actions using sealed bid procedures (FAR part 14).

(5) *Two Step* – Use this code for contract actions that use a combination of sealed bids and negotiated procedures (FAR 6.102).

(6) *Architect-Engineer FAR 6.102* – Use this code if the action resulted from selection of sources for architect-engineer contracts pursuant to FAR 6.102(d)(1).

(7) *Basic Research* – Use this code if the action resulted from a competitive selection of basic research proposals pursuant to FAR 6.102(d)(2).

(8) *Alternative Sources* – Use this code if the action resulted from use of procedures that provided for full and open competition after exclusion of sources to establish or maintain alternative sources pursuant to FAR 6.202.

(9) *Subject to Multiple Award Fair Opportunity* –FPDS will automatically populate this entry for orders placed against multiple award contracts (to include Federal Supply Schedules) and FAR part 8 BPAs (and orders issued under such BPAs that are subject to fair opportunity pursuant to DFARS [208.405-70](#) or FAR 16.505/DFARS [216.505-70](#)).

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(D) Extent Competed. Select the appropriate entry from the following list. The extent competed for any modification or order against a task or delivery order contract pulls from the basic contract.

(1) *Competed under SAP* – Report this for competitive contract actions that were awarded using FAR part 13 Simplified Acquisition Procedures (i.e., solicitation procedures were “Simplified Acquisition”), to include for the Commercial Item Test Program.

(2) *Full and Open Competition (F&OC)* – Report this if the contract action resulted from an award pursuant to FAR 6.102(a), Sealed bids; FAR 6.102(b), Competitive proposals; FAR 6.102(c), Combination; or any other competitive method that did not exclude sources of any type.

(3) *F&OC after Exclusion of Sources* – Report this when sources are excluded before competition. (Note: This terminology is broader than FAR subpart 6.2, which includes set-aside actions and actions to establish or maintain alternate sources, in that it also includes actions justified by a justification and approval that provided for competition).

(4) *Not Available for Competition* – Report this if the contract action is not available for competition (i.e., contract actions where the solicitation procedure was “Only One Source” and the reason not competed is “Authorized by Statute,” “International Agreement,” “Utilities,” or “Authorized Resale.”) Note that sole source set-asides for 8a firms, HUBZone firms, and service-related disabled veteran-owned concerns should always be identified as “Authorized by Statute” as the reason for other than full and open competition.

(5) *Not Competed under SAP* – Report this for non-competitive contract actions that were awarded using FAR part 13 Simplified Acquisition Procedures (i.e., solicitation procedures were “Simplified Acquisition”).

(6) *Not Competed* – Report this when the contract action is not competed and the solicitation procedures are “Only One Source.”

(E) Fair Opportunity/Limited Sources. This field is the basis for determining whether competition is provided for on orders placed against multiple-award contracts (to include DoD contracts, Governmentwide Acquisition Contracts, Federal Supply Schedules, and BPAs issued under the Federal Supply Schedules). If a Federal Supply Schedule contract or a Governmentwide multiple-award contract is not coded as a multiple-award vehicle, thereby preventing completion of this field, the FPDS user should advise the agency FPDS so that the contracting office for the multiple-award contract can be notified and pursue correction.

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(1) *Urgency* – Report this if the action was justified pursuant to FAR 8.405-6(b)(3) or FAR 16.505(b)(2)(i)(A).

(2) *Only One Source* – Other – Report if the action was justified pursuant to FAR 8.405-6(b)(1) or FAR 16.505(b)(2)(i)(B).

(3) *Follow-On Delivery Order Following Competitive Initial Order* – Report this if the action was justified pursuant to FAR 8.405-6(b)(2) or FAR 16.505(b)(2)(i)(C).

(4) *Minimum Guarantee* – Report this if it was necessary to place an order to satisfy a minimum amount guaranteed to the contractor. See FAR 16.505(b)(2)(i)(D).

(5) *Other Statutory Authority* – Report this if a statute expressly authorizes or requires that the purchase be made from a specified source. See DFARS [208.405-70\(b\)\(1\)](#) or DFARS [216.505-70\(b\)\(1\)](#).

(6) *No Exception – Fair Opportunity Given* – Report this if fair opportunity was given pursuant to DFARS [208.405-70](#) or FAR 16.505(b)(1)(i)/DFARS [216.505-70](#).

(xiv) *FPDS Entry – Preference Programs / Other Data Section.*

(A) When entering a new contract, purchase order, or agreement award in FPDS, contracting officers shall ensure they appropriately choose ‘Small Business’ or ‘Other than Small Business’ in the Contracting Officer’s Determination of Business Size data field according to the NAICS code applied to the award, its associated size standard, and the contractor’s response to provision 52.212-3 or 52.219-1. The contracting officer shall enter ‘Other than Small Business’ for awards where the contractor has not certified to its status in one of these provisions.

(B) If the Contracting Officer’s Determination of Business Size data field is completed with ‘Small Business’, the contractor’s other socio-economic information that it has entered or the Small Business Administration (SBA) has provided to the Central Contractor Registration (CCR) database will be included in the contract action report. This includes designations such as SBA-Certified 8(a), Women-owned Small Business, Service Disabled Veteran Owned.

(C) Contracting officers will not be allowed to identify types of set-asides in FPDS unless the Contracting Officer’s Determination of Business Size is completed with ‘Small Business’ and other required socio-economic designations are present in the contractor’s CCR record (e.g., contractor must have the SBA-Certified 8(a) designation in order to identify an 8(a) type set-aside in FPDS).

(D) All subsequent modifications and delivery orders under the initial award will be automatically populated with the same designations.

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### (4) Reporting modifications to FPDS.

(i) Modifications against previously reported contracts, agreements, and orders are required to be reported to FPDS if they include any obligation or deobligation amount. They are also required to be reported to FPDS if there is no obligation or deobligation amount and involve a change to the data reported in any data field in the contract action report (e.g., vendor name, completion date, place of performance).

(ii) Contracting officers should choose the Reason for Modification value that best represents the purpose of the modification action. A modification issued after physical completion of the contract, including those modifications to simply deobligate remaining unused funds, should be identified as 'Close Out' on the contract action report unless another value (such as 'Vendor Address Change') is more applicable. The values 'Funding Only Action' and 'Other Administration Action' should be used only when another value does not apply.

(iii) DoD offices shall not use the 'Transfer Action' value in the Reason for Modification field unless transferring the contract to a non-DoD contracting office (e.g., Department of Interior).

(iv) Modifications for novations (see FAR subpart 42.12 and DFARS subpart [242.12](#)) shall use 'Novation Agreement' in the Reason for Modification field.

(A) When this value is used, the contracting officer must enter the appropriate DUNS number for the contractor in the modification contract action report. FPDS will then bring over the current vendor name and address from the contractor's CCR record for that DUNS number into the modification contract action report. Subsequent contract action reports will show the updated DUNS number and vendor name.

(B) When this value is used, FPDS also allows the contracting officer to update the Contracting Officer's Determination of Business Size data field. The contracting officer shall ensure that the contractor's current size status is appropriately recorded on the modification contract action report. Subsequent contract action reports will reflect the size entered on this modification contract action report (see FAR subparts 19.301-2 and 19.301-3).

(v) Modifications for contractor name changes that do not require a novation (see FAR subpart 42.12 and DFARS subpart [242.12](#)) shall use 'Vendor DUNS Change' in the Reason for Modification field. When this value is used, the contracting officer must enter the appropriate DUNS number for the contractor in the modification contract action report. FPDS will then bring over the current vendor name and address from the contractor's CCR record for that DUNS number into the modification contract action report. Subsequent contract action reports will show the updated DUNS number and vendor name.

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(vi) Modifications for contractor address changes that do not require a novation shall use 'Vendor Address Change' in the Reason for Modification field. When this value is used, FPDS will bring over the current address from the contractor's CCR record into the modification contract action report. Subsequent contract action reports will show the updated address.

(vii) Modifications for re-representation actions (see FAR subparts 19.301-2 and 19.301-3) shall use either 'Re-representation' or 'Re-representation of Non-Novated Merger/Acquisition', as appropriate, in the Reason for Modification field. When this value is used, FPDS allows the contracting officer to update the Contracting Officer's Determination of Business Size data field. The contracting officer shall ensure that the contractor's current size status is appropriately recorded on the modification contract action report. Subsequent contract action reports will reflect the size entered on this modification contract action report.

(5) Reporting delivery orders where the Governmentwide purchase card is both the method of purchase and payment.

(i) Open-market purchases (not under a federal schedule, agreement, or contract) made with the Governmentwide purchase card are not required to be reported to FPDS when the value is less than the micropurchase threshold.

(ii) Purchases made using the Governmentwide purchase card as the method of both purchase and payment under federal schedules, agreements, or contracts are required to be reported to FPDS regardless of value. Contracting offices shall ensure all such purchases made by their authorized cardholders are reported to FPDS no less frequently than monthly. Any individual purchase valued greater than \$25,000 must be reported individually to FPDS. For individual purchases valued less than \$25,000, there are three acceptable methods for reporting to FPDS. They are, in preferred order of use—

(A) Report each order individually to FPDS;

(B) Report a consolidated express report to FPDS using the delivery order or BPA call format that references the individual contract or BPA, respectively; or

(C) Report a consolidated express report to FPDS using the purchase order format that uses the generic DUNS 136721250 for 'GPC Consolidated Reporting' or 136721292 for 'GPC Foreign Contractor Consolidated Reporting', as appropriate, as the identifier.

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*(Revised September 20, 2011)*

### PGI 204.70—UNIFORM PROCUREMENT INSTRUMENT IDENTIFICATION NUMBERS

#### PGI 204.7001 Policy.

(c)(i) Continued contracts are issued solely for administrative reasons and do not constitute a new procurement. When issuing a continued contract, the contracting officer shall—

(A) Obtain approval at a level above the contracting officer before issuance of the continued contract;

(B) Assign a procurement instrument identification (PII) number to the continued contract that is different from the PII number assigned to the predecessor contract, using the uniform PII numbering system prescribed in DFARS [204.7002](#), [204.7003](#), and [204.7004](#). The predecessor contract will retain the PII number originally assigned to it;

(C) Find a clear breaking point (for example, between issuance of orders, exercise of options, or establishment of a new line of accounting) to issue the continued contract;

(D) Clearly segregate contractual requirements for purposes of Government inspection, acceptance, payment, and closeout. Supplies already delivered and services already performed under the predecessor contract will remain under the predecessor contract. This will allow the predecessor contract to be closed out when all inspection, acceptance, payment, and other closeout issues associated with supplies delivered and services performed under the predecessor contract are complete;

(E) Include in the continued contract all terms and conditions of the predecessor contract that pertain to the supplies and services yet to be delivered or performed. At the time it is issued, the continued contract may not in any way alter the prices or terms and conditions established in the predecessor contract;

(F) Not evade competition, expand the scope of work, or extend the period of performance beyond that of the predecessor contract;

(G) Provide advance notice to the contractor before issuance of the continued contract, to include the PII number and the effective date of the continued contract;

(H) Modify the predecessor contract to—

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(1) Reflect any necessary administrative changes such as transfer of Government property, and make the Government property accountable under the continued contract;

(2) Clearly state that future performance (e.g., issuance of orders or exercise of options) will be accomplished under the continued contract; and

(3) Specify the administrative reason for issuing the continued contract;  
and

(l) Reference the predecessor contract PII number on the face page of the continued contract to ensure traceability.

(ii) Sample language for the administrative modification to the predecessor contract is provided below:

“This modification is issued for administrative purposes to facilitate continued contract performance due to *[state the reason for assigning an additional PII number]*. This modification is authorized in accordance with DFARS [204.7001](#)(c).

Supplies and services already acquired under this contract number shall remain solely under this contract number for purposes of Government inspection, acceptance, payment, and closeout. All future *[delivery orders]* *[task orders]* *[options exercised]* will be accomplished under continued contract XXXXXXXX.”

### PGI 204.7005 Order code monitors.

(b) Contracting activities submit requests for assignment of or changes in two-character order codes to their respective monitors in accordance with department/agency procedures.

(1) Order code monitors—

(i) Approve requests for additions, deletions, or changes; and

(ii) Provide notification of additions, deletions, or changes to Defense Procurement and Acquisition Policy, Program Development and Implementation (OUSD(AT&L)/DPAP(PDI)), 3060 Defense Pentagon, Washington, DC 20301-3060 or email at [osdcallordercoderequests@osd.mil](mailto:osdcallordercoderequests@osd.mil).

(2) Order code monitors are—

ARMY

Office of the Deputy Assistant  
Secretary of the Army  
(Procurement)

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	Attn: SAAL-ZP (RM 2E520) 103 Army Pentagon Washington, DC 20310-0103
NAVY AND MARINE CORPS	Office of the Assistant Secretary of the Navy (RD&A) 1000 Navy Pentagon, Room BF992 Washington, DC 20350-1000
AIR FORCE	SAF/AQCI 1060 Air Force Pentagon Washington, DC 20330-1060
DEFENSE LOGISTICS AGENCY	Defense Logistics Agency DLA Acquisition Policy and Systems Division (J71) John J. Kingman Road Fort Belvoir, VA 22060-6221
OTHER DEFENSE AGENCIES	Defense Procurement and Acquisition Policy Attn: Program Development and Implementation 3060 Defense Pentagon Washington, DC 20301-3060 or email <a href="mailto:osdcallordercoderequests@osd.mil">osdcallordercoderequests@osd.mil</a>

(3) Order code assignments can be found at  
[http://www.acq.osd.mil/dpap/dars/order\\_code\\_assignments.html](http://www.acq.osd.mil/dpap/dars/order_code_assignments.html).

### **PGI 204.7006 Cross reference to Federal Procurement Data System.**

DPAP policy letter dated July 8, 2010, subject: Contract Indexing Standard (viewable [here](#)) provides detailed guidance and a matrix on mapping PII and supplementary PII numbers stored in the Electronic Document Access system to data elements reported in the Federal Procurement Data System. The attachment for this DPAP policy is provided in the following matrices, which should be used as a cross reference between terms in the DFARS and the Federal Procurement Data System.

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<b>ELEMENTS NEEDED TO IDENTIFY A DEPARTMENT OF DEFENSE PROCUREMENT ACTION</b>				
<b>Procurement Instrument Action Type</b>	<b>Reference Procurement Instrument (Reference Use Only)</b>	<b>Required as shown below to uniquely identify the action.</b>		
		<b>Procurement Instrument Identification Number (aka Contract Number)</b>	<b>Order Number</b>	<b>Modification Number</b>
BPA or Order under a Schedule or other non-DoD Instrument	E	A		
Order against a BPA under a Schedule	E	A	B	
DoD Stand Alone Contract, Purchase Order, BOA, BPA or other instrument		A		
Order against a DoD Stand Alone Contract, BOA, BPA or other instrument		A	B	
Modification to a BPA or Order under a Schedule or other non-DoD Instrument	E	A		C
Modification to an Order against a BPA under a Schedule	E	A	B	D
Modification to a DoD Stand Alone Contract, Purchase Order, BOA, BPA or other instrument		A		C
Modification to an Order against a DoD Stand Alone Contract, BOA, or BPA		A	B	D

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<b>STRUCTURE OF REQUIRED IDENTIFIERS</b>				
<b>Key and Description</b>		<b>Format</b>		
<b>A - DoD Procurement Instrument Identification Number (PIIN)</b>	<b>Consists of concatenation of following four fields:</b>			
	Enterprise Identifier - DODAAC of contracting office	Fiscal Year in which award is made	Procurement Instrument Type Code	Serialized Identifier
	Six Alphanumeric excluding 'I' and 'O'	2 Numeric	1 Alpha (list)	Four Alphanumeric excluding 'I' and 'O'. '0000' is not an acceptable value.
<b>B - DoD Order Number (Supplementary Procurement Instrument Identification Number (SPIIN))</b>	Four Alphanumeric excluding 'I' and 'O', 'A' and 'P' prohibited in first position. '0000' is not an acceptable value.			
<b>C - DoD Procurement Instrument Modification Identifier (Supplementary Procurement Instrument Identification Number (SPIIN))</b>	Six Alphanumeric beginning with 'A' or 'P', excluding 'I' and 'O'. 'P00000' and 'A00000' are not acceptable values			
<b>D - DoD Order Modification Identifier (Supplementary Procurement Instrument Identification Number (SPIIN))</b>	Two Alphanumeric excluding 'I' and 'O'. '00' is not an acceptable value.			
<b>E -- Non DoD Procurement Instrument Number</b>	4 to 50 Alphanumeric			

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FPDS Crosswalk	FPDS FIELD NAME			
	REF_IDV_PIID	REF_IDV_MODIFICATION_NUMBER	PIID	MODIFICATION_NUMBER
BPA or Order under a Schedule or other non-DoD Instrument	E	Use "0"	A	Use "0"
Order against a BPA under a Schedule	A	Use "0"	B*	Use "0"
DoD Stand Alone Contract, Purchase Order, BOA, BPA or other instrument			A	Use "0"
Order against a DoD Stand Alone Contract, BOA, BPA or other instrument	A	Use "0"	B*	Use "0"
Modification to a BPA or Order under a Schedule or other non-DoD Instrument			A	C
Modification to an Order against a BPA under a Schedule	A	Use "0"	B*	D*
Modification to a DoD Stand Alone Contract, Purchase Order, BOA, BPA or other instrument			A	C
Modification to an Order against a DoD Stand Alone Contract, BOA, or BPA	A	Use "0"	B*	D*
* Note that FPDS strips leading zeroes, so that modification 02 to order 0024 is shown as modification 2 to order 24				

# DFARS Procedures, Guidance, and Information

## PGI 205—Publicizing Contract Actions

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(Revised September 20, 2011)

### PGI 205—PUBLICIZING CONTRACT ACTIONS

#### PGI 205.2--SYNOPSIS OF PROPOSED CONTRACT ACTIONS

##### PGI 205.207 Preparation and transmittal of synopses.

(a)(i) *Notice numbering.*

(1) For a particular procurement, when submitting notices at different stages of the acquisition (i.e., sources sought notice, pre-solicitation notice, award notice), ensure the solicitation number is entered exactly the same way in order to allow all to be retrieved when a search is performed.

(2) Use only alpha-numeric characters in the solicitation and award number data elements in the GPE. Do not include hyphens, slashes, or other special characters.

(d)(i) Include the following notice in acquisitions being considered for historically black college and university and minority institution set-aside:

“This proposed contract is being considered as a 100 percent set-aside for historically black colleges and universities (HBCUs) and minority institutions (MIs), as defined by the clause at [252.226-7000](#) of the Defense Federal Acquisition Regulation Supplement. Interested HBCUs and MIs should provide the contracting office as early as possible, but not later than 15 days after this notice, evidence of their capability to perform the contract, and a positive statement of their eligibility as an HBCU or MI. If adequate response is not received from HBCUs and MIs, the solicitation will instead be issued, without further notice, as: \_\_\_\_\_

(indicate if unrestricted, or restricted for small business or small disadvantaged business, etc.). Therefore, replies to this notice are also requested from

\_\_\_\_\_  
(enter the types of firms to be solicited in the event an HBCU or MI set-aside is not made).”

(ii) *Special notices for small business events.* When advertising an event for small businesses, post a 'special notice' notice type and ensure the "title" data field begins with "Small Business Event". This will enable the public to easily search the GPE using the small business event calendar on the website.

# DFARS Procedures, Guidance, and Information

## PGI 213—Simplified Acquisition Procedures

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### PGI 213.3—SIMPLIFIED ACQUISITION METHODS

*(Revised September 20, 2011)*

### PGI 213.3—SIMPLIFIED ACQUISITION METHODS

#### PGI 213.302 Purchase orders.

#### PGI 213.302-3 Obtaining contractor acceptance and modifying purchase orders.

Generally, use unilateral modifications (see FAR 43.103) for—

- (1) No-cost amended shipping instructions if—
  - (i) The amended shipping instructions modify a unilateral purchase order; and
  - (ii) The contractor agrees orally or in writing; and
- (2) Any change made before work begins if—
  - (i) The change is within the scope of the original order;
  - (ii) The contractor agrees;
  - (iii) The modification references the contractor's oral or written agreement; and
  - (iv) Block 13D of Standard Form 30, Amendment of Solicitation/Modification of Contract, is annotated to reflect the authority for issuance of the modification.

#### PGI 213.306 SF 44, Purchase Order-Invoice-Voucher.

- (a) (1) (A) Establish fuel card accounts—

- (1) For DoD customers, contact the Service or Agency Component Program Manager (CPM) for fuel cards (see <http://www.desc.dla.mil/DCM/Files/CPMPOCs06022010.pdf>); and

- (2) For non-DoD customers, contact the designated Account Manager identified at <http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=41>.

- (B) Purchases using the AIR Card® and SEA Card® shall follow the guidance found at <http://www.desc.dla.mil/DCM/DCMPage.asp?pageid=28>.

#### PGI 213.307 Forms.

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## PGI 213—Simplified Acquisition Procedures

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(a) If SF 1449 is not used, use DD Form 1155 in accordance with paragraph (b)(i) of this section.

(b)(i) Use DD Form 1155, Order for Supplies or Services, for purchases made using simplified acquisition procedures.

(A) The DD Form 1155 serves as a—

(1) Purchase order or blanket purchase agreement;

(2) Delivery order or task order;

(3) Receiving and inspection report;

(4) Property voucher;

(5) Document for acceptance by the supplier; and

(6) Public voucher, when used as—

(i) A delivery order;

(ii) The basis for payment of an invoice against blanket purchase agreements or basic ordering agreements when a firm-fixed-price has been established; or

(iii) A purchase order for acquisitions using simplified acquisition procedures.

(B) The DD Form 1155 is also authorized for use for—

(1) Orders placed in accordance with FAR Subparts 8.4, 8.6, 8.7, and 16.5;  
and

(2) Classified acquisitions when the purchase is made within the United States or its outlying areas. Attach the DD Form 254, Contract Security Classification Specification, to the purchase order.

(ii) Do not use Optional Form 347, Order for Supplies or Services, or Optional Form 348, Order for Supplies or Services Schedule--Continuation.

(iii) Use Standard Form 30, Amendment of Solicitation/Modification of Contract, to—

(A) Modify a purchase order; or

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## PGI 213—Simplified Acquisition Procedures

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(B) Cancel a unilateral purchase order.

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## PGI 215—Contracting by Negotiation

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(Revised September 20, 2011)

### PGI 215.4—CONTRACT PRICING

#### PGI 215.402 Pricing policy.

(1) Contracting officers must purchase supplies and services from responsible sources at fair and reasonable prices. The Truth in Negotiations Act (TINA) (10 U.S.C. 2306a and 41 U.S.C. chapter 35) requires offerors to submit cost or pricing data if a procurement exceeds the TINA threshold and none of the exceptions to cost or pricing data requirements apply. Under TINA, the contracting officer obtains accurate, complete, and current data from offerors to establish a fair and reasonable price (see FAR 15.403). TINA also allows for a price adjustment remedy if it is later found that a contractor did not provide accurate, complete, and current data.

(2) When cost or pricing data are not required, and the contracting officer does not have sufficient data or information to determine price reasonableness, FAR 15.402(a)(2) requires the offeror to provide whatever information or data the contracting officer needs in order to determine fair and reasonable prices.

(3) Obtaining sufficient data or information from the offeror is particularly critical in situations where an item is determined to be a commercial item in accordance with FAR 2.101 and the contract is being awarded on a sole source basis. This includes commercial sales information of items sold in similar quantities and, if such information is insufficient, cost data to support the proposed price.

(4) See PGI [215.404-1](#) for more detailed procedures for obtaining data or information needed to determine fair and reasonable prices.

#### PGI 215.403 Obtaining cost or pricing data.

##### PGI 215.403-1 Prohibition on obtaining cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).

(b) *Exceptions to cost or pricing data requirements.* Even if an exception to cost or pricing data applies, the contracting officer is still required to determine price reasonableness. In order to make this determination, the contracting officer may require information other than cost or pricing data, including information related to prices and cost information that would otherwise be defined as cost or pricing data if certified.

(c)(3) *Commercial items.*

(A)(1) Contracting officers must exercise care when pricing a commercial item, especially in sole source situations. The definition of a commercial item at FAR 2.101

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## PGI 215—Contracting by Negotiation

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requires the product or service be one—

(i) That is of a type customarily used by the general public or by non-governmental entities for other than governmental purposes; and

(ii) That—

(A) Has been sold, leased, or licensed to the general public;

(B) Has been offered for sale, lease, or license to the general public;

or

(C) Has evolved or been modified from such products or services.

(2) Therefore, some form of prior non-government sales data, or the fact that the item was sold, leased, licensed, or offered for sale (either the specific product or service or the product or service from which the item evolved) must be obtained.

(3) The fact that an item has been determined to be a commercial item does not, in and of itself, prohibit the contracting officer from requiring information other than cost or pricing data. This includes information related to prices and cost information that would otherwise be defined as cost or pricing data if certified. Obtaining sufficient data or information from the offeror is particularly critical in situations where an item is determined to be a commercial item in accordance with FAR 2.101 and the contract is being awarded on a sole source basis. See PGI [215.404-1](#) for more detailed procedures for use when obtaining information and data from the offeror to determine price reasonableness.

(B)(1) *Report Content.* The annual report of commercial item exceptions to Truth in Negotiations Act (TINA) requirements shall include the following:

Title: Commercial Item Exceptions to TINA Requirements

(1) Contract number, including modification number, if applicable, and program name.

(2) Contractor name.

(3) Contracting activity.

(4) Total dollar amount of exception.

(5) Brief explanation of the basis for determining that the item(s) are commercial.

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(6) Brief description of the specific steps taken to ensure price reasonableness.

(2) *Pricing Actions Reported.* The intent of this requirement is to report when a commercial item exception was determined. Therefore, the reporting of the commercial item exceptions are for pricing actions at the point the contracting officer makes a determination that the commercial item exception applies. For example—

Example 1: The contracting officer determined that a commercial item exception applies for an entire indefinite-delivery indefinite-quantity (IDIQ) contract and expected the subsequent orders to exceed \$15 million (based on the estimated maximum amount for the IDIQ or other supportable estimate of future orders). The organization would report this in accordance with DFARS [215.403-1\(c\)\(3\)](#) for the period in which the IDIQ contract was awarded, and would include the total dollar amount of subsequent orders under the exception expected at the time of award.

Example 2: The contracting officer awards an IDIQ contract with no commercial item exceptions anticipated. The contracting officer later modifies the contract for an order that will meet commercial item exceptions, and the subsequent order(s) are expected to exceed \$15 million. Reporting (in the year the modification was issued) will include this IDIQ contract, the amount of this order, and any other expected future orders that will use the exception.

(i) For the above examples, after the contract is reported as receiving the exception with expected awards over \$15 million, there would be no further report, e.g., when a subsequent order under that contract exceeds \$15 million, because reporting for that contract was already accomplished.

(ii) When explaining price reasonableness in accordance with paragraph (c)(3)(B)(1)(6) of this subsection, if pricing was accomplished when the IDIQ contract was awarded, also explain how price reasonableness was determined. In circumstances where pricing will take place on the order at a future date, explain how pricing techniques at FAR 15.404-1 will be used, including obtaining cost information, if that is the only way to determine price reasonableness.

(4) *Waivers.*

(A) *Exceptional case TINA waiver.*

(1) In determining that an exceptional case TINA waiver is appropriate, the head of the contracting activity must exercise care to ensure that the supplies or services could not be obtained without the waiver and that the determination is clearly documented. [See DPAP March 23, 2007, policy memorandum.](#) The intent is not to relieve entities that normally perform Government contracts subject to TINA from an obligation to certify that

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cost or pricing data are accurate, complete, and current. Instead, waivers must be used judiciously, in situations where the Government could not otherwise obtain a needed item without a waiver. A prime example would be when a particular company offers an item that is essential to DoD's mission but is not available from other sources, and the company refuses to submit cost or pricing data. In such cases, a waiver may be appropriate. However, the procuring agency should, in conjunction with the waiver, develop a strategy for procuring the item in the future that will not require such a waiver (e.g., develop a second source, develop an alternative product that satisfies the department's needs, or have DoD produce the item).

(2) Senior procurement executive coordination. An exceptional case TINA waiver that exceeds \$100 million shall be coordinated with the senior procurement executive prior to granting the waiver.

(3) Waiver for part of a proposal. The requirement for submission of cost or pricing data may be waived for part of an offeror's proposed price when it is possible to clearly identify that part of the offeror's cost proposal to which the waiver applies as separate and distinct from the balance of the proposal. In granting a partial waiver, in addition to complying with the requirements in DFARS [215.403-1\(c\)\(4\)](#), the head of the contracting activity must address why it is in the Government's best interests to grant a partial waiver, given that the offeror has no objection to certifying to the balance of its cost proposal.

(4) Waivers for unpriced supplies or services. Because there is no price, unpriced supplies or services cannot be subject to cost or pricing data certification requirements. The Government cannot agree in advance to waive certification requirements for unpriced supplies or services, and may only consider a waiver at such time as an offeror proposes a price that would otherwise be subject to certification requirements.

(B) The annual report of waiver of TINA requirements shall include the following:

Title: Waiver of TINA Requirements

(1) Contract number, including modification number, if applicable, and program name.

(2) Contractor name.

(3) Contracting activity.

(4) Total dollar amount waived.

(5) Brief description of why the item(s) could not be obtained without a

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waiver. [See DPAP March 23, 2007, policy memorandum.](#)

(6) Brief description of the specific steps taken to ensure price reasonableness.

(7) Brief description of the demonstrated benefits of granting the waiver.

### **PGI 215.403-3 Requiring information other than cost or pricing data.**

To the extent that cost or pricing data are not required by FAR 15.403-4 and there is no other means for the contracting officer to determine that prices are fair and reasonable, the offeror is required to submit “information other than cost or pricing data” (see definition at FAR 2.101). In accordance with FAR 15.403-3(a), the offeror must provide appropriate information on the prices at which the same or similar items have previously been sold, adequate for determining the reasonableness of the price. The following clarifies these requirements:

(1) *Information other than cost or pricing data.* When cost or pricing data are not required, the contracting officer must obtain whatever information is necessary in order to determine the reasonableness of the price. The FAR defines this as “information other than cost or pricing data.” When TINA does not apply and there is no other means of determining that prices are fair and reasonable, the contracting officer must obtain appropriate information on the prices at which the same or similar items have been sold previously, adequate for evaluating the reasonableness of the price. Sales data must be comparable to the quantities, capabilities, specifications, etc., of the product or service proposed. Sufficient steps must be taken to verify the integrity of the sales data, to include assistance from the Defense Contract Management Agency, the Defense Contract Audit Agency, and/or other agencies if required. See PGI [215.404-1](#) for more detailed procedures for obtaining information and data from offerors to determine price reasonableness.

(2) *Previously been sold.* Contracting officers shall request offerors to provide information related to prior sales (or “offered for sale”) in support of price reasonableness determinations.

(3) *Adequacy of sales data for pricing.* The contracting officer must determine if the prior sales information is sufficient for determining that prices are fair and reasonable. If the sales information is not sufficient, additional information shall be obtained, including cost information if necessary. See PGI [215.404-1](#) for more detailed procedures for obtaining whatever data or information is needed to determine fair and reasonable prices.

(4) *Reliance on prior prices paid by the Government.* Before relying on a prior price paid by the Government, the contracting officer must verify and document that sufficient analysis was performed to determine that the prior price was fair and reasonable.

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Sometimes, due to exigent situations, supplies or services are purchased even though an adequate price or cost analysis could not be performed. The problem is exacerbated when other contracting officers assume these prices were adequately analyzed and determined to be fair and reasonable. The contracting officer also must verify that the prices previously paid were for quantities consistent with the current solicitation. Not verifying that a previous analysis was performed, or the consistencies in quantities, has been a recurring issue on sole source commercial items reported by oversight organizations. Sole source commercial items require extra attention to verify that previous prices paid on Government contracts were sufficiently analyzed and determined to be fair and reasonable. At a minimum, a contracting officer reviewing price history shall discuss the basis of previous prices paid with the contracting organization that previously bought the item. These discussions shall be documented in the contract file.

### **PGI 215.404 Proposal analysis.**

#### **PGI 215.404-1 Proposal analysis techniques.**

(a) *General.*

(i) The objective of proposal analysis is to ensure that the final agreed-to price is fair and reasonable. When the contracting officer needs information to determine price reasonableness and the offeror will not furnish that information, use the following sequence of steps to resolve the issue:

(A) The contracting officer should make it clear what information is required and why it is needed to determine fair and reasonable prices, and should be flexible in requesting data and information in existing formats with appropriate explanations from the offeror.

(B) If the offeror refuses to provide the data, the contracting officer should elevate the issue within the contracting activity.

(C) Contracting activity management shall, with support from the contracting officer, discuss the issue with appropriate levels of the offeror's management.

(D) If the offeror continues to refuse to provide the data, contracting activity management shall elevate the issue to the head of the contracting activity for a decision in accordance with FAR 15.403-3(a)(4).

(E) The contracting officer shall document the contract file to describe—

(1) The data requested and the contracting officer's need for that data;

(2) Why there is currently no other alternative but to procure the item from

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this particular source; and

(3) A written plan for avoiding this situation in the future (e.g., develop a second source by...; bring the procurement in house to the Government by...).

(F) Consistent with the requirements at FAR 15.304 and 42.1502 and the DoD Guide to Collection and Use of Past Performance Information, Version 3, dated May 2003, the contracting officer shall provide input into the past performance system, noting the offeror's refusal to provide the requested information.

(ii) In some cases, supplies or services that are not subject to TINA may require a cost analysis (see paragraph (b)(iv) of this section). This will occur when a price analysis is not sufficient for determining prices to be fair and reasonable. In such cases, the contracting officer should consider the need for a Defense Contract Audit Agency audit of the cost data.

(iii) Particular attention should be paid to sole source commercial supplies or services. While the order of preference at FAR 15.402 must be followed, if the contracting officer cannot determine price reasonableness without obtaining information or cost data from the offeror, at a minimum, the contracting officer must obtain appropriate information on the prices at which the same or similar items have been sold previously (often previous sales information was the basis of the commercial item determination and must be requested during price analysis of the information or data provided by the offeror). If previous sales information is not sufficient to determine price reasonableness, the contracting officer must obtain "information other than cost or pricing data" and, if necessary, perform a cost analysis.

### (b) *Price analysis.*

(i) Price analysis should generally be performed on supplies or services that are not subject to TINA. Available commercial sales, published catalogs or prices, etc., can sometimes be obtained through market research and can provide a basis for determining if the proposed prices are fair and reasonable.

(ii) In some cases, commercial sales are not available and there is no other market information for determining fair and reasonable prices. This is especially true when buying supplies or services that have been determined to be commercial, but have only been "offered for sale" or purchased on a sole source basis with no prior commercial sales upon which to rely. In such cases, the contracting officer must require the offeror to submit whatever cost information is needed to determine price reasonableness.

(iii) The following procedures shall be adhered to when executing the price analysis steps at FAR 15.404-1(b)(2):

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(A) When the contracting officer is relying on information obtained from sources other than the offeror, the contracting officer must obtain and document sufficient information to confirm that previous prices paid by the Government were based on a thorough price and/or cost analysis. For example, it would not be sufficient to use price(s) from a database paid by another contracting officer without understanding the type of analysis that was performed to determine the price(s), and without verifying that the quantities were similar for pricing purposes. This does not necessarily need to be another analysis, but there should be coordination with the other office that acknowledges an analysis was performed previously.

(B) When purchasing sole source commercial items, the contracting officer must request non-Government sales data for quantities comparable to those in the solicitation. In addition, if there have not been any non-Government sales, “information other than cost or pricing data” shall be obtained and a price or cost analysis performed as required.

(iv) When considering advice and assistance from others, the contracting officer must pay particular attention to supplies or services that are not subject to TINA because they are “of a type” customarily used by the general public or “similar to” the item being purchased. There must be a thorough analysis of—

- (A) The available price information for the similar-type item;
- (B) The changes required by the solicitation; and
- (C) The cost of modifying the base item.

(v) In some cases, the contracting officer will have to obtain “information other than cost or pricing data” from the offeror because there is not sufficient information from other sources to determine if prices are fair and reasonable. The contracting officer must use business judgment to determine the level of information needed from the offeror, but must ensure that the information is sufficient for making a reasonableness determination. For example, the offeror may have significant sales of the item in comparable quantities to non-Government entities, and that may be all the information needed, once the sales information is appropriately verified. On the other hand, there may be no non-Government sales and the contracting officer may be required to obtain cost information, and should do so. The request for additional information shall be limited to only that needed to determine prices to be fair and reasonable. For example, assume the proposal is 40 percent purchase parts, 30 percent labor, and the balance indirect rates. Also assume that the Defense Contract Management Agency (DCMA) has a forward pricing rate agreement with the offeror. It may be sufficient to limit requests to historical purchase records and/or vendor quotes and the proposed labor hours. Based on this information and the forward pricing rates from DCMA, the contracting officer may be able to determine price reasonableness.

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### (c) *Cost analysis.*

(i) When the contracting officer cannot obtain sufficient information to perform a price analysis in accordance with the pricing steps in FAR 15.404-1(b), a cost analysis is required.

(ii) When a solicitation is not subject to TINA and a cost analysis is required, the contracting officer must clearly communicate to the offeror the cost information that will be needed to determine if the proposed price is fair and reasonable.

(iii) To the extent possible, when cost or pricing data are not required to be submitted in accordance with Table 15-2 of FAR 15.408, the contracting officer should accept the cost data in a format consistent with the offeror's records.

(iv) The contracting officer must always consider the need for field pricing support from the Defense Contract Management Agency, the Defense Contract Audit Agency, and/or other agencies.

### (e) *Technical analysis.*

Requesting technical assistance is particularly important when evaluating pricing related to items that are “similar to” items being purchased or commercial items that are “of a type” or require “minor modifications.” Technical analysis can assist in pricing these types of items by identifying any differences between the item being acquired and the “similar to” item. In particular, the technical review can assist in evaluating the changes that are required to get from the “similar to” item, to the item being solicited, so the contracting officer can determine sufficient price/cost analysis techniques when evaluating that the price for the item being solicited is fair and reasonable.

## **PGI 215.404-2 Information to support proposal analysis.**

### (a) *Field pricing assistance.*

(i) The contracting officer should consider requesting field pricing assistance (See PGI [215.404-2](#)(c) for when audit assistance should be requested) for—

(A) Fixed-price proposals exceeding the cost or pricing data threshold;

(B) Cost-type proposals exceeding the cost or pricing data threshold from offerors with significant estimating system deficiencies (see DFARS [215.407-5-70](#)(a)(4) and (c)(2)(i)); or

(C) Cost-type proposals exceeding \$10 million from offerors without significant estimating system deficiencies.

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(ii) The contracting officer should not request field pricing support for proposed contracts or modifications in an amount less than that specified in paragraph (a)(i) of this subsection. An exception may be made when a reasonable pricing result cannot be established because of—

(A) A lack of knowledge of the particular offeror; or

(B) Sensitive conditions (e.g., a change in, or unusual problems with, an offeror's internal systems).

(c) *Audit assistance for prime contracts or subcontracts.*

(i) The contracting officer should consider requesting audit assistance from DCAA for—

(A) Fixed-price proposals exceeding \$10 million;

(B) Cost-type proposals exceeding \$100 million.

(ii) The contracting officer should not request DCAA audit assistance for proposed contracts or modifications in an amount less than that specified in paragraph (c)(i) of this subsection unless there are exceptional circumstances explained in the request for audit. (See PGI [215.404-2\(a\)\(i\)](#) for requesting field pricing assistance without a DCAA audit.)

(iii) If, in the opinion of the contracting officer or auditor, the review of a prime contractor's proposal requires further review of subcontractors' cost estimates at the subcontractors' plants (after due consideration of reviews performed by the prime contractor), the contracting officer should inform the administrative contracting officer (ACO) having cognizance of the prime contractor before the review is initiated.

(iv) Notify the appropriate contract administration activities when extensive, special, or expedited field pricing assistance will be needed to review and evaluate subcontractors' proposals under a major weapon system acquisition. If audit reports are received on contracting actions that are subsequently cancelled, notify the cognizant auditor in writing.

(v) Requests for audit assistance for subcontracts should use the same criteria as established in paragraphs (c)(i) and (c)(ii) of this subsection.

### **PGI 215.404-3 Subcontract pricing considerations.**

(a) The contracting officer should consider the need for field pricing analysis and evaluation of lower-tier subcontractor proposals, and assistance to prime contractors when they are being denied access to lower-tier subcontractor records.

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(i) When obtaining field pricing assistance on a prime contractor's proposal, the contracting officer should request audit or field pricing assistance to analyze and evaluate the proposal of a subcontractor at any tier (notwithstanding availability of data or analyses performed by the prime contractor) if the contracting officer believes that such assistance is necessary to ensure the reasonableness of the total proposed price. Such assistance may be appropriate when, for example—

(A) There is a business relationship between the contractor and the subcontractor not conducive to independence and objectivity;

(B) The contractor is a sole source supplier and the subcontract costs represent a substantial part of the contract cost;

(C) The contractor has been denied access to the subcontractor's records;

(D) The contracting officer determines that, because of factors such as the size of the proposed subcontract price, audit or field pricing assistance for a subcontract at any tier is critical to a fully detailed analysis of the prime contractor's proposal;

(E) The contractor or higher-tier subcontractor has been cited for having significant estimating system deficiencies in the area of subcontract pricing, especially the failure to perform adequate cost analyses of proposed subcontract costs or to perform subcontract analyses prior to negotiation of the prime contract with the Government; or

(F) A lower-tier subcontractor has been cited as having significant estimating system deficiencies.

(ii) It may be appropriate for the contracting officer or the ACO to provide assistance to a contractor or subcontractor at any tier, when the contractor or higher-tier subcontractor has been denied access to a subcontractor's records in carrying out the responsibilities at FAR 15.404-3 to conduct price or cost analysis to determine the reasonableness of proposed subcontract prices. Under these circumstances, the contracting officer or the ACO should consider whether providing audit or field pricing assistance will serve a valid Government interest.

(iii) When DoD performs the subcontract analysis, DoD shall furnish to the prime contractor or higher-tier subcontractor, with the consent of the subcontractor reviewed, a summary of the analysis performed in determining any unacceptable costs included in the subcontract proposal. If the subcontractor withholds consent, DoD shall furnish a range of unacceptable costs for each element in such a way as to prevent disclosure of subcontractor proprietary data.

(iv) Price redeterminable or fixed-price incentive contracts may include

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subcontracts placed on the same basis. When the contracting officer wants to reprice the prime contract even though the contractor has not yet established final prices for the subcontracts, the contracting officer may negotiate a firm contract price—

(A) If cost or pricing data on the subcontracts show the amounts to be reasonable and realistic; or

(B) If cost or pricing data on the subcontracts are too indefinite to determine whether the amounts are reasonable and realistic, but—

(1) Circumstances require prompt negotiation; and

(2) A statement substantially as follows is included in the repricing modification of the prime contract:

As soon as the Contractor establishes firm prices for each subcontract listed below, the Contractor shall submit (in the format and with the level of detail specified by the Contracting Officer) to the Contracting Officer the subcontractor's cost incurred in performing the subcontract and the final subcontract price. The Contractor and the Contracting Officer shall negotiate an equitable adjustment in the total amount paid or to be paid under this contract to reflect the final subcontract price.

(v) If the selection of the subcontractor is based on a trade-off among cost or price and other non-cost factors rather than lowest price, the analysis supporting subcontractor selection should include a discussion of the factors considered in the selection (also see FAR 15.101 and 15.304 and DFARS [215.304](#)). If the contractor's analysis is not adequate, return it for correction of deficiencies.

(vi) The contracting officer shall make every effort to ensure that fees negotiated by contractors for cost-plus-fixed-fee subcontracts do not exceed the fee limitations in FAR 15.404-4(c)(4).

### **PGI 215.404-70 DD Form 1547, Record of Weighted Guidelines Method Application.**

(1) The DD Form 1547—

(i) Provides a vehicle for performing the analysis necessary to develop a profit objective;

(ii) Provides a format for summarizing profit amounts subsequently negotiated as part of the contract price; and

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(iii) Serves as the principal source document for reporting profit statistics to DoD's management information system.

(2) The military departments are responsible for establishing policies and procedures for feeding the DoD-wide management information system on profit and fee statistics (see PGI [215.404-76](#)).

(3) The contracting officer shall—

(i) Use and prepare a DD Form 1547 whenever a structured approach to profit analysis is required by DFARS [215.404-4](#)(b) (see DFARS [215.404-71](#), [215.404-72](#), and [215.404-73](#) for guidance on using the structured approaches). Administrative instructions for completing the form are in PGI [253.215-70](#).

(ii) Ensure that the DD Form 1547 is accurately completed. The contracting officer is responsible for the correction of any errors detected by the management system auditing process.

### **PGI 215.404-71 Weighted guidelines method.**

#### **PGI 215.404-71-4 Facilities capital employed.**

(c) *Use of DD Form 1861 - Field pricing support.*

(i) The contracting officer may ask the ACO to complete the forms as part of field pricing support.

(ii) When the Weighted Guidelines Method is used, completion of the DD Form 1861 requires information not included on the Form CASB-CMF, i.e., distribution percentages of land, building, and equipment for the business unit performing the contract. Choose the most practical method for obtaining this information, for example—

(A) Contract administration offices could obtain the information through the process used to establish factors for facilities capital cost of money or could establish advance agreements on distribution percentages for inclusion in field pricing reports;

(B) The corporate ACO could obtain distribution percentages; or

(C) The contracting officer could request the information through a solicitation provision.

### **PGI 215.404-76 Reporting profit and fee statistics.**

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(1) Contracting officers in contracting offices that participate in the management information system for profit and fee statistics must send completed DD Forms 1547 on actions that exceed the cost or pricing data threshold, where the contracting officer used the weighted guidelines method, an alternate structured approach, or the modified weighted guidelines method, to their designated office within 30 days after contract award.

(2) Participating contracting offices and their designated offices are—

<u>Contracting Office</u>	<u>Designated Office</u>
ARMY	
All	*
NAVY	
All	Commander Fleet and Industrial Supply Center, Norfolk Washington Detachment, Code 402 Washington Navy Yard Washington, DC 20374-5000
AIR FORCE	
Air Force Materiel Command (all field offices)	*

\* Use the automated system, Profit Weighted Guidelines and Application at <https://www.wgl.wpafb.af.mil/wgl>, as required by your department.

(3) When the contracting officer delegates negotiation of a contract action that exceeds the cost or pricing data threshold to another agency (e.g., to an ACO), that agency must ensure that a copy of the DD Form 1547 is provided to the delegating office for reporting purposes within 30 days after negotiation of the contract action.

(4) Contracting offices outside the United States and its outlying areas are exempt from reporting.

(5) Designated offices send a quarterly (non-cumulative) report of DD Form 1547 data to—

Washington Headquarters Services  
Directorate for Information Operations and Reports (WHS/DIOR)  
1215 Jefferson Davis Highway  
Suite 1204  
Arlington, VA 22202-4302

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- (6) In preparing and sending the quarterly report, designated offices—
- (i) Perform the necessary audits to ensure information accuracy;
  - (ii) Do not enter classified information;
  - (iii) Transmit the report using approved electronic means; and
  - (iv) Send the reports not later than the 30th day after the close of the quarterly reporting periods.

(7) These reporting requirements have been assigned Report Control Symbol DD-AT&L(Q)1751.

### PGI 215.406-1 Prenegotiation objectives.

- (a) Also consider—
- (i) Data resulting from application of work measurement systems in developing prenegotiation objectives; and
  - (ii) Field pricing assistance personnel participation in planned prenegotiation and negotiation activities.
- (b) Prenegotiation objectives, including objectives related to disposition of findings and recommendations contained in preaward and postaward contract audit and other advisory reports, shall be documented and reviewed in accordance with departmental procedures.

(i) *Significant Disagreements.* (A) Contracting officers and contract auditors have complementary roles in the contracting process and are expected to collaborate to determine fair and reasonable contract values, in accordance with [Director, Defense Procurement and Acquisition Policy memorandum dated December 4, 2009, Subject: Resolving Contract Audit Recommendations](#). When a significant disagreement arises on questioned costs, the contracting officer and the auditor shall discuss the basis of the disagreement. The contracting officer shall document that discussion and their disagreement in a written communication to the auditor. The contracting officer shall also document the disagreement in the prenegotiation objective (or pre-business clearance). The contracting officer may then proceed with negotiations when the prenegotiation objectives are approved.

(B) A significant disagreement is defined as the contracting officer planning to sustain less than 75-percent of the total recommended questioned costs in a Defense Contract Audit Agency (DCAA) audit report of a contractor proposal for an initial contract or a contract modification with a value equal to or greater than \$10 million. It does not apply to

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costs that DCAA has categorized as unsupported or unresolved in its audit report.

(ii) *Adjudication Procedures.* DCAA has three days to elevate the issues within the contracting officer's activity after receipt of the contracting officers' written communication confirming the disagreement. Furthermore, DCAA may appeal the significant issues up the chain of command as established in each Component's "Resolving Contract Audit Recommendations" policy. If issues remain, the Director, DCAA may escalate from the Defense Component's Head of Contracting Activity or Senior Procurement Executive, to the Director, Defense Procurement and Acquisition Policy (DPAP). If the DCAA Director believes that the Director, DPAP has not adequately addressed the matter, the disagreement may finally be elevated to the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Comptroller.

(iii) Notwithstanding the above, the Director, DCAA, may always raise audit issues to the Director, DPAP.

### PGI 215.406-3 Documenting the negotiation.

(a)(7) Include the principal factors related to the disposition of findings and recommendations contained in preaward and postaward contract audit and other advisory reports.

(10) The documentation—

(A) Must address significant deviations from the prenegotiation profit objective;

(B) Should include the DD Form 1547, Record of Weighted Guidelines Application (see DFARS [215.404-70](#)), if used, with supporting rationale; and

(C) Must address the rationale for not using the weighted guidelines method when its use would otherwise be required by DFARS [215.404-70](#).

### PGI 215.407-4 Should-cost review.

(b) *Program should-cost review.*

(2) DoD contracting activities should consider performing a program should-cost review before award of a definitive contract for a major system as defined by DoDI 5000.2. See DoDI 5000.2 regarding industry participation.

(c) *Overhead should-cost review.*

(1) Contact the Defense Contract Management Agency (DCMA) (<http://www.dcma.mil/>) for questions on overhead should-cost analysis.

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(2)(A) DCMA or the military department responsible for performing contract administration functions (e.g., Navy SUPSHIP) should consider, based on risk assessment, performing an overhead should-cost review of a contractor business unit (as defined in FAR 2.101) when all of the following conditions exist:

- (1) Projected annual sales to DoD exceed \$1 billion;
- (2) Projected DoD versus total business exceeds 30 percent;
- (3) Level of sole-source DoD contracts is high;
- (4) Significant volume of proposal activity is anticipated;
- (5) Production or development of a major weapon system or program is anticipated; and
- (6) Contractor cost control/reduction initiatives appear inadequate.

(B) The head of the contracting activity may request an overhead should-cost review for a business unit that does not meet the criteria in paragraph (c)(2)(A) of this subsection.

(C) Overhead should-cost reviews are labor intensive. These reviews generally involve participation by the contracting, contract administration, and contract audit elements. The extent of availability of military department, contract administration, and contract audit resources to support DCMA-led teams should be considered when determining whether a review will be conducted. Overhead should-cost reviews generally should not be conducted at a contractor business segment more frequently than every 3 years.

### **PGI 215.407-5 Estimating systems.**

#### **PGI 215.407-5-70 Disclosure, maintenance, and review requirements.**

(e) *Disposition of findings.*

(2) *Initial determination.*

(ii)(A) Within 10 days of receiving the report, if the contracting officer makes a determination that there is a significant deficiency, the contracting officer should provide an initial determination of deficiencies and a copy of the report to the contractor and require the contractor to submit a written response.

(C) *Evaluation of contractor's response.* Within 30 days of receiving the

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contractor's response, the contracting officer, in consultation with the auditor or cognizant functional specialist, should evaluate the contractor's response and make a final determination.

### (3) *Final Determination.*

(ii)(A) *Monitoring contractor's corrective action.* The auditor and the contracting officer shall monitor the contractor's progress in correcting deficiencies. If the contractor fails to make adequate progress, the contracting officer shall take whatever action is necessary to ensure that the contractor corrects the deficiencies. Examples of actions the contracting officer can take are: bringing the issue to the attention of higher level management, reducing or suspending progress payments (see FAR 32.503-6), implementing or increasing the withholding in accordance with [252.242-7005](#), Contractor Business Systems, if applicable, and recommending non-award of potential contracts.

### (B) *Correction of significant deficiencies.*

(1) When the contractor notifies the contracting officer, in writing, that the contractor has corrected the significant deficiencies, the contracting officer shall request that the auditor review the correction to determine if the deficiencies have been resolved.

(2) The contracting officer shall determine if the contractor has corrected the deficiencies.

(3) If the contracting officer determines the contractor has corrected the deficiencies, the contracting officer's notification shall be sent to the auditor; payment office; appropriate action officers responsible for reporting past performance at the requiring activities; and each contracting and contract administration office having substantial business with the contractor, as applicable.

### **PGI 215.470 Estimated data prices.**

(b)(i) The form and the provision included in the solicitation request the offeror to state what portion of the total price is estimated to be attributable to the production or development of the listed data for the Government (not to the sale of rights in the data). However, offerors' estimated prices may not reflect all such costs; and different offerors may reflect these costs in a different manner, for the following reasons—

- (A) Differences in business practices in competitive situations;
- (B) Differences in accounting systems among offerors;
- (C) Use of factors or rates on some portions of the data;

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(D) Application of common effort to two or more data items; and

(E) Differences in data preparation methods among offerors.

(ii) Data price estimates should not be used for contract pricing purposes without further analysis.

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## PGI 217—Special Contracting Methods

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*(Added September 20, 2011)*

### PGI 217.1—MULTIYEAR CONTRACTING

#### **PGI 217.174 Multiyear contracts for electricity from renewable energy sources.**

The business case analysis template and guidance for the head of the contracting activity determination to enter into a contract for a period in excess of 5 years is available here:

[Renewable Electricity Acquisition Business Case Analysis Template and Guidance.](#)

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## PGI 236—Construction and Architect-Engineer Contracts

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*(Revised September 20, 2011)*

### PGI 236.2—SPECIAL ASPECTS OF CONTRACTING FOR CONSTRUCTION

#### PGI 236.203 Government estimate of construction costs.

(1) Designate the Government estimate as “For Official Use Only,” unless the information is classified. If it is, handle the estimate in accordance with security regulations.

(2) For sealed bid acquisitions—

(i) File a sealed copy of the Government estimate with the bids. (In the case of two-step acquisitions, this is done in the second step.)

(ii) After the bids are read and recorded, remove the “For Official Use Only” designation and read and record the estimate as if it were a bid, in the same detail as the bids.

#### PGI 236.213 Special procedures for sealed bidding in construction contracting.

For additive or deductive items—

(1) Use a bid schedule with—

(i) A first or base bid item covering the work generally as specified; and

(ii) A list of priorities that contains one or more additive or deductive bid items that progressively add or omit specified features of the work in a stated order of priority. (Normally, do not mix additive and deductive bid items in the same solicitation.)

(2) Before opening the bids, record in the contract file the amount of funds available for the project.

(3) Determine the low bidder and the items to be awarded in accordance with the procedures in the clause at [252.236-7007](#), Additive or Deductive Items.

#### PGI 236.273 Construction in foreign countries.

(b) When a technical working agreement with a foreign government is required for a construction contract—

(i) Consider inviting the Army Office of the Chief of Engineers, or the Naval Facilities Engineering Command, to participate in the negotiations.

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### PGI 236—Construction and Architect-Engineer Contracts

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(ii) The agreement should, as feasible and where not otherwise provided for in other agreements, cover all elements necessary for the construction that are required by laws, regulations, and customs of the United States and the foreign government, including—

- (A) Acquisition of all necessary rights;
- (B) Expeditious, duty-free importation of labor, material, and equipment;
- (C) Payment of taxes applicable to contractors, personnel, materials, and equipment;
- (D) Applicability of workers' compensation and other labor laws to citizens of the United States, the host country, and other countries;
- (E) Provision of utility services;
- (F) Disposition of surplus materials and equipment;
- (G) Handling of claims and litigation; and
- (H) Resolution of any other foreseeable problems that can be appropriately included in the agreement.

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## PGI 236—Construction and Architect-Engineer Contracts

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*(Revised September 20, 2011)*

### PGI 236.6—ARCHITECT-ENGINEER SERVICES

#### PGI 236.602 Selection of firms for architect-engineer contracts.

##### PGI 236.602-1 Selection criteria.

(a) The evaluation criteria should be project specific. Use the information in the DD Form 1391, FY\_\_ Military Construction Project Data, when available, and other pertinent project data in preparing the evaluation criteria.

(4) Use performance evaluation data from the central data base identified in DFARS [236.201](#).

(6) The primary factor in architect-engineer contractor selection is the determination of the most highly qualified firm. Also consider secondary factors such as geographic proximity and equitable distribution of work, but do not attribute greater significance to the secondary factors than to qualifications and past performance. Do not reject the overall most highly qualified firm solely in the interest of equitable distribution of contracts.

(A) Consider the volume of work awarded by DoD during the previous 12 months. In considering equitable distribution of work among architect-engineer firms, include small business concerns; historically black colleges and universities and minority institutions; firms that have not had prior DoD contracts; and small disadvantaged business concerns and joint ventures with small disadvantaged business participants if the North American Industry Classification System (NAICS) Industry Subsector of the acquisition is one in which use of a price evaluation adjustment is currently authorized (see FAR 19.201(b)).

(1) Use data extracted from the Federal Procurement Data System (FPDS).

(2) Do not consider awards to overseas offices for projects outside the United States, its territories and possessions. Do not consider awards to a subsidiary if the subsidiary is not normally subject to management decisions, bookkeeping, and policies of a holding or parent company or an incorporated subsidiary that operates under a firm name different from the parent company. This allows greater competition.

(B) Consider as appropriate superior performance evaluations on recently completed DoD contracts.

(C) Consider the extent to which potential contractors identify and commit to small business, to small disadvantaged business (SDB) if the NAICS Industry Subsector of

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### **PGI 236—Construction and Architect-Engineer Contracts**

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the subcontracted effort is one in which use of an evaluation factor or subfactor for participation of SDB concerns is currently authorized (see FAR 19.201(b)), and to historically black college or university and minority institution performance as subcontractors.

# DFARS Procedures, Guidance, and Information

## PGI 242—Contract Administration and Audit Services

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*(Revised September 20, 2011)*

### PGI 242.12—NOVATION AND CHANGE-OF-NAME AGREEMENTS

#### PGI 242.1203 Processing agreements.

(1) For contracts awarded by the military departments, provide notices to the following addressees instead of individual contracting or contract administration offices:

Army	HQ, U.S. Army Materiel Command ATTN: AMCCC 9301 Chapek Road Fort Belvoir, VA 22060-5527
Navy	Office of the Assistant Secretary of the Navy Research, Development & Acquisition Deputy Assistant Secretary for Acquisition and Logistics Management 1000 Navy Pentagon, Room BF992 Washington, DC 20350-1000
Air Force	HQ Air Force Materiel Command ATTN: HQ AFMC/PKP 4375 Chidlaw Road, Suite 6 Wright Patterson AFB, OH 45433-5006
National Aeronautics and Space Administration	National Aeronautics and Space Administration ATTN: Office of Procurement Director, Program Operations Division 300 E Street, SW Washington, DC 20546-0001

(2) Lists of affected contracts accompanying a notice of successor in interest should include the information at FAR 42.1204(e)(2).

(3) Lists of affected contracts accompanying a notice of a name change should include the information at FAR 42.1205(a)(3).

(4) On notices sent to the addressees in paragraph (1) of this section, include a consolidated list for all subordinate contracting offices of the addressee.

(5) Before making any substantial alterations or additions to the novation agreement format at FAR 42.1204(i), coordinate with the addressees in paragraph (1) of this section that have contracts with the contractor. Resolve any objections before executing the agreement.

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### PGI 242—Contract Administration and Audit Services

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(6) If the National Aeronautics and Space Administration (NASA) wants a separate agreement with the contractor, continue to process the agreement only for DoD.

(7) In addition to the requirements of FAR 42.1203(g), make distribution to—

(i) The addressees in paragraph (1) of this section - two copies; and

(ii) The appropriate Military Surface Deployment and Distribution Command area command for agreements affecting contracts and basic agreements for storage and related services for personal property of military and civilian personnel — two copies:

Commander  
Eastern Area  
Military Surface Deployment  
and Distribution Command  
ATTN: MTE-LO  
Bayonne, NJ 07002

Commander  
Western Area  
Military Surface Deployment  
and Distribution Command  
Oakland Army Base  
ATTN: MTW-LO  
Oakland, CA 94626

(8) In addition to the distribution requirements of FAR 42.1203(h)(4)--

(i) Send two copies to the address in paragraph (1) of this section. The list of contracts may be confined to those issued by that department.

(ii) Do not send copies to NASA or the commands in paragraph (7)(ii) of this section. They will issue their own modifications.

(9) Report the novation agreement or name change modification for each of the effected contracts to FPDS (see PGI [204.606](#)(4)(v)).

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## PGI F—Material Inspection and Receiving Report

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*(Revised September 20, 2011)*

### PGI F, PART 2—CONTRACT QUALITY ASSURANCE ON SHIPMENTS BETWEEN CONTRACTORS

#### PGI F-201 Procedures.

(1) Use the supplier's commercial shipping document/packing list to enter performance of required contract quality assurance (CQA) actions at the subcontract level. Make the following entries on the supplier's commercial shipping document/packing list:

Required CQA of listed items has been performed.

\_\_\_\_\_ (Signature of Authorized Government Representative  
or DoD Stamp)  
\_\_\_\_\_ (Date)  
\_\_\_\_\_ (Typed Name and Office)

(2) Distribution for Government purposes shall be—

- (i) One copy with shipment;
- (ii) One copy for the Government representative at consignee (via mail); and
- (iii) One copy for the Government representative at consignor.

### PGI F, PART 7—DISTRIBUTION OF THE DD FORM 250-1

#### PGI F-701 Distribution.

(1) The Government representative shall distribute the completed DD Form 250-1 using Table 3 on the following pages, as amended by the provisions of the contract or shipping order.

(2) The contractor shall furnish the Government representative sufficient copies of the completed form to permit the required distribution.

(3) Distribution of the form shall be made as soon as possible, but not later than 24 hours following completion of the form.

#### PGI F-802 Corrected DD Form 250-1.

When errors are made in entries on the form that would affect payment or accountability—

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### PGI F—Material Inspection and Receiving Report

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- (1) Make corrected copies;
- (2) Circle the corrected entries on all copies and mark the form “CORRECTED COPY”;
- (3) Enter the statement “Corrections Have Been Verified” in Block 26, with the authorized Government representative's dated signature directly below; and
- (4) Make distribution of the certified corrected copy to all recipients of the original distribution.

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### PGI F—Material Inspection and Receiving Report

<b>TABLE 3</b>					
		<b>NUMBER OF COPIES</b>			
		<b>LOADING</b> (Prepared by shipper or Government representative)		<b>DISCHARGE</b> (Prepared by receiving activity)	
<b>TYPE OF SHIPMENT</b>	<b>RECIPIENT OF DD FORM 250-1</b>	<b>TANKER</b>	<b>BARGE</b>	<b>TANKER</b>	<b>BARGE</b>
All (On overseas shipments, provide for a minimum of 4 consignees. Place 1 copy, attached to ullage report, in each of 4 envelopes. Mark the envelopes, "Consignee - First Destination", "Consignee - Second Destination", etc. Deliver via the vessel).	Each Consignee (By mail CONUS only).	2	1	As Required	As Required
	With Shipment.	1	1	As Required	As Required
	Master of Vessel.	1	1	1	1
	Tanker or Barge Agent.	2	2	2	2
	Contractor.	As Required	As Required	As Required	As Required
	Cognizant Inspection Office.	1	1	1	1
	Government Representative responsible for quality at each destination.	1	1	1	1
	Government Representative at Cargo Loading Point.	1	1	1*	1*
On all USNS tankers and all MSC chartered tankers and MSC chartered barges.	Military Sealift Command, Code N322, Washington, DC 20396-5100.	2	2	2	2

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See the contract or shipping order for finance documentation and any supplemental requirements for Government-owned product shipments and receipts.	Payment Office: If this is DFAS-CO, send copies to: DLA Energy, ATTN: DESC-FII, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6221 (do not send copies to DFAS-CO).	2	2	2	2
For shipments and receipts of DLA Energy-financed cargoes for which DFAS-CO is not the paying office.	DLA Energy, ATTN: DESC-FII, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6221.	1	1	1	1
For shipments on all USNS tankers, MSC chartered tankers and barges, and FOB destination tankers with copy of ullage report.	DLA Energy, ATTN: DESC-BID, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6221.	1	1	1**	1
On Army ILP shipments.	U.S. Army International Logistics Center, New Cumberland Army Depot, New Cumberland, PA 17070-5001.	2	2	2	2
On all shipments to Navy Operated Terminals.	DLA Energy, ATTN: DESC-FII, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6221.	2	1	2	1
On all shipments to Air Force Bases.	Directorate of Energy Management, SA ALC(SFT), Kelly AFB, TX 78241-5000.	1	1	1	1
On all CONUS loadings.	DLA Energy Region(s) cognizant of shipping point.	1	1	1	1

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### PGI F—Material Inspection and Receiving Report

On all shipments to CONUS Destinations.	DLA Energy Region(s) cognizant of shipping and receiving point.****	1	1	0	0
For all discharges of cargoes originating at DLA Energy Support Points and discharging at activities not Defense Energy Support Points.	DLA Energy, ATTN: DESC-BID, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6221.			1***	1***
*	With copy of ullage report.				
**	Dry tank certificate to accompany DD Form 250-1 and ullage report.				
***	Copies of the DD Form 250-1, forwarded by bases, will include the following in Block 11: Shipped to: Supplementary Address, if applicable; Signed Code; and Fund Code.				
****	See Table 4.				

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<b>TABLE 4</b>		
<b>FUEL REGION LOCATIONS AND AREAS OF RESPONSIBILITY</b>		
a.	DLA Energy Americas	DLA Energy Americas Federal Office Building 2320 La Branch Street, Suite 2118 Houston, TX 74004-1091
	Area of Responsibility:	Colorado, Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming
b.	DLA Energy Americas East	DLA Energy Americas East Federal Office Building 2320 La Branch, Room 1005 Houston, TX 77004-1091
	Area of Responsibility:	Alabama, Arizona, Arkansas, Caribbean Area, Florida, Georgia, Louisiana, Mexico, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, West Indies, Central America, and South America
c.	DLA Energy Americas West	DLA Energy Americas West 3171 N. Gaffney Street San Pedro, CA 90731-1099
	Area of Responsibility:	California, Idaho, Montana, Nevada, Oregon, Utah, and Washington
d.	DLA Energy Alaska	DLA Energy Alaska 10480 22 <sup>nd</sup> Street Elmendorf AFB, Alaska 99506-2500
	Area of Responsibility:	Alaska and Aleutians
e.	DLA Energy Europe &	DLA Europe & Africa

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	Africa	Building 2304 APO New York 09128-4105
	Area of Responsibility:	Continental Europe, United Kingdom, Mediterranean Area, Turkey, and Africa (less Djibouti, Egypt, Ethiopia, Kenya, Somalia)
f.	DLA Energy Middle East	DLA Energy Middle East PSC 451 Box DESC-ME FPO AE 09834-2800
	Area of Responsibility:	Afghanistan, Bahrain, Djibouti, Egypt, Ethiopia, Iran, Iraq, Jordan, Kenya, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, United Arab Emirates, and Yemen
g.	DLA Energy Pacific	DLA Energy Pacific Camp H. M. Smith Honolulu, HI 96861-5000
	Area of Responsibility:	Australia, Burma, East Indies, Hawaii, Indian Ocean, Japan, Korea, Malaya, Marianas, New Zealand, Philippines, Ryukyu Islands, South Pacific Islands, Sri Lanka, Taiwan, and Thailand