

DFARS Procedures, Guidance, and Information

PGI 204—Administrative Matters

(Revised December 12, 2012)

PGI 204.2—CONTRACT DISTRIBUTION

PGI 204.201 Procedures.

(1) The procuring contracting officer (PCO) retains the original signed contract for the official contract file. Administrative contracting officers and termination contracting officers provide the original of each modification to the PCO for retention in the official contract file. Unless otherwise directed by department/agency procedures, the office issuing the orders maintains the original of orders under basic ordering agreements and the original of provisioning orders; and

(2) Ensure that distribution of contracts and modifications is consistent with security directives.

(3) Use the following distribution procedures instead of those at FAR 4.201(b) through (f):

(i) Contracts and modifications shall be distributed electronically using the following methods:

(A) Indexed Portable Document Format files shall be sent via the Global Exchange system (GEX) to the Electronic Document Access (EDA) (<http://eda.ogden.disa.mil>) system to provide a human-readable copy of contract documents.

(B) Electronic data files depicting the contract shall be sent in at least one of the following formats via the GEX to EDA and to systems supporting specific offices as set forth in paragraph (ii) below. (Note that the GEX can be used to translate from the formats below to other formats. Organizations should send both formats in parallel unless validation failures have been eliminated.)

(1) American National Standards Institute X.12 Electronic Data Interchange standard transaction sets 850 and 860.

(2) Department of Defense Procurement Data Standard (PDS) Extensible Markup Language (XML) format:
http://www.acq.osd.mil/dpap/pdi/eb/procurement_data_standard.html

(ii) After contract execution, provide an electronic data file copy of the contract and modifications in either X.12 or PDS XML to the following:

(A) The contract administration office, if the contracting officer delegates

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contract administration to another office (see FAR subpart 42.2). The contracting officer also should provide the contract administration office with a copy of the contract distribution list, indicating those offices that should receive copies of modifications, and any changes to the list as they occur.

(B) The payment office. Provide any modification that changes the payment office to both the new and the old payment offices.

(C) Each accounting office whose funds are cited in the contract.

(D) Each consignee specified in the contract. A transshipping terminal is not a consignee. The Defense Logistics Agency (DLA) is authorized to prescribe alternate procedures for distribution of contract documents in DLA Europe and Africa.

(E) The military interdepartmental purchase request requiring activity in the case of coordinated acquisition.

(F) The receiving activity, if the contract or modification provides initial or amended shipping instructions under DFARS [204.7004\(c\)\(3\)\(iii\)](#).

(iii) Provide electronic notice of award via EDA to the following:

(A)(1) The appropriate Defense Contract Audit Agency (DCAA) office, as listed in DCAAP 5100.1, Directory of DCAA Offices, or as obtained through the DCAA cognizant field audit office locator, both available via the Internet at <http://www.dcaa.mil>, if the contract or modification is one of the following types:

(i) Cost-reimbursement.

(ii) Time-and-materials.

(iii) Labor-hour.

(iv) Fixed-price with provisions for redetermination, cost incentives, economic price adjustment based on cost, or cost allowability.

(v) Any other contract that requires audit service.

(2) If there is a question as to the appropriate DCAA field audit office, request the assistance of the DCAA financial liaison advisor or the nearest DCAA field audit office.

(B) Those organizations required to perform contract administration support functions (e.g., when manufacturing is performed at multiple sites, provide a

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copy to the contract administration office cognizant of each location).

(C) The cognizant administrative contracting officer when the contract is not assigned for administration but contains a Cost Accounting Standards clause. Indicate that the copy is provided “For Cost Accounting Standards Administration Only” (see FAR 30.601(b)); and

(D) The cognizant Defense Security Service office listed in DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives, when the clause at DFARS [252.223-7007](#), Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives, is included in the contract. An extract of the pertinent information can be provided instead of the contract.

(iv) If electronic distribution is not available, provide one paper copy to each location identified in paragraphs (3)(i) through (iii) of this section.

PGI 204.270 Electronic Document Access.

All contracting officers shall obtain an account in the Electronic Document Access (EDA) system, as required by DPAP Policy letter dated November 3, 2009 ([click here to see document](#)). For detailed information on EDA and the Contract Deficiency Reports process, please visit the EDA homepage at <http://eda.ogden.disa.mil>. There is also a training link where you can find the Contract Deficiency Reports module that explains the entire Contract Deficiency Reports process.

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PGI 204.71—UNIFORM CONTRACT LINE ITEM NUMBERING SYSTEM

PGI 204.7103 Contract line items.

(a) Separately identifiable contract line and subline items (i.e. all except those with characteristics described in DFARS [204.7103-1\(a\)\(2\)\(iii\)](#) or [204.7104-1\(a\)](#)) shall include a description of the item or service being procured, the associated Product Service Code, the quantity, a unit of measure, defined acceptance and inspection locations and requirements, and the delivery schedule or performance period.

(1) The list of active PSCs is available on the Federal Procurement Data System website under the 'Worksite' section under 'Reference'.

(2) The list of available units of measure is on the Defense Procurement and Acquisition Policy website at http://www.acq.osd.mil/dpap/pdi/eb/docs/Line_Item_UoM_List.xlsx.

(3) Delivery and acceptance locations shall be defined using Activity Address Codes published in (1) DoD Activity Address Directory (DODAAD), DoD 4000.25-6-M, or (2) Military Assistance Program Address Directory System (MAPAD), DoD 4000.25-8-M and available for verification at <https://www.daas.dla.mil/daasing/default.asp>.

(4) No activity shall be assigned acceptance responsibility unless that activity has acceptors registered in Wide Area WorkFlow (WAWF). Available roles for an Activity Address Code can be verified at the Active DoDAACs & Roles link on the WAWF homepage at <https://wawf.eb.mil/>.

(b) Fixed price line items shall include unit prices and total prices. Cost type line items shall not include unit prices, but shall contain the appropriate elements in accordance with FAR part 16. Not separately priced line items shall be so labeled. The notation "No Charge" shall not be used.

(c) The requirements at paragraph (a) and (b) shall be included in the appropriate parts of the contract Schedule.

(d) The following examples illustrate when the requirements at paragraph (a) apply—

(1) Separately identifiable subline items. The rule applies to subline items 0001AA and 0001AB. It does not apply to the line item 0001, because it does not have a deliverable.

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ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widgets				
0001AA	Red painted widgets	6	EA	\$10.00	\$60.00
0001AB	Unpainted widgets	6	EA	\$9.50	\$57.00

(2) Informational subline items. The rule applies to line item 0001. It does not apply to subline items 000101, 000102, and 000103 because they do not have deliverables.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widget implementation Joint Service Study	1	LOT	\$60,000	\$60,000
000101	Army funding (AA: \$20,000)				
000102	Navy funding (AB: \$20,000)				
000103	Air Force funding (AC: \$20,000)				

(3) Line item with no subline items. The rule applies.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Red painted widgets	6	EA	\$10.00	\$60.00

(4) Line item is parent to an exhibit. The rule applies to the exhibit lines.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	See exhibit A (\$117.00)				
A001	Red painted widgets	6	EA	\$10.00	\$60.00
A002	Unpainted widgets	6	EA	\$9.50	\$57.00

(5) Line is parent to a subline item which refers to an exhibit. The rule applies to the exhibit lines.

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ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widget program				
0001AA	Design and develop widgets	1	LOT	\$500.00	\$500.00
0001AB	See exhibit A (\$117.00)				
A001	Red painted widgets	6	EA	\$10.00	\$60.00
A002	Unpainted widgets	6	EA	\$9.50	\$57.00

PGI 204.7103-2 Numbering procedures.

(a) Contract line items shall consist of four numeric digits 0001 through 9999. Do not use numbers beyond 9999. Within a given contract, the item numbers shall be sequential but need not be consecutive.

(b) The contract line item number shall be the same as the solicitation line item number unless there is a valid reason for using different numbers.

(c) Once a contract line item number has been assigned, it shall not be assigned to another, different, contract line item in the same contract.

PGI 204.7104 Contract subline items.

PGI 204.7104-2 Numbering procedures.

(a) Number subline items by adding either two numeric characters or two alpha characters to the basic contract line item number.

(1) *Information subline item numbers.* Use numeric characters only for information subline items, running 01 through 99. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For example, if the contract line item number is 0001, the first three subline items would be 000101, 000102, and 000103. Do not use a designation more than once within a contract line item.

(2) *Separately identified subline items.* Use alpha characters only for separately identified subline items, running AA through ZZ. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For example, if the contract line item number is 0001, the first three subline items would be 0001AA, 0001AB, and 0001AC.

(i) Do not use the letters I or O as alpha characters.

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(ii) Use all 24 available alpha characters in the second position before selecting a different alpha character for the first position. For example, AA, AB, AC, through AZ before beginning BA, BB, and BC.

(b) Within a given contract line item, the subline item numbers shall be sequential but need not be consecutive.

(c) Exhibits may be used as an alternative to setting forth in the schedule a long list of contract subline items. If exhibits are used, create a contract subline item citing the exhibit's identifier. See DFARS [204.7105](#).

(d) If a contract line item involves ancillary functions, like packaging and handling, transportation, payment of state or local taxes, or use of reusable containers, and these functions are normally performed by the contractor and the contractor is normally entitled to reimbursement for performing these functions, do not establish a separate subline item solely to account for these functions. However, do identify the functions in the contract schedule. If an offeror separately prices these functions, the contracting officer may establish separate subline items for the functions; however, the separate subline items must conform to the requirements of DFARS [204.7104-1](#).

(e) The following examples illustrate subline items numbering—

(1) Subline items structured to identify destinations for identical items, identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy,... Appl, Rotor, Helicopter PRON A1-9-63821-M1- M1 ACRN:AA				
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXB M IPD: 2 RDD: 325 PROJ: 502	10	EA	\$100.00	\$1,000.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503	15	EA	\$100.00	\$1,500.00

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(2) Subline items structured to identify destinations for identical items, not identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy,... Apbl, Rotor, Helicopter PRON A1-9-63821-M1- M1 ACRN:AA				
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXBM IPD: 2 RDD: 325 PROJ: 502	20	EA	\$99.00	\$1,980.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503	30	EA	\$98.00	\$2,940.00

NOTE: Difference in prices for identical items is due to separate destinations for FOB destination delivery.

(3) Subline items structured to identify different sizes of an item that are identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0013	Boots Insulated, Cold Weather White, Type II, Class 1				
0013AA	8430-00-655-5541 Size 5N	50	PR	\$38.35	\$13,422.50
0013AB	8430-00-655-5544 Size 8N	70			
0013AC	8430-00-655-5551 Size 9N	30			
0013AD	8430-00-655-5535 Size 9R	200			

NOTE: Unit price and total amount shown at line item level rather than at subline item level.

(4) Subline items structured to identify different sizes of an item that are not

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identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Body Armor Ground Troops Variable Type Small Arms, Fragmentation Protective Nylon Felt Vest, Front and Back Plates, Ceramic Plate, Type I				
0002AA	First Article	1	LO	NSP	
0002AB	8470-00-141-0935 Medium	1936	SE	\$331.77	\$642,306.72
0002AC	8470-00-141-0936 Large Regular	625	SE	\$355.77	\$222,356.25
0002AD	8470-00-141-0937, Medium	1237	SE	\$346.77	\$428,954.49
0002AE	8470-00-141-0938, Large Long	804	SE	\$365.77	\$294,079.08

(5) Subline items structured to provide the capability for relating subordinate separately priced packaging costs to the overall contract line item. (Separate delivery schedules shall be established for the subline item identifying the contractor's product and for the subline item identifying packaging. No schedule will be established for the contract line item.)

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	6105-00-635-6568 50380 Ref No 63504-WZ Armature Motor ACRN: AA				
0001AA	6105-00-635-6568 50380 Ref No 63504-WZ Armature Motor ACRN: AA	2	EA	\$2,895.87	\$5,791.74
0001AB	Packaging ACRN:AA	2	EA	\$289.58	\$579.16

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(6) Subline items structured to identify different accounting classifications for identical items (delivery schedule shall be established for each subline item, not the contract line item).

AJ: 17X150518350315069100000192B00000000000000000000
 AK: 17X150518370317569100000192B00000000000000000000
 AL: 17X150519350314369100000192B00000000000000000000

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Pulse Decoder KY-312/A5Q-19		EA	\$3,037.40	
0002AA	Pulse Decoder KY-312/A5Q-19 ACRN: AJ	2			\$6,074.80
0002AB	Pulse Decoder KY-312/A5Q-19 ACRN: AK	6			\$18,224.40
0002AC	Pulse Decoder KY-312/A5Q-19 ACRN: AL	2			\$6,074.80

NOTE: Unit price may be shown at line item level and total amounts shown at subline item level.

(7) Informational subline items established to identify multiple accounting classification citations assigned to a single contract line item.

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Air Vehicle 000101 ACRN:AA \$3,300,000 000102 ACRN:AB \$2,000,000 000103 ACRN:AC \$1,400,000	1	EA	\$6,700,000	\$6,700,000

(8) Subline items structured to identify parts of an assembly (delivery schedule and price shall be established for each identified part at the subline item level, not for the assembly at the contract line item level).

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ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003	Automatic Degaussing System Consisting of: (2 ea @ \$52,061; \$104,122 total)				
0003AA	Switchboard	2	EA	\$52,061.00	\$104,122.00
0003AB	Remote Control Panel	2	EA	NSP	
0003AC	Power Supply (M Coil) SSM Type 145 Amps, 220 V DC)	2	EA	NSP	
*	* *			*	*
0003AF	Power Supply (A Coil) SSM Type (118 Amps, 220 V DC)	2	EA	NSP	

(9) Subline items structured to identify parts of a kit (delivery schedule and price shall be established for each identified part at the subline item level, not for the kit at the contract line item level).

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0031	Conversion Kit to Convert Torpedo MK 45 Mod 0 to Torpedo MK 45 Mod 1 (50 Kt @ \$10,868.52; \$543,426 total)				
0031AA	Integrator Assy LD 620106	50	EA	\$10,868.52	\$543,426.00
0031AB	Pulse Generator Assy LD 587569	50	EA	NSP	
0031AC	Drive Shaft Assy LD 587559	50	EA	NSP	
*	* *			*	
0031BF	Actual Panel Assy LD 542924	50	EA	NSP	

NOTE: In this example, the prices of subline items 0031AB through 0031BF are included in the Integrator Assembly.

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PGI 204.7105 Contract exhibits and attachments.

(a) *Use of exhibits.*

(1) Exhibits may be used instead of putting a long list of contract line items or subline items in the contract schedule. Exhibits are particularly useful in buying spare parts.

(2) When using exhibits, establish a contract line or subline item and refer to the exhibit.

(3) Identify exhibits individually.

(4) Each exhibit shall apply to only one contract line item or subline item.

(5) More than one exhibit may apply to a single contract line item.

(6) Data items on a DD Form 1423, Contract Data Requirements List, may be either separately priced or not separately priced.

(i) Separately priced. When data are separately priced, enter the price in Section B of the contract.

(ii) Not separately priced. Include prices in a priced contract line item or subline item.

(7) The contracting officer may append attachments to exhibits, as long as the attachment does not identify a deliverable requirement that has not been established by a contract line item or subline item or exhibit line item.

(8) Include exhibit line items and associated information in the electronically distributed contract documents identified in [PGI 204.201\(3\)\(i\)\(A\)](#) and (B).

(b) *Numbering exhibits and attachments.*

(1) Use alpha characters to identify exhibits. The alpha characters shall be either single or double capital letters. Do not use the letters I or O.

(2) Once an identifier has been assigned to an exhibit, do not use it on another exhibit in the same contract.

(3) The identifier shall always appear in the first or first and second positions of all applicable exhibit line item numbers.

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(4) If the exhibit has more than one page, cite the procurement instrument identification number, exhibit identifier, and applicable contract line or subline item number on each page.

(5) Use numbers to identify attachments.

(c) *Numbering exhibit line items.*

(1) Criteria for establishing. The criteria for establishing exhibit line items are the same as those for establishing contract line items (see DFARS [204.7103](#)).

(2) Procedures for numbering.

(i) Number items in an exhibit in a manner similar to contract line items.

(ii) Number line items using a four-position number.

(A) The first position or the first and second position contain the exhibit identifier.

(B) The third and fourth positions contain the alpha or numeric character serial numbers assigned to the line item when using a double letter exhibit identifier. The second, third and fourth positions contain the alpha or numeric character serial numbers assigned to the line item when using a single letter exhibit identifier.

(iii) Exhibit line item numbers shall be sequential within the exhibit.

(3) Examples.

(i) Two-position serial number for double letter exhibit identifier.

<u>Cumulative No. of Line Items</u>	<u>Serial Number Sequence</u>
1-33	01 thru 09, then 0A thru 0Z, then
34-67	10 thru 19, then 1A thru 1Z, then
68-101	20 thru 29, then 2A thru 2Z, then
102-135	30 thru 39, then 3A thru 3Z, then
136-169	40 thru 49, then 4A thru 4Z, then

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170-203	50 thru 59, then 5A thru 5Z, then
204-237	60 thru 69, then 6A thru 6Z, then
238-271	70 thru 79, then 7A thru 7Z, then
272-305	80 thru 89, then 8A thru 8Z, then
306-339	90 thru 99, then 9A thru 9Z, then
340-373	A0 thru A9, then AA thru AZ, then
374-407	B0 thru B9, then BA thru BZ, then
408-441	C0 thru C9, then CA thru CZ, then
442-475	D0 thru D9, then DA thru DZ, then
476-509	E0 thru E9, then EA thru EZ, then
510-543	F0 thru F9, then FA thru FZ, then
544-577	G0 thru G9, then GA thru GZ, then
578-611	H0 thru H9, then HA thru HZ, then
612-645	J0 thru J9, then JA thru JZ, then
646-679	K0 thru K9, then KA thru KZ, then
680-713	L0 thru L9, then LA thru LZ, then
714-747	M0 thru M9, then MA thru MZ, then
748-781	N0 thru N9, then NA thru NZ, then
782-815	P0 thru P9, then PA thru PZ, then
816-849	Q0 thru Q9, then QA thru QZ, then
850-883	R0 thru R9, then RA thru RZ, then
884-917	S0 thru S9, then SA thru SZ, then

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918-951	T0 thru T9, then TA thru TZ, then
952-985	U0 thru U9, then UA thru UZ, then
986-1019	V0 thru V9, then VA thru VZ, then
1020-1053	W0 thru W9, then WA thru WZ, then
1054-1087	X0 thru X9, then XA thru XZ, then
1088-1121	Y0 thru Y9, then YA thru YZ, then
1122-1155	Z0 thru Z9, then ZA thru ZZ

(ii) Three-position numbers.

<u>Cumulative No. of Line Items</u>	<u>Serial Number Sequence</u>
1-33	01 thru 009, then 00A thru 00Z, then
34-67	010 thru 019, then 01A thru 01Z, then
68-101	020 thru 029, then 02A thru 02Z, then
102-135	030 thru 039, then 03A thru 03Z and
136-305	so on to
306-339	090 thru 099, then 09A thru 09Z, then
340-373	0A0 thru 0A9, then 0AA thru 0AZ, then
374-407	0B0 thru 0B9, then 0BB thru 0BZ, then
408-441	0C0 thru 0C9, then 0CA thru 0CZ, and
442-1121	so on to
1122-1155	0Z0 thru 0Z9, then 0ZA thru 0ZZ, then
1156-1189	100 thru 109, then 10A thru 10Z, then
1190-1223	110 thru 119, then 11A thru 11Z, then

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1224-1257	120 thru 129, then 12A thru 12Z, and
1258-1461	so on to
1462-1495	190 thru 199, then 19A thru 19Z, then
1496-1529	1A0 thru 1A9, then 1AA thru 1AZ, then
1530-1563	1B0 thru 1B9, then 1BA thru 1BZ, and
1564-2277	so on to
2278-2311	1Z0 thru 1Z9, then 1ZA thru 1ZB, then
2312-2345	200 thru 109, then 10A thru 10Z, then
2346-2379	210 thru 219, then 21A thru 21Z, then
2380-2413	220 thru 229, then 22A thru 22Z, and
2414-2617	so on to
2618-2651	290 thru 299, then 29A thru 29Z, then
2652-2685	2A0 thru 2A9, then 2AA thru 2AZ, then
2686-2719	2B0 thru 2B9, then 2BA thru 2BZ, and
2720-3433	so on to
3434-3467	2Z0 thru 2Z9, then 2ZA thru 2ZZ, then
3468-3501	300 thru 309, then 30Z thru 30Z, and
3502-10403	so on to
10404-10437	900 thru 909, then 90A thru 90Z, then
10438-10471	910 thru 919, then 91A thru 91Z, and
10472-10709	so on to
10710-10743	990 thru 999, then 99A thru 99Z, then

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10744-10777	9A0 thru 9A9, then 9AA thru 9AZ, then
10778-10811	9B0 thru 9B9, then 9BA thru 9BZ, and
10812-11525	so on to
11526-11559	9Z0 thru 9Z9, then 9ZA thru 9ZZ

PGI 204.7107 Contract accounting classification reference number (ACRN) and agency accounting identifier (AAI).

(a) Establishing the contract ACRN.

(1) The contracting office issuing the contract is responsible for assigning ACRNs. This authority shall not be delegated. If more than one office will use the contract (e.g., ordering officers, other contracting officers), the contract must contain instructions for assigning ACRNs.

(2) ACRNs shall be established in accordance with the following guidelines:

(i) Do not use the letters I and O.

(ii) In no case shall an ACRN apply to more than one accounting classification citation, nor shall more than one ACRN be assigned to one accounting classification citation.

(b) *Establishing an AAI.* An AAI, as detailed <http://www.acq.osd.mil/dpap/policy/policyvault/USA002246-09-DPAP.pdf>, is a six-digit data element that identifies a system in which accounting for specific funds is performed. The funding office will provide to the contracting office the AAI associated with the funding for each line item.

(c) *Capturing accounting and appropriations data in procurement.* Procurement instruments shall identify the funding used for the effort in one of two ways.

(1) In legacy system environments where the contracting and accounting processes are not sufficiently integrated to ensure use of the Procurement Instrument Identification Numbers (PIINs) (see DFARS [204.70](#)) and line item numbers as common keys, the contract shall include the accounting and appropriations data and ACRN as follows:

(i) Show the ACRN as a detached prefix to the accounting classification citation in the accounting and appropriations data block or, if there are too many

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accounting classification citations to fit reasonably in that block, in section G (Contract Administration Data).

(ii) ACRNs need not prefix accounting classification citations if the accounting classification citations are present in the contract only for the transportation officer to cite to Government bills of lading.

(iii) If the contracting officer is making a modification to a contract and using the same accounting classification citations, which have had ACRNs assigned to them, the modification need cite only the ACRNs in the accounting and appropriations data block or on the continuation sheets.

(iv) *Showing the ACRN in the contract.* If there is more than one ACRN in a contract, all the ACRNs will appear in several places in the schedule (e.g., ACRN: AA).

(A) *Ship-to/mark-for block.* Show the ACRN beside the identity code of each activity in the ship-to/mark-for block unless only one accounting classification citation applies to a line item or subline item. Only one ACRN may be assigned to the same ship-to/mark-for within the same contract line or subline item number unless multiple accounting classification citations apply to a single nonseverable deliverable unit such that the item cannot be related to an individual accounting classification citation.

(B) *Supplies/services column.*

(1) If only one accounting classification citation applies to a line item or a subline item, the ACRN shall be shown in the supplies/services column near the item description.

(2) If more than one accounting classification citation applies to a single contract line item, identify each assigned ACRN and the amount of associated funds using informational subline items (see DFARS [204.7104-1\(a\)](#)).

(2) The contract shall include AAls and ACRNs in system environments where the accounting systems are able to use PIINs and line item numbers as common keys to enable traceability of funding to contract actions. Include AAls and ACRNs as follows:

(i) *Showing the ACRN in the contract.* If there is more than one ACRN in a contract, all the ACRNs will appear in several places in the schedule (e.g., ACRN: AA).

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(A) *Ship-to/mark-for block.* Show the ACRN beside the identity code of each activity in the ship-to/mark-for block unless only one accounting classification citation applies to a line item or subline item. Only one ACRN may be assigned to the same ship-to/mark-for within the same contract line or subline item number unless multiple accounting classification citations apply to a single nonseverable deliverable unit such that the item cannot be related to an individual accounting classification citation.

(B) *Supplies/services column.*

(1) If only one accounting classification citation applies to a line item or a subline item, the ACRN shall be shown in the supplies/services column near the item description.

(2) If more than one accounting classification citation applies to a single contract line item, identify each assigned ACRN and the amount of associated funds using informational subline items (see DFARS [204.7104-1\(a\)](#)).

(ii) *Showing the AAI in the contract.* If there is more than one AAI in a contract, show the AAI in the supplies/services column of the Schedule next to the ACRN. A sample showing the AAI is as follows:

ITEM	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
MILSTRIP: N0001906P7PM230					
	PURCHASE REQUEST NUMBER: 0010144885-0001				
ACRN: AA	BRU-32 B/A	23	Each	\$22,206.00	\$510,738.00
	Ejector Bomb Rack				

MILSTRIP: N0001906P7PM230
PURCHASE REQUEST NUMBER: 0010144885-0001
ACRN: AA
AAI: 050119

PGI 204.7108 Payment instructions.

(a) *Scope.* This section applies to contracts and any separately priced orders that--

(1) Include contract line items that are funded by multiple accounting classification citations for which a contract line item or items are not broken out into separately identifiable subline items (informational subline items are not separately identifiable subline items);

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- (2) Contain cost-reimbursement or time-and-materials/labor-hour line items; or
- (3) Authorize financing payments.

(b) For contracts and orders covered by this subpart, the contracting officer shall insert numbered instructions in Section G (Contract Administration Data), to permit the paying office to charge the accounting classification citations assigned to that contract line item (see DFARS [204.7104-1\(a\)](#)) in a manner that reflects the performance of work on the contract. When incorporating clauses by reference in Section G, cite the clause number, title, and date. If additional accounting classification citations are subsequently added, the payment instructions must be modified to include the additional accounting classification citations. Also, contracting officers shall not issue modifications that would create retroactive changes to payment instructions. All payment instruction changes shall be effective as of the date of the modification. When some, but not all, of the fixed price line items in a contract are subject to contract financing payments, the contracting officer shall clearly identify to which line items the payment clause(s) included in Section I apply.

(c) Payment instructions—

(1) Shall provide a methodology for the payment office to assign payments to the appropriate accounting classification citation(s), based on anticipated contract work performance;

(2) Shall be consistent with the reasons for the establishment of separate contract line items;

(3) Shall be selected from those provided in paragraph (d) of this section;

(4) Shall be revised to address the impact of changes to contract funding or significant disparities between existing instructions and actual contract performance;

(5) Shall state at what level (contract, contract line, subline, exhibit line, or ACRN) the payment instructions should be applied;

(6) Shall not be mixed within a level by contract type. For example, if the instructions apply at the contract level, there can be only one payment instruction for each contract type. If the instructions apply at the contract line or subline level, there can only be one payment instruction per contract line or subline item;

(7) For contracts or orders that contain a combination of fixed-price, cost-reimbursement, and/or time-and-materials/labor-hour line items, shall at a minimum include separate instructions for each contract type of contract line item (e.g., contract-wide proration for fixed-price line items and contract-wide ACRN level for cost-reimbursement line items);

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(8) For contracts or orders that contain foreign military sales requirements, shall include instructions for distribution of the contract financing payments to each country's account; and

(9) Shall use one of the standard payment instructions in paragraphs (d)(7) through (11) of this section unless the contracting officer documents in the contract file that there are significant benefits of requiring contractor identification of the contract line item on the payment request.

(d) The numbered payment instructions ((d)(1) through (12)) below correspond to the automated payment instructions in the supporting systems; therefore, care should be exercised when identifying the numbered instructions below in Section G of the contract. Include either one contract-wide instruction or one or more line item specific instructions. The contracting officer shall not use a combination of contract-wide and line item specific instructions.

(1) *Line item specific: single funding.* If there is only one source of funding for the contract line item (i.e., one ACRN), insert the following:

252.204-0001 Line Item Specific: Single Funding. (SEP 2009)

The payment office shall make payment using the ACRN funding of the line item being billed.

(2) *Line item specific: sequential ACRN order.* If there is more than one ACRN within a contract line item (i.e., informational subline items contain separate ACRNs), and the contracting officer intends funds to be liquidated in ACRN order, insert the following:

252.204-0002 Line Item Specific: Sequential ACRN Order. (SEP 2009)

The payment office shall make payment in sequential ACRN order within the line item, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

(3) *Line item specific: contracting officer specified ACRN order.* If there is

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more than one ACRN within a contract line item, (i.e. informational sub-line items contain separate ACRNs), and the contracting officer intends the funds to be liquidated in a specified ACRN order, insert the following, including the specified order in the instruction:

252.204-0003 Line Item Specific: Contracting Officer Specified ACRN Order. (SEP 2009)

The payment office shall make payment within the line item in the sequence ACRN order specified below, exhausting all funds in the previous ACRN before paying from the next ACRN.

Line Item	ACRN Order
_____	_____
_____	_____

(4) *Line item specific: by fiscal year.* If there is more than one ACRN within a contract line item, [(i.e. informational sub-line items contain separate ACRNs), and the contracting officer intends the funds to be liquidated using the oldest funds first, insert the following:

252.204-0004 Line Item Specific: by Fiscal Year. (SEP 2009)

The payment office shall make payment using the oldest fiscal year appropriations first, exhausting all funds in the previous fiscal year before disbursing from the next fiscal year. In the event there is more than one ACRN associated with the same fiscal year, the payment amount shall be disbursed from each ACRN within a fiscal year in the same proportion as the amount of funding obligated for each ACRN within the fiscal year.

(5) *Line item specific: by cancellation date.* If there is more than one ACRN within a contract line item, (i.e. informational sub-line items contain separate ACRNs), and the contracting officer intends the funds to be liquidated using the ACRN with the earliest cancellation date first, insert the following:

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252.204-0005 Line Item Specific: by Cancellation Date. (SEP 2009)

The payment office shall make payment using the ACRN with the earliest cancellation date first, exhausting all funds in that ACRN before disbursing funds from the next. In the event there is more than one ACRN associated with the same cancellation date, the payment amount shall be disbursed from each ACRN with the same cancellation date in the same proportion as the amount of funding obligated for each ACRN with the same cancellation date.

(6) *Line item specific: proration.* If there is more than one ACRN within a contract line item, (i.e. informational sub-line items contain separate ACRNs), and the contracting officer intends the funds to be liquidated in the same proportion as the amount of funding currently unliquidated for each ACRN, insert the following:

252.204-0006 Line Item Specific: Proration. (SEP 2009)

The payment office shall make payment from each ACRN in the same proportion as the amount of funding currently unliquidated for each ACRN.

(7) *Contract-wide: sequential ACRN order.* If the contracting officer intends the funds to be liquidated in sequential ACRN order, insert the following:

252.204-0007 Contract-wide: Sequential ACRN Order. (SEP 2009)

The payment office shall make payment in sequential ACRN order within the contract or order, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: alpha/alpha; alpha/numeric; numeric/alpha; and numeric/numeric.

(8) *Contract-wide: contracting officer specified ACRN order.* If the contracting officer intends the funds to be liquidated in a specified ACRN order, insert the following, including the specified order in the instruction:

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252.204-0008 Contract-wide: Contracting Officer Specified ACRN Order. (SEP 2009)

The payment office shall make payment in sequential ACRN order within the contract or order, exhausting all funds in the previous ACRN before paying from the next ACRN in the sequence order specified below:

ACRN Order

(9) *Contract-wide: by fiscal year.* If the contracting officer intends the funds to be liquidated in fiscal year order, insert the following:

252.204-0009 Contract-wide: by Fiscal Year. (SEP 2009)

The payment office shall make payment using the oldest fiscal year appropriations first, exhausting all funds in the previous fiscal year before disbursing from the next fiscal year. In the event there is more than one ACRN associated with the same fiscal year, the payment amount shall be disbursed from each ACRN within a fiscal year in the same proportion as the amount of funding obligated for each ACRN within the fiscal year.

(10) *Contract-wide: by cancellation date.* If the contracting officer intends the funds to be liquidated in fiscal year order, insert the following:

252.204-0010 Contract-wide: by Cancellation Date. (SEP 2009)

The payment office shall make payment using the ACRN with the earliest cancellation date first, exhausting all funds in that ACRN before disbursing funds from the next. In the event there is more than one ACRN associated with the same cancellation date, the payment amount shall be disbursed from each ACRN with the same cancellation date in the same proportion as the amount of funding obligated for each ACRN with the same cancellation date.

(11) *Contract-wide: proration.* If the contract or order that provides for progress payments based on costs, (unless the administrative contracting officer authorizes use of one of the other options), or if the contracting officer intends the funds to be liquidated

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in the same proportion as the amount of funding currently unliquidated for each ACRN, insert the following:

252.204-0011 Contract-wide: Proration. (SEP 2009)

The payment office shall make payment from each ACRN within the contract or order in the same proportion as the amount of funding currently unliquidated for each ACRN.

(12) *Other.* If none of the standard payment instructions identified in paragraphs (d)(1) through (11) of this section are appropriate, the contracting officer may insert other payment instructions, provided the other payment instructions--

- (i) Provide a significantly better reflection of how funds will be expended in support of contract performance; and
- (ii) Are agreed to by the payment office and the contract administration office.

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PGI 209—Contractor Qualifications

(Revised December 12, 2012)

PGI 209.4--DEBARMENT, SUSPENSION, AND INELIGIBILITY

PGI 209.405 Effect of listing.

(1) Environmental Protection Agency (EPA) responsibilities under Executive Order 11738, Providing for Administration of the Clean Air Act and the Federal Water Pollution Control Act With Respect to Federal Contracts, Grants, or Loans, have been delegated to the EPA Suspending and Debarment Official (EPA SDO).

(i) Submit notifications and reports required by DFARS [209.405\(b\)](#) to the EPA SDO at the following address:

Office of Grants and Debarments
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue NW
Washington, DC 20640

Telephone: 202-564-5399

(ii) Unless agency procedures specify otherwise, coordinate submissions to the EPA SDO through the applicable agency suspending and debarment official.

(2) Executive Order 11738 is available at <http://www.epa.gov/isdc/eo11738.htm>.

(3) Contracting officers are required to review the Excluded Parties List System (EPLS) twice, once after opening of bids/receipt of proposals (FAR 9.405(d)(1)) and again immediately prior to award (FAR 9.405(d)(4)). Document the contract file for both searches; the documentation may include a copy of the EPLS search.

PGI 209.406 Debarment.

PGI 209.406-3 Procedures.

(i) *Investigation and referral.* When referring any matter to the agency debarment and suspending official for consideration, provide the following specific information and documentation, to the extent practicable. Send two copies (one paper and one electronic) of each report, including enclosures.

(ii) For all referrals, provide the following:

(A) Name, address, and telephone number of the point of contact for the activity

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making the report.

(B) Name and address of the referred individual/contractor, CAGE code, and DUNS number, if applicable.

(C) Name and addresses of the members of the board, principal officers, partners, owners, and managers of the referred contractor.

(D) Name and addresses of all known affiliates, subsidiaries, or parent firms, and the nature of the business relationship to the referred individual/contractor.

(E) If a contracting office initiates the report, the comments and recommendations of the contracting officer and of each higher-level contracting review authority regarding—

(1) Whether to suspend or debar the contractor;

(2) Whether to apply limitations to the suspension or debarment;

(3) The period of any recommended debarment; and

(4) Whether to continue any current contracts with the contractor (or explain why a recommendation regarding current contracts is not included).

(F) To the extent that this information is available through FPDS-NG, a list of other agencies that hold current contracts with the referred individual/contractor.

(iii) For referrals based on judicial actions (indictments, convictions, civil judgments, etc.), provide the following:

(A) Copies of indictments, judgments, and sentencing actions.

(B) Copies of investigative reports when authorized by the investigative agency.

(C) Witness statements or affidavits when authorized by the investigative agency.

(D) If judicial action is contract-related, the contract number, description of supplies or services, and contract amount.

(iv) For “fact-based” referrals (no judicial action), for each contract affected by the misconduct or poor performance being reported, provide the following:

(A) The contract number, description of supplies or services, contract amount, percentage of completion, and amounts paid to and withheld from the contractor.

(B) Whether the contract is assigned under the Assignment of Claims Act and, if

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so, to whom.

(C) The contract fund citations involved, to expedite accurate return of funds to open accounts and commands, as appropriate.

(D) For any other contracts outstanding with the contractor or any of its affiliates, the contract number, description of supplies or services, and contract amount.

(E) A complete summary of all pertinent evidence and the status of any legal proceedings involving the contractor.

(F) An estimate of any damages sustained by the Government as a result of the contractor's action (explain how the estimate was calculated).

(G) A copy of pertinent extracts of each pertinent contract.

(H) Copies of investigative reports when authorized by the investigative agency.

(I) Witness statements or affidavits when authorized by the investigative agency.

(J) A copy of any available determinations of nonresponsibility in accordance with FAR 9.105-2(a)(1).

(K) Any other appropriate exhibits or documentation.

(b) Decisionmaking process.

(i) The agency debarring and suspending official shall follow the procedures and decisionmaking process stated in FAR 9.406-3(c) for proposed debarments and debarments) and FAR 9.407-3 (for suspensions), DFARS Appendix H, and any agency-specific procedures that are to be provided to the individual/contractor with the notice of proposed debarment or suspension, either by enclosure or electronic reference.

(ii) The absence of a referral in accordance with this section, or the absence of any information specified in this section, will not preclude the debarring and suspending official from making decisions to suspend, propose for debarment, or debar an individual/contractor.

(iii) The signature of the debarring and suspending official on the notice of suspension, proposed debarment, or debarment is sufficient evidence that the debarring and suspending official has made the specified decision.

(iv) If a debarring and suspending official determines that a referral lacks sufficient evidence of a cause for suspension or debarment, the debarring and suspending official may refer the matter for further review or investigation, as appropriate, by an appropriate agency or other Government entity, including a contracting activity, inspector general, auditing agency, or a criminal investigative agency.

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PGI 209.407 Suspension.

PGI 209.407-3 Procedures.

Use similar procedures as in DFARS [PGI 209.406-3](#) for suspensions.

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PGI 215—Contracting by Negotiation

(Revised December 12, 2012)

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

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FAR 2.101 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.

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

(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

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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 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.

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(4) Total dollar amount waived.

(5) Brief description of why the item(s) could not be obtained without a 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 data other than certified cost or pricing data. 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) *Data other than certified 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. 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 data from offerors to determine price reasonableness.

(2) *Previously been sold.* Contracting officers shall request offerors to provide data 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 data are sufficient for determining that prices are fair and reasonable. If the sales data are not sufficient, additional data 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.

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(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. 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.

(5) *Canadian Commercial Corporation.* All contracts with the Canadian Commercial Corporation (CCC) are placed in accordance with the practices, policies and procedures of the Government of Canada covering procurement for defense purposes (see [PGI 225.870](#)). Contracting Officers may rely on the confirmation and endorsement of the offer from the Canadian Commercial Corporation at [225.870-3\(a\)](#) as an endorsement of the cost/price as no more than would be charged to the Canadian government.

(i) When [252.215-7003](#) or [252.215-7004](#) are included in a solicitation with the Canadian Commercial Corporation, the data required by paragraph (b)(i) and (ii), in concert with the confirmation and endorsement of the offer, is intended to meet the requirements of FAR 15.404-1 for documentation of fair and reasonable pricing.

(ii) Use of [252.215-7003](#) or [252.215-7004](#) in sole source acquisitions not meeting the threshold at [215.408\(3\)\(i\)\(A\)](#) or (ii)(A)(1) or competitive acquisitions at any dollar value shall be supported by a determination and finding justifying the anticipated need for data other than certified cost or pricing data to determine a fair and reasonable price.

(iii) When the contracting officer anticipates the need for additional data to establish a fair and reasonable price, specific data should be requested at time of solicitation as detailed in DFARS [252.215-7003](#).

(iv) Examples of clause use:

Scenario	Requirement
Sole source to CCC, fixed price, with estimated value of \$600 million.	Include provision and clause in accordance with 215.408(3)(i)(A)(2) and

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	(ii)(A)(1)(ii), respectively, because estimated value exceeds \$500 million.
Sole source to CCC, cost reimbursement, with estimated value of \$800,000.	Include provision and clause in accordance with 215.408(3)(i)(A)(1) and (ii)(A)(1)(i), respectively, because estimated value exceeds \$700,000.
Sole source to CCC ,cost-reimbursement, with estimated value of \$500,000.	Do not include provision and clause, unless D&F is approved in accordance with 215.408(3)(i)(B) and (ii)(A)(2)), respectively, because estimated value does not exceed \$700.000.
Sole source to CCC ,fixed price, with estimated value of \$800,000	Do not include provision and clause, unless D&F is approved in accordance with 215.408(3)(i)(B) and (ii)(A)(2)), respectively, because estimated value does not exceed \$500 million.
Modifications to contracts that include the clause 252.215-7004 .	If 252.215-7004 is included in the contract, then data are required for modifications valued above the simplified acquisition threshold, or a higher threshold specified in the solicitation by the contracting officer, in accordance with 252.215-7004(b) .

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.

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(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 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

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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):

(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

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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.

(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.

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(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.

(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.

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(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.

(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.

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(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 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

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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

(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.

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(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.

(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.

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(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—

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L)DPAP/CPIC
3060 Defense Pentagon
Washington, DC 20301-3060

Or via email to: CPIC@osd.mil

(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

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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 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.

(c) *Cost estimates for program baselines and contract negotiations for Major Defense Acquisition and Major Automated Information System Programs.*

(i) For the purpose of contract negotiations and obligation of funds under this paragraph, the Government shall prepare cost analyses and targets based on the Government's reasonable expectation of successful contractor performance in accordance with the contractor's proposal and previous experience.

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(ii) Cost estimates developed for baseline descriptions and other program purposes by the Director of Cost Assessment and Program Evaluation pursuant to its functions, do not meet the criteria described in paragraph (c)(i) of this subsection and, thus, shall not be used for purposes of developing the Government's contract negotiation position or for the obligation of funds. However, the Government may consider the data and information used to develop such estimates when developing the cost analyses and targets described in paragraph (c)(i) of this subsection.

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 215.407-2 Make-or-buy programs.

(d) *Solicitation Requirements.* Consider the following factors when deciding whether to request a make-or-buy plan—

(1) The prime contractor's assumption of risk;

(2) The prime contractor's plant capacity;

(3) The prime contractor's degree of vertical integration;

(4) The prime contractor's internal resources;

(5) The anticipated contract type;

(6) The complexity, uniqueness, or configuration maturity associated with the end item or its subsystems;

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- (7) Critical path items;
- (8) The impact on contract overhead rates with respect to maintaining work in-house;
- (9) The industrial base that could potentially satisfy some system requirements, based on market survey;
- (10) Proprietary data and/or trade secrets;
- (11) Potential product quality concerns associated with items that would be subject to subcontracting;
- (12) Integrated master schedule timelines and their tolerances for variation;
- (13) The availability and experience of program office personnel to credibly analyze and evaluate a submission; and
- (14) Socioeconomic considerations, e.g. small business or labor surplus area concerns.

(f) *Evaluation, negotiation, and Agreement.* When a make-or-buy plan is required, listed below are factors that may be considered when evaluating a submission—

- (1) Prime contractor past performance, especially with respect to subcontract management;
- (2) Prime contractor make-or-buy history;
- (3) Adequacy of contractor's existing make-or-buy processes, including cost and technical risk considerations;
- (4) Component availability through existing sources, e.g. available inventory, or other Government contracts;
- (5) Prime contractor plant capacity;
- (6) The adequacy of the prime contractor's technical, financial and personnel capabilities; and
- (7) Prime contractor justification that is provided with respect to items it does not normally make.

PGI 215.407-4 Should-cost review.

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(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.dcm.mil/>) for questions on overhead should-cost analysis.

(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.

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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 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.

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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;
- (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 225—Foreign Acquisition

(Revised December 12, 2012)

PGI 225.74—DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES

PGI 225.7401 Contracts requiring performance or delivery in a foreign country.

(a) If the acquisition requires the performance of services or delivery of supplies in an area outside the United States, the contracting officer shall—

(i) Ensure that the solicitation and contract include any applicable host country and designated operational area performance considerations. Failure to provide such information—

(A) May result in a contract that does not reflect the respective support relationships between the contractor and the Government, ultimately affecting the ability of the contractor to fulfill the contract terms and conditions;

(B) May result in unplanned support burdens being placed on the Government in a theater of operations;

(C) May result in contractor personnel conflicting with theater operations or performing in violation of a theater commander's directives or host country laws; or

(D) May cause contractor personnel to be wrongly subjected to host country laws.

(ii) Comply with any theater business clearance/contract administration delegation requirements set forth in memorandum ([click here](#)) entitled Theater Business Clearance/Contract Administration Delegation Update—Integration of TBC with the Joint Contingency Contracting System Platform (which must be consistent with the combat support agency's established functions and responsibilities) and set forth by the geographic combatant commander during declared contingency operations for all solicitations and contracts that relate to the delivery of supplies and services to the designated area(s) of operation.

(A) Theater business clearance ensures—

(1) Contracted effort to be accomplished in designated area(s) of operations, along with any associated contractor personnel, is visible to the combatant commander;

(2) Contracted effort is in consonance with in-country commanders' plans;

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(3) Solicitations and contracts contain appropriate terms and conditions;

(4) Contracted effort will be properly overseen in designated area(s) of operation;

(5) Any Government-furnished support requirements associated with contractor personnel are properly addressed in the contract terms and conditions.

(B) Contract administration delegation—

(1) Allows the combatant commander to exercise control over the assignment of contract administration (which must be consistent with the combat support agency's established functions and responsibilities) for that portion of contracted effort that relates to performance in, or delivery to, designated area(s) of operation.

(2) Allows the combatant commander to exercise oversight to ensure the contractor's compliance with combatant commander and subordinate task force commander policies, directives, and terms and conditions.

(iii) Refer to the website at <http://www.acq.osd.mil/dpap/pacc/cc/index.html>, which contains required procedures and applicable guidance and information;

(iv) Follow specific guidance for the combatant command in whose area the contractor will be performing services or delivering supplies. This guidance is contained on the respective combatant commander's operational contract support webpage which is linked to the procedures at http://www.acq.osd.mil/dpap/pacc/cc/areas_of_responsibility.html, at the weblink for the combatant command for the area in which the contractor will be performing services or delivering items. These pages list prevailing regulations, policies, requirements, host nation laws, orders/fragmentary orders, combatant commander's directives, unique clauses, and other considerations necessary for soliciting and awarding a contract for performance in, or delivery of items to, that combatant commander's area of responsibility;

(v) To determine the appropriate point(s) of contact for contracting matters in/within the combatant commander's area of responsibility, contact the overseas contracting office by accessing the link for the combatant command in whose area of responsibility the contractor will be performing services or delivering items. From the combatant command website, link to the

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contracting office supporting the combatant command to identify the appropriate point of contact; and

(vi) Use the following checklist as a guide to document consideration of each listed issue, as applicable, and retain a copy of the completed checklist in the contract file.

CHECKLIST

The contracting officer shall verify that the requiring activity has considered the following when building its requirements package, as applicable:

____ (1) Whether the contemplated acquisition will duplicate or otherwise conflict with existing work being performed or items already provided in the area, and whether economies of scope/schedule can be leveraged if there are already existing contracts in place for similar work or items.

(2) The availability of technically qualified and properly trained Government civilian and/or military personnel to oversee the performance of the contract in the combatant commander's area of responsibility (e.g., contracting officer's representatives, quality assurance representatives, property administrators).

____ (3) The applicability of any international agreements to the acquisition. (Some agreements may be classified and must be handled appropriately.)

____ (4) Compliance with area-specific, anti-terrorism security guidance set forth by the command anti-terrorism officer, to include soliciting anti-terrorism officer guidance on the particular requirement and the location of delivery and/or execution of services, and incorporating recommended security measures into the requirements package.

____ (5) Whether there are any requirements for use of foreign currencies, including applicability of U.S. holdings of excess foreign currencies.

____ (6) Information on taxes and duties from which the Government may be exempt.

____ (7) If the acquisition requires performance of work in the foreign country, whether there are standards of conduct for the prospective contractor and, if so, the consequences for violation of such standards of conduct.

____ (8) The availability of logistical and other Government-furnished support and equipment for contractor personnel. This includes, but is not limited to: berthing and messing; intra-theater transportation; medical support; morale, welfare, and recreation support; postal support; force protection support; organizational clothing and personal protective gear (e.g., body armor and gas masks.)

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____ (9) If the contractor will employ foreign workers, whether a waiver of the Defense Base Act will be required (see FAR 28.305).

____ (10) Whether contractor personnel will need authorization to carry weapons for the performance of the contract.

____ (11) If the contract will include the clause at DFARS [252.225-7040](#), Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States, the Government official authorized to receive DD Form 93, Record of Emergency Data Card, to enable the contracting officer to provide that information to the contractor, as required by paragraph (g) of the clause.

____ (12) Other requirements associated with contractor personnel to include deployment-related training, accountability (registration in Synchronized Pre-deployment and Operational Tracker), medical and dental qualifications, theater entrance and country clearance requirements.

____ (13) Any other requirements of the website for the country in which the contract will be performed or the designated operational area to which deliveries will be made.

____ (14) If the acquisition requires performance of security services, as defined in DFARS [252.225-7039](#), to be performed in areas of (a) combat operations, (b) contingency operations, or (c) other military operations or exercises, incorporate, and require compliance with, ANSI/ASIS PSC.1-2012, American National Standard, Management System for Quality of Private Security Operations—Requirements with Guidance (located at <https://www.asisonline.org/guidelines/published.htm>).

The contracting officer shall provide the following information to the applicable overseas contracting office (see [PGI 225.7401](#)(a)(v)):

____ (1) The solicitation number, the estimated dollar value of the acquisition, and a brief description of the work to be performed or the items to be delivered.

____ (2) Notice of contract award, including contract number, dollar value, and a brief description of the work to be performed or the items to be delivered.

____ (3) Any additional information requested by the applicable contracting office to ensure full compliance with policies, procedures, and objectives of the applicable country or designated operational area.

(b) For work performed in Japan or Korea, U.S.-Japan or U.S.-Korea bilateral agreements govern the status of contractors and employees, criminal jurisdiction, and taxation. U.S. Forces Japan (USFJ) and U.S. Forces Korea (USFK) are sub-unified commands of Pacific Command (PACOM). The PACOM Staff Judge Advocate contact

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information is available at

http://www.pacom.mil/web/Site_Pages/Staff%20Directory/J0/J0.shtml or by clicking on Staff Directory/Special Staff on the PACOM website. Links to USFJ and USFK websites can be found at the PACOM website at <http://www.pacom.mil> by clicking on “Regional Resources - Links”.

(i) For work performed in Japan—

- (A) U.S.-Japan bilateral agreements govern the status of contractors and employees, criminal jurisdiction, and taxation;
- (B) USFJ and component policy, as well as U.S.-Japan bilateral agreements, govern logistic support and base privileges of contractor employees;

(C) The Commander, USFJ, is primarily responsible for interpreting the Status of Forces Agreement (SOFA) and local laws applicable to U.S. Forces in Japan and for requirements in support of USFJ; and

(D) To ensure that the solicitation and resultant contract reflect an accurate description of available logistics support and application of the U.S.-Japan SOFA, review the information on Contract Performance in Japan at the USFJ website, <http://www.usfj.mil>; or

(2) Contact the Staff Judge Advocate at (commercial) 011-81-3117-55-7717, or DSN 315-225-7717.

(ii) For work performed in Korea—

(A) U.S.-Korea bilateral agreements govern the status of contractors and employees, criminal jurisdiction, and taxation;

(B) USFK and component policy, as well as U.S.-Korea bilateral agreements, govern logistics support and base privileges of contractor employees;

(C) The Commander, USFK, is primarily responsible for interpreting the SOFA and local laws applicable to U.S. Forces in Korea and for requirements in support of USFK; and

(D) To ensure that the solicitation and resultant contract reflect an accurate description of available logistics support and application of the U.S.-Korea SOFA, review the SOFA information found at the USFK website at <http://www.usfk.mil/usfk/> under “Publications”, or at <http://www.usfk.mil/usfk/sofadocuments.aspx>. Contact information for the Commander is also available at <http://www.usfk.mil/usfk/leadership.aspx>.

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(E) Additional applicable directives and regulations are available at <http://www.usfk.mil/usfk/> , click on the drop down menu for “Publications”.

(c) For work performed in specified countries in the USCENTCOM area of responsibility, follow theater business clearance/ contract administration delegation policy as set forth in OSD policy letters linked to this PGI, and specific theater business clearance/contract administration delegation instructions as implemented by USCENTCOM’s Joint Theater Support Contracting Command and found under contracting guidance at http://www.acq.osd.mil/dpap/pacc/cc/areas_of_responsibility.html (click on CENTCOM area of responsibility).

PGI 225.7402 Contractor personnel authorized to accompany U.S. Armed Forces deployed outside the United States.

(1) DoDI 3020.41, Contractor Personnel Authorized to Accompany the U.S. Armed Forces, serves as a comprehensive source of DoD policy and procedures concerning DoD contractor and subcontractor personnel authorized to accompany the U.S. Armed Forces. Such personnel—

(i) May include U.S. citizens, U.S. legal aliens, third country nationals, and local nationals;

(ii) May be employees of external support, systems support, or theater support contractors, as defined in Enclosure 2 of DoDI 3020.41; and

(iii) Are provided with an appropriate identification card under the Geneva Conventions (also see DoDI 1000.1, Identity Cards Required by the Geneva Conventions).

(2) Not all contractor personnel in a designated operational area are authorized to accompany the U.S. Armed Forces. For example, contractor personnel performing reconstruction contracts generally are not authorized to accompany the U.S. Armed Forces.

(3) Also see [PGI 207.105\(b\)\(20\)\(C\)](#) for special considerations for acquisition planning for crisis situations outside the United States.

PGI 225.7402-2 Definitions.

“Designated operational areas” include, but are not limited to, such descriptors as theater of war, theater of operations, joint operations area, amphibious objective area, joint special operations area, and area of operations. See DoD Joint Publication 3-0, Joint Operations, Chapter II, Paragraph 5, “Organizing the Operational Areas,” at <https://jdeis.js.mil/jdeis/index.jsp> (select “Browse Joint Pubs” under “Joint Doctrine” heading).

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PGI 225.7402-3 Government support.

(a) Support that may be authorized or required when contractor personnel are deployed with or otherwise provide support in the theater of operations to U.S. military forces deployed outside the United States may include, but are not limited to—

- (i) Deployment in-processing centers;
- (ii) Training;
- (iii) Transportation to operation area;
- (iv) Transportation within operation area;
- (v) Physical security;
- (vi) Force protection;
- (vii) Organizational clothing and individual equipment;
- (viii) Emergency medical care;
- (ix) Mess operations;
- (x) Quarters;
- (xi) Postal service;
- (xii) Phone service;
- (xiii) Emergency notification;
- (xiv) Laundry; and
- (xv) Religious services.

(e) *Letter of Authorization.*

(i) A Synchronized Predeployment and Operational Tracker (SPOT)-generated Letter of Authorization (LOA) is necessary to enable a contractor employee to process through a deployment processing center, to travel to, from, and within the theater of operations, and to identify any additional authorizations and privileges. If authorized by the contracting officer, a contracting officer's representative may approve a LOA.

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Contractor travel orders will be prepared by the supporting installation.

(ii) The LOA will state the intended length of assignment in the theater of operations and will identify planned use of Government facilities and privileges in the theater of operations, as authorized by the contract. Authorizations may include such privileges as access to the exchange facilities and the commissary, and use of Government messing and billeting. The LOA must include the name of the approving Government official.

(iii) Approved, standard DoD format for LOA: (See sample LOA, Business Rules for the Synchronized Predeployment and Operational Tracker, at the website provided at [PGI 225.7402-5\(a\)\(iv\)](#)).

(f) *Medical support of contractor personnel.*

(1) Contractors are required to ensure that the Government is reimbursed for any costs associated with medical or dental care provided to contractor employees accompanying the forces (see [252.225-7040\(c\)\(2\)](#)).

(2) If questions arise concerning Defense Finance and Accounting Services (DFAS) billing to contractors for medical or dental care provided, contracting officers may refer the individual to any of the following resources:

(i) For in-patient and out-patient billing rates, go to <http://comptroller.defense.gov/rates/>.

(ii) For Military Service-appointed points of contract (POCs) responsible for resolving medical billing disputes, see the POCs listed in the [memoranda of agreements between DFAS and the military services](#)).

(iii) For questions on retroactive billings, see USD(AT&L) [memorandum dated December 20, 2011, entitled "Notification of Retroactive Billing for Medical Services Provided by Non-Fixed Medical Facilities in the U.S. Central Command Area of Responsibility"](#).

(iv) For additional information on Medical Billing in Theatre, see DoDI 3020.41, Operational Contract Support (OCS), Enclosure 3, entitled Guidance for Contractor Medical and Dental Fitness.

(3) Contracting officers are not responsible for adjudicating DFAS bills to contractors for such medical or dental reimbursement. However, contracting officers are required to assist the Military Service POCs in resolving billing disputes.

PGI 225.7402-5 Contract clauses.

(a) *Class Deviation [2011-00004](#), Contractor Personnel Performing in the United States Central Command Area of Responsibility.*

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(i) “Performance in the United States Central Command Area of Responsibility (USCENTCOM AOR)” means performance of a service or construction, as required by the contract. For supply contracts, production of the supplies or associated overhead functions are not covered, but services associated with the acquisition of the supplies are covered (e.g., installation or maintenance).

(ii) If a contract requires performance in the USCENTCOM AOR, but some personnel performing the contract are authorized to accompany the U.S. Armed Forces, and other personnel performing the contract are not authorized to accompany the U.S. Armed Forces, include in the solicitation and contract both the clause at DFARS [252.225-7040](#) and the clause provided by Class Deviation [2011-O0004](#).

(iii) In exceptional circumstances, the head of the agency may authorize deviations from the requirements of Class Deviation [2011-O0004](#), in accordance with FAR Subpart 1.4 and DFARS Subpart [201.4](#).

(iv) For detailed information on user roles and SPOT processes, please refer to the Business Rules for the Synchronized Predeployment and Operational Tracker at the following link: http://www.acq.osd.mil/log/PS/SPOT/SPOT_Business_Rules_Web_10-07-10.pdf.

(b) When using the clause at DFARS [252.225-7040](#), Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States, consider the applicability of the following clauses:

(i) The clause at DFARS [252.225-7043](#), Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States, as prescribed at DFARS [225.7403-2](#).

(ii) Either the clause at FAR 52.228-3, Workers’ Compensation Insurance (Defense Base Act), or the clause at FAR 52.228-4, Workers’ Compensation and War-Hazard Insurance Overseas, as prescribed at FAR 28.309(a) and (b).

(iii) The clause at FAR 52.228-7, Insurance—Liability to Third Persons, in cost-reimbursement contracts as prescribed at DFARS [228.311-1](#).

(iv) The clause at DFARS [252.228-7003](#), Capture and Detention, as prescribed at DFARS [228.370\(d\)](#).

(v) The clause at DFARS [252.237-7019](#), Training for Contractor Personnel Interacting with Detainees, as prescribed at DFARS [237.171-4](#).

(vi) The clause at FAR 52.249-14, Excusable Delays, as prescribed at FAR 49.505(b).

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(vii) The clauses at FAR 52.251-1, Government Supply Sources, as prescribed at FAR 51.107, and DFARS [252.251-7000](#), Ordering from Government Supply Sources, as prescribed at DFARS [251.107](#).

PGI 225.7403 Antiterrorism/force protection.

PGI 225.7403-1 General.

Information and guidance pertaining to DoD antiterrorism/force protection policy for contracts that require performance or travel outside the United States can be obtained from the following offices:

(1) For Army contracts: HQDA-AT; telephone, DSN 222-9832 or commercial (703) 692-9832.

(2) For Navy contracts: Naval Criminal Investigative Service (NCIS), Code 21; telephone, DSN 288-9077 or commercial (202) 433-9077.

(3) For Marine Corps contracts: CMC Code POS-10; telephone, DSN 224-4177 or commercial (703) 614-4177.

(4) For Air Force and Combatant Command contracts: The appropriate Antiterrorism Force Protection Office at the Command Headquarters. Also see <https://atep.dtic.mil>.

(5) For defense agency contracts: The appropriate agency security office.

(6) For additional information: Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, ASD (SOLIC); telephone, DSN 227-7205 or commercial (703) 697-7205.

PGI 225.7404 Contract administration in support of contingency operations.

(a) In accordance with Joint Publication 1, Doctrine for the Armed Forces of the United States, at http://www.apexnet.org/docs/Joint_Publication_1.pdf, the geographic combatant commander or subordinate joint force commander, through his command authority to exercise operational control, has the authority to exercise control over the assignment of contract administration during contingency operations, consistent with the combat support agency's established mission functions, responsibilities, and core competencies, for contracts requiring delivery of items or performance within the area of operations.

(b) In certain contingency operations, the combatant commander or joint force commander may promulgate theater or joint operations area guidance for contracting that may include establishing—

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- (1) A contracting command and control structure;
 - (2) Head of contracting activity responsibilities, specific orders, and policies, including local clauses;
 - (3) Roles and responsibilities of DoD components and supporting agencies in contract formation and execution; and
 - (4) Procedures and requirements for contract clearance and contract administration of contracts requiring delivery of items and performance within the area of operations.
- (c) When a combat support agency is tasked by the combatant commander to provide contingency contract administration services in support of contingency operations and such support will be required for a long duration, the combat support agency shall initiate a memorandum of agreement with the combatant commander or joint force commander. This agreement shall clearly delineate the purpose of the support, respective responsibilities of the combat support agency and the joint, lead service or service contracting activity requesting the support, combat support agency support parameters, and a resolution process for resolving support issues.
- (1) The memorandum of agreement should focus on maximizing the combat support agency's core competencies to address the more critical, complex, high-risk, and specialized oversight requirements.
 - (2) The memorandum of agreement should take into consideration the combat support agency's core competencies, workload priorities, and contract administration services support parameters for accepting requests for contract administration services support.
 - (3) A combat support agency shall not be assigned to perform tasks outside its mission functions, responsibilities, or core competencies.
 - (4) Contracting officers contemplating requesting contract administration support in a contingency area from a combat support agency should first ascertain whether such a memorandum of agreement exists by contacting their combat support agency point of contact and or checking the combatant commander operational contract support website (referenced in DFARS [PGI 225.7401](#)).
 - (5) The following is a notional format for a memorandum of agreement for contract administration services support;

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(A) Purpose: Outline formal procedures for requesting contract administration services support, describe objectives associated with combat support agency providing such support.

(B) Reference: Key documents or reference(s) associated with the execution of the contract administration services support.

(C) Clearing-house functions performed by the designated joint or lead component contracting activity in the operational area—

(1) Contract clearance parameters – when required;

(2) Contract delegation parameters – when required.

(D) Contract administration services support parameters –

(1) Acceptable for delegation - contract types that will be accepted by the combat support agency based on risk, dollar threshold, geographic dispersion of performance, service type, criticality of acceptance, or other criteria;

(2) Generally not be delegated – below-threshold contract types;

(3) Will not be delegated – no agency expertise to oversee.

(E) Delegation process – process for accepting and assigning contract administration services tasks within the combat support agency.

(F) Joint resolution process – procedures in the event of disagreement on actions to be supported by the combat support agency.

(G) Term of the Agreement and Modification - length of time the agreement will be in effect and procedures for the parties to modify or terminate it.

(d) Disputes regarding requested support should be resolved at the lowest management level possible, through a predetermined resolution process. When support issues arise that affect the ability of a combat support agency to provide contract administration support that cannot be resolved at lower management levels, follow procedures set forth in DoDI 3000.06, Combat Support Agencies, paragraphs 5.6.8 and 5.6.9, (<http://www.dtic.mil/whs/directives/corres/pdf/300006p.pdf>).

(e) Responsibilities of the head of the contracting activity for contingency contract closeout are addressed at DFARS [204.804](#)(2). See also planning considerations at [PGI 207.105](#)(b)(20)(C)(8).

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PGI 236—Construction and Architect-Engineer Contracts

(Revised December 12, 2012)

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 Contractor Performance Assessment Report System (CPARS).

(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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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.

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PGI 237—Service Contracting

(Revised December 12, 2012)

PGI 237.1--SERVICE CONTRACTS--GENERAL

PGI 237.102-70 Prohibition on contracting for firefighting or security-guard functions.

(d)(i) To ensure that the personnel limitations in DFARS [237.102-70\(d\)\(1\)\(iv\)](#) are not exceeded, there is an office of primary responsibility (OPR) within each department or agency that is responsible for managing the total number of security-guard personnel on contract for the department or agency.

(ii) Before finalizing a contract action that affects the number of security-guard personnel on contract, the contracting officer shall request, from the requiring activity, evidence of the OPR's approval for the contract action. This requirement also applies to renewal or exercise of options for the same number of security-guard personnel, to ensure compliance with the statutory limitations/reductions specified for each fiscal year.

(iii) If the evidence of approval is not provided by the requiring activity, the contracting officer shall directly contact the applicable OPR for approval before finalizing the contract action. OPRs are as follows:

- (A) U.S. Army:
 - HQ Department of the Army
 - Office of the Provost Marshal General
 - 2800 Army Pentagon
 - Washington, DC 20310
 - Phone: 703-695-4210 or 703-614-2597.

- (B) U.S. Navy:
 - Commander, Navy Installations
 - Command (CNIC) N3
 - 2715 Mitscher Road, Suite 300
 - Anacostia Annex
 - Washington, DC 20373
 - Phone: 202-409-4053.

- (C) U.S. Marine Corps:
 - HQ U.S. Marine Corps
 - Assistant Deputy Commandant, Plans, Policy, &
Operations (Security)
 - 3000 Marine Corps Pentagon
 - Washington, DC 20350
 - Phone: 571-201-3633.

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(D) U.S. Air Force:
HQ Air Force
Directorate of Security Forces
Programs & Resources Division (A7SX)
1340 AF Pentagon
Washington, DC 20330
Phone: 703-588-0027 or 703-588-0012.

(E) Pentagon Force Protection Agency:
Pentagon Force Protection Agency
9000 Defense Pentagon
Washington, DC 20301
Phone: 703-693-3685.

PGI 237.102-71 Limitation on service contracts for military flight simulators.

(1) To process a request for waiver, the contracting officer shall submit the request and appropriate documentation relating to the requirements of DFARS [237.102-71](#)(b) to:

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L)DPAP/CPIC
3060 Defense Pentagon
Washington, DC 20301-3060

Phone: 703-697-8334 FAX: 703-614-1254

(2) The action officer in the Office of the Director, Defense Procurement and Acquisition Policy, Contract Policy and International Contracting (DPAP/CPIC), will process the request through the Office of the Secretary of Defense and will forward the appropriate documentation to the congressional defense committees. The contracting officer shall not award a contract until notified by the DPAP/CPIC action officer that the waiver has been approved, the appropriate documentation has been transmitted to the congressional defense committees, and the required 30 days have passed.

PGI 237.102-73 Prohibition on contracts for services of senior mentors.

DoD policies on senior mentors are set forth in (1) Secretary of Defense memorandum, subject: Policy on Senior Mentors (April 1, 2010) (see [here](#)) and (2) Deputy Secretary of Defense memorandum, subject: Implementation Guidance on Senior Mentors Policy (July 8, 2010) (see [here](#)).

PGI 237.102-74 Taxonomy for the acquisition of services and supplies & equipment.

Click [here](#) for OUSD(AT&L) DPAP memorandum, "Taxonomy for the Acquisition of

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Services and Supplies & Equipment,” dated August 27, 2012. An Excel version of “Acquisition of Services and Supplies & Equipment Taxonomy” is available [here](#).

PGI 237.102-75 Guidebook for the acquisition of services.

The “Guidebook for the Acquisition of Services” is available [here](#). This document provides acquisition teams with a step-by-step guide explaining the process of acquiring services.

PGI 237.102-76 Review criteria for the acquisition of services.

The tenets of the DoD-wide architecture for the acquisition of services along with the associated review criteria are available [here](#). These matrices are to be used when conducting reviews in the preaward phase (Review/Approval of Acquisition Strategies or Preaward Peer Reviews) and in the postaward phase (Postaward Peer Reviews). See DFARS [201.170](#), Peer reviews, and [PGI 201.170](#), Peer reviews.

PGI 237.102-77 Automated requirements roadmap tool.

The Automated Requirements Roadmap Tool (ARRT) is a tool that enables requiring activities to develop and organize performance requirements into draft versions of the performance work statement, the quality assurance surveillance plan, and the performance requirements summary. ARRT provides a standard template for these documents and some default text that can be modified to reflect a particular requirement. This tool should be used to prepare contract documents for all performance-based acquisitions for services. ARRT is available for download at <http://sam.dau.mil/ARRTRegistration.aspx>.

237.102-78 Market research report guide for improving the tradecraft in services acquisition.

See [PGI 210.070](#) for guidance on use of the market research report guide to conduct and document market research for service acquisitions.

PGI 237.171 Training for contractor personnel interacting with detainees.

PGI 237.171-3 Policy.

(b)(i) *Geographic areas of responsibility.* With regard to training for contractor personnel interacting with detainees—

(A) The Commander, U.S. Southern Command, is responsible for the U.S. military detention center at Guantanamo Bay, Cuba.

(B) The Commander, U.S. Joint Forces Command, is responsible for the Navy Consolidated Brig, Charleston, SC.

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(C) The other combatant commander geographic areas of responsibility are identified in the Unified Command Plan, 1 March 2005, which can be found at: <http://www.defenselink.mil/specials/unifiedcommand/>.

(ii) *Point of contact information for each command:*

US Central Command (USCENTCOM)

Commander, Combined Forces Land Component Commander (CFLCC)

a.k.a. Third Army, Ft. McPherson, Atlanta, GA

Staff Judge Advocate (SJA) Forward, Kuwait

POC: Lieutenant Colonel Gary Kluka

E-mail: Gary.Kluka@arifjan.arcent.army.mil

Comm: 011-965-389-6303; DSN: 318-430-6303; Alt. US numbers: 404-464-3721 or 404-464-4219

US European Command (USEUCOM)

Logistics and Security Assistance Directorate

Chief, Contingency Contracting and Contract Policy Division (USEUCOM J4-LS)

POC: Major Michael Debreczini

debreczm@eucom.smil.mil

Comm: 011-49-711-680-7202; DSN: 314-0430-7202

US Joint Forces Command (USJFCOM)

**Applicable to potential detainees in the United States at Navy Consolidated Brig, Charleston, SC

Headquarters, USJFCOM (J355)

Personnel Recovery & Special Operations Division (J355)

POC: Lieutenant Colonel John Maraia

Comm: 757-836-5799; DSN: 836-5799

US Northern Command (USNORTHCOM)

Not applicable to USNORTHCOM; see US Joint Forces Command

US Pacific Command (USPACOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Deputy Staff Judge Advocate

POC: Lieutenant Colonel James Buckels, USAF

james.buckels@pacom.mil

Comm: 808-477-1193

US Southern Command (USSOUTHCOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Joint Task Force Guantanamo Bay

POC: Lieutenant Commander Tony Dealicante

DealicanteTF@JTFGTMO.southcom.mil

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Comm: 011-5399-9916; DSN: 660-9916

US Special Operations Command (USSOCOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Attn: Staff Judge Advocate

POC: Colonel Dana Chipman

chipmad@socom.mil

Comm: 813-828-3288; DSN: 299-3288

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PGI 243—Contract Modifications

(Revised December 12, 2012)

PGI 243.2—CHANGE ORDERS

PGI 243.204 Administration.

(1) Whenever practicable, the contracting officer should provide advance notice of a proposed change order to the administrative contracting officer (ACO).

(i) The ACO shall review the proposed change order to ensure compatibility with the status of performance.

(ii) If the contractor has progressed beyond the effective point specified in the proposed change order, the ACO shall determine the earliest practical point at which the change order could be made effective and shall advise the contracting officer.

(2) If a change order has been issued and the effective date has been determined to be impracticable, the contracting officer shall—

(i) Issue another change order to correct, revise, or supersede the first change order; then

(ii) Definitize by supplemental agreement citing both change orders.

PGI 243.204-71 Certification of requests for equitable adjustment.

(b) For example, a request for equitable adjustment that involves both an increase of \$100,000 and a decrease of \$105,000 has an absolute value of \$205,000 ($\$100,000 + \$105,000$, regardless of whether the amounts are plus or minus), which exceeds the simplified acquisition threshold.

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PGI 245—Government Property

(Revised December 12, 2012)

PGI 245.1 - GENERAL

PGI 245.102-70 Policy.

(1) A basic principle of the Federal Acquisition Regulations System is that, upon contract award, contractors bring all the necessary organization, experience, accounting and operational controls, property, and technical skills, or the ability to obtain them (reference FAR 9.104-1 (e), (f), and (g) of General Standards). Therefore, upon contract award, responsible contractors should have the means to provide effective and efficient stewardship of Government property.

(2) For the purpose of this PGI, “Government property” is personal property owned by the Government and furnished to a contractor, or acquired by a contractor and title vests in the Government. Government property does not include property under any statutory leasing authority (except as to non-Government use of property under FAR 45.301(f)); property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance-based payments; software; or intellectual property. It does not include property that is incidental to the place of performance; such as when the contract requires contractor personnel to be located on a Government site or installation where the use of Government-provided office space and equipment, e.g., chairs, telephones, and computers, is standard practice.

PGI 245.103 General.

PGI 245.103-70 Furnishing Government property to contractors.

(1) The requiring activity (project or program manager, or purchase request generator), as part of its responsibility for acquisition planning (FAR part 7, Acquisition Planning), is the decision point as to whether or not to furnish property to contractors. The basis for any decision to provide Government property shall be documented by the requiring activity and provided to the contracting officer. Such documentation is not required when contractors are furnished property for repair, modification, or overhaul under a contract.

(2) Prior to furnishing Government property to the contractor, the contracting officer shall ensure that each of the requirements of FAR 45.102 are addressed as follows, and documented in the contracting file—

(i) *Element 1: In the Government’s best interest.* Discussion should be specific, factual, and where necessary, address actual or projected dollars and percentages. Merely selecting one or two objectives supported by a general, perfunctory discussion does not address this element satisfactorily. Discussion should address the following factors:

(A) Economy – Furnishing Government property is the lowest cost or price alternative.

(B) Standardization – There is a critical need for precise replication.

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(C) Security – Government property is needed due to national security issues/concerns.

(D) Expedite production – Government property is crucial to achieving timely or accelerated delivery of a supply item or service.

(E) Scarcity – The Government can obtain scarce items, or is the only source of property necessary for successful execution of a contract.

(F) Maintain the industrial base – Government property is needed to ensure future capability to obtain a particular supply item or service.

(G) Contract type – Government property will enable the Government to obtain a more favorable contract type.

(ii) *Element 2: Overall benefit.* Demonstrate that the overall benefit to the acquisition significantly outweighs the increased cost of administration, including property disposal.

(A) Property in the hands of contractors drives program costs. Therefore, in order to make the case that providing Government property to the contractor is worthwhile, the associated costs must be considered and the business decision justified. The costs of Government property removal and disposal, including demilitarization and disposal of environmentally-regulated property, must be included.

(B) Costs must be either less than what the contractor might otherwise incur, or the demonstrated benefit to the Government must outweigh these additional contract costs.

(iii) *Element 3: Government assumption of risk.* Demonstrate that providing the property does not substantially increase the Government's risk.

(A) Risk must be discussed and documented. A risk analysis is warranted to demonstrate that the Government is not substantially increasing its risk. For example, when furnishing Government property, the Government is ordinarily responsible for suitability of use, timely delivery, and replacement of defective Government property.

(B) Other risks may need to be considered, discussed, and documented.

(iv) *Element 4: Government requirements cannot otherwise be met.* Document why the furnishing of Government property is critical and significant to meeting acquisition plan objectives.

PGI 245.103-71 Transferring Government property accountability.

(1) Government property can only be transferred from one contract to another when firm requirements exist under the gaining contract (see FAR 45.102, Policy.). Such transfers shall be documented by modifications to both gaining and losing contracts. (Note: This also applies to orders issued under the same contract.) Once transferred, all property

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shall be considered Government-furnished property (GFP) when retained by the contractor for continued use under the gaining contract.

(2) The warranties of suitability of use and timely delivery of do not apply to GFP acquired or fabricated by the contractor as contractor-acquired property that is subsequently transferred to another contract with the same contractor.

(3) Maintaining property on an existing contract beyond completion of delivery performance or service completion is prohibited.

(4) It is the responsibility of contracting officers/item managers to ensure that Government property transfers are properly reported electronically, including the initial furnishing by DoD of Government property and the subsequent transfer of such property to other contracts/contractors, or its return to the Government. DoD or contractor-operated logistics systems using Defense Logistics Management System (DLMS)-enhanced reporting capability, to include authorizing contract number and Item Unique Identification (IUID), when applicable, shall be employed to report initial shipment, receipt acknowledgement, or return of items of supply in accordance with MILSTRIP and Military Standard Transaction Reporting and Accounting Procedure(s) (MILSTRAP). Such use of the DLMS will satisfy Government property transfer reporting requirements. For other Government property items where the DLMS is not applicable, the DoD Wide-Area Workflow (WAWF) Government property transfer system functionality should be used to accomplish reporting requirements. For information on DLMS, MILSTRIP, and MILSTRAP, see http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/dlmso_pubs.asp and click on DoD 4000.25-M, DoD 4000.25-1-M, and DoD 4000.25-2-M, respectively. For information on WAWF, see <https://wawf.eb.mil/>; under the Navigation Menu on the left, there is an "About WAWF" link. Click on "list of options" to learn more about WAWF. One of those links is "Access Web-Based Training (External Link)." That link will take the user to <http://wawftraining.com>. This is a web-based, computer-based training type course that includes a section on "Property Shipment and Receipt."

PGI 245.103-72 Government-furnished property attachments to solicitations and awards.

(a) When Government-furnished property (GFP) is anticipated, include the fillable electronic "Requisitioned Government Furnished Property" and/or "Scheduled Government Furnished Property" formats provided at the URLs listed in paragraphs (b) and (c) in solicitations and awards to—

(1) Specify the required GFP data elements; and

(2) Accomplish the electronic transmission of requisitioned GFP lists and/or scheduled GFP lists.

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(b) *Requisitioned Government-furnished property.* This format is a listing of Government Property to be authorized for contractor requisition from DoD supply sources in accordance with the clause at FAR 52.251-1. The fillable PDF format for this attachment is available at http://www.acq.osd.mil/dpap/pdi/pc/docs/RequisitionedGovernmentFurnishedProperty-VERSION1.3_distributed_0005.pdf. In accordance with [PGI 204.7105](#)(b)(5), enter a numerical sequence number for the attachment.

(c) *Scheduled Government-furnished property.* This format is a listing of the Government property to be provided, including when major end items are being provided under a modification or upgrade contract; or when reparable items are being provided under a repair, modification, or overhaul contract. The fillable PDF format for this attachment is available at http://www.acq.osd.mil/dpap/pdi/pc/docs/ScheduledGovernmentFurnishedProperty-VERSION1.4_distributed_.pdf. In accordance with [PGI 204.7105](#)(b)(5), enter a numerical sequence number for the attachment.

PGI 245.103-73 Contracting office responsibilities.

(1) Prepare the GFP attachments in accordance with the procedures in [PGI 245.103-71](#).

(2) Maintain the GFP attachments in the contract.

PGI 245.105 Contractors' property management system compliance.

(d) *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 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 contracting officer and property administrator shall monitor the contractor's progress in correcting deficiencies.

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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: withdraw or withhold approval of the system; bringing the issue to the attention of higher level management, implementing or increasing the withholding in accordance with the clause at [252.242-7005](#), Contractor Business Systems, and recommending non-award of potential contracts.

(B) *Correction of significant deficiencies.*

(1) When the contractor notifies the contracting officer that the contractor has corrected the significant deficiencies, the contracting officer shall request the property administrator to 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 property administrator; 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.

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PGI 245.2—SOLICITATION AND EVALUATION PROCEDURES

PGI 245.201 Solicitation.

PGI 245.201-70 Definitions.

As used in this subsection—

(1) “As is” means that the Government may, at its option, furnish Government property in an “as-is” condition. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the Government property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the contractor’s expense.

(2) “Commercial and Government entity (CAGE) code” means: (i) A code assigned by the Defense Logistics Information Service (DLIS) to identify a commercial or Government entity; or (ii) A code assigned by a member of the North Atlantic Treaty Organization that DLIS records and maintains in the CAGE master file. This type of code is known as an “NCAGE code”. As defined in the DoD 4100.39-M, Federal Logistics Information System Glossary, the CAGE Code is a five-character data element assigned to establishments that are manufacturers or have design control of items of supply procured by the Federal Government. In the United States, the first and last positions of a CAGE code will be numeric.

(3) “Contractor-acquired property.” See FAR 45.101.

(4) “Description” means a collection and compilation of data to describe an item. The descriptive noun of the item nomenclature, as defined in DoD 4100.39-M, Glossary.

(5) “Government property.” See FAR 45.101.

(6) “Government-furnished property.” See FAR 45.101.

(7) “Major end item” means a final combination of end products that is ready for its intended use; e.g., launchers, tanks, mobile machine shops, aircraft, and vehicles.

(8) “National stock number (NSN)” means a 13-digit stock number used to identify items of supply. It consists of a four-digit Federal Supply Classification code and a nine-digit national item identification number (NIIN), as defined in DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation.

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(9) “NIIN” means the last nine digits of the NSN that differentiates each individual supply item from all other supply items. The first two digits signify the National Codification Bureau that assigned the NIIN, wherein the last seven digits are non-significant and are sequentially assigned by the Federal Logistics Information System. All United States-manufactured items have a National Codification Bureau code of “00” (cataloged before 1975) or “01” (cataloged in 1975, or later).

(10) “Nomenclature” means: (i) The combination of a Government-assigned type designation and an approved item name; (ii) Names assigned to kinds and groups of products; or (iii) Formal designations assigned to products by customer or supplier (such as model number, or model type, design differentiation, specific design series, or configuration).

(11) “Part or identifying number (PIN)” means the identifier assigned by the original design activity, or by the controlling nationally recognized standard, that uniquely identifies (relative to that design activity) a specific item, as defined by Military Standard 130, Standard Practice for Identification Marking of U. S. Military Property, latest version.

(12) “Quantity” means a numeric value for such characteristics as dimensions, measure, magnitude, electrical rating, etc. Also, the numerical designator for a unit of issue described in table 53, unit of issue codes, DoD 4100.39-M, Federal Logistics Information System, volume 10.

(13) “Reparable.” See DFARS clause [252.211-7007](#).

(14) “Requiring activity” means the DoD organization, or part of an organization, that identifies and defines a requirement for supplies or services, and requests the initiation of, and provides funding for, an acquisition to fulfill the requirement.

(15) “Serial number” means an assigned designation that provides a means of identifying a specific individual item, as defined by Military Standard 130, Standard Practice for Identification Marking of U. S. Military Property, latest version.

(16) “Type Designation” means a combination of letters and numbers arranged in a specific sequence to provide a short, significant method of identification for an item. The various type designators are as follows:

(i) Electronics: MIL-STD-196, Joint Electronics Type Designation System, February 17, 1998.

(ii) Aerospace Vehicles: DoD 4120.15-L, Model Designation of Military Aerospace Vehicles, May 12, 2004.

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(iii) Aerospace Engines and Equipment: MIL-HDBK-1812, Type Designation, Assignment and Method of Obtaining, February 14, 1997.

(iv) Ships: SECNAVINST 5030.8, Classification of Naval Ships and Craft, November 21, 2006.

(v) Army Watercraft: AR 56-9, Watercraft, February 7, 2002

(vi) Army Nomenclature: MIL-STD-1464A (AR), Army Nomenclature System, May 15, 1987.

(vii) Navy Nomenclature: MIL-STD-1661(OS), Mark and Mod Nomenclature System, August 1, 1978.

(17) “Unique item identifier (UII).” See DFARS clause 252.211-7003.

(18) “Unit of measure” means a measurement term, as listed in Table 81, Unit of Measure Designations, Volume 10, DoD 4100.39-M, Federal Logistics Information System, used in conjunction with a unit of issue of related national stock numbers.

PGI 245.201-71 Security classification.

Classified contracts are not exempt from including GFP attachments solely because the contracts are classified.

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PGI 251—Use of Government Sources by Contractors

PGI 251.1—CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES

PGI 251.102 Authorization to use Government supply sources.

Use a format substantially the same as the following when authorizing contractor use of Government Supply Sources. Specify the terms of the purchase, including contractor acceptance of any Government materiel, payment terms, and the addresses required by paragraph (e) of the clause at [252.251-7000](#), Ordering from Government Supply Sources.

AUTHORIZATION TO PURCHASE FROM GOVERNMENT SUPPLY SOURCES

(SAMPLE FORMAT)

SUBJECT: Authorization to Purchase from Government Supply Sources

_____ (Contractor's Name)

_____ (Contractor's Address)

1. You are hereby authorized to use Government sources in performing Contract No. _____ for *[insert applicable military department or defense agency]*, as follows: [Insert applicable purchasing authority given to the contractor.]

2.a. Purchase Orders Under Federal Supply Schedules or Personal Property Rehabilitation Price Schedules. Place orders in accordance with the terms and conditions of the attached Schedule(s) and this authorization. Attach a copy of this authorization to the order (unless a copy was previously furnished to the Federal Supply Schedule or Personal Property Rehabilitation Price Schedule contractor). Insert the following statement in the order:

This order is placed under written authorization from

dated _____ (*_____).

In the event of any inconsistency between the terms and conditions of this order and those of the Federal Supply Schedule or Personal Property Rehabilitation Price Schedule contract, the latter will govern.

b. Requisitioning from the General Services Administration (GSA) or the Department of Defense (DoD). Place orders in accordance with this authorization and, as appropriate, the following:

(1) Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) (GSA FEDSTRIP Operating Guide: FPMR 101-26.2 (41 CFR 101-26.2)). Copies are available

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from the Superintendent of Documents, Government Printing Office, Washington, DC 20402; telephone (202) 512-1800; facsimile (202) 512-2250.

(2) Military Standard Requisitioning and Issue Procedures (MILSTRIP) (DoD 4000.25-1-M). Copies are available from the Defense Logistics Agency, Administrative Support Center East, ATTN: ASCE-WS, 14 Dedication Drive, Suite 3, POD 43, New Cumberland, PA 17070-5011; telephone 1-888-DLA-PUBS(352-7827), or (717) 770-6034; facsimile (717) 770-4817.

(3) Special note for contractors authorized to order from the GSA Global Supply Program's GSA Central Asia and South Caucasus Supply Catalog under DFARS Class Deviation 2013-O0001, Authorization for Contractors to Use Government Supply Sources in Support of Operation Enduring Freedom. Products in the GSA Central Asia and South Caucasus Supply Catalog are available for ordering only through FEDSTRIP/MILSTRIP order processing.

(a) For contractors with access to FEDSTRIP/MILSTRIP requisitioning systems, orders can be placed directly for items with National Stock Numbers (NSN) in the GSA Central Asia and South Caucasus Supply Catalog, available at <http://gsa.gov/portal/content/118171>.

(b) Contractors without direct access to FEDSTRIP/MILSTRIP requisitioning systems can contact GSA liaison officers in Afghanistan and the Middle East to field requirements and facilitate input of requisitions via DD Form 1348-6 – SINGLE LINE ITEM REQUISITION SYSTEM DOCUMENT. DD Form 1348-6 is available at <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd1348-6.pdf>. The GSA Liaison Officer contact listing and the GSA Central Asia and South Caucasus Supply Catalog are available at <http://gsa.gov/portal/content/118171>.

(c) For contractors with new DoD Activity Address Codes (DODAACs) authorized to order from the GSA Central Asia and South Caucasus Supply Catalog, after the DODAAC is established by DOD, contact Joel Lundy, GSA Central Asia Program Manager, at joel.lundy@gsa.gov and GSA's Order Management Center at ordermgmt@gsa.gov with DODAAC number(s) and contact information for GSA to activate the DODAACs for recognition in GSA Central Asia order systems.

c. Enterprise Software Initiative. Place orders in accordance with the terms and conditions of the attached Enterprise Software Agreement(s), or instructions for obtaining commercial software or software maintenance from Enterprise Software Initiative inventories, and this authorization. Attach a copy of this authorization to the order (unless a copy was previously furnished to the Enterprise Software Agreement contractor). Insert the following statement in the order:

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This order is placed under written authorization from _____ dated _____ (* _____). In the event of any inconsistency between the terms and conditions of this order, and those of the Enterprise Software Agreement, the latter will govern.

3. ***

4. This authority is not transferable or assignable.

5. The DoD Activity Address Directory (DoDAAD) (DoD 4000.25-6-M) Activity Address Code** to which this Authorization applies is _____.

6. This Authorization expires _____.

(Contracting Officer)

* Insert “a copy of which is attached,” “a copy of which you have on file,” or other suitable language, as appropriate.

** The sponsoring service assumes responsibility for monitoring and controlling all activity address codes used in the letters of authority.

*** Insert other provisions, as necessary.