

DFARS Procedures, Guidance, and Information

PGI 201—Federal Acquisition Regulations System

(Revised September 30, 2015)

PGI 201.1—PURPOSE, AUTHORITY, ISSUANCE

201.106 OMB approval under the Paperwork Reduction Act.

The information collection and recordkeeping requirements contained in the Defense Federal Acquisition Regulations Supplement (DFARS) and Procedures, Guidance, and Information (PGI) have been approved by the Office of Management and Budget. The following OMB control numbers apply:

DFARS Segment	OMB Control No.
215.403-5	0704-0497
217.7004(a)	0704-0214
217.7404-3(b)	0704-0214
217.7505(d)	0704-0214
231.205-18	0704-0483
239.7408	0704-0341
242.1106	0704-0250
245.302(1)(i)	0704-0246
245.604-3(b) and 3(d)	0704-0246
252.204-7000	0704-0225
252.204-7008	0704-0478
252.204-7010	0704-0454
252.204-7012	0704-0478
252.205-7000	0704-0286
252.208-7000	0704-0187
252.209-7001	0704-0187
252.209-7002	0704-0187
252.209-7004	0704-0187
252.209-7008	0704-0477
252.211-7004	0704-0398
252.211-7005	0704-0398
252.211-7006	0704-0434
252.211-7007	0704-0398
252.215-7002	0704-0232
252.215-7005	0704-0446
252.216-7000	0704-0259
252.216-7001	0704-0259

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DFARS Segment	OMB Control No.
252.216-7003	0704-0259
252.217-7012	0704-0214
252.217-7026	0704-0214
252.217-7028	0704-0214
252.219-7003	0704-0386
252.223-7001	0704-0272
252.223-7002	0704-0272
252.223-7003	0704-0272
252.223-7004	0704-0272
252.223-7007	0704-0272
252.225-7000	0704-0229
252.225-7003	0704-0229
252.225-7004	0704-0229
252.225-7005	0704-0229
252.225-7006	0704-0229
252.225-7010	0704-0229
252.225-7013	0704-0229
252.225-7018	0704-0229
252.225-7020	0704-0229
252.225-7021	0704-0229
252.225-7023	0704-0229
252.225-7025	0704-0229
252.225-7032	0704-0229
252.225-7033	0704-0229
252.225-7035	0704-0229
252.225-7040	0704-0460
252.225-7046	0704-0229
252.225-7049	0704-0525
252.225-7050	0704-0187
252.227-7013	0704-0369
252.227-7014	0704-0369
252.227-7017	0704-0369
252.227-7018	0704-0369
252.227-7019	0704-0369
252.227-7025	0704-0369
252.227-7028	0704-0369

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252.227-7037	0704-0369
252.228-7000	0704-0216
252.228-7005	0704-0216
252.228-7006	0704-0216
252.229-7010	0704-0390
252.232-7002	0704-0321
252.232-7007	0704-0359
252.232-7012	0704-0485
252.232-7013	0704-0485
252.234-7002	0704-0479
252.235-7000	0704-0187
252.235-7001	0704-0187
252.235-7003	0704-0187
252.236-7000	0704-0255
252.236-7002	0704-0255
252.236-7003	0704-0255
252.236-7004	0704-0255
252.236-7010	0704-0255
252.236-7012	0704-0255
252.237-7000	0704-0231
252.237-7011	0704-0231
252.237-7023	0704-0231
252.237-7024	0704-0231
252.239-7000	0704-0341
252.239-7006	0704-0341
252.239-7009	0704-0478
252.239-7010	0704-0478
252.242-7004	0704-0250
252.243-7002	0704-0397
252.244-7001	0704-0253
252.245-7003	0704-0246
252.246-7003	0704-0441
252.246-7005	0704-0481
252.246-7006	0704-0481
252.247-7000	0704-0245
252.247-7001	0704-0245

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252.247-7002	0704-0245
252.247-7007	0704-0245
252.247-7022	0704-0245
252.247-7023	0704-0245
252.247-7024	0704-0245
252.247-7026	0704-0245
252.247-7028	0704-0245
252.251-7000	0704-0252
Appendix I	0704-0332
DD Form 1348-1A	0704-0246
DD Form 1639	0704-0246
DD Form 1659	0704-0245
DD Form 1861	0704-0232
DD Form 2063	0704-0231
DD Form 2139	0704-0229
DD Form 250	0704-0248
DD Form 250-1	0704-0248

PGI 201.109 Statutory acquisition-related dollar thresholds – adjustment for inflation.

Statutory acquisition-related dollar thresholds are reviewed every 5 years to calculate adjustment for inflation, as required by Section 807 of the National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375). The matrix showing the most recent escalation adjustments of statutory acquisition-related dollar thresholds in the DFARS is available [here](#).

PGI 201.170 Peer Reviews.

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 preaward and postaward peer reviews on acquisitions for services. See [PGI 237.102-76](#), Review criteria for the acquisition of services.

PGI 201.170-1 Objective of Peer Reviews.

The objectives of Peer Reviews are to—

- (a) Ensure that DoD contracting officers are implementing policy and regulations in a consistent and appropriate manner;
- (b) Continue to improve the quality of contracting processes throughout DoD; and

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(c) Facilitate cross-sharing of best practices and lessons learned throughout DoD Defense Procurement and Acquisition Policy maintains a database of Peer Review recommendations, lessons learned, and best practices that is available at:

http://www.acq.osd.mil/dpap/cpic/cp/peer_reviews.html.

PGI 201.170-2 Pre-award Peer Reviews.

(a) Pre-award Peer Reviews for competitive acquisitions shall be conducted prior to each of the following three phases of the acquisition:

- (1) Issuance of the solicitation.
- (2) Request for final proposal revisions (if applicable).
- (3) Contract award.

(b) Pre-award Peer Reviews for non-competitive acquisitions shall be conducted prior to each of the following two phases of the acquisition:

- (1) Negotiation.
- (2) Contract award.

PGI 201.170-3 Post-award Peer Reviews of service contracts.

(a) If the base period of performance is greater than one year, the first post-award Peer Review should take place at the mid-point of the base period of performance. If the base period of performance is one year or less, the post-award Peer Review should occur prior to exercise of the first option year. Post-award Peer Reviews should occur prior to every option period thereafter.

(b) Post-award Peer Reviews shall be focused on—

- (1) The adequacy of competition;
- (2) An assessment of actual contract performance; and
- (3) The adequacy of Government surveillance of contract performance.

PGI 201.170-4 Administration of Peer Reviews.

(a) The results and recommendations that are products of Peer Reviews are intended to be advisory in nature; however, in the event the Peer Review report includes a recommendation that is identified as “significant” and the contracting officer does not intend

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to follow that recommendation, the senior procurement official of the contracting activity for the reviewed organization must be made aware of this fact before action is taken (or inaction, as applicable) that is contrary to the recommendation. Reviews will be conducted in a manner that preserves the authority, judgment, and discretion of the contracting officer and the senior officials of the acquiring activity.

(b) Peer Review teams will be comprised of senior contracting officials and attorneys from throughout DoD. A senior official designated by the OSD Office of Small Business Programs will participate as a team member on Peer Reviews of services acquisitions. Teams will include civilian employees or military personnel external to the department, agency, or component that is the subject of the Peer Review.

(c) Generally, each review will be conducted at the location of the executing contracting organization.

(d) A list of the documents that must be made available to the review team, along with the specific elements the team will examine, is provided at the end of this PGI section.

(e) The review team observations and recommendations will be communicated to the contracting officer and the senior procurement official immediately upon completion of a review.

(f) The contracting officer shall document the disposition of all Peer Review recommendations (i.e., state whether the recommendation will be followed and, if not, why not) as a signed memorandum for the record in the applicable contract file. This memorandum must be executed prior to the next phase Peer Review or prior to contract award for Phase 3 reviews. For post-award Peer Reviews of services acquisitions, the memorandum must be executed prior to the next option exercise. The contracting officer shall provide a copy of the memorandum to: Deputy Director, Defense Procurement and Acquisition Policy (Contract Policy and International Contracting), 3060 Defense Pentagon, Washington, DC 20301-3060.

Pre-award Peer Reviews Required Documents and Elements

Required Documents: At a minimum, Peer Review teams shall have access to the following documents (as applicable):

1. The requirements document, to include the Acquisition Decision Memorandum;
2. The acquisition strategy, or acquisition plan;
3. The source selection plan;
4. The initial Request for Proposals (RFP) and all amendments to include what, if any, RFP requirements (technical and contractual) were changed and why;

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5. The Source Selection Evaluation Board (SSEB) analysis and findings to ensure the evaluation of offers was consistent with the Source Selection Plan and RFP criteria;
6. Any meeting minutes memorializing discussions between the Government and offerors;
7. All evaluation notices generated as a result of deficiencies in the offerors' proposals as well as the offerors' responses to those evaluation notices;
8. All minutes memorializing the conduct of Source Selection Advisory Council (SSAC) deliberations held to date;
9. The offerors' responses to the request for Final Proposal Revision;
10. The final SSAC deliberations;
11. The final SSA determination and source selection decision;
12. Award/incentive fee arrangements, documentation of any required HCA D&Fs regarding non-availability of objective criteria;
13. Justification and Approval for use of non-competitive procedures; and
14. Documentation of pre-negotiation objectives, cost/price negotiation and the assessment of contractor risk in determining profit or fee.

Elements to be addressed:

1. The process was well understood by both Government and Industry;
2. Source Selection was carried out in accordance with the Source Selection Plan and RFP;
3. The SSEB evaluation was clearly documented;
4. The SSAC advisory panel recommendation was clearly documented;
5. The SSA decision was clearly derived from the conduct of the source selection process;
6. All source selection documentation is consistent with the Section M evaluation criteria; and
7. The business arrangement.

Post-award Peer Reviews Required Documents and Elements
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Required Documents: At a minimum, Peer Review teams shall have access to the following documents (as applicable):

1. The requirements document;
2. The business arrangement, including business case analysis;
3. Market research documentation;
4. The business clearance, including documentation of cost/price negotiation and the assessment of contractor risk in determining profit or fee.
5. Contractor surveillance documentation to include metrics, quality assurance surveillance plans; and

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6. The contract and modifications thereof.

Elements to be addressed, at a minimum, in every post-award review:

1. Contract performance in terms of cost, schedule, and requirements;
2. Use of contracting mechanisms, including the use of competition, the contract structure and type, the definition of contract requirements, cost or pricing methods, the award and negotiation of task orders, and management and oversight mechanisms;
3. Contractor's use, management, and oversight of subcontractors;
4. Staffing of contract management and oversight functions; and
5. Extent of any pass-throughs, and excessive pass-through charges by the contractor (as defined in section 852 of the National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364).
6. Steps taken to mitigate the risk that, as implemented and administered, non-personal services contracts may become de facto personal services contracts.

Elements to be addressed in post-award reviews of contracts under which one contractor provides oversight for services performed by other contractors:

1. Extent of the DoD component's reliance on the contractor to perform acquisition functions closely associated with inherently governmental functions as defined in 10 U.S.C. 2383(b)(3); and
2. The financial interest of any prime contractor performing acquisition functions described in paragraph (1) in any contract or subcontract with regard to which the contractor provided advice or recommendations to the agency.

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(Revised November 4, 2016)

PGI 207.1—ACQUISITION PLANS

PGI 207.103 Agency-head responsibilities.

(h) Submit acquisition plans for procurement of conventional ammunition to—

Program Executive Officer, Ammunition
ATTN: SFAE-AMO
Building 171
Picatinny Arsenal, NJ 07806-5000

Telephone: Commercial (973) 724-7101; DSN 880-7101.

PGI 207.105 Contents of written acquisition plans.

For acquisitions covered by DFARS [207.103](#)(d)(i)(A) and (B), correlate the plan to the DoD Future Years Defense Program, applicable budget submissions, and the decision coordinating paper/program memorandum, as appropriate. It is incumbent upon the planner to coordinate the plan with all those who have a responsibility for the development, management, or administration of the acquisition. The acquisition plan should be provided to the contract administration organization to facilitate resource allocation and planning for the evaluation, identification, and management of contractor performance risk.

(a) *Acquisition background and objectives.*

(1) *Statement of need.* Include—

(A) Applicability of an acquisition decision document, a milestone decision review, or a service review, as appropriate.

(B) The date approval for operational use has been or will be obtained. If waivers are requested, describe the need for the waivers.

(C) A milestone chart depicting the acquisition objectives.

(D) Milestones for updating the acquisition plan. Indicate when the plan will be updated. Program managers should schedule updates to coincide with DAB reviews and the transition from one phase to another (e.g., system development and demonstration to production and deployment).

(E) *Supplies and services.* To determine if acquisitions for supplies or services are covered by DFARS [208.7](#), acquisition officials shall use the AbilityOne

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Program Procurement List published by the Committee for Purchase From People Who Are Blind or Severely Disabled at http://www.abilityone.gov/procurement_list/index.html (see FAR Part 8.7).

(3)(i) *Life-cycle cost.* When acquiring tents or other temporary structures, consider total life-cycle costs in accordance with DFARS [215.101](#).

(8) *Acquisition streamlining.* See DoDD 5000.1, The Defense Acquisition System, and the Defense Acquisition Guidebook at <https://dag.dau.mil/Pages/Default.aspx>.

(b) *Plan of action.*

(2) *Competition.* For information on various approaches that may be used to competitively fulfill DoD requirements, see the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics [Guidelines for Creating and Maintaining a Competitive Environment for Supplies and Services in the Department of Defense](#).

(4) *Acquisition considerations.* When supplies or services will be acquired by placing an order under a non-DoD contract (e.g., a Federal Supply Schedule contract), regardless of whether the order is placed by DoD or by another agency on behalf of DoD, address the method of ensuring that the order will be consistent with DoD statutory and regulatory requirements applicable to the acquisition and the requirements for use of DoD appropriated funds.

(5) *Budgeting and funding.* Include specific references to budget line items and program elements, where applicable, estimated production unit cost, and the total cost for remaining production.

(6) *Product or service descriptions.* For development acquisitions, describe the market research undertaken to identify commercial items, commercial items with modifications, or nondevelopmental items (see FAR Part 10) that could satisfy the acquisition objectives.

(13) *Logistics considerations.*

(i) Describe the extent of integrated logistics support planning, including total life cycle system management and performance-based logistics. Reference approved plans.

(ii) Discuss the mission profile, reliability, and maintainability (R&M) program plan, R&M predictions, redundancy, qualified parts lists, parts and material qualification, R&M requirements imposed on vendors, failure analysis, corrective action and feedback, and R&M design reviews and trade-off studies. Also discuss corrosion prevention and mitigation plans.

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(iii) For all acquisitions, see Subpart [227.71](#) regarding technical data and associated license rights, and Subpart [227.72](#) regarding computer software and associated license rights. For acquisitions involving major weapon systems and subsystems of major weapon systems, see the additional requirements at DFARS [207.106](#)(S-70).

(iv) See DoD 4120.24-M, Defense Standardization Program (DSP) Policies and Procedures.

(S-70) Describe the extent of Computer-Aided Acquisition and Logistics Support (CALs) implementation (see MIL-STD-1840C, Automated Interchange of Technical Information).

(16) *Environmental and energy conservation objectives.*

(i) Discuss actions taken to ensure either elimination of or authorization to use class I ozone-depleting chemicals and substances (see DFARS Subpart [223.8](#)).

(ii) Ensure compliance with DoDI 4715.4, Pollution Prevention.

(20) *Other considerations.*

(A) National Technology and Industrial Base. For major defense acquisition programs, address the following (10 U.S.C. 2506)—

(1) An analysis of the capabilities of the national technology and industrial base to develop, produce, maintain, and support such program, including consideration of the following factors related to foreign dependency (10 U.S.C. 2505)—

(i) The availability of essential raw materials, special alloys, composite materials, components, tooling, and production test equipment for the sustained production of systems fully capable of meeting the performance objectives established for those systems; the uninterrupted maintenance and repair of such systems; and the sustained operation of such systems.

(ii) The identification of items specified in paragraph (b)(19)(A)(1)(i) of this section that are available only from sources outside the national technology and industrial base.

(iii) The availability of alternatives for obtaining such items from within the national technology and industrial base if such items become unavailable from sources outside the national technology and industrial base; and an analysis of any military vulnerability that could result from the lack of reasonable alternatives.

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(iv) The effects on the national technology and industrial base that result from foreign acquisition of firms in the United States.

(2) Consideration of requirements for efficient manufacture during the design and production of the systems to be procured under the program.

(3) The use of advanced manufacturing technology, processes, and systems during the research and development phase and the production phase of the program.

(4) To the maximum extent practicable, the use of contract solicitations that encourage competing offerors to acquire, for use in the performance of the contract, modern technology, production equipment, and production systems (including hardware and software) that increase the productivity of the offerors and reduce the life-cycle costs.

(5) Methods to encourage investment by U.S. domestic sources in advanced manufacturing technology production equipment and processes through—

(i) Recognition of the contractor's investment in advanced manufacturing technology production equipment, processes, and organization of work systems that build on workers' skill and experience, and work force skill development in the development of the contract objective; and

(ii) Increased emphasis in source selection on the efficiency of production.

(6) Expanded use of commercial manufacturing processes rather than processes specified by DoD.

(7) Elimination of barriers to, and facilitation of, the integrated manufacture of commercial items and items being produced under DoD contracts.

(8) Expanded use of commercial items, commercial items with modifications, or to the extent commercial items are not available, nondevelopmental items (see FAR Part 10).

(9) Acquisition of major weapon systems as commercial items (see DFARS Subpart [234.70](#)).

(B) Industrial Capability (IC).

(1) Provide the program's IC strategy that assesses the capability of the U.S. industrial base to achieve identified surge and mobilization goals. If no IC strategy has been developed, provide supporting rationale for this position.

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(2) If, in the IC strategy, the development of a detailed IC plan was determined to be applicable, include the plan by text or by reference. If the development of the IC plan was determined not to be applicable, summarize the details of the analysis forming the basis of this decision.

(3) If the program involves peacetime and wartime hardware configurations that are supported by logistics support plans, identify their impact on the IC plan.

(C) Special considerations for acquisition planning for crisis situations. Ensure that the requirements of DoD Instruction 1100.22, Policy and Procedures for Determining Workforce Mix, are addressed. Also—

(1) Acquisition planning must consider whether a contract is likely to be performed in crisis situations outside the United States and must develop appropriately detailed measures for inclusion in the contract. Combatant commanders establish operational plans identifying essential services that must continue during crisis. DoDI 1100.22 requires Combatant Commanders to develop contingency plans if they have a reasonable doubt that a contractor will continue to provide essential services during a mobilization or crisis. When planning the acquisition, consider these operational plans and the resources available to carry out these plans.

(2) During acquisition planning, identify which services have been declared so essential that they must continue during a crisis situation. A best practice is to create a separate section, paragraph, line, or other designation in the contract for these essential services so they can be tracked to an option or separate contract line item.

(3) The requirements for the contractor written plan for continuity of essential services and the criteria for assessing the sufficiency of the plan will be determined/tailored for each acquisition of essential services by the contracting officer in coordination with the functional manager. The contractor's written plan, including prices/cost, shall be considered and evaluated in conjunction with the technical evaluation of offers.

(4) Operational-specific contractor policies and requirements resulting from combatant commander “integrated planning” will be described in operation plans (OPLAN), operation orders (OPORD) or separate annexes, and must be incorporated into applicable contracts. The plans may include rules for theater entry, country clearance, use of weapons, living on-base, etc. Therefore, the requiring activity is responsible for obtaining pertinent OPLANS, OPORDs, and annexes (or unclassified extracts) from the affected combatant command or military service element or component and for ensuring that the contract is consistent with the theater OPLAN and OPORD.

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(5) Ask the requiring activity to confirm that the appropriate personnel department has determined that inherently Governmental functions are not included in the contract requirements. If contract services will become inherently Governmental during a time of crisis, ensure that the contract states that work will be removed from the contract (temporarily or permanently) upon the occurrence of a triggering event (specified in the contract) or upon notice from the contracting officer that informs the contractor when its responsibility to perform affected duties will stop or restart. The contract should require the contractor to have a plan for restarting performance after the crisis ends.

(6) If the combatant commander's contingency plan requires military members to replace contractor employees during a crisis or contingency, acquisition planning must consider whether the contract should require the contractor to train military members to do that.

(7) For acquisitions that have or may have some portion of delivery of items or performance in a foreign country, address considerations and requirements set forth in DFARS [225.370](#), Contracts requiring performance or delivery in a foreign country; [225.371](#), Contractor personnel supporting U.S. Armed Forces deployed outside the United States; [225.372](#), Antiterrorism/force protection, and [225.373](#), Contract administration in support of contingency operations.

(8) Contract administration planning considerations for contracts in support of contingency operations.

(i) When delegation of contract administration services to a contracting officer located in a different geographic area to support a contract for the delivery of items or performance in a joint operations area will or may occur, address the resourcing of contract administration and oversight personnel, including administrative contracting officers, quality assurance specialists, contract administrators, property administrators, and contracting officers' representatives.

(ii) If contract delivery of items or performance in support of contingency operations will or may occur in an austere, uncertain, or hostile environment, address the need for logistics support of contract administration and oversight personnel.

(iii) When some portion of contract delivery of items or performance may take place in a contingency area, address pertinent combatant commander or joint force commander requirements and considerations for contract administration. Such requirements will be maintained on the particular combatant commander operational contract support website, http://www.acq.osd.mil/dpap/pacc/cc/areas_of_responsibility.html.

(iv) When contracts are awarded for performance in a contingency area, the head of the contracting activity is responsible for planning to ensure that contingency contracts will be closed in a timely manner considering personnel turnover and

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preaward, contract administration, and other contracting workload. A plan for reachback support of contract closeouts should be included, if required.

(9) For contracts that will incorporate the clause at DFARS [252.225-7040](#), Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States, in accordance with DFARS [225.371-5\(a\)](#), or otherwise require accountability for contractor personnel, consider the requirements and resources necessary for both the Government and contractor to keep the Synchronized Predeployment and Operational Tracker (SPOT) current in accordance with the SPOT business rules available at the website provided at http://www.acq.osd.mil/log/PS/ctr_mgt_accountability.html.

(10) For contracts that will incorporate the clause at FAR 52.222-50, Combating Trafficking in Persons, consider the requirements and resources necessary for both the Government and contractor to implement and maintain compliance with Federal and DoD trafficking in persons requirements, including [PGI 222.1703](#).

(D) Antiterrorism Considerations. For acquisitions that require services to be delivered to or performed on a DoD installation, DoD occupied space, ship, or aircraft, ensure that the requirements of DoD Instruction 2000.16, DoD Antiterrorism Standards, are addressed. DoD Instruction 2000.16 is available at <http://www.dtic.mil/whs/directives/>.

(1) Acquisition planning must consider antiterrorism (AT) measures when the effort to be contracted could affect the security of operating forces, particularly in-transit forces. Contracting officers must work closely with Antiterrorism Officers (ATOs) and legal advisors to ensure that AT security considerations are properly and legally incorporated into the acquisition planning process. Consider AT performance as an evaluation factor for award (past performance and proposed performance under the instant contract), and as a performance metric under the resultant contract.

(2) The geographic Combatant Commander's AT policies take precedence over all AT policies or programs of any DoD component operating or existing in that command's area of responsibility. These policies, in conjunction with area specific AT security guidance, form the core of AT security criteria which shall be applied to all contracts as a baseline. The ATO has access to the Joint Staff's Antiterrorism Enterprise Portal on the NIPRNET, <https://atep.dtic.mil/portal/site/atep/> a password-protected integrated interface for current and planned AT tools. Coordinate with the ATO to incorporate AT security considerations into the contracting process, including suggestions for specific AT security measures that should be employed. At a minimum—

(i) Consider AT Risk Assessment results when developing alternative solutions to contract requirements that will mitigate security risks. The impact of local security measures on contract performance and possible contract performance outcomes that could improve or leverage local security measures should be considered when selecting among alternative contract performance requirements.

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(ii) Antiterrorism procedures incorporate random schedules, access, and/or search requirements. There also may be frequent changes in the local threat level. Consider the impact of these practices when developing performance work statements and special contracting requirements, especially those related to site access controls.

(iii) Consider the need for contractor personnel screening requirements to be met prior to commencing work under the contract. The contracting officer should notify the ATO prior to the start of contract performance to ensure all required AT security measures are in place.

(iv) Performance work statements should be written with the understanding that the need for and level of AT measures may change during contract performance. Performance work statements should provide for the conduct of periodic inspections to ensure adherence to access control procedures. Consider the need for reviewing contract AT measures if the local threat changes and/or if contract terms or requirements change.

(E) Software and software maintenance. When acquiring software or software maintenance, see DFARS [212.212](#).

(F) *Procurement Support for Theater Security Cooperation Efforts*. When planning procurement support for theater security cooperation efforts (e.g., military exercises/training, base operations, weapons procurement, aviation fuels, construction, or the President's Emergency Plan for Aids Relief projects), planners should be aware that Department of State (DoS) missions (embassies and consulates) do not provide such contracting support; however, these missions can provide support for routine, non-complex services and supplies used by U.S. Government personnel, even if funded with foreign-military-sales case money (see DFARS [PGI 225.78](#)). Planners shall take the following steps:

(1) Become familiar with DoS Cable 11 STATE 030953, "Procurement Roles and Responsibilities – General Services Officer and DoD Personnel" (see also DFARS [PGI 225.78](#)).

(2) Request general guidance from the combatant-command coordinator on past practices in the particular location for which procurement support is to be requested;

(3) Contact the Defense Attaché Office and/or General Services Officer (normally the embassy/consulate contracting officer) at the DoS mission at least 60 days prior to the requirement, or as soon as practicable, to obtain information on—

(i) Availability of, and procedures associated with, requesting DoS mission procurement support;

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(ii) Local sources of supplies and services; and

(iii) Business payment practices to support DoD procurement of specific theater security cooperation procurement requirements.

(4) Ascertain whether payment support is available from the DoS mission.

(5) When DoS contracting support is determined to be unavailable or not allowed, ensure the party of DoD military and/or civilians deploying to support the particular Theater Security Cooperation effort either pre-arranges DoD contracting support through reach-back, if possible, or if necessary, includes a warranted contracting officer, field-ordering officer, or credit-card holder, and, if necessary, a paying agent.

PGI 207.171 Component breakout.

PGI 207.171-4 Procedures.

(1) *Responsibility.*

(i) Agencies are responsible for ensuring that—

(A) Breakout reviews are performed on components meeting the criteria in DFARS [207.171-3](#)(a) and (b);

(B) Components susceptible to breakout are earmarked for consideration in future acquisitions;

(C) Components earmarked for breakout are considered during requirements determination and appropriate decisions are made; and

(D) Components are broken out when required.

(ii) The program manager or other official responsible for the material program concerned is responsible for breakout selection, review, and decision.

(iii) The contracting officer or buyer and other specialists (e.g., small business specialist, engineering, production, logistics, and maintenance) support the program manager in implementing the breakout program.

(2) *Breakout review and decision.*

(i) A breakout review and decision includes—

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(A) An assessment of the potential risks to the end item from possibilities such as delayed delivery and reduced reliability of the component;

(B) A calculation of estimated net cost savings (i.e., estimated acquisition savings less any offsetting costs); and

(C) An analysis of the technical, operational, logistics, and administrative factors involved.

(ii) The decision must be supported by adequate explanatory information, including an assessment by the end item contractor when feasible.

(iii) The following questions should be used in the decision process:

(A) Is the end item contractor likely to do further design or engineering effort on the component?

(B) Is a suitable data package available with rights to use it for Government acquisition? (Note that breakout may be warranted even though competitive acquisition is not possible.)

(C) Can any quality control and reliability problems of the component be resolved without requiring effort by the end item contractor?

(D) Will the component require further technical support (e.g., development of specifications, testing requirements, or quality assurance requirements)? If so, does the Government have the resources (manpower, technical competence, facilities, etc.) to provide such support? Or, can the support be obtained from the end item contractor (even though the component is broken out) or other source?

(E) Will breakout impair logistics support (e.g., by jeopardizing standardization of components)?

(F) Will breakout unduly fragment administration, management, or performance of the end item contract (e.g., by complicating production scheduling or preventing identification of responsibility for end item failure caused by a defective component)?

(G) Can breakout be accomplished without jeopardizing delivery requirements of the end item?

(H) If a decision is made to break out a component, can advance acquisition funds be made available to provide the new source any necessary additional lead time?

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(I) Is there a source other than the present manufacturer capable of supplying the component?

(J) Has the component been (or is it going to be) acquired directly by the Government as a support item in the supply system or as Government-furnished equipment in other end items?

(K) Will the financial risks and other responsibilities assumed by the Government after breakout be acceptable?

(L) Will breakout result in substantial net cost savings? Develop estimates of probable savings in cost considering all offsetting costs such as increases in the cost of requirements determination and control, contracting, contract administration, data package purchase, material inspection, qualification or preproduction testing, ground support and test equipment, transportation, security, storage, distribution, and technical support.

(iv) If answers to the questions reveal conditions unfavorable to breakout, the program manager should explore whether the unfavorable conditions can be eliminated. For example, where adequate technical support is not available from Government resources, consider contracting for the necessary services from the end item contractor or other qualified source.

(3) *Records.*

(i) The contracting activity shall maintain records on components reviewed for breakout. Records should evidence whether the components—

(A) Have no potential for breakout;

(B) Have been earmarked as potential breakout candidates; or

(C) Have been, or will be, broken out.

(ii) The program manager or other designated official must sign the records.

(iii) Records must reflect the facts and conditions of the case, including any assessment by the contractor, and the basis for the decision. The records must contain the assessments, calculations, and analyses discussed in paragraph 2 of this section, including the trade-off analysis between savings and increased risk to the Government because of responsibility for Government-furnished equipment.

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(Revised November 4, 2016)

PGI 247.2—CONTRACTS FOR TRANSPORTATION OR FOR TRANSPORTATION-RELATED SERVICES

PGI 247.200 Scope of subpart.

For general cargo provisions, see DTR 4500.9-R, Defense Transportation Regulation (DTR), Part II, Chapter 201, paragraphs L, M, N, and S (available at http://www.transcom.mil/dtr/part-ii/dtr_part_ii_201.pdf).

PGI 247.271-2 Procedures.

(a) *Contiguous United States military activities assigned multi-service personal property areas of responsibility.*

(1) When two or more military installations or activities have personal property responsibilities in a given area, one activity must contract for the estimated requirements of all activities in the area. The installation commanders concerned must designate the activity by mutual agreement.

(2) The Commander, Military Surface Deployment and Distribution Command (SDDC), must designate the contracting activity when local commanders are unable to reach agreement.

(b) *Additional services and excess requirements.*

(1) When requiring activities need additional services that exceed contractor capabilities available under contracts, contracting officers should use simplified acquisition procedures to satisfy those excess requirements.

(2) Additional services are those not specified in the bid items.

(i) Additional services may include—

- (A) Hoisting or lowering of articles;
- (B) Waiting time;
- (C) Special packaging; and
- (D) Stuffing or unstuffing of sea van containers.

(ii) Contracting officers should consider contracting for local moves that do not require drayage by using hourly rate or constructive weight methods. The rate will include those services necessary for completion of the movement, including—

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- (A) Packing and unpacking;
- (B) Movement;
- (C) Inventorying; and
- (D) Removal of debris.

(iii) Each personal property shipping activity must determine if local requirements exist for any additional services.

(iv) The contracting officer may obtain additional services by—

(A) Including them as items within the contract, provided they are not used in the evaluation of bids (see [DFARS 252.247-7008](#), Evaluation of Bids); or

(B) Using simplified acquisition procedures.

(v) Either predetermine prices for additional services with the contractor, or negotiate them on a case-by-case basis.

(vi) The contracting officer must authorize the contractor to perform any additional services, other than attempted pick up or delivery, regardless of the contracting method.

(vii) To the maximum extent possible, identify additional services required that are incidental to an order before placing the order, or, when applicable, during the pre-move survey.

(c) Contract distribution.

(1) Contiguous United States personal property shipping activities must send the copy to the Commander, Military Surface Deployment and Distribution Command (SDDC), ATTN: AMSSD-PP, 709 Ward Drive, Scott AFB IL 62225.

(2) In the European and Pacific areas, personal property shipping activities must send the copy to either the Property Directorate, SDDC Europe, or the Field Office-Pacific.

(3) Other overseas personal property shipping activities must send the copy to the Commander, Military Surface Deployment and Distribution Command, ATTN: AMSSD-PP, 709 Ward Drive, Scott AFB IL 62225.

(d) When preparing solicitations for personal property for shipment or storage, and intra-area or intra-city movement, contracting officers should follow the procedures in DTR 4500.9-R, Part IV, Chapter 404 at <http://www.transcom.mil/dtr/part-iv/dtr-part-4-404.pdf>, and Appendix G at <http://www.transcom.mil/dtr/part-iv/dtr-part-4-app-g.pdf>.

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PGI 247.271-3 Solicitation provisions, schedule formats, and contract clauses.

(c) DTR 4500.9-R, Defense Transportation Regulation, Part IV, Appendix G-3 (available at <http://www.transcom.mil/dtr/part-iv/dtr-part-4-app-g3.pdf>), contains guidance on schedules as follows:

Schedule I Outbound Services, Pages 6-12.

Schedule II Inbound Services, Pages 13-17.

Schedule III Intra-City and Intra-Area Moves, Page 18.

(1) *Demurrage and detention charges.*

(i) Carrier demurrage/detention is a charge made against a consignor (shipper) or consignee (receiver) for the extended use of carrier-furnished equipment when delays attributable to the consignor or consignee occur. Carrier demurrage/detention rules usually allow a period of free time for loading, unloading, or holding equipment.

(ii) Carrier-published demurrage/detention rules and charges are not uniform from one carrier to another. Contracting officers should specifically address them in the contract. While demurrage/detention rules are published in individual carrier tariffs or agency tenders, Contracting Officers may negotiate contract-specific demurrage/detention rules and charges independent of any existing tariffs or tenders.

(6) Process any modification of schedule format, other than those authorized in paragraph (c) of this subsection, as a request for deviation to the Commander, SDDC.

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PGI 247.3—TRANSPORTATION IN SUPPLY CONTRACTS

PGI 247.301 General. Transportation guidance relating to Governmentwide commercial purchase card purchases is available in the Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs, Appendix C, at http://www.acq.osd.mil/dpap/pdi/pc/policy_documents.html.

PGI 247.305 Solicitation provisions, contract clauses, and transportation factors.

PGI 247.305-10 Packing, marking, and consignment instructions.

Follow the procedures in DTR 4500.9-R, Defense Transportation Regulation, Part II, Chapter 208 http://www.transcom.mil/j5/pt/dtrpart2/dtr_part_ii_208.pdf.

Additional guidance for marking can be found at MIL-STD-129P (Document ID 129P) at <http://quicksearch.dla.mil/> and AR 700-15 at http://www.apd.army.mil/jw2/xmldemo/r700_15/cover.asp.

Consignment locations can be found in the Transportation Facilities Guide (TFG) on the SDDC website at <https://eta.sddc.army.mil/default.asp?fa=general>. Access to this site requires an Electronic Transportation Account.

PGI 247.370 DD Form 1384, Transportation Control and Movement.

DTR 4500.9-R, Defense Transportation Regulation, Part II, Chapter 203 is available at http://www.transcom.mil/dtr/part-ii/dtr_part_ii_203.pdf.

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PGI F—Material Inspection and Receiving Report

(Revised November 4, 2016)

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

PGI F-201 Procedures.

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

Required CQA of listed items has been performed.

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

(2) Distribution for Government purposes shall be—

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

PGI F, PART 8--DISTRIBUTION OF THE DD FORM 250-1

PGI F-801 Distribution.

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

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

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

PGI F-802 Corrected DD Form 250-1.

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

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

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

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

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

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TABLE 4		
FUEL REGION LOCATIONS AND AREAS OF RESPONSIBILITY		
a.	DLA Energy Americas	DLA Energy Americas Federal Office Building 2320 La Branch Street, Suite 2118 Houston, TX 74004-1091
	Area of Responsibility:	Colorado, Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming
b.	DLA Energy Americas East	DLA Energy Americas East Federal Office Building 2320 La Branch, Room 1005 Houston, TX 77004-1091
	Area of Responsibility:	Alabama, Arizona, Arkansas, Caribbean Area, Florida, Georgia, Louisiana, Mexico, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, West Indies, Central America, and South America
c.	DLA Energy Americas West	DLA Energy Americas West 3171 N. Gaffney Street San Pedro, CA 90731-1099
	Area of Responsibility:	California, Idaho, Montana, Nevada, Oregon, Utah, and Washington
d.	DLA Energy Alaska	DLA Energy Alaska 10480 22 nd Street Elmendorf AFB, Alaska 99506-2500
	Area of Responsibility:	Alaska and Aleutians
e.	DLA Energy Europe & Africa	DLA Europe & Africa Building 2304

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