

Expeditionary Contract Administration Desk Reference

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LIST OF ACRONYMS

ACL- Administrative Change Letter
ACO- Administrative Contracting Officer
AQL- Acceptable Quality Level
AFCAP – Air Force Contract Augmentation Program
AFEB- Award Fee Evaluation Board
APSR- Accountable Property System of Record
BAT – Biometric Automated Toolset
BOA- Basic Ordering Agreement
CA- Contract Administrator
CAAF- Contractors Authorized to Accompany the Force
CAD- Contract Administration Delegation
cSAM- Contingency Acquisition Support Model
CAP- Contractor Acquired Property
CAP- Civil Augmentation Program
CAS – Contract Administration Services
CBN- Contracting Battalion
CCAS – Contingency Contract Administration Service
CCO- Contingency Contracting Officer
CDRL- Contract Data Requirements List
CFR- Code of Federal Regulations
CONPLAN – Contingency Plan
COR- Contracting Officer Representative
CORT– Contracting Officer Representative Tracking
COCOM – Combatant Command
CPARS – Contractor Performance Assessment Report System
CR&R – Contract Receipt and Review
CSB- Contracting Support Brigade
CSPO- Contracting Support Operations
CST – Combined Screening Team
CT- Contracting Team
CTIP- Combat Trafficking in Persons
CTR- Contract Technical Review
CVS – Contractor Verification System
DBIDS – Defense Biometric Identification Data System
DCAA – Defense Contract Audit Agency
DFARS – Defense Federal Acquisition Regulation Supplement
EDA- Electronic Data Access
ECA – Expeditionary Contract Administration
FAR- Federal Acquisition Regulation
GCC- Geographic Combatant Commands
GFP- Government Furnished Property
GPA- Government Property Administrator
IA – Information Assurance

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IAO – Installation Access Office
JTSCC- Joint Theater Support Contracting Command
LN- Local National
LOGCAP- Logistics Civil Augmentation Program
LOJ- Letter of Justification
LOTD- Letter of Technical Direction
LSCC- Lead Service for Contracting Coordination
LSC- Lead Service for Contracting
OCS- Operational Contract Support
OCN- Other Country Nationals
PBO- Property Book Officer
PCF – Paperless Contract File
PCO – Procuring Contracting Officer
PD2- Procurement Desktop Defense
PEM- Performance Evaluation Meeting
PFR – Performance Feedback Report
PFS- Performance Feedback Session
PIIN- Procurement Instrument Identification Number
PPE- Project Planning Estimate
PRS- Performance Requirements Summary
PWS – Performance Work Statement
QAS- Quality Assurance Specialist
QASP- Quality Assurance Surveillance Plan
PEM- Performance Evaluation Memorandum
SCO- Senior Contracting Official
SOCOM – Special Operations Command
SPOT –Syncornized Pre-deployment & Operational Tracker
RCC- Regional Contracting Center
RCO- Regional Contracting Office
TBC- Theater Business Clearance
TCN- Third Country National
TE- Technical Exhibit
USCIS - United States and Immigration Services
VCE-AM - Virtual Contracting Enterprise-Acquisition Management
VCE-CM - Virtual Contracting Enterprise-Contract Management
VCE- COR - Virtual Contracting Enterprise-Contracting Officer's Representative
WAWF – Wide-area Worklow

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CHAPTER 1

ETHICS, STANDARDS OF CONDUCT, CONFLICTS OF INTEREST, GIFTS, PROCUREMENT INTEGRITY, FRAUD INDICATORS, AND INTERACTING WITH CONTRACTOR EMPLOYEES

Key Points

- *Ethics are vitally important, particularly in the contingency environment because of the cultural differences.*
- *You must strictly avoid any conflict of interest—or even the appearance of a conflict of interest.*
- *You must not forget that your duty is to the US government, DoD, and your customer.*
- *You may not accept any gift because of your official position, and you may not accept any gift from a contractor, potential contractor, or partnering contractor.*
- *There are very limited exceptions to the gift prohibition. You must document unavoidable violations and report them to counsel immediately.*
- *DoD will not tolerate any form of human trafficking or forced labor by any of its contractors or contractor personnel.*
- *If you are ever in doubt, contact your legal advisor, and notify your chain of command.*

Introduction

The need to maintain high ethical standards and procurement integrity is always important for DoD contracting officers. However, this requirement can be even more challenging in a deployed environment where the expectations and business habits of local suppliers can be affected by varying cultural, political, and economic conditions.

The pressures to meet mission requirements can be even more intense in a contingency contracting environment. If you are not vigilant, these pressures can cloud your judgment about the right way to conduct yourself and represent the US and DoD. Two of the biggest responsibilities of a Contingency Contracting Officer (CCO) are to:

- Effectively communicate customer needs to the contractor.
- Establish a solid working relationship with the customer. Remember that CCOs and contractors can have competing interests. In some respects, the US Government's interests may be directly opposed to the interests of the contractor. Therefore, as protectors of US government interests, you must remember your duty is to the US Government and DoD.

Most suppliers in the contingency environment, particularly in locations where US forces have an established presence, understand the ethics and integrity-related restrictions placed on DoD contingency contracting officers. However, CCOs might be offered souvenirs to take home after their tours—or even a welcome gift when they arrive—in a possible attempt to gain favor. In these cases, CCOs must clearly understand what they can and cannot accept.

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Tenets of Government Service

Executive Order 12731, which modified *Executive Order 12674*, codified in 5 CFR 2635.101, establishes 14 basic tenets of government service for employees of the Executive Branch of service of the US Government. As an employee of the Executive Branch of Government:

1. You must place loyalty to the US Constitution and the law above your private gain.
2. You shall not hold financial interests that conflict with your official duties.
3. You shall not engage in financial transactions using nonpublic information and shall not permit the release of such information for any improper use.
4. You shall not solicit or accept any gift from any person or entity seeking official action from, or doing business with, DoD or its elements.
5. You must put forth honest efforts in the performance of your duties.
6. You shall not knowingly make unauthorized commitments or promises that bind the government without authority.
7. You shall not use public office for private gain.
8. You shall act impartially and shall not give preferential treatment to any person or entity.
9. You must protect and conserve government property, using it only for authorized purposes.
10. You shall not seek outside employment or engage in outside activities that conflict with official duties.
11. You shall disclose fraud, waste, abuse, and corruption to appropriate authorities.
12. You must act in good faith in satisfying the obligations of citizenship, including paying just financial obligations and taxes.
13. You shall adhere to all laws that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or disability.
14. You shall endeavor to avoid any actions that create the appearance of unethical conduct from the perspective of a reasonable person.

Conflict of Interest

One of the most basic ethical and legal principles is CCOs may not take official action on a matter that could affect their personal interests, as noted in Title 18 of the United States Code, section 208 (*18 USC 208*). Consequently, ethics rule prohibits an employee from participating personally and substantially in an official capacity in any matter in which that employee—or any person whose interests are imputed (i.e., connected) to that employee—has a financial interest, if that matter will have a direct and predictable effect on that interest. In other words, the ethics rule requires the following:

- If you are officially involved in a matter that could affect your own financial interests, or those of someone with whom you are related to or associated, you must not act on that matter in your official capacity. Usually, the benefit must be more than the minimum..
- If your official involvement creates even the appearance of a conflict of interest to a reasonable person, you should remove yourself from considering that matter—or at a minimum seek legal advice.

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- Conflicts of interest represent one of the very few areas of the law where you do not have to be guilty to find yourself in trouble—even the appearance of guilt can create problems, so appearances count.
- When conflicts of interest arise, the conventional ways of handling them, with advice from an ethics counselor, include (1) disqualification or recusal (i.e., stepping aside from decisions that could affect your financial interests); (2) waivers of disqualification (i.e., continuing your involvement, but only with full disclosure to, and permission from, agency officials); and (3) divestiture (i.e., removing the financial interest that creates the conflict, which often involves selling the financial interest at issue).

Gift Prohibition

The overarching rule about accepting gifts from contractors is specified in Federal Acquisition Regulation (FAR) Part 3, specifically, “the general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships.”(FAR 3.101-1). As a consequence, federal employees are prohibited from soliciting or accepting gifts offered because of the employee’s official position or gifts offered by a prohibited source.

A gift or gratuity is anything of monetary value, including discounts, favors, entertainment, hospitality, and loans (5 CFR 2635.203(b) and FAR 3.101-2). A prohibited source is a company doing business or seeking to do business with the federal Government, including contractors, partnering contractors, prospective contractors, and individual contractor employees, agents, and representatives (5 CFR 2635.203(d)). Several exceptions to the rules of gift acceptance are relevant to CCOs. Although other exceptions exist, these are the most applicable:

First, you may accept gifts with a face value up to a total of \$50 per calendar year from a prohibited source, but any gifts on a single occasion must not exceed \$20 in value. Additional details and hypothetical scenarios are detailed in 5 CFR 2635.204(a). Deployed commanders may implement additional restrictions.

Second, under the provisions of 5 CFR 2635.204(i)(1)-(4), when in a foreign area, you may accept “food, refreshments, or entertainment in the course of a breakfast, luncheon, dinner, or other meeting or event to further programs or operations of the agency of the US mission in the foreign area” if all of the following conditions are met:

- The market value of the meal does not exceed the per diem rate for the foreign area, as specified in the Department of State maximum per diem allowances for foreign areas. See http://aoprals.state.gov/web920/per_diem.asp.
- Non-US citizens or representatives of foreign governments or other foreign entities participate in the meeting or event.
- Attendance at the meeting or event is part of the employee’s official duties.
- The gift of meals, refreshments, or entertainment is from a person other than a foreign government.

Reporting Gifts

If a contractor gives you a gift (gratuity), or one is delivered to you, you must make every attempt to return the gift. If a contractor insists you accept the gift, do one of the following:

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- Ask the contractor to take back the gift. Explain that as a US Government official, you cannot accept gifts for performing your official duties, and tell the Contractor about the repercussions you could face for accepting the gift.
- Pay the fair market value for the gift. Consult your ethics counselor to obtain assistance in determining fair market value, which is determined in accordance with 5 CFR 2635.203(b).
- If the contractor appears offended (perhaps more common in some parts of the world, such as the Middle East, where it is more customary to give/accept gifts), accept the gift, immediately contact your ethics counselor, and take the following actions: (1) safeguard the gift -- if necessary, ask the finance officer to secure it and get a receipt; (2) turn the gift over to legal counsel; and (3) draft a memorandum for record (MFR) setting forth the circumstances by which you received the gift and the gift's approximate value. Include in the MFR the results of your discussion with your ethics counselor. (4) ensure that legal counsel signs the MFR when turning over the gift as a hand receipt.
- If the gift is perishable (e.g., food or flowers), give it to a charity or share it within the office.

Special rules apply to gifts from foreign governments or international organizations (see 5 USC 7342 and DoD Directive 1005.13), gifts received in conjunction with official travel (see 41 CFR 101-25.103).

Ultimately, if you receive any gift from a contractor, it is best to immediately consult with your organization's legal office, ethics counselor and your chain of command.

Procurement Integrity

The Procurement Integrity Act (41 USC 423) recodified as 41 USC 2101 prohibits disclosing or obtaining procurement-sensitive information, including contractor bid or proposal information and source selection information. The Procurement Integrity Act also prohibits employment discussions or relationships with certain current and former US Government officials and describes what actions procurement officials must take when contacted concerning non-Federal employment. See FAR 3-104. However, other statutes and regulations address similar or related prohibited misconduct, such as 18 USC 208 and 5 CFR 2635 (prohibits US Government officers and employees from participating personally and substantially in any particular matter affecting the financial interests of a person from whom the employee is seeking employment), 5 CFR 2635.703 (using nonpublic information for private gain), and of course, 18 USC 201 (prohibits offer or acceptance of a bribe or gratuity).

In general, there are four statutory and related prohibitions, restrictions, and requirements to the procurement integrity act:

1. *Prohibition on Disclosing Procurement Information (41 U.S.C. 2102)*. The Act prohibits the disclosure of "contractor bid or proposal information" and "source selection information." Present or former US officials (or person acting on his or her behalf or who advised him or her) must not knowingly disclose contractor bid or proposal information or source selection information until the contract is awarded.
2. *Prohibition on Obtaining Procurement Information (41 U.S.C. 2012)*. Individuals are prohibited from knowingly obtaining "contractor bid or proposal information" or "source selection information" before the award of the contract to which such information relates, other than as provided for by law.

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3. *Actions required when an agency official contacts or is contacted by an offeror regarding non-Federal employment (41 U.S.C. 2103).* If an agency official, participating personally and substantially in a Federal agency procurement for a contract in excess of the simplified acquisition threshold, contacts or is contacted by a person who is an offeror in that Federal agency procurement regarding possible non-Federal employment for that official, the official must: Promptly report the contact in writing to the employee's supervisor and to the designated agency ethics official (or designee), AND Either: (a) Reject the possibility of employment, OR (b) Disqualify himself or herself from further personal and substantial participation in the procurement until the agency has authorized the employee to resume participation in the procurement on the grounds that: (1) the company that the employment contact was with is no longer a bidder or offeror in the procurement, or (2) all discussions between the employee and the company regarding possible employment have terminated without an agreement for employment. This rule applies only to contracts in excess of the simplified acquisition threshold (\$100,000).
4. *Prohibition on former official's acceptance of compensation from a contractor (41 U.S.C. 2104).* A former Federal agency official may not accept compensation from a contractor as an employee, officer, director, or consultant of the contractor within a period of one year after the former official leaves US Government employment if the official held certain enumerated roles involving a contract in excess of \$10,000,000.

The Copeland Anti-Kickback Act of 1986 prohibits actual or attempted kickback payments or offers to provide kickbacks, including money, fees, commission, credit, gift, gratuity, to include obtaining or rewarding favorable treatment, as specified in *41 USC 8701 et seq...* In fact, any person who knowingly and willfully engages in conduct prohibited by the Anti-Kickback Act can be imprisoned for up to 10 years, fined under Title 18, or both (*41 USC 8707*). See also US Department of Justice Criminal Resource Manual (<http://www.justice.gov/usam/criminal-resource-manual>).

CCOs must also ensure they never ask for or solicit gifts of any type, regardless of their nature or dollar value. As a public official (officer or employee of the US Government), CCOs must avoid taking action or failing to take action in return to a bribe. A bribe occurs when a public official directly or indirectly demands, seeks, receives, accepts, or agrees to receive or accept anything of value in return for (1) being influenced in performance of an official act, (2) being influenced to commit a fraud on the United States, or (3) doing or omitting to do something in violation of his/her official duty. Giving a bribe, as well as accepting a bribe, is a crime punishable by a fine, imprisonment, or both (*18 USC 201*).

Identification of Fraud Indicators

Fraud is the misrepresentation of a material fact with the intent to deceive. Fraud includes the deliberate omission of material facts and false or misleading representations. Fraud can be a single act or a combination of circumstances, the suppression of truth or the suggestion of what is false, or can occur by direct falsehood or through innuendo, speech, silence, word of mouth, or look or gesture.

Contracting Officers play a vital role in the identification, prevention, and reporting of fraud, and consequently, have an obligation to report any suspected violation or wrongdoing. Contracting Officers should also provide or arrange for training on basic fraud awareness, identification, prevention, and reporting

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for Contracting Officer's Representatives (CORs), Quality Assurance Specialists (QASs), Field Ordering Officers (FOOs), and Government Purchase Card (GPC) cardholders during their initial and refresher training classes. Training provided up front educates these individuals, increases awareness of actions constituting fraud, and trains sensors to detect and prevent fraud. However, anybody suspecting contract fraud should report up the chain of command and if necessary, speak with criminal investigators and legal counsel.

Common Fraud Offenses

- Bribery, kickbacks, and gratuities
- Making or use of a false statement
- Falsely making or altering a document
- Making or presenting a false claim
- Companies conducting business under several names
- Collusive bidding (bid rigging)
- Conflicts of interest
- Disclosure of proprietary data or source selection sensitive information
- Incomplete delivery of contracted items
- *Intentional* failure to meet specifications (e.g., contractor use of one coat of paint instead of two, watered loads of concrete, inferior memory chips in computers, inferior automobile replacement parts)

Common Fraud Schemes

- Rigged specifications, such as the requesting organization tailoring specifications to meet the qualifications of one company, supplier, or product.
- Unvarying patterns in small purchases, such as a buyer awarding contracts to favored vendors without soliciting competitive offers from additional firms. Alternatively, the buyer might be entering fictitious competitive quotations and consistently awarding to a favored vendor, probably at inflated prices.
- Splitting large requirements, such as contracting or requiring activity personnel dividing requirements into small purchase orders to avoid the scrutiny required for contracts with a larger dollar value.
- Duplicate payment, such as a vendor submitting the original voucher for payment while the purchaser, acting alone or in collusion with the vendor, collects for the same item from the cash fund.
- Overstatement of shipment weights, such as carriers defrauding the US Government by artificially inflating the weight of a shipment using methods such as (1) fuel bumping, or getting the tare weight with less than a full tank of fuel, but the gross weight with a full tank; (2) double billing on small shipments (500 to 3,000 pounds), or getting two tare-weight tickets for the truck, picking up the two small shipments, getting two gross-weight tickets for the combined weight of both shipments, then submitting both tickets for payment; and (3) false weights, or paying the weight master to provide a false weight ticket or maintaining a supply of blank tickets (usually with a subsequently handwritten rather than printed weight) or a stock of false weight tickets.
- Counterfeit rather than genuine parts (e.g., tools, electronics).
- Emotional bribery, such as a US Government CCO and a vendor representative becoming friends and the vendor using this friendship to unduly influence the CCO.

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Situations Enabling Fraud

- Failure to properly monitor contract performance
- Insufficient acquisition checks and balances, such as personnel who control both the ordering and receiving functions and can arrange for diversion of supplies or services for personal benefit or gain
- Poorly defined specifications
- Poor physical security
- Receipt of items which cannot be traced to a valid requisition and thus, could have been ordered for personal use or resale, with the resulting paperwork destroyed.

Common Fraud Indicators

- Frequent complaints by users of supplies or services
- Consistently close US Government estimates and contract award prices
- Contractor complaints of late US Government payment
- Abnormal increase in consumption of fuel or supply items
- Failure to de-obligate cancelled purchase orders
- Excessive number of invoice photocopies in file, such as (1) approved invoices altered with “white out” or similar correction fluid (indicating the invoice had been copied and the original destroyed in an attempt to manipulate the audit trail or commit fraud via the alteration), which requires follow-up to secure external and internal copies for comparison; or (2) duplicate copies of supplier invoices, which could indicate possible multiple payments of the same invoice and diverted checks
- Less than adequate consideration, such as sale or transfer of assets for apparently less than adequate consideration, which might indicate a sham transaction not based in economic reality.

The contracting office must have a list of contractors and vendors identified as companies that CCOs should *not* do business with because of fraudulent behavior or performance discrepancies. CCOs must make an effort to update this list as needed.

CCOs have an obligation to report suspected violation or wrongdoing to the appropriate chain of command and to the nearest or most appropriate investigative agency. Potential lead investigators and contacts for reported fraud are the Air Force Office of Special Investigations (AFOSI); Naval Criminal Investigation Service (NCIS); US Army Criminal Investigation Command (CID), Major Procurement Fraud Unit (MPFU), 701st Military Police (MP) Battalion; Defense Contract Audit Agency (DCAA); Defense Contract Management Agency (DCMA); Defense Criminal Investigative Service (DCIS); and US Army Audit Agency. CCOs can contact these agencies as follows:

AFOSI: <http://www.osi.af.mil/>

NCIS: <http://www.ncis.navy.mil/>

CID: <http://www.cid.army.mil/>

DCAA: <http://www.dcaa.mil/>

DCMA: <http://www.dcma.mil/>

DCIS: <http://www.dodig.mil/>

DoD Fraud, Waste, and Abuse Hotline:

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Online Complaint Form,
<http://www.dodig.mil/Hotline/hotlinecomplaint.html>, or telephone:
800.424.9098 (toll free); 703.604.8799 (commercial) 312.664.8799 (DSN)
or email: hotline@dodig.mil

Interacting with Contractor Employees

A personal services contract is characterized by the employer-employee relationship it creates between the US Government and the contractor personnel. The Government is normally required to obtain its employees by direct hire under competitive appointment or other procedures required by US Civil Service laws. Obtaining personal services by contract (rather than direct hire) circumvents those laws, unless Congress has specifically authorized acquisition of such services by contract.

CCOs or CORs who might interact daily with contractor employees must keep in mind the contractor employees are *not* US Government employees. Consequently, federal and DoD standards of conduct do not apply to contractor employees. Instead, the terms and conditions of the contract define the obligations of each party and the contractor's performance requirements. As a result, CCOs must not do the following:

- Interfere in contractor-employee relations
- Allow work outside the scope of the performance work statement
- Permit work before the obligation of funding
- Establish specific hours of duty or grant and deny leave requests.

In addition, CCOs may *not* mandate any contractor personnel actions without specific contractual authority to do so, including the following:

- Tell contractors who to hire or promote
- Reassign contractor employees
- Discipline contractor employees.

With that said, *DFARS 237.104* (referencing *10 USC 129b*) states the authorization to acquire the personal services of experts and consultants is included in 10 U.S.C. 129b. Personal service contracts for expert and consultant services must also be authorized by a determination and findings (D&F) in accordance with department/agency regulations:

- The duties are temporary or intermittent.
- Acquisition of the services is advantageous to the national defense.
- DoD personnel with necessary skills are not available.
- Excepted appointment cannot be obtained.
- A non-personal services contract is not practicable.
- Statutory authority, *5 USC 3109*, and other legislation apply.
- Any other determination required by statute has been made.

Although personal friendships between US Government employees and contractor employees are not prohibited, Government employees must act impartially without showing favoritism or preferential treatment.

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In addition, personal friendships cannot result in the *appearance* of a conflict of interest. As a result, US Government employees cannot personally make recommendations or provide references for contractors except when furnishing past performance information to other agencies.

Checks and Balances

It is of paramount importance that a system to ensure checks and balances is implemented in the daily routine to fulfill CCO obligations and prevent opportunities for fraudulent activity. To illustrate checks and balances that should be considered, CCOs should not be tasked to perform the following duties unless no other option is available:

- **QAS and COR oversight.** As the CCO, you are responsible for many Quality Assurance Specialist (QA) and Contracting Officers Representative (COR) actions. You must install a reporting system to ensure fair and proper evaluation and effective direction by the COR.

Many other checks and balances could be discussed, but the preceding examples illustrate common-sense scenarios.

- You have an obligation to protect the taxpayer, the warfighters, and yourself.
- You protect the taxpayer by using sound judgment when spending taxpayer dollars.
- You protect the warfighters by providing goods, services, and awards sufficient to meet their needs.
- You protect yourself by preserving all the documentation necessary to back up your sound judgment and acquisitions.

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CHAPTER 2

AUTHORITIES AND STRUCTURE

Overview

This chapter provides information on authorities related to Expeditionary Contract Administration (ECA), roles and responsibilities of the ECA organization and personnel and planning considerations and guidance by phase of operation.

Definitions

Contract Administration Services (CAS). The authority, responsibilities, and procedures for the Assignment of contract administration services are outlined in FAR Part 42.2 and DFARS Part 242.2 Contract Administration Services. When CAS is requested and contract is assigned for administration, the contract management office shall perform the functions listed in FAR Part 42.302(a)(b) and DFARS Part 242.302(a)(b), Contract Administration Functions, to the extent that they apply to the contract, specifically authorized or except for the functions specifically withheld by the contracting officer for each contract assigned for administration. There are more than 90 contract administration functions listed in FAR Part 42.3 and DFARS 242.3.

Expeditionary Contract Administration (ECA). Formally known as Contingency Contract Administration Service (CCAS), ECA is a process recognized by the DFARS PGI 225.373 Contract administration in support of contingency operations to centrally administer selected contingency contracts through formal Contract Administration Delegation (CAD) procedures and involves a mixture of acquisition specialties to include administrative contracting officers (ACOs), contract administrators (CAs), quality assurance specialists (QAS), and property administrators (PAs), along with Service component provided CORs, and some cases, technical inspectors. ECA Organization(s) and their personnel are responsible for performing delegated functions from the Procuring Contracting Officer (PCO) IAW FAR Part 42.302, DFARS 242.302, Contract Administration Functions, and other specific functions as applicable. In addition, the geographic combatant commander (GCC) or subordinate joint force commander (JFC); 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.

Theater support contracts are contracts awarded by contracting officers in the operational area serving under the direct contracting authority of the service component or designated Senior Contracting Official (SCO) for the contingency operation. During contingency operations, theater support contracts are normally executed under expedited contracting authority and provide supplies, services, and minor construction from commercial sources generally within the operational area. Theater support contracts can range from small local contracts for a single unit, or operational area-wide contracts in support of the entire force. Local national (LN) personnel commonly make up the bulk of the theater support contractor employees.

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Systems support contracts are contracts awarded by a military department and US Special Operations Command (SOCOM) contracting office's supporting systems program executive offices (PEOs) and PM offices for the provision of technical support, maintenance, and, in some cases, repair parts for selected military weapon and support systems. Systems support contracts are routinely put in place to provide support to newly fielded weapons systems, including aircraft, land combat vehicles, and automated command and control (C2) systems. Systems support contracting authority, contract management, and PM authority resides with the military department systems materiel acquisition program offices. System support contracts require deployment of CAAF and/or additional non-CAAF contractor personnel performing contract support in the operational area that require forward contract administration, higher level quality oversight, Government property or forward COR management. Systems support contract related employees are mostly U.S. citizens who have habitual relationships with a particular Organization(s) or serve as members of a fielding or modification team.

External support contracts are contracts awarded by contracting organizations whose contracting authority does not derive directly from theater support or systems support contracting authorities. External support contracts provide a variety of logistic and other support services. The most common and well-known external support contracts are the service's Civil Augmentation Programs (CAPs), which include the Army Logistics Civil Augmentation Program (LOGCAP), the Air Force Contract Augmentation Program (AFCAP), the Navy Global Contingency Construction Multiple Award Contract (GCCMAC), and Global Contingency Service Multiple Award Contract (GCSMAC). Other commonly used external support contracts include Defense Logistics Agency (DLA) prime vendor contracts, the Army Intelligence and Security Command global linguist contract, and military construction agent contracts. External support contracts can include a mix of US citizens, Third Country Nationals (TCNs), and Local National (LN) contractor employees.

Contractors Authorized to Accompany the Force (CAAF) are contingency contractor employees and all tiers of subcontractor employees authorized to accompany the force in applicable contingency operations and have afforded such status through the issuance of a letter of authorization. See DFARS 252.225-7040, Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States for further guidance.

Mission Command is the conduct of military operations through decentralized execution based upon mission-type orders. Successful mission command demands that subordinate leaders at all echelons exercise disciplined initiative and act aggressively and independently to accomplish the mission. They focus their orders on the purpose of the operation rather than on the details of how to perform assigned tasks. They delegate decisions to subordinates wherever possible, which minimizes detailed control and empowers subordinates' initiative to make decisions based on understanding what the commander wants rather than on constant communications. Through mission command, commanders initiate and integrate all military functions and actions toward a common goal—mission accomplishment.

Contract Administration is a subset of contracting and includes efforts to ensure supplies, services, and construction is delivered IAW the terms, conditions, and standards expressed in the contract. Contract administration is the oversight function, from contract award to contract closeout, performed by contracting professionals and designated non-contracting personnel. It includes ensuring both parties (government and contractor) meet the specified terms and conditions of the contract. Contract administration is composed of more than 90 functions, as described in FAR part 42 and DFARS part 242, including monitoring contract

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compliance, performing property administration, and performing quality assurance. Contract administration conducted during contingency operations is referred to as ECA.

Roles and Responsibilities

Geographic Combatant Commands (GCCs). In accordance with Joint Publication 1, Doctrine for the Armed Forces of the United States, the or subordinate joint force commander, through command authority to exercise operational control have the authority to exercise control over the assignment of contract administration during contingency operations. The GCC utilizes the Theater Business Clearance (TBC)/Contract Administration Delegation (CAD) process to manage the assignment of contract administration for the portion of contract performance that will occur within the operational area.

Military Departments (Army, Navy, Air Force) and Combat Support Agencies (CSAs). The military departments and CSAs are responsible for executing CAS support for their own contracts unless a joint theater support contracting command (JTSCC) is established or if there is an agreement between the services and/or CSAs to provide CAS support for each other under various circumstances.

Defense Contract Audit Agency (DCAA). DCAA provides audit, proposals, claims, and financial services to DoD and other federal entities responsible for acquisition and contract administration.

Defense Contract Management Agency (DCMA). DCMA is the Combat Support Agency (CSA) responsible for providing contract administration services to the DoD acquisition enterprise and its partners to ensure delivery of quality products and services to the operating force. And while not a core mission, DCMA along with the services may also serve as a Expeditionary Contract Administration (ECA) force provider in major contingency and expeditionary operations when requested by the supported GCC and as directed by USD (AT&L).

Requiring Activities. Requiring activities provide qualified personnel to serve as Contracting Officer Representatives (CORs) to oversee contracts where ECA is required. Quality Assurance Personnel (QAPs) assigned to ECA do not necessarily have the technical subject matter expertise required to ensure contract compliance.

Procuring Contracting Officer (PCO). The PCO is responsible for determining an appropriate delegated functions for ECA organizations and personnel and request support via contract administration delegation. The PCO remains overall responsible for the contract and is integral to the effective administration of the contract.

ECA within the Operational Contract Support (OCS) Construct

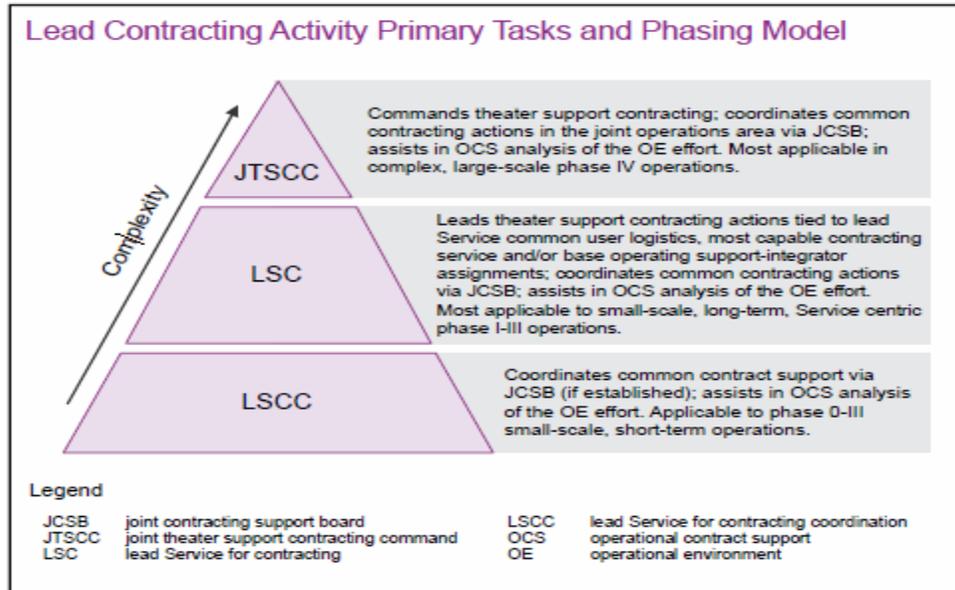
OCS is the process of planning for and obtaining supplies, services, and construction from commercial sources in support of joint operations along with the associated contract support integration, contracting support and contractor management functions.

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ECA is a critical function within the Operational Contracting Support (OCS) construct and is integral to every phase of the operation. The figure below depicts the three main OCS functions. The highlighted areas are directly related to ECA planning or execution.

Contract Support Integration	Contracting Support	Contractor Management
The coordination and synchronization of contracted support executed in a designated operational area in support of the joint force.	The coordination of contingency contracts and the execution of contracting authority to legally bind commercial entities in support of operational requirements.	The oversight and integration of contractor personnel and associated equipment providing support to the joint force in a designated operational area.
<ul style="list-style-type: none"><input type="checkbox"/> Plan & integrate contract support<ul style="list-style-type: none">➤ Collaborate in boards, centers, cells and working groups➤ Conduct assessments and provide recommendations<input type="checkbox"/> Determine requirements<ul style="list-style-type: none">➤ Develop, validate, consolidate and prioritize<input type="checkbox"/> Information management	<ul style="list-style-type: none"><input type="checkbox"/> Plan & organize for contracting support<input type="checkbox"/> Coordinate common contracting actions<input type="checkbox"/> Translate requirements into contract documents<input type="checkbox"/> Develop contracts<input checked="" type="checkbox"/> Award & administer contracts<input type="checkbox"/> Closeout contracts	<ul style="list-style-type: none"><input type="checkbox"/> Plan contractor management<input type="checkbox"/> Prepare for contractor deployment<input type="checkbox"/> Deploy/redeploy contractors<input type="checkbox"/> Manage contractors<input type="checkbox"/> Sustain contractors

OCS Organizational Structure



- Lead Service for Contracting Coordination (LSCC) OCS Organizational Structure. Under the LSCC organizational structure each service and CSA is responsible for providing its own CAS support.
- LSC Organizational Structure. Similar to LSCC however the service that is performing as Leading Service for Contracting (LSC) as the responsible service for theater support contracting would be responsible for any external support contracts in fulfillment of that role i.e., CAP contracts for base life support and any other theater wide support contracts.
- Joint Theater Support Contracting Command (JTSCC) Organizational Structure. If a JTSCC is established, CAS will be centralized under a SCO and its supporting elements. The SCO ECA elements will perform ECA functions for the theater support, external support contracts; and potentially some system support contracts. Generally, other CSAs and the U.S. Army Corps of Engineers will continue to provide CAS to their own contracts.

Contract Delegation Process (Theater Business Clearance (TBC)/Contract Administration Delegation (CAD))

TBC/CAD is a formal acquisition related process designed to allow the JFC and supporting JTSCC, in some cases an LSC contracting activity, to more effectively synchronize and integrate contracted support in joint operations.

- **Theater Business Clearance (TBC).** TBC combines the GCC’s directive authority over logistics and Office of Secretary Defense (OSD) acquisition authority into a formal contract solicitation and contract review process to ensure proper compliance with GCC guidance and to enhance visibility of supporting contracts before they are executed in the operational area. TBC applicability could range from all contracts in the Joint Operation Area (JOA) to selected contracts based on predetermined criteria such as

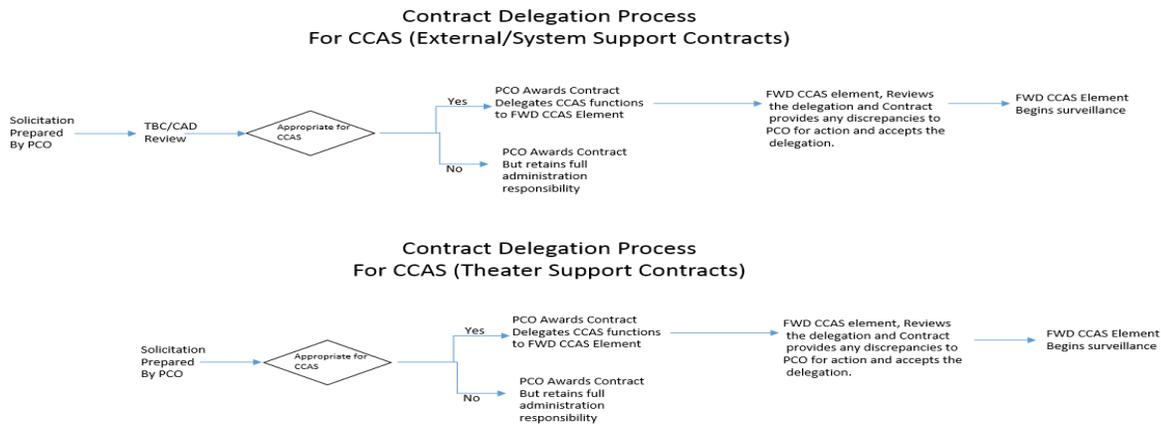
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assuming delegation of an external support contract could include risk level, type (cost), high dollar, theater wide performance or other considerations.

- **Contract Administration Delegation (CAD) Policy.** The GCC is responsible and has the authority to establish CAD policy in the OCS, Annex W to GCC Operations Plans (OPLANs) and Contingency Plans (CONPLANS) it is critical for the contracting execution community to shape CAD policy for the operational area. The CAD allows the Ccdr to exercise control over the assignment of contract administration for that portion of contracted effort that relates to performance in, or delivery to, designated operational area(s). It also allows the Ccdr to exercise oversight to ensure the contractor's compliance with directed policies. CAD guidance is normally issued in tandem with TBC guidance. When a JTSCC has been stood up, SCO's ECA elements need to review proposed CAD arrangements as part of the approval process and make a determination as to whether it should assume responsibility for contract administration in theater or whether the PCO should retain it. The PCO may delegate contract administration or specialized support services in writing clearly state the specific functions to be performed and provide a copy of pertinent contractual and other necessary documents. The process starts with the TBC/CAD review if applicable. Although the GCC is responsible and has the authority to establish CAD policy in the OCS, Annex W to GCC Operations Plans (OPLANs) and Contingency Plans (CONPLANS) it is critical for the contracting execution community to shape CAD policy for the operational area. Some planning information and factors for consideration with regard to the type of OCS organizational structure and type of contracted support are listed below.

Contract Administration Delegation Flow

The contract delegation process for external support and selected system support contracts starts in most cases prior to award. Many system support contracts will already be in place prior to an operation. The process starts with the theater business clearance/contract administration delegation review. If the contract is appropriate for ECA, it will be forwarded to ECA elements that will review the contract and accept the delegation. After delegation and acceptance, the forward ECA elements have the authority to begin surveillance. (See contract delegation process).



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- **Key Points**

- Develop process for delegation request.
- What documents are required in the delegation request package?
- A single point of entry and primary staffing officer for all CAD request.
- What functions must be performing before accept or reject delegation request (i.e., Contract Receipt & Review (CR&R) by personnel who will be involve with ECA)?
- How to correct the deficiency of contract if applicable?
- Who has authority to accept or reject delegation request?
- The method of acceptance or rejection of delegation request (official memo or email...).
- The method of tracking contracts that are delegated and accepted for contract administration.

Typical ECA Delegated Tasks

- Contract Administration (ACO)
- Change Management (Partial)
- Cost Monitoring (Requisition Approvals, Purchasing System Oversight)
- Subcontracting Consent
- Property Administration
- Quality Assurance (QAS)
- COR Training and Management
- Performance Information Reporting (CPARS Input, Award Fee Input)

Contracts By Types of Contracted Support that Require ECA Support

Some planning information and factors for consideration with regard to the type of OCS organizational structure and type of contracted support are listed below.

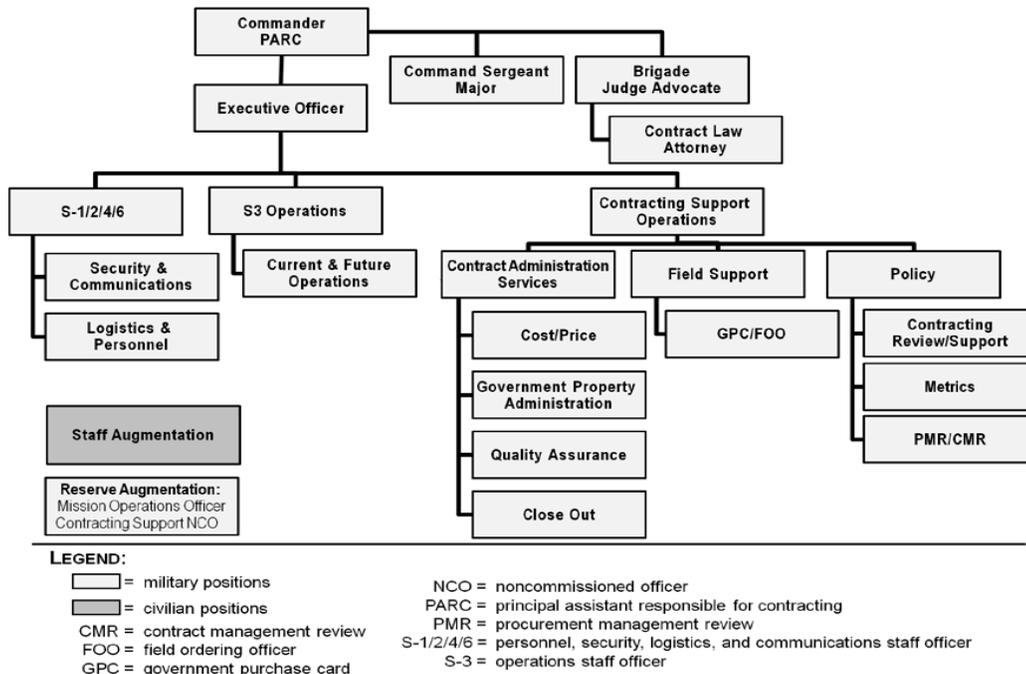
- External Support Contracts
 - Civilian Augmentation Program (CAP) contracts
 - Cost type contracts
 - Fixed price contracts
 - Other high risk contracts
 - Contracts with Government property
 - Contracts with higher level quality requirements
 - Contracts requiring a forward Administrative Contracting Officer
 - Contracts that include life, health and safety risks
- System Support Contracts
 - Contracts that require deployment of CAAF and/or additional non-CAAF contractor personnel performing contract support in the operational area that require forward contract administration, higher level quality oversight, Government property or forward COR management.

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- Theater Support Contracts
 - Private security contracts
 - Theater wide trucking contracts
 - IT contracts
 - DFAC contracts
 - Other high risk contracts
 - Contracts with Government property
 - Contracts with higher level quality requirements
 - Contracts requiring a forward Administrative Contracting Officer
 - Contracts that include life, health and safety risks

ECA Organizational Options

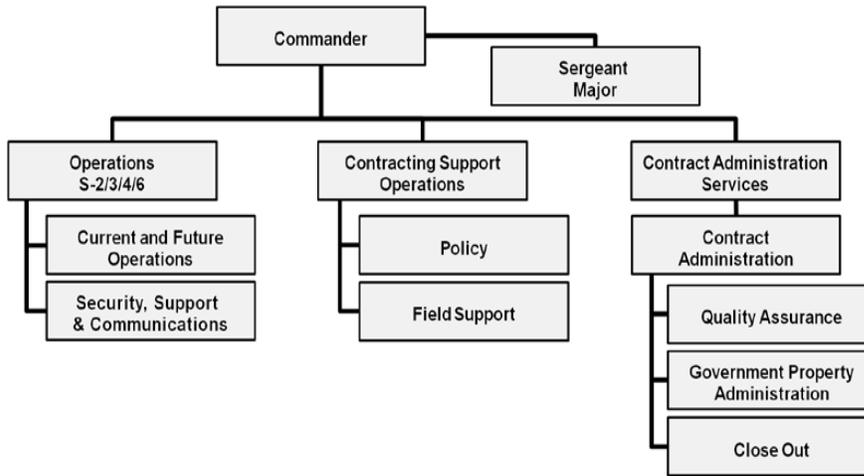
1. **General.** In operations where the OCS structure is LSCC or LSC and the Army has CAS requirements, a designated Contracting Support Brigade (CSB) will provide oversight to the ECA mission utilizing a Contracting Battalion (CBN) to execute CAS. Within the CSB there is a ECA element within the Contracting Support Operations (CSPO) section. (See below from ATP 4-92).



2. **Integrated Structure.** Under an integrated structure, the CAS is integrated into a CBN responsible for both procurement and ECA. In this situation; the CBN will have a ECA staff element at a minimum for contract administration (Lead ACO), Government property administration and quality assurance. These staff elements will provide staff oversight, advise the commander; and provide guidance to subordinate

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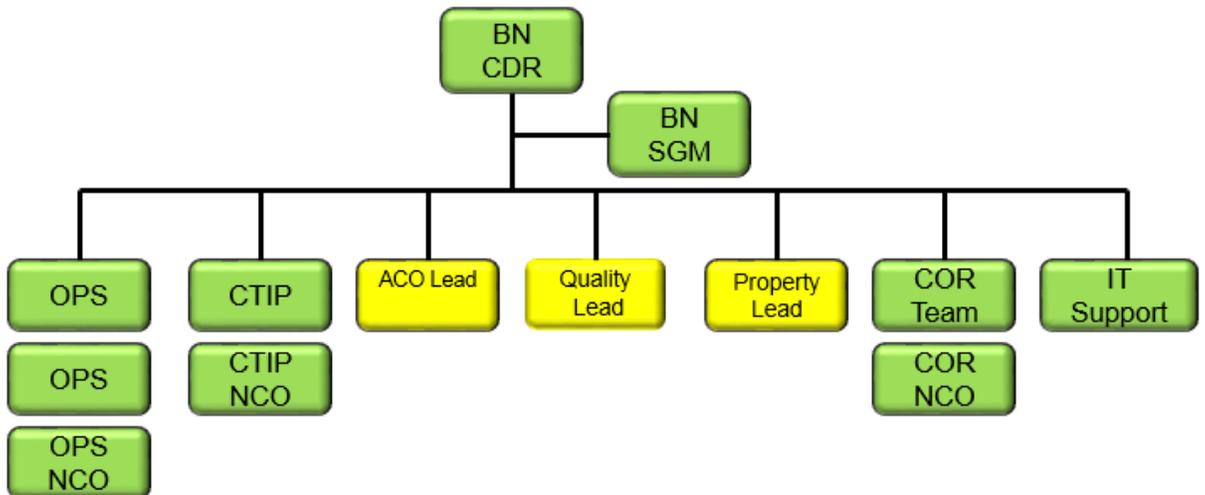
ECA elements to execute the CAS support. The battalion staff may also have some special staff such as the Combat Trafficking in Persons (CTIP) section within the CBN/ECA staff organization.



LEGEND:

S-2/3/4/6 = intelligence, operations, logistics and communications staff officer

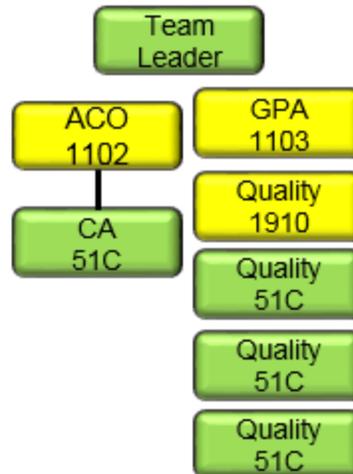
- ECA Pure Structure.** In some operations where the OCS structure is LSCC/LSC, there may be a significant enough ECA requirement to employ a CBN that only performs ECA functions. In this situation, the structure of the CBN may differ slightly from the doctrinal example above. The example organizational structure below depicts how a pure ECA CBN staff might look.



- ECA Team.** The ECA team consists of a mix of military and civilian positions and is led by a Contracting Team (CT) leader. The team functions include an ACO and CA (1102s), QASs (1910s) and 51C non-commissioned officers performing quality assurance, and a Government Property Administrator

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(GPA) (1103). Do not integrate the procurement and ECA functions at the team level. If a Regional Contracting Center (RCC) or Regional Contracting Office (RCO) is established, there should be separate teams or sections performing procurement and ECA. Due to the complexity and oversight requirements for ECA, it is imperative that a ECA team is not also responsible for procurement and/or non-ECA functions.



5. **Centralized ECA Organizational Structure.** In a centralized ECA structure, a SCO CAS staff will be organized similar to the ECA pure structure and will have subordinate ECA teams for execution. However, a centralized CAS structure is joint and will perform ECA functions for all services contracts.
6. **Utilization of ECA Personnel.** When planning for CAS support, planners must have an adequate understanding of the different roles of the functional specialists (contracting, quality, property) performing ECA.
 - ACO. The ACO is warranted and is responsible for the overall administration of the contract. The ACO is the key interface point for the other functions in performance of CAS. The ACO also interfaces with the PCO to ensure well synchronized contract administration.
 - Contract Administrator (CA): The CA performs contract administration functions in accordance with FAR, DFARS, higher level policy and GCC Instructions and provides support to the ACO.
 - QAS. The QAS provides oversight on the contractor's quality control system. The contractor is responsible for quality control; the COR, is the technical subject matter expert for the Government; and the QAS is the expert on quality systems.
 - GPA. The GPA, like the QAS, is ensures the contractor has an adequate property management system. However the GPA is not a Property Book Officer (PBO) and is not responsible for accounting for Government property. The contractor is responsible for properly managing GFP and CAP to which the Government retains title to. The GPA provides oversight of the contractor's property management system which reduces risk of loss to the Government.

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ECA Activities and Priorities by Phase of Operation

General. It is critical for organizations and its personnel to maintain situational awareness while executing contracted support to ensure that required services are synchronized with the operation they are supporting. One of the biggest challenges with contracted support is services that are requested too late in the operation. To reduce this risk, it is important to focus ECA activities based on the phase of the operation.

- **Phase 0 (Shape).** Characterized by preparatory actions that indicate the intent to execute subsequent phases of operation. Planning for ECA will occur mainly at the CSB level and higher. The ECA training including specific training on ACO tasks, quality assurance and property administration should be included with procurement training as part of an individual, CT and CBN training plan. In many cases there will not be time to train CTs or CBNs prior to deployment to provide ECA.
- **Phase 1 (Deter).** Focused on applying force to gain access to the operational area and expand friendly freedom of action. Military actions are characterized by an extremely high operating tempo and freedom of action of maneuvering forces and their supporting organizations. As move into phase 1, if ECA is anticipated, units will be identified and begin more contract specific in-depth training to perform ECA functions such as external support contracts.
- **Phase 2 (Seize Initiative).** Focused on applying force to gain access to the operational area and expand friendly freedom of action. Military actions are characterized by an extremely high operating tempo and freedom of action of maneuvering forces and their supporting organizations. During this phase units are deploying and requirements are being contracted. It is possible that at this point some contracts such as LOGCAP and other theater wide efforts may have been awarded requiring ECA support. This will trigger the contract delegation process requiring ECA acceptance. It is critical during this phase that ECA resources are available in the operational area and contract delegations are accepted quickly so that surveillance can begin as soon as possible. The ECA elements will have to be more flexible with delegation acceptance and with the contractor during the early parts of this phase.
- **Phase 3 (Dominate).** Focused on breaking the enemy's will to resist or, in noncombat situations, focused on controlling the operational environment (OE). Service component contingency contracting teams would normally operate in direct support of their habitually supported units, emphasizing effectiveness and responsiveness. Coordination of common contract support generally is limited to major contract actions in support of operational-level logistics and selected other support requirements. During the dominate phase, the ECA organization will perform its ECA mission. It is likely that at this point the number of CAAF and non-CAAF personnel in the operational area will have grown significantly to the point where contractor management issues will arise. It will remain important for CAS organizations to coordinate with the respective OSC Intergrate Cell (OCSIC) to ensure the quality and timeliness of contractor performance during this critical phase.

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- **Phase 4 (Stabilize).** Generally characterized by a shift in focus from sustained combat operations to stability operations. During this transition, the subordinate JFC generally expands and formalizes the requirements review, validation, and approval process and may implement measures to control the flow of contracted support and the associated personnel from outside the operational area. The number of contracts often increases, and they become more complex and costly. Work with OCS support personnel to ensure a well-planned and -executed programmatic systems approach to OCS actions is in place. During this phase the number and complexity of contracts will increase. As a result, you can expect more ECA support requirements. At the same time the contract administration delegation process should be stable and more organized than in the earlier phases.
- **Phase 5 (Enable Civil Authorities).** Characterized by joint forces support to legitimate civil governance and drawdown of forces. During this phase, the emphasis of ECA will shift towards drawdown. The drawdown of contracted support will present its own challenges in particular with managing the contractor personnel and maintaining accurate visibility of Government property.

ECA Effects.

General. In addition to maintaining the proper situational awareness it is also critical for organizations and individuals performing ECA functions to understand some of the critical effects that result from ECA (good and bad). One way to simply categorize the ECA effects is through three key risk areas; risk to mission, risk to forces and risk to funds.

- **Risk to Mission.** These risks would include contractor non-performance issues that would result in a delay to an operational timeline or other mission requirement that relied on contracted support. Contractor failure can directly impact operational mission execution. These risks would include contractor non-performance issues that would result in a delay to an operational timeline or other mission requirement that relied on contracted support.
- **Risk to Forces.** These risks would include contractor performance issues that risk the life, health or safety of soldiers, civilians or contractor personnel. There are many contracts that if not properly executed, create life, health, and safety risks to the deployed force. Many of the services such as electrical work performed under LOGCAP are an example of this. There is also high risk work such as aviation maintenance performed under system support contracts that if not performed IAW contract standards could lead to an accident or mishap. Effective Government quality assurance has been proven to reduce these risks.
- **Risk to Funds.** These risks would include contractor performance issues that result in increased cost to the Government. There have been numerous audit findings stating that even though a contractor did not meet contractual requirements the contractors were paid as though they had. This occurs when there is inadequate oversight. Effective contract management reduces Government liability risks, loss of Government property, and reduces fraud, waste, and abuse.

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Mission Command

The critical Command and Control (C2) element of setting conditions for mission success is the execution of mission command. Proper application of mission command produces an effective organization capable of delivering mission success.

The foundation of mission command is trust, trust with commanders, peers and subordinates. Commanders build teams and trust in daily actions and interactions. Trust is built on not just what you say but what you do. While trust can take time to earn, it can be broken in a moment. Commanders build trust through words and actions and continue to reinforce it not only during actual operations, but also during training, education, and practice. Trust and confidence are essential to synergy and harmony, both within the joint force and also with our interorganizational partners. Commanders should seek and exploit opportunities to build trust and the team through shared experiences.

Part of building a cohesive team is ensuring the team has a common understanding of their mission, constraints and environment in which they operate. Commanders should recognize that people process information differently and need to have the common understanding communicated in a way that is understood by them, and repeated often. With this common understanding, the commander's intent can be carried out.

In the conduct of ECA, the availability of the leader to always be present or accessible for a time sensitive decision is not always possible. It is those times that subordinates must exercise the initiative and carry out the commander's intent. *Commander's intent* is the commander's clear and concise expression of what the force must do and the conditions the force must establish to accomplish the mission. It is a succinct description of the commander's visualization of the entire operation and what the commander wants to accomplish. Commander's intent supports mission command and allows subordinates the greatest possible freedom of action. It provides focus to the staff and helps subordinate and supporting commanders act to achieve the commander's desired results without further orders once the operation begins, even when the operation does not unfold as planned. Successful command demands that subordinate leaders at all echelons exercise disciplined initiative and act aggressively and independently to accomplish the mission within the commander's intent. Subordinates' emphasis is on timely decision making, understanding the higher commander's intent, and clearly identifying the subordinates' tasks necessary to achieve the desired end state. Well-crafted commander's intent improves subordinates' ability to act effectively in fluid, chaotic situations. Commanders must articulate their intent in simple, clear and concise terms of what is to be accomplished.

Commanders must rely on their subordinates to carry out the mission without micromanaging. That does not mean the commander is not engaged, but it means the commander only interjects when it is necessary to correct the course of the effect. Subordinates must feel empowered and have the flexibility to operate within the commander's intent. Commanders cannot be risk averse but should accept prudent risk to most effectively produce the desired outcome.

For commanders to effectively exercise mission command requires them to be able to understand and visualize the contract effects to the supported operation. The staff enables the commander to do this through systems and processes that provide data to be analyzed for decision making.

Raw data is useless without analysis, with analysis it is powerful and allows the commander to understand both negative and positive effects of the contracts being administered. Metrics should be tied to measures of performance and measures of effectiveness to determine how well the contracts are performing and how

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effectively the organizations is managing the contracts. Translating the data into actionable information requires critical thought and application of data analysis techniques. It is the staff's job to determine what the analysis means and recommend to the commander what should be done to improve or sustain the effects being delivered. In addition to using data as part of internal controls to determine mission performance, it is also a critical element enabling both strategic communications and resource assessments.

Measures of Effectiveness (MoEs) are tied to achievement of an end state, effect, or commander's intent. Contracting is a "means to an end." The end state for contracting is a contracted supply, service, or construction meeting the requirements of the contract (right quality, right quantity, right time, right place, fair and reasonable price) and ultimately a contract meeting the needs of the requiring activity. Contract administration is how we ensure this end state is achieved. Therefore, in plain terms, MoEs tell us: "Are our contracts and contract operations meeting contract requirements and the Service's needs?"

Measures of Performance (MoPs) are specifically tied to key task accomplishment needed to achieve objectives and goals. In plain terms MoPs tell us: "How well are we executing contract administration, quality assurance, property administration?" MoPs fall into two categories, quality of work and timeliness of work. Commanders must ensure there is a balance between the two and not sacrifice one for the other.

Below are recommended statistics and metrics to be tracked and analyzed to measure effectiveness and performance:

(Note: The list provided is not exhaustive and could be expanded and tailored to meet the mission.)

Value: Contract/Task Order Value

Property: # of pieces of property on contract, that's being "tracked"

\$ Property: Total value of GFE on contract

\$ Property Loses

ULOs:

CTIP: # of scheduled audits / completed audits

CTIP Violations: Number of violation

NCR Open: # of NCR that are currently open

CORs Appt: COR required / COR appointed

COR Audit: COR audits (checklist) scheduled / completed = checklist uploaded and approved in CORT

QA Audit: QA audit scheduled / completed

PMSA: Property Management System Audits scheduled / completed

COR Report: COR reports required / submitted (uploaded) onto VCE-COR

QMP: Quality Management Plans Required (Will be 1 for each major contract / task order)

PMP: Property Management Plans Required (Will be 1 for each major contract / task order)

CPARS: CPARS due date (1 year PoP end date)

Communication and team building within and outside of the organization is a critical enabler to influence the mission. Communication can take many forms like formal briefings, SITREPs, and informal engagement just to mention a few. A Weekly Activity Report (WAR) brief should be held with the commander to update him/her on the contracts being administered (See Example at Appendix ?). The WAR is the commander's meeting and an opportunity for the team to collectively discuss the contracts with the commander as well as to bring critical areas of concerns up for consideration by the commander for action/decision. A second order of effect of the WAR is for the collective key leaders to understand the current operational environment. The challenges and successes identified in the WAR are also key elements of STRATCOM.

The functional leads (QA, ACO & PA) should hold their own meeting focused their area of expertise. It is a forum that allows cross-talk within the functional area and provides the functional lead with the ability to

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provide assistance and training to the workforce. The meeting should not be closed to other functional areas. In fact, it may be beneficial for the functional lead to invite others when an issue is being worked. Commanders should visit these functional meeting often, but not take over the meeting. The presence of the commander can change the meeting and he/she must ensure the purpose of the meeting remains intact. For example, if a functional specialist is struggling with an issue, they may not feel comfortable bringing it up in front of the commander in a group meeting. However, since functional leads are not supervisory, they can provide assistance without the perception of performance being judged. Raising overall situational awareness directly contributes to mission success. Contracts are often interrelated; outputs for one contract are often inputs to another. The crosstalk in functional meetings raises situational awareness to provide a preventative measure to challenges one contractor is experiencing affecting other contracts (and therefore the operational mission). It also educates personnel on issues others are facing which prompts them to look out for the same issues on their contracts. Because these functional meetings contribute to organizational success, selection of the leads is important. Leads must take on an advisory, assistance, and mentorship role for these meetings to be effective, and not be perceived in a “dictatorial” or condescending to inexperienced personnel. A key commander role is to enforce participation in the meetings, monitor the tone of the meetings, and also ensure the meetings maintain effectiveness and relevancy.

KLE, customer and contractor engagements are necessary to influence ECA effects outside of the organization. It is important that adversarial relationship not develop due to the negative effects it can cause to the Army’s mission. During KLEs and customer engagements, it is important to discuss missions or activities that could affect the managed contract, how the contract is performing and future contract actions that may impact the KLE’s or customer’s mission like changes to the contract, renewal of options, phase in/out of a contractor. It is also an opportunity to educate the KLEs/customers on contracting and to articulate the effects of ECA in context of risk to Mission, Forces and Funds. Supported unit leaders usually have limited interest in ECA statistics or internal ECA unit MoPs. Information must be tailored to the audience. They do take interest in the effects ECA has on their mission. Articulating risk reduction, issue resolution, issue prevention, and contractor performance (MoEs) are key to strategic engagements. KLE engagements also help ensure the ECA unit stays within the supported unit decision cycle to predict if contractor performance will have impacts on the operational mission(current and future), the force, and funds and to also ensure that ECA unit support is consistent with future operational requirements.

The contractor is part of the team as described in FAR 1.102-3 and the role they perform is crucial to mission success. It is important to schedule routine engagements with the contractors under administration, especially the large or higher risk contracts. We must strive to conduct business with integrity, fairness and openness. It is very easy for an adversarial relationship to develop due to the contract oversight ECA provides and through the documentation of nonconformance. Maintaining open lines of communication is essential to foster a cooperative relationship with the contractor.

For effective mission command of a pure ECA mission, the ECA organization should task organize to enable better mission command. The staff works for and advises the commander and support the contract administration teams. They run daily activities and push information to the teams. A recommended task organization is covered under a section labeled Pure ECA later in this document. A description of staff sections are provided below.

The Operations Officer leads the Operations Section and is the XO and S3 that manages the staff with focus on internal unit current and future operations. The Operations Section is responsible for preparing CCIRs, weekly SITREP, readiness reporting, activating accountability operations, tracking taskings, and writing / publishing OPORDs and FRAGOs, preparing ground and air movement authorizations, tracking movement/missions, Command and Staff Slides, ECA calendar, Civilian Overtime Requests, preparation for DV Visits/Ceremonies, and airport pickup. As an additional duty, the Assist Operations Officer is also the S2 responsible for monitoring intelligence and weather that may impact operations and pushing the information

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to the organization. The Operations NCO assist the officers in executing the duties of the section and is the S1 and Facility Maintenance Officer. The S1 is responsible for the daily PERSTAT, tracking and coordinating BLS for incoming/outgoing personnel, leaves, evaluations, awards, monitoring of the mailroom, and must be prepared to take the initiative.

The CSPO leads the CSPO staff section that oversees contracting operations and leads external contract coordination efforts. The section monitors contracting policy, ensuring subordinate CTs maintain currency through policy updates, process ACO/PA warrant packets, manage contract workload/distribution, manage contract receipt and reviews, responsible for CMR/ SAV Internal Reviews/Audits, collect, analysis and report metrics, is responsible for the Weekly Activity Report (WAR) Meeting, prepares the Brigade Procurement Update Brief (PUB) and runs the CTIP and COR program. This staff provides training and advisory support to any other specially authorized, mission-specific programs, such as the Commander's CTIP and COR programs. The officers under the CSPO are assigned as the S4 and S6 and the NCOs under the officer is assigned as the S4 NCOIC and S6 NCOIC. The CSPO attends all functional area meeting as well as AFCAP/LOGCAP meetings. The CSPO is also the unit's primary interface with the OCSIC. Linking with the OCSIC enables review of supported units plans and orders to determine impacts on ECA operations and contractor operations and to provide inputs to ECA unit internal planning. Finally, the CSPO is responsible for consolidating key contract performance for use in the commander's KLEs.

Under the CSPO are the CTIP and COR Teams. Their duties are described in separate chapters in this document.

A key aspect of mission command is exerting command influence to resolve friction points. Commanders should continuously assess friction points between teams and their supported units and teams and contractors. Common friction points include: COR nominations; COR performance of inspections and submission of monthly status reports; invoices without receiving reports; contractor performance not meeting operational need (the ECA unit must determine if contractor performance or contract requirements are the root cause); lack of supported unit information on contractor performance; supported units desiring contractors to go beyond the scope of the contract without going through the change process; fiscal constraints (e.g. capital equipment purchases under OMA funded service contracts, construction under OMA funded service contracts, support to third party contractors, contract support to NAF activities (e.g. AAFES); support to host nation forces (non-NATO), etc); adversarial relationships developing due to nonconformance and the frustrations that reporting and corrective action can create; lengthy change management processing time impacting operational support; operational units desiring to obtain or borrow GFP and CAP (equipment and material (especially construction material); and difference in contractor and military living standards.

CCIRs inform both contracting leadership and supported unit leadership of actual or potential impacts on missions, forces, and funds. Below are potential CCIRs for use in ECA operations:

Potential CCAS CCIRs

Contractor Impacts on Mission

- Performance Failures
- External Impacts on Ktrs
- Security Violation / SI loss /PII loss

Degradation of Contracting Operations

- External Impacts
- Loss of CCO(s) & Augmentees
- Disciplinary Issues
- Security Violation / SI loss

Legal / Regulatory Issues

- Fraud, Waste, Abuse
- TIP Violations
- Unauthorized Commitments
- Anti-deficiency Act Violations

Significant Contract Events

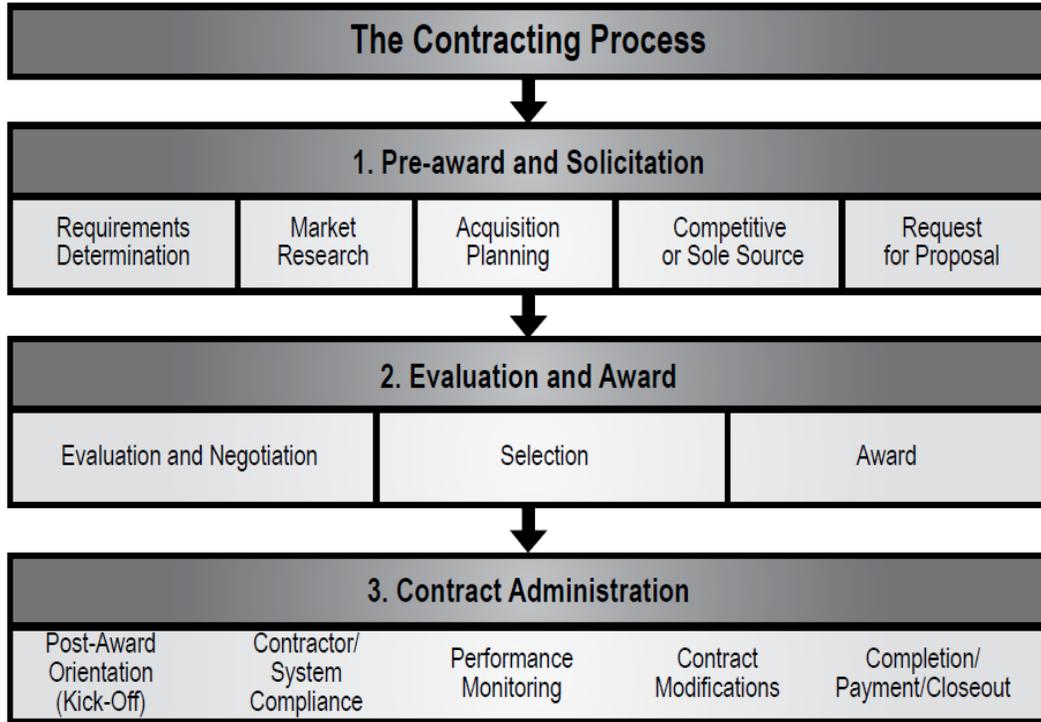
- Show Cause / Cure Notice
- Terminations
- Protests
- Award to State Owned Enterprise

High Interest Items

- CAAF KIA, MIA, WIA, UCMJ violations
- Acts that garner GO/Media Attention
- PSC or Interrogation K Award/Mod
- Authorization to Arm Ktrs/Wpn Discharge
- Congressionals
- Loss/Compromise of PII impacting OCS
- HN Ministerial Actions impacting OCS

CHAPTER 3

CONTRACT ADMINISTRATION SERVICES AND FUNCTIONS



1) **Administrative Contracting Officer (ACO) Administration responsibilities.** Contract administration incorporates all transactions between the Government and the contractor, from immediately after contract award until the work is completed and accepted by the Government, payment is made, any disputes are resolved, and contract closeout is finalized. Delegated Contract Administration functions can be found at FAR 42.302 – Contract Administration Functions and DFARS 242.302 – Contract Administration Functions.

- Ensure Reach back contracting personnel understand the priorities and operational environment, so they can assist the ACO in performing his/her duties appropriately.
- The ACO should start his/her warrant packet to obtain the ACO warrant prior to arrival in theater so the ACO is prepared to begin work immediately upon arrival in theater. For ACC contracts, reference Command Policy Memorandum – Army Contracting Command Contracting Officer Warranting Policy (CPM 15-12) dated 16 March 2015 for standard policies and procedures for all warrants issued within ACC. For all other units, refer to unit policies and guidelines.
 - Information on the limits of the contracting officers’ authority shall be readily available to the public and agency personnel.

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- The focus of the ACO is to ensure performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, safeguarding the interests of the United States in its contractual relationships, on time and within the expected cost.
 - The ACOs, QASs and GPAs are business advisors to their customers.
 - The ACOs depend on their CORs and QASs for ensuring the Government gets what they paid for on the contract.
 - The Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP) in most cases will need updating after the contract has been awarded. The ACO will make recommendations to the PCO for changes to the PWS and/or QASP as requirements change or the COR/QAS make the ACO aware of issues. These recommendations should be documented and loaded in the contract file.
 - On occasion, during issue resolutions between the contractor and the customer or the PCO, the ACO must act as an advocate for the contractor when the contractor's inability to perform are the result of PWS conflicts, Government-caused delays, or factors that are beyond the control of the contractor.
 - The lists of ACO contract do's and don'ts are located in Annex A.
- 2) **Paperless Contract File (PCF)(Applicable to all Army organizations):** PCF is a virtual contracting office. It's a secure, web-based application that can be accessed using AKO's CAC/SSO process.
- Virtual Contracting Enterprise-Contract Management (VCE-CM) was renamed as Virtual Contracting Enterprise-Acquisition Management (VCE-AM) in April 2014 in order to reflect its expanding role as a contract administration tool. The ACO shall ensure that all VCE-AM records are updated in the PCF program. The files uploaded to PCF should be clearly titled.
 - The ACO should ensure that they have read/write access to PCF, as well as the QASs and CORs (if possible), for the location they will be supporting.
- 3) **Assignment of Contract Administration:**
- Delegation Letters (Annex B, C and D): Receive the proper documentation from reach back and/or other agencies to conduct your administrative duties, such as a delegation letter.
 - ACOs should review the ACO warrant to ensure that it contains specific fiscal and performance limitations, such as the ability to execute administrative modifications and any fiscal obligation thresholds (if any). If not, the ACO warrant should clearly state these limitations.
 - ACOs must be aware of what responsibilities they have been delegated to them and understand the task requirements. The CAS Delegation Matrix should be reviewed with the PCO and each responsibility validated to insure applicability to that specific contract.

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- ACOs must send a copy of their delegation letters to the contractors, so they understand what responsibilities the ACO has assumed. The contractor must confirm receipt and a copy of that response uploaded into PCF.

4) Contract Receipt and Review (CR&R): is the task the contracting organization performs upon receiving a delegation of contract administration.

- Objectives:
 - To identify contract risk level to determine level of administration effort required.
 - To identify contract requirements needing administration.
 - To ensure the CBN/CT has, or has access to, all contract documents, attachments, and exhibits necessary to administer the contract IAW the delegation.
 - To develop a contract administration plan to administer the contract.
 - To identify any contract deficiencies that would prevent proper administration of the contract (such as missing a mandatory clause applicable to the area of operations).
 - To ensure the delegation is feasible, suitable, and executable – that delegated tasks are those that can/should actually be performed in the area of operations by the unit.
 - Determine if a post award conference or orientation should be performed or would be beneficial.
- Contract Receipt and Review Process for Delegation Request. Upon receipt of a CAD/Sub-Delegation request, the contracting, property, and quality assurance personnel shall collectively conduct initial review to ensure the delegation request package is complete. If the delegation request package is complete and actionable, the following actions should occur.
 - Review contract and/or task order.
 - Review the delegation letter/matrix.
 - Review the Quality Assurance Surveillance Plan (QASP).
 - Review the contractor's property management system description (if applicable).
 - Review the payment instruction (if applicable).
 - Identify and review any additional contract, applicable CDRLs, and/or supporting documentation.
 - Identify all stakeholders and any other contract administration office receiving delegations (such as a stateside Defense Contract Management Agency (DCMA) Contract Management Office (CMO) accepting a delegation of tasks to be performed).
 - Make contact with the PCO if there are any questions arise during CR&R.
 - The decision concerning which contract administration functions will accept will be made at the Contracts Director level or higher.
 - The PCO correct any discrepancies identified during CR&R prior to the final acceptance.
 - The PCO delegate the contract by executing a contract modification. The contract modification shall incorporate Delegation Matrix and acceptance letter.
 - After receipt of delegation modification, the assigned ACO shall send a memorandum to the Contractor and assigned COR(s) stating that the contract has been delegated and any future issues or concern regarding delegated functions will be address by the delegated contract administration office.
 - Develop and contract administration plan.

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5) Overtime Approval: This task is a delegated function from the PCO. Overtime approvals would be on cost type contracts, such as K-BOSSS and LOGCAP.

- References: FAR Part 22.103 Overtime, FAR Part 22.103-4 Approval, FAR Part 52.222-2 Payment for Overtime Premiums and CAS delegation matrix from the PCO.
- Depending upon the type of contract, FAR Part 22.103-4 may require the contractor to prepare an overtime forecast and submit this to the PCO for approval.
- To determine if your contract has this requirement, look to see if FAR Part 52.222-2 is included in section I of the contract. Since this is a fillable clause, it will be in full text. If the clause is in the contract and the contractor has employees working more than 40 hours per week, the ACOs should check to ensure the contractor has submitted an overtime forecast to the PCO.
- In addition to the FAR requirements, the contractor uses this 'written order' forecast to satisfy the requirements set forth under article 66 of the Kuwaiti labor law which states in part that "the employer may, by means of a written order, have employees work overtime if the necessity arises for an emergency (or) unusual work load".
- If the contractor requires their employees to work overtime above and beyond those hours that were projected in the forecast because of unusual workload, an emergency, or when the use of overtime will actually reduce costs to the Government, the contractor may submit a supplemental overtime request to the ACO for approval. The ACO will review the forecast submitted to the PCO and the supplemental request to ensure they meet the FAR requirements.
 - The ACO should attempt to validate the need for overtime. This can be accomplished either through direct knowledge of the situation, or after consultation with the appropriate COR(s) or customer. If the rationale provided by the contractor can't be supported, do not sign until sufficient justification has been provided.
- Prior to approval of supplemental overtime requests, the ACOs shall confirm they have the authority to sign. This authority is usually found in either the delegation matrix or embedded within the PWS.
- Once the authority to sign has been confirmed, the ACO should first ensure that some language is present that states something similar to, "this approval does not authorize the expenditure of additional funds beyond those already obligated by the PCO." If this language is not there, then write it in. The ACO should attempt to ascertain that sufficient funding exists to cover this expense. This may not be possible in all cases. If the ACO is unable to determine, the funding narrative will protect the ACO from an unauthorized commitment resulting from violations of the anti-deficiency act.

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- 6) Appointment of CORs:** The COR nomination, appointment, and termination will occur via Contracting Officer's Representative Tracking (CORT) Tool which reside within Wide Area Workflow (WAWF). It is the responsibility of the ACO to appoint a primary and alternate COR for each contract.
- The organization/customer (Commander) nominates the COR and an alternate COR in the Contracting Officer Representative Tracking (CORT) Tool. The ACO must stress the importance of selecting the correct COR for the particular contract type based on requirements and complexity. A COR that can operate independently, pay attention to detail and makes sound business decisions will succeed as a COR.
 - The ACO must ensure the COR has completed required training (online classes DAU CLC106, CLM003, FAC022, CLC206, WAWF, CTIP and CLC222 and received phase II from the ACO and received a validation audit with a cognizant QAS prior to appointment within CORT.
 - COR is appointed only through CORT Tool and must receive a letter of appointment from the ACO. The COR appointment letter is not valid until the COR accepts the appointment in CORT.
 - A COR CANNOT DELEGATE THEIR RESPONSIBILITY TO OTHER PERSONNEL.
 - ACOs must send the COR appointment letters to the contractors so they are aware of who the COR is and the authority the COR holds for their contract. ACOs are responsible for the following actions in CORT file:
 - COR surveillance schedule
 - Copies of significant emails to contractor
 - COR surveillance checklist
 - COR monthly reports
 - CORs must upload copies of CDRLs
 - Copy of the contract with all modifications
 - Copy of the PWS
 - Copy of the QASP
- 7) Termination of CORs:**
- When the performance of a COR is unacceptable, address your concerns first with the COR. If the performance continues to be unacceptable, speak with the COR supervisor about the issues.
 - If the performance issue cannot be resolved, then ask the CORs supervisor to nominate another COR.
 - There are other reasons, other than unsatisfactory performance, that the requiring activity will want to terminate a COR, such as, a transfer, redeployment or other causes.
 - The termination of a COR should be performed in writing in CORT. It should state the reason why the COR is being terminated. It should be posted in the COR tool.

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- Prior to terminating a COR, the ACO must ensure a replacement COR is nominated/appointed or the ACO assumes responsibilities until a replacement can be nominated/appointed.

8) Review contractor's compensation structure-cost type contracts (Discuss with DCAA and review the ACO delegation letter)

- The ACO should focus on the number of compensation reviews DCAA conducted, amount of unreasonable compensation DCAA identified and status of the Government's efforts to reduce unreasonable compensation.
- ACOs should also be cognizant of unrealistically low salaries that might impact a contractor's ability to attract and retain qualified employees with the proper skill sets, or in the most extreme circumstances, the ACO should identify any unusually low salaries and refer those situations to the command's CTIP representative for further review.
- Review the contractor's insurance plans (review delegation letter).

9) Consent to Subcontract:

- The authority for the ACO to issue a consent to subcontract determination is found in two locations, and BOTH must be present:
 - FAR Part 52.244-2 Subcontracts, must be included in the prime contract. If not, and the PCO requests the ACO perform this function, the PCO must add the clause to the contract via contract modification.
 - The CAS delegation matrix must reflect this authority delegated to the ACO. This delegation is found at block FAR Part 42.302a (51) Consent to the placement of subcontract, on the matrix and must have an "X" under the ACO column.
- Which Subcontracts Require Approval?
 - Fixed-Price Contracts:
 - Any subcontract listed under FAR Part 52.244-2(d).
 - Any subcontract related to an un-priced contract action
 - If the prime contractor does NOT have an approved purchasing system, then subcontract consent is required when:
 - The subcontract is cost reimbursement, time and materials, or a labor hour effort.
 - The subcontract is fixed price and the value is greater than the simplified acquisition threshold (currently \$1M for contingency contracts OCONUS).
 - The subcontract is greater than 5% of the total contract value of the prime contract.
 - Cost Reimbursement Contracts:
 - Any subcontract listed under FAR Part 52.244-2(d).
 - If the prime contractor does NOT have an approved purchasing system, then subcontract consent is required when:
 - The subcontract is cost reimbursement, time and materials, or a labor hour effort.
 - The subcontract is fixed price and the value is greater than the simplified acquisition threshold (currently \$1M for contingency contracts OCONUS).

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- The subcontract is greater than 5% of the total contract value of the prime contract.
- How to issue a consent to subcontract approval:
 - Step 1: Review FAR Part 44.201-2 Advance notification requirement, to insure that the contractor has satisfied the advance notification requirements for cost-reimbursement contracts:
 - Prime must provide the US Government with “reasonable” advanced notification of the intent to subcontract.
 - Subcontracts greater than the simplified acquisition threshold (currently \$1M for OCONUS contingency contracts).
 - Subcontracts greater than 5% of the total contract value.
 - Step 2: Review FAR Part 42.202-2 Contracting Officer’s Evaluation, for the (a) and (b) elements that must be considered in making the determination to issue a Subcontract Consent. These elements have been incorporated into the Consent to Subcontract Review Checklist available on the Army Contracting Command SharePoint.
 - Step 3: Complete the checklist. All answers should either be “Yes” or “N/A.” Any “No” answers should be followed-up with the contractor to obtain any additional information or action in order to bring the issue to an acceptable level of element satisfaction.
 - Step 4: Once all elements have been satisfactorily addressed, complete and sign the ACO consent to subcontract letter (sample available on the SharePoint and in Annex M), and provide the original to the contractor and an electronic copy to the PCO.
 - Step 5: Upload a copy of the request for subcontract, the consent to subcontract review checklist, the ACO consent to subcontract letter, and any other documentation and analysis used to make this determination into the appropriate folder in the paperless contracting file (PCF)

10) ACO Participate in Post Award Orientation/Conference:

- The ACO, COR and QA will participate in the post award conference on any new contract that they will have responsibilities performing. If possible, invite the contractor on the base so you can have an in person meeting with the contractor and meet all the players. ACO’s will coordinate with the PCO when and where the post award orientation will be held.
- It is the PCO’s responsibility to put the schedule and briefing slides together. Review the slides the PCO sends for the post-award conference for accuracy. If slides were not provided, review the PWS with the new contractor to ensure they understand the contract, deliverables and transition plan.
- It is a good idea to hold the post award brief in person with the COR and contractor’s lead personnel if possible. Most times in a contingency area, the PCO will not be able to make it in person and will conduct the meeting via telephone.

11) Alternative Disputes Resolution (ADR): Attempt to resolve issues at the lowest level when appropriate.

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- The ACO should always examine alternative means of resolving disputes in connection with contract administration. Controversy that is within the ACO's level of authority should be resolved at the lowest level and then brought to the PCO's attention if the ACO cannot resolve the issue or does not have the authority to resolve the issue.
- Inform your contractors of the availability of alternative means of dispute resolution and encourage use of such methods, if an issue arises within the authority of the ACO.

12) Ensure timely notification by the contractor of any anticipated overrun or underrun of the estimated cost under cost-reimbursement contracts.

- Monitor the contractor's financial condition and advise the contracting officer when it jeopardizes contract performance (cost and labor hour type contracts).

13) In limited situations, the ACOs process and execute novation and change of name agreements. The ACO should review the CAS delegation matrix for specific authorization and coordinate these actions closely with the PCO.

14) Perform property administration (limited). The Government policy is to NOT provide Government property to the contractor. The contracting officer must get an exception to policy and it shall be in the Government's best interest only. The contract must contain following clauses; FAR Part 52.245-1 Government Property, 52.245-9 Use and Charges, and DFARS 242-245-7003 Contractor Property Management System Administration.

- Review your contracts to determine if property administration is required.
- Read FAR Part 45, Government property and DoD Instruction Number 4161.02 dated 27 April 2012 and 5000.64 dated 13 August 2012 for assistance with property.
- Ensure that your contracts contain appropriate terms and conditions relevant to the property expected to be furnished or acquired.
- Report any contract deficiency for those contracts that lack appropriate clauses, terms, and conditions.
- If the contracting officer assigns the management of GFP to a Government Property Administrator (GPA), the ACO, COR and PA shall coordinate GFP responsibilities.
- Perform necessary screening, redistribution, and disposal of contractor inventory. (Primarily a property administration function).
- Issue contract modifications requiring the contractor to provide packing, crating, and handling services on excess Government property (Based on delegation letter and if applicable).

15) Advise and assist contractors regarding their priorities and allocations responsibilities and assist contracting offices in processing requests for special assistance.

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- 16) Ensure contractor compliance with contractual quality assurance requirements.**
- 17) Ensure contractor compliance with contractual safety requirements.**
- 18) Report to the contracting office any inadequacies noted in specifications.**
- 19) Assist in evaluating and make recommendations for acceptance or rejection of waivers and deviations.**
- 20) Review, approve or disapprove, and maintain surveillance of the contractor business systems; such as property system, purchasing system, accounting system, estimating system (if applicable).**
- 21) Perform supporting contract administration.**
- 22) Ensure timely submission of required reports.**
- 23) Issue administrative changes, correcting errors or omissions in typing, contractor address, facility or activity code, remittance address, computations which do not require additional contract funds, and other such changes (Based on delegation letter).**
- 24) Accomplish administrative closeout procedures (See Chapter 10).**
- 25) Determine that the contractor has a drug-free, sex and labor trafficking free workplace program and awareness programs.**
 - A majority of human and sex trafficking takes the form of forced labor or debt bondage.
 - It is the responsibility of each person in the Government and the contractor to ensure that all contractor employees are unimpaired and capable of performing their duties, and to be free from a hostile work environment. If the ACO/QAS/COR is aware of information that indicates a potential problem, this shall be reported to the command's CTIP representative for appropriate action.
- 26) Support the program, product, and project offices regarding program reviews, program status, program performance and actual or anticipated program problems.**
- 27) Ensure that the contractor has implemented the requirements of the Contractor Code of Business Ethics and Conduct.**
- 28) FAR Part 42.4 - Correspondence and Visits**
 - PCO:
 - Forward any correspondence relating to the assigned contract administration functions through the ACO to the contractor.
 - The ACO will send the PCO a copy of pertinent correspondence conducted between the ACO and the contractor.

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- The ACO should be talking to the PCO at least once bi-weekly, either through a scheduled telecom or calling the PCO directly.
- Customer:
 - ACO/QAS will assist the customer with a new requirement packet if necessary or a re-compete of a new requirement.
 - Discuss concerns on the contract (population surges/COR issues).
- COR:
 - ACOs should assist and advise the CORs as needed. Part of the CAS mission is to be business advisors to our customers and CORs.
 - The COR should communicate with the contractor, PCO, ACO, QA and other parties concerned with contract performance.
 - The COR must forward to the PCO and ACO a copy of any correspondence to the contractor and original correspondence received from the contractor. Also provide prior notification to the ACO when the COR will be meeting with the contractor, to give the ACO a chance to attend.
 - CORs must complete a monthly report on the contractor's performance for the ACO's approval. However reporting of failures should be reported immediately not held for monthly reports. (See ANNEX E for monthly report comments.)
 - The COR MUST inform the PCO/ACO of the following:
 - Exact date contractor performance began
 - Unsatisfactory performance by the contractor
 - Delays in contractor progress that is the fault of the Government
- Contractor:
 - The contractor must communicate any changes of performance due to a Government delay to the COR, ACO and PCO.
 - The contractor must communicate if there is going to be a delay of services or supplies in the agreed upon schedule to the COR, ACO and PCO.

29) FAR Part 42.13 - Suspension of Work, Stop Work Orders, and Government Delay of Work:

- FAR Part 42.1301 – General: Situations may occur during contract performance that causes the Government to order a suspension of work, or a work stoppage. ACO's must look at their delegation letters to ensure they have the authority to order a suspension of work. Normally only the PCO will have this authority.
- FAR Part 42.1302 – Suspension of Work: A suspension of work under a construction or architect-engineer contract may be ordered by the contracting officer for a reasonable period of time. If the suspension is unreasonable, the contractor may submit a written claim for increases in the cost of performance, excluding profit.
- FAR Part 42.1303 – Stop Work Orders: Generally, a stop-work order will be issued only if it is advisable to suspend work pending a decision by the Government and a supplemental agreement

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providing for the suspension is not feasible. Issuance of a stop-work order shall be approved at a level higher than the contracting officer. Stop-work orders shall not be used in place of a termination notice after a decision to terminate has been made. The ACO shall not, at any time, issue a stop work order; the PCO will issue a written document to the contractor.

- FAR Part 42.1304 – Government Delay of Work: Government Delay of Work, that provides for the administrative settlement of contractor claims that arise from delays and interruptions in the contract work caused by the acts, or failures to act, of the contracting officer. In the event the clause is missing from the contract, notify the PCO for a modification to add the clause. The PCO will negotiate with the contractor for the claims; the ACO will not attempt to engage the contractor about Government delay of work claims.

Key Points: Prior to issuing a Suspension of Work, Stop Work Order or Government Delay of Work, the ACO shall ensure that the 52.242-14, Suspension of Work, 52.242-15, Stop Work Order, and 52.242-17, Government Delay of Work are in the contract.

30) Badging Process (see Annex P for a flowchart):

- Refer to installation access and vehicle registration SOP, dated 16 September 2014 for the full explanation of the installation access instructions. The process below is specific to Kuwait. Reference specific host nation laws and processes.
 - The following is the process for installation access:
 - IAO must have a copy of the appointment orders for the COR and/or ACO, whomever is going to validate contractor personnel access requirements.
 - COR/ACO validates if the contractor needs installation access.
 - COR/ACO verifies contractor submitted packets are complete and contain all proper supporting documentation prior to signing the approval form.
 - COR/ACO ensures applicant possesses either a Kuwaiti article 17 or 18 visa and meets applicable host nation labor laws required for employment.
 - COR/ACO recommends an expiration date of 60 days past the Kuwaiti article 17/18 residency expiration to allow processing of the renewal visa.
 - COR/ACO selects and initials the camp locations in section IV (ASG-KU DES Form 190-16.01), also include force protection condition, vehicle privileges and escort privileges.
- Persons requiring an IA card receive one of the following:
 - Cat 1: Red badge, issued to other country nationals (OCNs) and host nation (HN) citizens not in the military or having Government affiliation.
 - Cat 2: Blue badge, issued to host nation Government, coalition forces, US Government employee with qualifying CAC and OCNs with valid United States and Immigration Services (USCIS) Form 1-551.
 - Cat 3: White badge, issued to US citizens and dual citizens w/U.S. passport including the US contractors who have been issued a CAC.
 - Cat 4: CAC Defense Biometric Identification Data System (DBIDS) or white badge: issued to US military and DoD civilians who are command sponsored or on a DES approved memorandum list authorizing off post housing.

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- Cat 5: Blue badge with command exception, issued to personnel that are granted special permission from the ASG KU Commander that do not meet the requirements for category 1-4.
- Initial access requirements, process and authorization:
 - All persons are registered in DBIDS.
 - US military and DoD civilian are required to register their CAC, index fingerprints, photographed and register their hand geometry.
 - Coalition partners may need to provide biometric data.
 - Contract personal (OCN), applied for an IA card and provides biometric data for DBIDS.
- Contractor's steps prior to screening procedures:
 - Once a contract has been awarded, it is the contractor's responsibility to acquire an installation access application packet from the IAO office.
 - Fill out the packet and attach all required documentation to the application before giving the completed packet to the COR or ACO.
 - The COR or ACO will review the packet for accuracy and sign the application.
 - The COR or ACO will return the signed packets to the contractor and the contractor will have each applicant take the application packets to the IAO office to start the screening process.
- Screening procedures:
 - The combined screening team (CST) will conduct background research of all OCNs requesting initial and/or continued access to ASG-KU installations.
 - The CST personnel and linguist (separate contract) will review and discuss areas of focus to be covered during the interview.
 - CST personnel will verify applicants identify.
 - CST personnel will administer a statement of understanding.
 - Conduct a biometric automated toolset (BAT) database for any derogatory information or do initial enrollment in the BAT database.
 - Conduct a check on DBIDS for derogatory information.
 - CST personnel will set up an interview date for the applicant (30-90 days out).
 - First time applicants include a full screening and takes up to 90 minutes, previously enrolled applicants take up to 60 minutes.
- For BADGE EXTENSIONS ONLY: The date of the entire contract (base plus options) is used, to include extensions. If the contract is not extended, cancelled or terminated the ACO shall contact the Installation Access Office (IAO) to change the status of their contract personnel's access.

31) FAR Part 42.15 – Contractor Performance Information:

- Performance Feedback Session (PFS): The purpose of the PFS is to give the contractor an opportunity for periodic self-assessment, capture performance (good/bad), feedback to the contractor from the Government and generate information for Contracting Performance Assessment Reporting System (CPARS). Past performance information (including the ratings and supporting narratives) is relevant

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information, for future source selection purposes, regarding a contractor's actions under previously awarded contracts or orders. The PFS is mainly used for cost type contracts.

- Preparation is an ongoing task that starts with the QAS and COR audits and culminates in comments and findings being provided to the contractor as part of the PFS.
- The PFS should be conducted in person and ensure the key personnel are present at each PFS (ACO/COR/QAS/PA/contractor site leadership/support units).
- Set up a PFS at least on a quarterly basis, if not monthly depending on the complexity of the contract. At a minimum, the PFS should provide feedback on quality of service, adherence to the schedule, management, cost control and other areas that are unique to your contract.
- The ACO has the overall responsibility of ensuring the PFS and performance feedback report (PFR) are complete, accurate and conducted IAW the schedule outline published. The ACO will also review, approve and sign the quarterly PFR. After that the ACO will submit the PFR to the PCO and provide CPARS input memorandum/email to the PCO (Annex F for CPAR comments).

Key Point: DFARS Part 242.1502 Policy, in lieu of the threshold specified at FAR Part 42.1502(b) (c) (d) (e) (f), and (h), prepare an evaluation of contractor performance as follows:

- For systems and operations support contracts that exceed \$5,000,000;
- For Services and information technology contracts that exceed \$1,000,000; and
- For ship repair and overhaul contracts that exceed \$500,000.

32) Performance Evaluation Meeting (PEM): The PEM is primarily used for cost type contracts.

- The purpose of a PEM is to bring stakeholders together to discuss contractor performance, use of resources and managing costs. Also to review the contractor's performance by functional area.
- The ACO will compile all data and inputs received from the CORs and QASs, and ensure the PEM slides are complete and accurate.
- The ACO will brief on the following PWS requirements: Highlights, business systems, management approach, quality, and schedule and cost control.

33) Award Fee Evaluation Board (AFEB): The award fee board only applies to contracts that have award fee provisions. The purpose of the board is to determine whether a contractor is deserving of an award fee and what percentage of the award fee pool they are entitled to receive. The award fee evaluation board provides critical oversight to the process assuring the evaluation of the contractor's performance is fair and provides an incentive for superior performance.

- The assigned COR and QAS will assume responsibility of performance monitor and will provide evaluation of the contractor's performance in specifically assigned areas of responsibility. The PAs have an assessment piece in the AFEB as well.

34) Documentation that should be in the SharePoint or your organization's data shared location for continuity:

- Copy of the contract and all modifications, together with official record copies of supporting documents executed by the contract administration office.

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- Any document modifying the normal assignment of contract administration functions and responsibility (delegation letter).
- Security requirements.
- Certified cost or pricing data, certificates of current cost or pricing data, or data other than certified cost or pricing data; cost or price analysis; and other documentation supporting contractual actions executed by the contract administration office.
- Pre-award survey information.
- Purchasing system information.
- Consent to subcontract or purchase.
- Performance and payment bonds and surety information.
- Post-award conference records.
- Orders issued under the contract.
- Notice to proceed and stop orders.
- Insurance policies or certificates of insurance or references to them.
- Documents supporting advance or progress payments.
- Progressing, expediting, and production surveillance records.
- Quality assurance records.
- Property administration records.
- Documentation regarding termination actions for which the contract administration office is responsible.
- Cross reference to other pertinent documents that are filed elsewhere.
- Any additional documents on which action was taken or that reflect actions by the contract administration office pertinent to the contract.
- Contract completion documents.

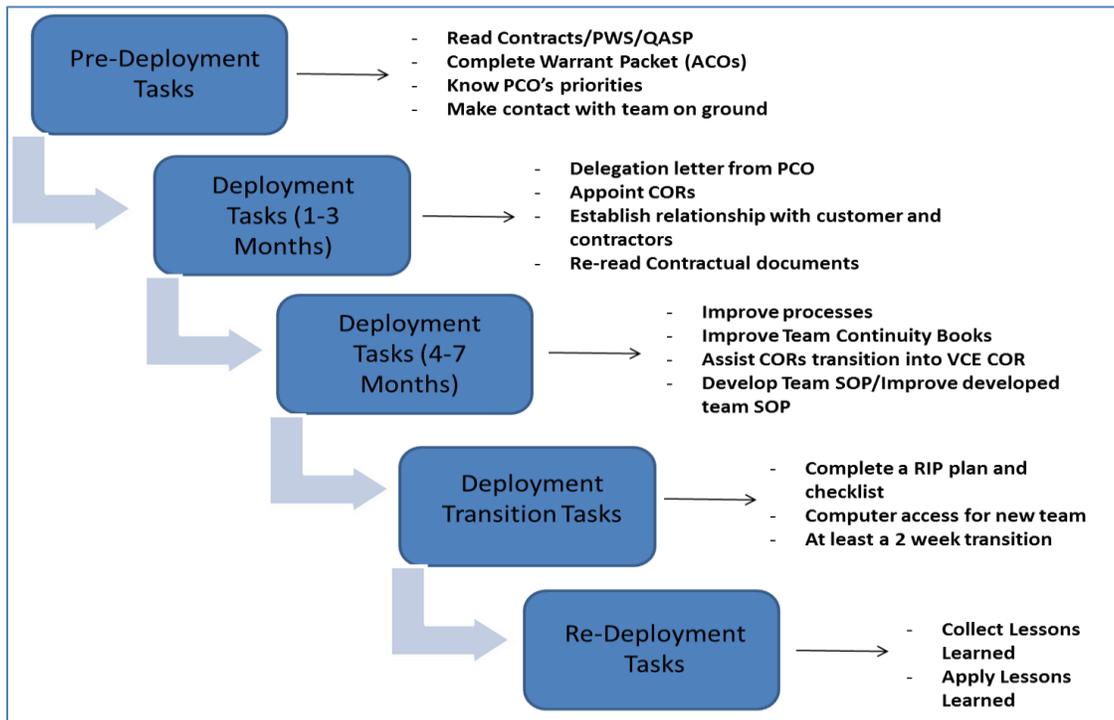
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35) Restrictions for External Support Contracts (LOGCAP)

- Organization(s) cannot use LOGCAP to procure investment items. Investments are the costs that result in the acquisition of major end items that benefit future periods and are needed for long-term use. The acquisition of items in excess of \$250,000 is not allowed as part of the LOGCAP Change Management process. Investments are usually funded through OPA or MILCON. Therefore only work that is considered an “expense” should be performed. The Contractor must be put on notice in the Unpriced Change Order that they will not be reimbursed for costs exceeding legal thresholds for operations and maintenance funds without express written authority of the ACO or PCO.
- LOGCAP does not receive Military Construction (MILCON) funding; therefore, it does not do large-scale construction projects. Furthermore, the construction on a project that is performed by LOGCAP is limited to the OMA military construction threshold of \$1,000,000. Funding coordination is a critical component in the contracting process to verify that adequate funding is available to ensure the Government avoids any Anti-deficiency Act violations.
- LOGCAP is a service contract, not a supply contract. LOGCAP contractors cannot provide materials to Organization(s) to circumvent the established supply system, nor can Organization(s) request the LOGCAP Contractor to do so. For example, the LOGCAP contractor can operate a motor pool and provide maintenance services for non-tactical vehicles, but the Government cannot use the LOGCAP contract as a means to purchase the vehicles. The LOGCAP contractor can provide billeting services with environmentally controlled housing, but the Contractor cannot be used simply to purchase the housing for the Government. However, the Contractor may purchase the items necessary to perform the services required under the contract.
- LOGCAP is not a personal services contract. Therefore, it cannot be used to hire personnel who take day-to-day direction from military personnel or DOD civilians.
- LOGCAP can use only O&M or other authorized funding to support U.S., Coalition, or others, subject to the rules applicable to such funding sources. HQDA G4 approval is required for LOGCAP to support Coalition forces that are not eligible to be supported by O&M or others based on the need for reimbursement from the applicable Country to the USG.

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CAS Mission Task



Systems for ECA

System	Purpose
Synchronized Pre-deployment Operations Tracker (SPOT)	<p>SPOT is used to generate a contractor's Letter of Authorization (LOA)*. The Joint Enterprise System for all contingency contracts and Contractors Authorized to Accompany the Force (CAAF). Defense Contractors use the SPOT to process and track CAAF who deploy to provide required capabilities. SPOT provides by-name visibility of deployed CAAF and contract capability information for Combatant Commanders. Defense Contracting Agencies are required to register acquisition information into the SPOT, or its successor system when contingency contracts are awarded. Thereafter, Defense Contractor companies populate the SPOT, or its successor with their employee's personal data via web-based application. Once an individual is selected for deployment duty, the SPOT allows for generation of a standardized, digitally-signed LOA. Pre-deployment processing compliance, travel to the AOR, in-theater movements, and redeployment activities are annotated in SPOT. The ACO or delegated CA will approve LOAs, which dictate contractor entitlements, through SPOT. This system also does census reporting.</p> <p>https://spot.altess.army.mil/default.aspx</p>

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Contractor Verification System (CVS)	CVS is the system utilized to authorize a contractor's Common Access Card (CAC). The CA or ACO needs to contact the in-country Trusted Agent Security Manager (TASM) to get set up as a Trusted Agent. Trusted Agents approve the CAC applications.
MyInvoice	Verify invoices paid status and it is reside within WAWF.
Electronic Document Access (EDA)	EDA is centralized document repository for contracts, modifications (TO/DO), voucher, Contract Deficiency Reports (CDR), vouchers to name a few. EDA offers many capabilities to the user community. However, all capabilities are not available to all registered users. Your organizational role and the requirement of 'need to know' will dictate your capabilities and access into EDA.
Contractor Performance Assessment Report System (CPARS)	CPARS is required for past performance entry for U.S. Contractors.
Procurement Desktop-Defense (PD²)	PD2 contract writing system and it is an integral part of the DoD's Standard Procurement System (SPS) which is integrating acquisition, logistics and financial management within one end-to-end enterprise business system.
Wide-Area Workflow (WAWF)	WAWF is a electronic invoice system used by contractors to invoice and by government officials to accept and certify for goods and services. WAWF contained applications such as EDA, Invoice Receipt Acceptance Property Transfer (iRAPT), myInvoice, CDR, and CORT TOOL. However, all capabilities are not available to all registered users. However, all applications are not available to all registered users. Your organizational role and the requirement to perform assigned functions will dictate your access into applications in WAWF.
Contingency Acquisition Support Model (cASM)	cASM is a web-based specifically designed for contingency contracting to assist those individuals responsible for planning and initiating contracting requirements in contingency environment but it is currently being phased into use at installations. cASM consistent of three functional areas: Planning, Requirement Generation, and Reporting.
Contracting Officer Representative Tracking Tool (CORT Tool)	The CORT Tool is Common Access Card (CAC) enabled and is available to all DoD personnel and it is reside within WAWF. ACOs, Supervisors, and CORs need to create an account. It is DoDAAC base and must register with DoDAAC where the personnel are performing duty.

CHAPTER 4

CONTRACT MODIFICATIONS - FAR Part 43

Summary of Contract Modifications

Many things can affect a contract once awarded. The requiring organization might need to reduce or increase the supplies or services; performance levels could change; or any number of unanticipated events could occur. A contract modification is a written change in the terms or fiscal obligations of the contract. Only the PCO acting within the scope of their authority can execute contract modifications on behalf of the Government. However an ACO can make contract modifications if the PCO has delegated that authority to the ACO. If you have authority to modify the contract, make sure that the contract writing system is loaded onto your computer prior to deployment. If the contract writing system is a web based system, ensure that you have access prior to deployment.

ACOs shall obtain adequate considerations for changes in contract requirements and document the file with a memorandum for record. Consideration may take the form of a contract price adjustment of other means commensurate with the change in requirements such as expedited delivery, product, product quality improvements, performance improvements, warranties, and conversion to best practices. The ACO should discuss the potential changes to the contract with the PCO to determine what would be acceptable.

Types of Contract Modifications (FAR 43.103)

- Bilateral - A bilateral modification (supplemental agreement) is a contract modification that is signed by the contractor and the contracting officer. modification bilateral modification is used to make negotiated equitable adjustments resulting from the issuance of a change order, definitize letter contracts, and reflects other agreements of the parties that modify the terms and conditions of contracts.
- Unilateral - A unilateral modification is a contract modification that is signed only by the contracting officer Unilateral modifications are used to make administrative changes, issue change orders, make changes authorized by clauses other than the changes clause and issue termination notices. Unilateral changes that do not affect the substantive rights of the parties.
 - Be certain the administrative change contemplated does not exceed the parameters intended.
 - Administrative change procedures shall not be used to effect substantive changes in terms that result in reformed contracts.
 - Contract specialists should exercise special care to prevent situations that may later be arguable as a constructive change.
 - Generally, administrative modifications are at no cost to either party.
 - There are three (3) elements associated with constructive changes:
 - Contract work/performance has been changed
 - The procedures (process) of the changes clause have not been followed.
 - Test for determining if a constructive change has occurred:
 - Change element: There was a change in the terms of the contract or performance of the contractor – AND -

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- Order element: The change was ordered by the Government, or the contractor reasonably acted based upon the inaction of the Government to execute, in a timely fashion, a required action. The Government representative, by words or deeds, must require the contractor to perform the changed work.
- Making changes within the general scope of the contract as authorized by various clauses or provisions within the contract.
 - Default clause for time extensions agreed as result of un-excusable contractor delays.
 - Disputes clause for funding payment as result of claims.
 - Option clause for extending the term of contract when other changes are also being made that require contractor agreement.
 - Excusable delays clause for time extensions when contractor delays are beyond the contractor's control.
 - Differing site conditions clause for equitable adjustment in price/time of performance.
 - Suspension of work clause for adjustment of price as result of PCO unreasonable delay actions.
- FAR Part 17.202 – Options: Provide the Government with the ability to order additional quantities of supplies or additional periods of service beyond those established in the initial contract. Options should be established during the solicitation phase of the contract. The PCO/ACO should ensure that the appropriate clauses are in the contract before exercising their right to additional quantities and or extension of services or exercise of an option year.
 - Options are executed by unilateral modification
 - Options may be exercised if funds are available, the requirement covered by the option fulfills an existing Government need, exercise of the option is the most advantageous method of fulfilling the Government's need, price and other factors, and the contracting officer shall provide written notice to the contractor within the time period specified in the contract. (FAR Part 52.217-8 Option to Extend Services & FAR Part 52.217-9 Option to Extend the Term of the Contract)
- **Notification of Changes Clauses.**
 - FAR Part 52.243-1 -- Changes -- Fixed-Price & FAR Part 52.243-2 -- Changes -- Cost-Reimbursement allows the PCO/ACO to order a change within the general scope of the contract in areas of specifications or decription of services, place of delivery, or performance, method of shipment/packing, and/or time of performanc. The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
 - (1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications. (2) Method of shipment or packing. (3) Place of delivery.
 - FAR Part 52.243-3 -- Changes -- Time-and-Materials or Labor-Hours.
 - The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following: (1) Description of services to be performed, (2) Time of performance (i.e., hours of the day, days of the week, etc.), (3) Place of performance of the services, (4) Drawings,

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designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications, (5) Method of shipment or packing of supplies, (6) Place of delivery, (7) Amount of Government-furnished property.

- FAR Part 52.243-4 -- Changes.
 - The Contracting Officer may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes -- (1) In the specifications (including drawings and designs), (2) In the method or manner of performance of the work , (3) In the Government-furnished property or services; or (4) Directing acceleration in the performance of the work.
- FAR Part 52.212-4 -- Contract Terms and Conditions -- Commercial Items
 - Changes in the terms and conditions of this contract may be made only by written agreement of the parties.
 - Any time there is a change outside the scope of the original contract, legally that is considered a new procurement and the PCO/ACO is not authorized to execute under the change clauses.
- **Appropriate Modification Authorities**
 - Administrative Change means a unilateral (see FAR Part 43.103(b)) contract change, in writing, that does not affect the substantive rights of the parties (e.g., a change in the paying office or the appropriation data).
 - Mark Block 13B of the SF 30; no further authority must be cited.
 - Changes Within the General Scope of the Contract
 - The particular clause of the contract must be cited as the appropriate authority. ACO must verify that the clause is in the contract or accomplish a modification to add it.
 - Review the contract to determine what clause authorizes the PCO/ACO to make the in-scope change.
 - Typical citations, along with examples of actions, include:
 - Changes clause: for changes in specs/SOW, delivery, location, etc. as authorized by the particular clause (unilateral or bilateral).
 - Default clause: delivery extension.
 - Disputes clause: funding payment as result of claim.
 - Option clause: extending term of contract.
 - Excusable clause: delivery extension.
 - Differing site conditions clause: equitable adjustment in price/time of performance.
 - Suspension of work clause: adjustment in price as result of unreasonable delays by actions of PCO.
 - Government delay of work clause: adjustment in price/delivery as result of unreasonable delays by actions of PCO.
 - Termination for convenience clause: funding negotiated settlement.
 - Fair Labor Standards Act and Service Contract Act- Price adjustment clause: funding price adjustment as a result of change in wage determination.

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- Liquidated damages clause: enforcement of liquidated damages due to failure to perform, deliver, and comply with contract requirements.
- For changes outside the scope of the contract: cite the particular authority used in your justification and approval IAW FAR 6.302 - Circumstances Permitting Other Than Full and Open Competition.
- No specific clause can be cited: as the negotiation authority, as a last resort use mutual agreement of the parties, FAR 43.103(a) (3). THIS IS NOT FAVORED BY legal or policy.
- Unilateral change orders: cite the appropriate changes clause in block 13A of the SF30.
- Bilateral modifications: those issued under the changes clause or any other appropriate clause will cite the appropriate clause in block 13C of the SF30.
- Other unilateral modifications: i.e. exercise of option, will cite the appropriate clause or authority in block 13D of the SF30.
- The authority to modify a contract is derived from a clause and must be contained in the contract.
- **Unauthorized Commitments:**
 - In Federal procurement, the Government may be legally bound only by the actions of personnel with actual authority—the contracting officer. Disputes between the Government and the contractor often occur when the Government representative who ordered a change did not have the authority to do so. This circumstance places a burden on the contractor to ensure that the official ordering a change has the actual appropriate authority.
Government employees who are not contracting officers do not have the authority to order or authorize contract changes. IAW FAR 1.602-3 unauthorized commitment is an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Unauthorized commitments violate federal law, federal regulations, Government-wide standards of conduct for federal employees, and DFARS. The COR should immediately report any perceived unauthorized commitments to the contracting officer.
 - Availability of Funds: Before you obligate the Government, make sure you have sufficient funds for the action you are performing.
- **Non-Delegated Responsibility to the ACO**
 - Summary of ACO Responsibilities
 - In all cases when this authority has not been delegated, the COR must get approval from the PCO before any change is made.
 - Remember, the COR cannot make changes to the contract. Only the PCO can make changes to the contract. The ACO provides administrative support for contract workload assigned permanently.
 - The ACO must review the accuracy of the any modification and its content to ensure the modification is complete and accurate. If the modification contains errors beyond the ACO's authority to correct or is missing attachments, the ACO should bring it to the attention of the PCO in the format of a memorandum identifying the issues and recommending a course of action.

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- Letter of Technical Direction (LOTD): An LOTD is used for minor contract changes that do not require any additional outlay of funds or alter cardinal contract terms. (See ANNEX G for example) See change management guide for further guidance.
 - Changes that affect price, schedule or the PWS should normally be performed through the use of a change order (SF 30 Modification). Not all CAS missions will have modification authority.
 - ACOs can issue LOTDs as part of the ECA mission. LOTDs will be issued as a result of a request from the customer and will include a letter of justification for the LOTD. The ACO will prepare the LOTD and route it through the chain of command for approval. If your organization does not have a lead ACO, the next approving authority is the battalion commander.
 - The following are some examples of appropriate situations to use an LOTD:
 - Reassigning personnel from one performance area to another, without affecting cost or schedule
 - Changing the priority of in-scope work to be performed
 - Authorizing a one-time change or substitution to a DFAC meal; or implementing a new policy

CHAPTER 5

TERMINATION OF CONTRACTS – FAR Part 49

Summary of Contract Terminations

- Remedies for Poor Contractor Performance
 - Stop-work order, cure notice, show-cause, request for liquidated damages, warranty claim, or termination for cause and/or default as set forth in the contract.
 - As applicable, the ACO may also reject the noncompliant work, recommend to the PCO not to exercise options, and document negative performance issues in CPARS.
- Conditions to Terminate a Contract
 - When doing so is in the Government’s best interest.
 - When the price of the undelivered balance of the contract is less than \$5,000, the contract should not be terminated for convenience, if possible, but should be allowed to run to completion.
 - If the same item is under contract with both large and small business concerns and the Government must terminate for convenience part of the units still to be delivered, preference shall be given to the continuing performance of small business contracts over large business contracts, unless the chief of the contracting office determines this is not in the Government’s interest.
 - The contracting officer is responsible for the release of excess funds resulting from termination, unless responsibility is specifically delegated to the ACO via the CAS delegation matrix (rare).

Contract Termination Clauses

- The termination clauses and other contract clauses authorize contracting officers to terminate contracts for convenience, default, or cause and to enter into settlement agreements.
- Conduct a review of your contracts to ensure they contain the termination for convenience, default, and cause clauses (FAR Part 52.249-1 through 52.249-10, and 52.212-4 (commercial contracts)).
- IAW FAR Part 52.212-4, commercial contracts will incorporate all major contract administration topics, to include termination for cause.

Termination for Default (FAR Part 52.249 8 through 10)

- Termination for default is generally the exercise of the Government’s contractual right to completely or partially terminate a contract because of the contractor’s actual or anticipated failure to perform its contractual obligations. Termination for default can be issued when the contractor fails to make delivery of supplies or perform the services within the time specified in the contract, fails to make progress and that failure endangers performance of the contract, or fails to perform any other provision of the contract.
- As the ACO, if you intend to terminate the contract for lack of progress on the contract or other material provisions in the contract, you must notify the contractor in writing and allow the contractor time to cure its deficient performance. At least 10 days must remain on the contract delivery schedule

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to use the cure notice. If the contractor does not correct performance deficiencies in the allotted time, you can terminate for default.

- Under a fixed-price contract, the Government can re-procure the supplies and services required
- under the terminated contract and the Contractor will be liable to the Government for any excess costs for those supplies or services.

- However, do not hold the contractor responsible for excusable failures to perform. If the facts support it, below are some of the possible excusable delays:
 - Acts of god
 - Acts of public enemy (e.g., terrorism)
 - Acts of Government
 - Natural disasters (e.g., fire/flood/earthquakes/tornado/hurricane)
 - Epidemics (e.g., Ebola)
 - Quarantine restrictions (e.g., as a result of Ebola)
 - Strikes
 - Freight embargoes

Termination for Convenience

- The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the rights, duties, and obligations of the parties, including compensation to the Contractor, however, under a termination for Convenience, the contractor is entitled to recover certain costs associated with performance and with the timely and orderly ending of the terminated portion of the contract.

- FAR Part 52.249-1 through 52.249-7 – Termination for Convenience & 52.212-4(m) – Contract Terms and Conditions - Commercial Items (Termination for Cause)
 - (l) *Termination for the Government's convenience.* The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.
 - (m) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not

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accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

Property Disposition & Property Accountability after Termination

- After contract closeout, Government property is typically transferred, abandoned, destroyed, donated, or sold to relieve the contractor of stewardship responsibility. Proper disposal of contractor inventory and adjudication of property loss cases after termination is important.

- The ACO must coordinate the following tasks with the GPA:
 - In-house screening of excess property upon contract completion.
 - Reporting excess property promptly to the Plant Clearance Automated Reutilization and Screening System.
 - Obtaining proper authority for timely disposition.
 - Property disposition- within a reasonable amount of time after disposal authority is received.
 - Removing or erasing identification tags or other Government markings from property before disposal.
 - Maintaining support and supporting documentation and ensuring transaction data is properly posted to property records.
 - Timely preparation of contract close out letters reflecting property zero balance.

ACO Non-Delegated Task from Contracting Officer

- The ACO shall participate in the post-termination conference. Prior to the conference, the PCO must request the contractor provide, within 30 days of receipt of termination notice, estimates of reimbursable termination costs and funds required to settle the termination and release of excess funds.

- The ACO must serve as the liaison between the PCO and contractor and ensure the contractor completes the inventory and inventory disposal schedules that are due within 120 days of termination.

- The ACO will proceed with the normal administration activities on the balance of the remaining contract or coordinate with the PCO to ensure funds are de-obligated.

CHAPTER 6

QUALITY ASSURANCE- FAR Part 46

Introduction

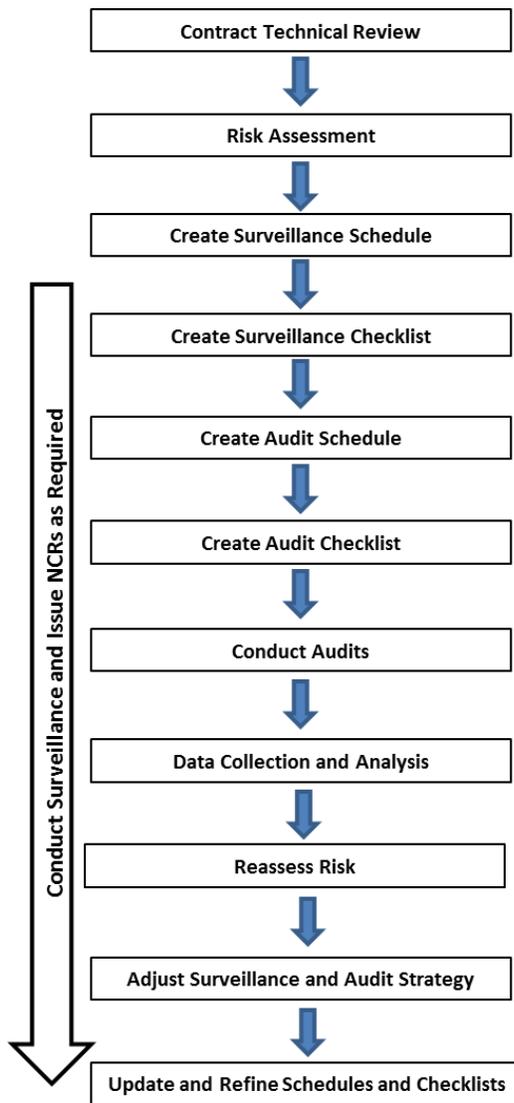
Robust quality assurance procedures ensure not only that the Government receives the goods and services that it has paid for with the taxpayer dollars, but proper quality assurance also safeguards our country's most valuable resource: our men and women in uniform. Well-planned and properly-focused contract surveillance must be a priority from the start of the procurement process through the end of the contract. Conducting quality assurance is not optional - the FAR mandates the Government conduct contract quality assurance to the extent necessary to determine whether contractor-provided supplies or services conform to contract requirements.

What is Quality Assurance?

Quality assurance is the process by which the Government ensures it receives the goods and services for which it is paying, at the agreed-upon prices and within the time specified in the contract. The contractor has the primary responsibility for quality and timelines of its supplies and services; however, the Government must assess the contractor's performance to ensure supplies and services delivered conform to contract requirements. Government QASs will assist assigned CORs in conducting quality assurance activities in accordance with the applicable Quality Assurance Surveillance Plan (QASP), which is produced by the requiring activity. Through a combination of surveillance and contract audits, the QAS and COR monitor the contractor's performance and ensure it conforms to the terms and conditions of the contract. Done properly, the end result of the Government's quality assurance efforts should answer eight questions:

- How is the contractor performing?
- Is the contractor providing all the goods and services required in the contract?
- Is the contractor meeting all timelines, cost constraints, reporting requirements, etc.?
- Is the contractor abiding by all quality, safety, and regulatory guidelines stipulated in the contract?
- How do we know?
- What were the methods used to arrive at a conclusion about the contractor's performance?
- Did the observations made during surveillance and audit activities provide sufficient evidence to characterize a contractor's overall performance?
- Were the results of every audit and surveillance documented in the appropriate format and filed in the appropriate system?

Figure 6.1 – The Quality Assurance Process



Authority

FAR Part 46.102 requires the Government to ensure that contracts include inspection and other quality requirements, including warranty clauses when appropriate, that are determined necessary to protect the Government’s interest. The type and intensity of quality assurance activity performed on a given contract is determined by several factors: the cost and complexity of the contract; cost, performance, and schedule risk; contract type (commercial vs. non-commercial); and previous contractor performance. However, the methods and frequency of surveillance are generally determined by the performance risk. This is determined by factoring the Likelihood and Consequence(s) of the failure of each service provided. This is covered in more detail in Section 7, Risk Assessment. See figure 6.2 “Do’s & Don’t’s of a QAS” for best practices while performing duties as a QAS.

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Figure 6.2 – Do's & Don't's of a QAS

DO

- ✓ Use common sense.
- ✓ Resist the impulse to treat the contractor employees as members of your staff. When the contractor is a “family member”, it’s hard to report “family” problems to the Contracting Officer for resolution or advice.
- ✓ Be alert to personal relationships with contractor employees.
- ✓ Establish a point of contact with the contractor (normally the contract manager) and deal only with this person, not with the workers.
- ✓ Resist the impulse to “trade off” on an informal basis, Contract requirements for “nice to have” but “not paid for” items.
- ✓ Avoid discussing future plans, procurements, allocation of funds, or any other subject, which might provide one contractor with an advantage over another one.
- ✓ Having two contractors present at the same meeting.
- ✓ Give the contractor fair and equal treatment.
- ✓ Report to the Contracting Officer any possibility of conflicts of interest.
- ✓ Notify the Contracting Officer immediately if a change in contract requirements is needed.
- ✓ Notify the Contracting Officer if you become aware the contractor is facing technical or financial difficulties.
- ✓ Assist the Contracting Officer in administering the contract. The Contracting Officer must rely on you for technical advice.
- ✓ Consult with the Contracting Officer, for clarification, when in doubt about contractual issues.
- ✓ Process DD250, “Material Inspection and Receiving Report” within 3 working days. Delaying payment to the contractor may place unnecessary financial hardships on the contractor.

DON'T

- ✓ Solve the contractor’s problems. Problem solving is the responsibility of the contractor.
- ✓ Solicit or agree to accept, directly, or indirectly, anything of value in return for being influenced in the discharge of official responsibilities.
- ✓ Monitor a contract so closely and rigidly that the contractor will lose direction of the work to be performed.
- ✓ Socialize with contractor employee on a regular basis and/or personal basis. This may promote the appearance of favoritism.
- ✓ Clarify, make, or infer legal interpretation on the scope or intent of the contract.
- ✓ Give direction to the contractor or to contractor employees.
- ✓ Approve contractor procedures.
- ✓ Sign or enter into contractual agreements with the contractor.
- ✓ Impose upon a contractor any task or permit substitutes not specifically provided for in the contract.
- ✓ Authorize the expenditure of funds.
- ✓ Offer advice to the contractor. Your advice may adversely affect contract performance, compromise the rights of the government, provide the basis for a claim, or impact any pending or future Contracting Officer determination as to fault or negligence.

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- ✓ Authorize the use of Government Furnished Property (GFP) unless it is included in the contract.
- ✓ Negotiate changes or new work requirements. The Contracting Officer is the only person who can authorize changes.
- ✓ Become involved in contract-labor management relations.

Quality Assurance for Noncommercial Contracts

FAR Part 46.202-2(b) Government Reliance on Inspection by Contractor states, in part: “The Government shall not rely on inspection by the contractor if the contracting officer determines that the Government has a need to test the supplies or services in advance *of their tender for acceptance, or to pass judgment upon the adequacy of the contractor’s internal work processes.*”

Under noncommercial contracts, the contractor is still responsible for the quality of its products or services, but the Government has determined that in-process inspections and/or ongoing examination of the contractor’s quality control, manufacturing, safety, property management, or other system(s) is necessary. If one or more of the following clauses is incorporated into a contract, the Government has the authority to conduct in-depth inspections of contractors’ internal quality systems. Such inspections are often referred to as “audits.”

- FAR Part 52.246-2 -- Inspection of Supplies -- Fixed-Price.
- FAR Part 52.246-3 -- Inspection of Supplies -- Cost-Reimbursement.
- FAR Part 52.246-4 -- Inspection of Services -- Fixed-Price.
- FAR Part 52.246-5 -- Inspection of Services -- Cost-Reimbursement.
- FAR Part 52.246-6 -- Inspection -- Time-and-Material and Labor-Hour.
- FAR Part 52.246-11 -- Higher-Level Contract Quality Requirement.
- FAR Part 52.246-12 -- Inspection of Construction.

Quality Assurance for Commercial Contracts

Per FAR Part 12.208 Contract Quality Assurance and FAR Part 46.202-1 Contracts for Commercial Items states that when acquiring commercial items (see FAR Part 12) the Government shall rely on contractors’ existing quality assurance systems as a substitute for Government inspection and testing before tender for acceptance unless customary market practices for the commercial item being acquired include in-process inspection. Any in-process inspection by the Government shall be conducted in a manner consistent with commercial practice”.

In other words, under commercial contracts, we are focused on the end product rather than the process by which it was produced. The Government may perform surveillance to ensure it is receiving goods and services that conform to the contract, but the Government may not conduct in-depth audits of a contractor’s internal processes if such audits are not standard procedure in the commercial market place.

Under commercial contracts, the Government’s authority to perform quality assurance comes from paragraph (a) of FAR Part 52.212-4, “Contract Terms and Conditions --- Commercial Items.” This paragraph directs the contractor to only tender for acceptance goods or services that conform to contract requirements. Most importantly, the paragraph allows the Government to *inspect or test any supplies or services that have been*

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tendered for acceptance. If the goods or services do not conform to contract requirements, we reject those goods or services and require the contractor to repair, replace, or re-perform at no additional cost.

Contract Technical Review (CTR)

Upon assuming responsibility for quality assurance on a contract, the QAS must conduct a CTR. A CTR is a review of the contract, along with all modifications, task orders, PWS, contract data requirements list (CDRLs – DD 1423), and any miscellaneous section J attachments. The QAS will also identify all quality, safety, warranty, COR, and CTIP clauses in the contract. See Annex Contract Technical Review for an example format to use for a CTR. At a minimum, the CTR process should cover the items listed below:

- Contract, including all clauses. If possible, contact the office that issued the contract to obtain conformed copies of the contract, which will include all of the changes made by all modifications to date.
- All modifications
- All task/delivery orders, if applicable
- PWS/SOW
- Performance Requirements Summary
- Technical exhibits (TE)
- CDRLs
- Previously submitted data deliverables
- Any attachments referenced in section J of the contract, or elsewhere, if not organized in accordance with uniform contract format
- Administrative change letters (ACLs)

Assessing Risk

The QAS and COR cannot be everywhere at all times, They must schedule and prioritize their surveillance activities in accordance with an assessment of risk. In assessing risk for a contract or a specific task, the QAS and COR must answer two questions:

- How likely is it that a nonconformance will occur?
- If a nonconformance should occur, what is the severity of the likely consequences that would result from the nonconformance?
- When answering these two questions, the QAS and COR will use the Risk Assessment Matrix Figure 6.3 “Risk Assessment Matrix”, and the associated Likelihood and Consequence rating definitions to assess the risk and determine the level of performance risk (LOW, MODERATE, OR HIGH), and determine, or adjust, the methods and frequency of their surveillance activities.

Figure 6.3 Risk Assessment Matrix

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LIKELIHOOD	5	M	M	H	H	H
	4	L	M	M	H	H
	3	L	L	M	M	H
	2	L	L	L	M	M
	1	L	L	L	M	M
		1	2	3	4	5
CONSEQUENCE						

<u>LIKELIHOOD OF FAILURE</u>	<u>CONSEQUENCE OF FAILURE</u>
<p>1- There is little or no possibility that an undetected non-conformance would escape contractor process controls. The contractor is consistently meeting SOW/PWS requirements.</p> <p>2- Government/Contractor performance data reflects process controls are assessed frequently and services will continue to meet SOW/PWS requirements.</p> <p>3 – Performance data is unavailable or inconclusive. Here are currently no negative trends which would indicate that customer services will be interrupted or negatively impacted.</p> <p>4 – Government and/or Contractor performance data reflects nonconforming, or negative trends exist, which cast doubt on the ability of the contractor to consistently meet SOW/PWS requirements in a particular process or service.</p> <p>5 – There is a high probability that nonconformity will occur which could adversely affect customer services if process controls are not corrected or implemented immediately.</p>	<p>1 – Failure to control this process would have little or no adverse effect on mission readiness, troop health/safety, or contract cost.</p> <p>2- Failure would not <u>immediately</u> impact mission readiness, troop health/safety, or contract cost, but surveillance should be sufficient to ensure process controls are in place to prevent service interruptions.</p> <p>3- Failure would negatively impact performance of the service and result in partial loss of mission capability, injury to personnel, damage to equipment and/or increased contract cost.</p> <p>4- Failure would adversely affect services necessary to maintain mission readiness or personnel safety/health and would result in increased contract cost.</p> <p>5- Failure would impact mission readiness and result in loss of life, serious injury and increased contract cost.</p>

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The Consequence rating, once determined, should remain constant and unchanged; however, it may be affected by changes in mission, theater sustainment levels and other environmental factors. Consequence ratings should never be changed without permission from the Lead QAS. The Likelihood rating is determined by the QAS and COR using, among other things, results of prior surveillance, NCR history, customer complaints, contractor data and environmental conditions. The rating for a particular service may vary from site to site, depending on the operational environment and contractor capabilities.

The process of assessing the Risk level for a given (contract) service starts from the bottom up. Once a process is defined, a checklist is developed from the verbiage in the PWS. The checklist is used by the QAS and COR as a tool in determining conformance to contract performance requirements. All measurable performance characteristics should be included in the checklist and surveilled at the frequency dictated by the assigned Risk Level. These measurable characteristics, or attributes, should be listed in the PRS. All performance characteristics shall be included in the surveillance checklist and phrased in the form of a question, to be asked of the contractor responsible for performance of the task or service. All questions should, in turn, be identified as a performance ELEMENT using the guidelines in Figure 6.3, the Contract Team (CT) will assign a Risk Level for each ELEMENT listed in the surveillance checklist. The CONSEQUENCE rating is assigned first, followed by the Likelihood rating. While this sequence is not mandatory, it is highly recommended. Also recommended is the practice of having more than one person involved in the Risk Rating process. One person assigns the Consequence Rating and another person assigns the Likelihood rating. This method ensures objectivity is maintained throughout the process and results in a much more reliable overall rating.

Once the Risk Rating is determined for each individual element of the surveillance checklist, the next step is to identify the overall Risk Rating of the service. Typically, the Overall Risk Rating is driven by the highest risk rating assigned to any individual element within the surveillance checklist. Once again, as with many things in the Quality world, this requirement is not absolute. In other words, there may be cases where using this method of assigning the overall Risk Rating may not be practical, but it should be discussed by the CT and a decision should be made by consensus.

It is important to remember that Risk Levels may change because of several factors including, but not limited to: performance of the contractor; changes in environmental factors; changes in mission; changes in customer requirements, etc. The most important factor which the QAS should rely upon to adjust Risk Levels is their own analysis of surveillance data. The collection and analysis of surveillance data, often referred to as Data Collection and Analysis, or DC&A, is one of the most important of all Quality Assurance processes and will be discussed later in this chapter.

Quality Assurance Vs. Surveillance Audits

The concepts of quality assurance and quality audits are two distinct ideas that serve the same purpose: improving quality, consistency and reliability in operations. Quality assurance is more of an abstract concept, which can be manifested through a number of operational policies, techniques and systems. Audits are more specific. They are systematic investigations of a specific area of operations. Audits can dig into any area of a company, including accounting, human resources and even quality assurance programs. Understanding the definitions of these two terms and their interrelationship will help you understand how we can make a positive impact on a contractor's performance.

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Quality Assurance (Surveillance)

- Quality assurance techniques monitor services and operations to ensure consistent quality by identifying inconsistencies, nonconformities and opportunities for improvement. Some companies devote an entire department to quality assurance, while others designate a quality assurance manager to oversee smaller projects. Quality assurance techniques can take a variety of methods, from casually observing a workplace or process during an unscheduled walk-through of a contractor facility to performing a formal, scheduled surveillance using the official surveillance checklist. Other surveillance techniques include long-term monitoring of the performance of a service; random sampling of a product or service output; or, soliciting customer feedback through surveys and customer interviews.
- **Create a Surveillance Schedule:** After the QAS is familiar with the contract requirements and has conducted a risk analysis, he or she can develop surveillance and audit schedule implementing the surveillance tasks outlined in the QASP. Using DA Form 5475 (COR/QAS Surveillance Schedule) or an approved alternative format, the QAS and COR will schedule surveillance of PWS tasks in accordance with the QASP, which should detail both the frequency and method of the required surveillance. The COR or QAS will complete the schedule not later than the last day of the month prior to the month that the surveillance will take place, both for commercial contracts using clause 52.212-4 and noncommercial contracts using a part 46 quality clause.
- **Create a Surveillance Checklist:** The COR and/or QAS will use DA form 5476 (Surveillance activities checklist) or an approved alternative format to list the tasks to be inspected from the surveillance schedule. The checklist will provide columns for the QAS or COR to record the date each task was inspected, the method of surveillance, and whether the contractor was in compliance.
- **Conduct Surveillance:** Using the surveillance checklist, the COR/QAS will perform surveillance in accordance with the surveillance schedule. In most cases, the contractor should be unaware of the exact times and day's surveillance will be conducted. Therefore, the COR/QAS should vary the times and days they perform surveillance from month to month. The method of surveillance will be dictated by the QASP and PRS and should be coordinated with the Contractor.

Common Surveillance Methods

- **Random Sampling:** If the COR/QAS must observe a large number of items, random sampling is probably the optimal method of surveillance. To determine the sample size, we need to know two things – the total number of items to be observed (lot size) and our acceptable quality level (AQL), which is usually found in the QASP and PRS. If neither the QASP or PRS list an AQL, the default is generally 1%. For higher-risk items, utilize a lower AQL.
- One of many methods used to perform random sampling is zero-based sampling. Figure 6.4 shows an example of a zero-based sampling table. To find the appropriate sample size, simply find the lot size in the left-hand column and the required AQL in the top row. The sample will be where the lot size and AQL intersect on the table. For example, using an AQL of 1% for a lot size of 1,284 items will yield a sample size of 42. To create a random sample for 1,284 items, assign each item a number, beginning with 1 and ending with 1,284. A random sample can then be created using a random number generator, such as <http://www.randomizer.org/>.

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Figure 6.4 Zero Based Sampling Table

Acceptable Quality Level (AQL)

<i>LOT SIZE</i>	<i>.010%</i>	<i>.015%</i>	<i>.025%</i>	<i>.040%</i>	<i>.065%</i>	<i>.10%</i>	<i>.15%</i>	<i>.25%</i>	<i>.40%</i>	<i>.65%</i>	<i>1.0%</i>	<i>1.5%</i>	<i>2.5%</i>	<i>4.0%</i>	<i>6.5%</i>	<i>10.0%</i>
1-8	A	A	A	A	A	A	A	A	A	A	A	A	5	3	2	2
9-15	A	A	A	A	A	A	A	A	A	A	13	8	5	3	2	2
16-25	A	A	A	A	A	A	A	A	A	20	13	8	5	3	3	2
26-50	A	A	A	A	A	A	A	A	32	20	13	8	5	5	5	2
51-90	A	A	A	A	A	A	80	50	32	20	13	8	7	6	5	4
91-150	A	A	A	A	A	125	80	50	32	20	13	12	11	7	6	5
151-280	A	A	A	A	200	125	80	50	32	20	20	19	13	10	7	6
281-500	A	A	A	315	200	125	80	50	48	47	29	21	16	11	9	7
501-1200	A	800	500	315	200	125	80	75	73	47	34	27	19	15	11	8
1201-3200	1250	800	500	315	200	125	120	116	73	53	42	35	23	18	13	9
3201-10,000	1250	800	500	315	200	192	189	116	86	68	50	38	29	22	15	9
10,001-35,000	1250	800	500	315	300	294	189	135	108	77	60	46	35	29	15	9
35,001-150,000	1250	800	500	490	476	294	218	170	123	96	74	56	40	29	15	9

- Periodic Inspection: This method utilizes inspections performed at regular intervals. (daily, weekly, monthly, etc).
- Customer Complaints (recorded using a DA Form 5477): Customer complaints must be validated to verify that the contractor failed to perform in accordance with the terms of the contract.
- Random Inspection and Monitoring: This method includes recurring, unscheduled observations and/or walk-throughs of a contractor facility to observe the performance of a process or operation.
- 100% Inspection: This method is typically used in a production environment, or when equipment items or documentation/records are the subject of the surveillance. Using this method, every item is inspected, so it is normally reserved for situations where a low number of items are involved.
- Customer Surveys: A QAS may take it upon himself, or herself, to develop a method of collecting Customer Data through the use of a customer survey. This method is time-consuming and requires the QAS to routinely collect and record the surveys, for use in DC&A.

Quality Assurance Audits

Quality assurance audits dig deep to investigate all aspects of the systems a company has in place to ensure consistent and reliable product quality. Quality assurance audits review the official lines of authority put in place to drive QA initiatives, the systems put in place to continually drive product, or service quality higher and the monitoring systems used to review the effectiveness of a company’s QA efforts. The main task of QA audits is to judge how effective a contractor’s QA system is at identifying and reducing mistakes and to provide guidance for improving QA efforts.

- **Create an Audit Schedule.** Because there is no standard Army form for contract audits, the QAS will prepare an audit schedule using a format approved by his or her organization. Like surveillance, the

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frequency of audits will be determined by the level of risk assessed. As a rule of thumb, audits should be scheduled as follows:

<u>RISK LEVEL</u>	<u>FREQUENCY</u>
High	At least twice per month
Moderate	Monthly
Low	Bimonthly or Quarterly

Generally, the COR and QAS will alternate performing contract audits. For larger contracts requiring contractors to maintain several auditable systems, the work may be split into multiple audits with each focusing on a distinct system.

- **Create an Audit Checklist.** Like the audit schedule, there is no standard Army form for a contract audit checklist. To make the checklist, the QAS lists the various areas of the contractor's internal systems to be inspected. For example, if the contractor must have an internal fire extinguisher inspection program, part of the audit checklist might focus on the contractor's fire extinguisher inspection records. The QAS would look for evidence that the inspections were being performed by a qualified individual, and there is evidence of corrective action if the inspector discovered a deficiency.
- **Conduct an Audit.** Audits can be conducted unannounced or scheduled with a contractor in advance. If the contract contains a FAR part 46 quality clause, the contractor must make the documentation available to the COR/QAS that is related to its internal quality and inspection processes. When preparing to conduct the audit, the COR/QAS should review previous months' audits, the contractor's documents related to the system to be audited, and any other applicable documents, such as local policies, regulations, or equipment manufacturer data.
- **Non Conformance Reports (NCRs).** If the COR or QAS identifies a nonconformance during an audit or surveillance, he or she shall initially document it on the appropriate surveillance checklist. The COR/QAS will also document other important details, such as the time, date, and location the deficiency was observed. FAR part 46.407 identifies levels of nonconforming supplies or services. The QAS or the ACO will issue a NCR to the contractor. The three levels of NCRs correspond with the three levels of nonconformance (NC) identified in FAR part 46.407.
 - Minor – A nonconformance not likely to materially reduce the usability of the supplies or services for their intended purpose, or a departure from established standards having little bearing on the effective use or operation of the supplies or services.
 - Major – A nonconformance likely to result in failure of the supplies or services, or materially reducing the usability of the supplies or services for their intended purpose.
 - Critical – A nonconformance likely to result in hazardous or unsafe conditions for individuals using, maintaining, or depending upon the supplies or services; likely to prevent performance of a vital agency mission.

If necessary, based upon an assessment by the COR, QAS, and responsible contracting officer, the ACO will issue a nonconformance report (NCR) to the contractor. The three levels of NCRs correspond with the three levels of nonconformance identified in FAR part 46.407.

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Figure 6.5 Level I, II & III NCR's

NCR Level	NCR Type	Description
I	Minor	Minimal impact to mission; no corrective action plan required; can be fixed on the spot
II	Major	Significant threat to mission accomplishment; corrective action plan required from contractor not later than 10 business days after receipt of NCR; contractor has 30 days to correct non-conformance after the CAP is accepted
III	Critical	Will probably cause mission failure or threat to life, health, and safety of personnel

NCR Issuance—General Rules

- NCRs will be issued whenever
 - “...contractor’s quality control system is found to be inadequate or”....”noncompliance has led to substandard performance requiring corrective action.”
 - “...if the number of defects/nonconformance exceeds the performance threshold for any item in the PRS or contract.”
 - The QAS or KO will submit NCRs to the appropriate contractor’s representative responsible for corrective action, commensurate with the NCR level.
 - All Government discovered Non-conformances shall be documented and the contractor notified of the discrepancy. (REF: ECC CPM 13-2).
- NCR’s are issued for the following reasons:
 - Document deficiencies
 - Ensure Corrective Action
 - Prevent Recurrence
 - As a source of data to be used when analyzing data for performance trends
 - To support objective contractor performance rating
 - Influence Contractor Behavior

The NCR Process.

- Part 1, Identification and Documentation when a nonconformance (NC) is identified, whether during a formal audit/surveillance or through a random observation by the QAS and/or COR, the details of the nonconformance shall be documented as soon as possible.
- If the NC is identified by the COR, the QAS shall be informed immediately and a determination shall be made at that time, whether this is a valid NCR. If the QAS determines that the NC is not valid, the COR shall be provided with an explanation at that time. All disputes, as to the validity of the NC, shall be settled by the ACO. If the NC is determined to be valid, the COR and QAS will coordinate on the initial draft NCR.
- Required information for the initial draft shall include, but not be limited to:
 - Time, Date, Location
 - Contract number and PWS Reference, along with a detailed description of the contractual

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requirement or performance standard which has been violated.

- A detailed description of the NC
- Objective evidence of the nonconformance
- The name, position and/or identification/badge number of the individual responsible for the NC
- The name, position and/or identification/badge number of the supervisor or manager responsible for the nonconforming process.

NOTE: if the NC involves a hazard which would result in injury or death of a person or damage to equipment, the QAS and COR are well within their rights to step in and stop the operation before an accident or incident occurs.

- The QAS and COR will perform research of all applicable contractual references which support the NCR. Once all the details have been gathered, it is wise to discuss the NC with the ACO, if possible, to determine if there have been any contract actions which may have relieved the contractor of the responsibility to comply with the PWS requirement.
 - Determine the level of the NCR using the descriptions in Figure 6.5, NCR Levels.
 - Document the NCR using the appropriate form or format. Level I NCRs are documented using the Level I NCR form. Level II NCRs are written in Memorandum format and Level III NCRs are written in Official Letter format.
- Part 2, Approval and Issuance
 - When the QAS is satisfied with the draft NCR, he or she fills out a Routing sheet with all the pertinent information, including the names of each person to which the NCR will be routed for approval. Level I NCRs need only be routed up to the Lead QAS. Level II and III NCRs require higher level approval.
 - The Draft NCR is then forwarded by the QAS to the ACO for review, accompanied by the required NCR Routing sheet. The ACO and/or CA should review the NCR for any condition which could affect the validity of the NCR. For example, the contractor may not be required to perform a specific function because they had not yet been issued a Notice To Proceed (NTP).
 - Once the ACO has reviewed the NCR and digitally signs the Routing Sheet, the NCR is then forwarded to the Lead ACO for review.
 - The Lead ACO reviews the draft NCR for completeness and accuracy, signs the Routing Sheet and forwards it to the Lead QAS.
 - The Lead QAS reviews the NCR, for accuracy and completeness, then establishes a folder in the battalion Share Drive, records the NCR in the NCR Log and assigns an NCR number. The Lead QAS then signs the Routing Sheet and returns APPROVED Level I NCRs to the QAS for issuance. Level II and III NCRs are forwarded to the CSPO/XO for final review prior to submission to the battalion commander for approval.
 - Level III NCRs are forwarded to the Brigade Commander (PARC) or DPARC for further approval, IAW ACC Level III guidelines. Level II NCRs are returned, by the BN commander, to the Lead QAS for final recording and conversion to .pdf format.
 - The approved NCR is then sent to the QAS for issuance to the contractor.
 - All NCR actions (Approval, Issuance, CAP Acceptance/Rejection and Closure) are coordinated with the Lead QAS for record purposes. The Lead QAS maintains a file of all NCRs in the Share Drive. In addition, the QAS maintains a file of all NCRs in the contract folder on the Share Point.

Figure 6.6 NCR Root Cause Codes

NCR Root Cause Codes				
Basic Cause	Code #	Related Cause	Description	Definition
Environment (EV)	EV01	Forces of Nature	Outside influences and issues, such as rocket attacks, fire fights, local customs and festivities.	This code covers Earthquakes, blizzards, dust storms, avalanches, hostile attacks, interruption caused by local customs and government activities. Aerial landings prevented by weather conditions and other unusual or bizarre activities beyond the control of the contractor.
	EV02	Limited Access (restricted)		
	EV03	Hostile Attacks		
	EV04	Local Government Activities		
	EV05	Customer Emergency		
Management (MN)	MN01	Breakdown in Logistics	Confusion about requirements responsibilities and reporting. Management not implementing proper training procedures. Overloaded work spaces and/or understaffed.	Management holds the ultimate responsibility for all activities performed on behalf of the contractor. Training, deliverables, reports, morale, safety, service activity, production, sufficient manpower, adequate facilities and the general well being of the entire site. Management is also responsible for providing work and living conditions compatible to the requirements of the PWS, including tools and material to perform tasks for which people are employed. Overcrowded work spaces, overworking due to being understaffed and improper utilities for the facilities
	MN02	Failure in Management Oversight		
	MN03	Lack of Manpower		
	MN04	Service Failure		
	MN05	Inadequate Facilities		
	MN06	Lack in Departmental Training		
	MN07	Any PWS Noncompliance		
	MN08	Improper Living & Working Conditions		
	MN09	Subcontractor Deficiencies		
	MN10	Safety Issues		
People (PL)	PL01	Lack of Personnel	Not aware of issues and lack of translators for local labor force. Failure in timely reports and technical related issues. Complete lack of understanding.	Complete misunderstanding of issues, directives, procedures, processes, and mission requirements. Mechanical communication factors such as equipment failure, lack of equipment, location, condition of, and trained personnel onsite. Equipment, computers, printers, phones, lack of trained repair personnel and parts inventory. Procedures, processes and safety bulletins not in native language is contributing factor in increased incidents, poor performance and production.
	PL02	Lack of Properly Trained Personnel		
	PL03	Unscheduled Customer Request		
	PL04	Client Issued Emergency LOTD/CO		
	PL05	Directives, Policies, Procedures, Requirements or lack thereof		
Communications (CM)	CM01	Misunderstood Instructions	Not aware of issues and lack of translators for local labor force. Failure in timely reports and technical related issues. Complete lack of understanding.	Complete misunderstanding of issues, directives, procedures, processes, and mission requirements. Mechanical communication factors such as equipment failure, lack of equipment, location, condition of, and trained personnel onsite. Equipment, computers, printers,
	CM02	Lack of Translators		
	CM03	Mechanical Equipment or Lack thereof		
	CM04	System Network & Computers Down		

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	CM05	Procedures Not Available in Native Language		phones, lack of trained repair personnel and parts inventory. Procedures, processes and safety bulletins not in native language is contributing factor in increased incidents, poor performance and production.
	CM06	Failure to Flow Down Requirements		
Methods (MO)	MO01	No existing Procedures or Guidelines	Attempting to provide service without written instructions or guidance, or unauthorized work. Partial adherence to specific process guidelines. Doesn't know how to do the work or what is required. Failure to provide service, or incorrect application of service. Following incorrect procedures, or application of incorrect specifications.	Mostly occurring on construction projects, work exceeding timeline, performing service activities with no documented authorization involving personnel, equipment, material and labor. Generally missing steps in service, lack of knowledge to perform steps, and trying to save time and material. Break in communications, site unaware of service responsibilities. Complete failure to perform service that has been turned on to provide. Performing incorrect steps of a procedure, lack of training in process typical. Obsolete or ineffective process steps in need of revision or review. Severe documentation error, generally typographical, leading to misdirection of procedure.
	MO02	Unauthorized Work		
	MO03	Not Following Procedures		
	MO04	Lack of Training & Oversight		
	MO05	Not Aware of Procedure		
	MO06	Written Procedures Ignored		
	MO07	Misapplied Procedure		
	MO08	Inadequate Procedure		
	MO09	Incorrect References		
	MO10	Misunderstood GOVT		
	MO11	Misunderstood Requirements		
Materials (ME)	ME01	Materials & Equipment Handling	Inadequate supplies/materials for mission, or improper handling.	Requisition, procurement, receiving, handling, storage, and issue. Maximo is indispensable in tracking these procedures and finding the breakdown.
	ME02	Requisition Deficiency		
	ME03	Procurement Deficiency		
	ME04	Improper Storage		
	ME05	Receiving and/or Issuance Deficiency		
Machines (MA)	MA01	Machines out of Calibration	Machines not setup properly or not Calibrated. Broken parts or entire assembly. Cause of workflow bottleneck.	This code covers all mechanical breakdown of machinery. Any machinery that requires setup that was done improperly within the requirements of the product. When workflow is slowed or stopped due to a piece or pieces of machinery not keeping up with demand. Any equipment out of Calibration standards.
	MA02	Mechanically inoperable		
	MA03	Bottlenecked		
	MA04	Improper Setup		
Other (OT)	OT01	Any Other Cause	Any Cause that can't be directly linked to a specific code	Every Attempt should be made to select a code that best matches the Root Cause of the non-conformity. Use of this Code should be as a last resort.

Corrective Action Plan (CAP)

- The most critical phase of the NCR process, other than the actual development of the NCR itself, is the Corrective Action Plan. Due to the nature of Level I (Minor) NCRs, no CAP is required. Level II and III NCRs require a CAP. The Level II CAP shall be provided by the contractor within 10 business days. Level III NCRs allow 30 days to develop and submit the CAP. It is extremely important that the contractor provide a CAP which will not only correct the nonconformance identified, but will prevent recurrence of the NC. For this reason, the contractor is required to provide a CAP which provides the following information:
 - Root cause of the non-conformance, using the Root Cause Codes listed in Figure 6.7.
 - Corrective action taken or planned to eliminate the cause(s) and prevent recurrence of the non-conformance, to include addressing people, processes, and/or tools as indicated.
 - Actions taken to correct the specific non-conformance.
 - Determination of whether other processes are affected by the identified root cause(s).
 - Determination of whether other products or services are affected by the identified root cause(s), including

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products or services already provided to the customer.

- Action taken to correct the weakness which allowed deficient products or services to be provided to the government.
- Target date(s) for implementation of planned actions
- A detailed timeline or schedule of target dates for implementation of planned actions.
- Acceptance/Rejection
 - The CAP criteria listed above is included in the NCR document. Despite this, it is not unusual for some contractors to submit a CAP which does not contain all required information. For this reason, a review process has been implemented which allows several sets of eyes to review the CAP for Acceptance or Rejection. This is accomplished through the use of a Routing Sheet which flows from the QAS to the ACO, Lead ACO and finally to the Lead QAS. The Routing sheet contains a block for the QAS to provide his or her rationale for Acceptance or Rejection. Each reviewer will either concur or non-concur. When an Accept/Reject decision has been made, the CAP shall be formally rejected by the QAS, by issuing the contractor a CAP ACCEPTANCE OR REJECTION MEMO. A template is available on the SharePoint.
 - Validation and Verification. The QAS shall validate completion of all action items specified in the contractor's CAP. Validation shall occur as each action is completed, according to the timeline specified in the CAP.

NCR Closure

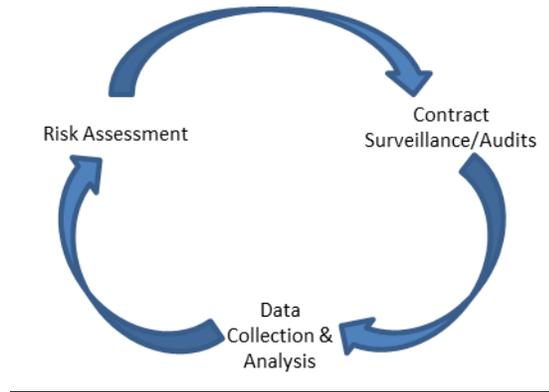
- When all Corrective/Preventive actions have been verified by the QAS, the NCR may be closed. The QAS will issue a formal Memo to the contractor and copy the: Lead QAS on all correspondence.

Data Collection and Analysis (DC&A)

- Utilizing surveillance, audit, and NCR data, the QAS will analyze trends in contractor performance. The QAS will use the results of the analysis to identify strengths and weaknesses in the contractor's systems, which in turn will allow quality assurance personnel to focus their surveillance and audits on those areas of the contract that present the greatest risk. The relationship between risk assessment, contract surveillance/audits, and DC&A is illustrated in Figure 6.7).
- DC&A is an important part of Quality Assurance because it drives the frequency and intensity of surveillance actions. As such, the effectiveness of actions taken as a result of the DC&A process is dependent upon the integrity of the data used. It is also important to note that not all data analysis will produce an actionable result. DC&A is a never ending process of searching for different types of data to collect and explore. Knowing what data to collect comes with experience and knowledge of the contract, the contractor and the product or service provided.

Figure 6.7 Relationship Between Risk Assessment, Contract Surveillance Audits & DC&A

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Conclusion

- When the Government agrees to purchase goods or services from a contractor, the contractor is always responsible for ensuring those goods or services meet contractual requirements.
- Government quality assurance personnel (CORs and QASs) determine whether goods and services meet contractual requirements prior to acceptance.
- Government quality assurance personnel do not have the authority to obligate funds or direct the contractor.
- The Government is always permitted to inspect goods and services prior to acceptance.
- Contracts for commercial items rely on a contractor's existing quality assurance system as a substitute for compliance with Government inspection and testing before tender for acceptance, unless customary market practices for the commercial item being acquired permit in-process inspection.
- Quality assurance personnel verify a contractor's compliance with contractual requirements by performing surveillance and audits.
- Surveillance is an inspection of the end product contractor's work – it is done for both commercial and noncommercial contracts
- Audits are "in-process" inspections used to verify the contractor is abiding by its own internal quality control, safety, or other required systems.
- After the QAS has been given responsibility for QA on a contract, he or she will perform CRR to ensure he or she fully understands the contract requirements.
- Quality assurance activities – surveillance and audits – are planned and executed based upon an assessment of risk and in accordance with the QASP.
- When discovered during the QA process, nonconforming supplies and services are rejected and the appropriate level of NCR is issued.
- When a contractor receives an NCR, it is generally required to self-identify the cause of the nonconformance and provide conforming supplies or services at no additional cost.
- Based upon data gathered through the surveillance and audit processes, the QAS will conduct an analysis to reassess risk and, if necessary, refocus QA activities on those parts of the contract which carry the most risk.

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CHAPTER 7

CONTRACTING OFFICER'S REPRESENTATIVE (COR) MANAGEMENT

Training

- DoDI 5000.72 DoD Standard for Contracting Officer's Representative Certification dated 26 MAR 15) establishes uniform guidance for the identification, development, certification, and management of CORs within the DoD. The document states that minimum COR competencies, experience, and training depend on the dollar value, complexity of the requirement, and contract performance risk for which the COR is designated. The types of standards are:
 - Type A: Fixed-price contracts without incentives and low performance risk.
 - Type B: Fixed-price contracts with incentives; fixed-price contracts with other than low performance risk; and other than fixed-price contracts. This includes everything other than types A and C.
 - Type C: Unique contract requirements that require that the COR have a higher education or specialized training beyond the type B requirements.
- CORs must complete the listed training requirements before the PCO/ACO issues a letter of appointment.
 - Type A Training:
 - DAU CLM 0003 – Ethics Training for AT&L Workforce or Unit equivalent
 - DAU CLC 106 – COR with a Mission Focus.
 - Wide Area Workflow – If COR is not performing electronic acceptance, this training is not required.
 - Type B Training:
 - All type A training requirements except CLC 106 (note: COR 222 includes CLC 106 training);
 - DAU CLC 222 (when available as a CBT). CLC 222 training requirement can be met by taking one of the following:
 - DAU COR 222 (resident version of CLC 222).
 - ALMC-CL COR Course is DAU certified equivalent to DAU CLC 222.
 - Type C Training:
 - All type B training requirements.
 - License or certificate as identified by the PCO and/or the requiring activity.
 - Refresher training: DoD Components and contracting activities have the authority to require additional or more frequent refresher training. Refresher training for standard Type A CORs, in addition to training mandated by the contracting activity, includes:
 - Mandatory annual activity provided ethics training (designated OGE Form 450 filers only).
 - Annual “CTIP” training.
 - A minimum of 8 hours of COR-specific training required every 3 years, or before assuming COR responsibility, if the individual has not performed COR responsibilities within the previous 24 months. Contracting offices will determine what the COR-specific refresher training course requirements should be commensurate with the contract work being performed.
 - Refresher training for standard Types B and C CORs, in addition to training mandated by the activity, includes:
 - Mandatory annual activity provided ethics training (designated OGE Form 450 filers only).
 - Annual “CTIP” training.

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- A minimum of 16 hours of COR-specific training required every 3 years, or before assuming COR responsibility if the individual has not performed COR responsibilities within the previous 24 months. Contracting offices will determine what the COR-specific refresher training course requirements should be commensurate with the contract work being performed.
- A current certificate of training completion.

COR Nominations:

- The Wide Area WorkFlow Contracting Officer's Representative Tracking Tool (WAWF CORT Tool) is a web-based application designed to track, approve COR candidates, existing CORs and COR related documents.
- Allows the nomination, appointment, revocation and termination of an individual as a COR against a DoD contract or a contract or order issued on behalf of a DoD assisting agency.
- Allows a COR to create a profile, document their training and experience and process a nomination package for one or multiple contracts and orders.
- Provides DoD personnel a web-based application for all relevant COR documents.

New COR Process:

- COR Phase I Training (Online Classes)
- COR Phase II Training
- COR Validation Audit
- COR Appointment (See Below)
- Initial COR File Review Conducted within 60 days (Using Annex O of CAS Handbook); must be give CORs a min of 3 days advance notice. No rating score is given. Audits receiving 90% compliant rate will have a follow-up audit conducted in 30 days; those above 90% will be done quarterly.

COR Appointment Process:

- Login into WAWF-CORT
- Go to Awaiting my approval; select contract
- Required input fields:
 - Contract Type: DOD FAR
 - Upload QASP
 - COR Type: B
 - Type of COR: Primary
 - Contingency Environment: Yes
 - Certify All
 - Under COR Appointment Letter click smartform
 - Command: Choose appropriate Command
 - Line 16: Write PWS Line COR is responsible for.
- Responsibilities: Put Yes for Spot, CTIP, Insp and Accept, CMRA; For all other click No.
- Click Submit
- Click Approve.

COR Termination

- A COR is terminated when the customer deems it necessary to terminate them. Usually, a COR is terminated due to redeployment, but can be terminated for disciplinary reasons. Either case, the Contracting Officer is notified by the customer to terminate a COR under his/her Command. A termination letter is generated.

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COR File Review

- All CORs must use the WAWF CORT Tool for COR self-nomination, appointment and contract management. The QAS will conduct a non-rated visit of newly appointed CORs within 60 days of appointment.
- COR File Review. COR File Reviews are the responsibility of the KO. The KO that designates the COR is responsible to ensure that a copy of the COR file review is provided to the CORs supervisor to reference when performing the CORs performance assessment. The KO may employ other qualified acquisition personnel such as Quality Assurance Specialists or Contract Administrators to perform the COR File Reviews. The COR contract folder audit checklist shall be completed by the QAS or designated representative during the COR File Review to discover gaps or missing documents in the COR contract folder. The QAS or designated representative will enter the COR name, contract number, contracting officer name, supervisor name, service provided, contractor and date of audit in the spaces provided. The QAS will enter “1” in the corresponding row and column for pass or fail task indications when using the excel spreadsheet or check the appropriate box on the FDF form (see Annex O).
- COR contract folder audits shall be scheduled, at a minimum, three days in advance and shall follow the same procedures as COR technical assistance above. The contracting officer, QAS, or designated representative, will audit the COR contract folder at least quarterly, or more often as mission dictates.
- The COR contract folder audit results will be provided to the contracting officer, COR, and COR supervisor. The QAS or designated representative performing the audit will provide recommendations with supporting data as evidence within five business days. All audits that receive below 90% compliant rate will have a follow-up audit conducted within 30 days. Quarterly audits will be performed on all COR files receiving 90% and above compliant rating.
- The QAS or designated representative shall provide comments for all failed tasks and a short narrative of the audit in the COR audit summary report space provided at the end of the checklist. The following words and percentages will be used to characterize the outcome of all COR audits:
 - 90% – 100% Acceptable
 - 70%-89% Acceptable with issues
 - < 69% Unacceptable

Ethics: The contracting officer will determine whether the duties and responsibilities of the COR meet the criteria for filing a Confidential Financial Disclosure Report (OGE Form 450) as set forth in section 2634.904 of Title 5, Code of Federal Regulations (Reference (h)), and section 7-300 of DoD 5500.07-R (Reference (i)). CORs designated as OGE Form 450 filers will submit a new entrant report and, if applicable, annual reports thereafter to the supervisor through the PCO to the ethics counselor for final review and certification. The contracting officer will use his or her judgment to decide if a COR needs to file an OGE Form 450 after considering the COR’s designated duties and responsibilities and level of supervision and review. A COR should be designated as an OGE Form 450 filer if the COR will exercise significant judgment without substantial supervision and review.

Contracting Officer File Review: The contracting officer will conduct an annual COR file review in the anniversary month of the COR’s designation letter. The criteria will coincide with the initial and record audits conducted by the COR management team (see ANNEX O).

CHAPTER 8

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COMBAT TRAFFICKING IN PERSONS (CTIP)

Introduction

Combat Trafficking in Persons (CTIP) is the “use of force, fraud, or coercion to compel a person to provide labor or services or commercial sex.” The US has a zero-tolerance policy concerning US Government employees and contractor personnel engaging in CTIP (Executive Order 13627, “Strengthening Protections Against Trafficking in Persons in Federal Contracts,” 25 Sep 12).

The three most common forms of trafficking are labor trafficking, sex trafficking, and child soldiering (US Department of Defense Combating Trafficking in Persons website, <http://ctip.defense.gov/>). CTIP includes recruiting, harboring, transporting, providing, or obtaining a person for labor or services, through force, fraud, or coercion, for the purpose of involuntary servitude, peonage, debt bondage, or slavery. Sex trafficking includes recruiting, harboring, transporting, providing, or obtaining of a person for the purpose of commercial sex (22 USC 7102). See also FAR Part 22.1702 Definitions.

CTIP has specific implications for the CAS mission. For example, US Government solicitations and contracts must contain language prohibiting contractors and contractor employees, subcontractors and subcontractor employees, and their agents, from, inter alia, engaging in CTIP during the period of performance of the contract, denying employee access to identity or immigration documents, using misleading or fraudulent recruitment practices, charging employees recruitment fees, failing to provide return transportation and housing that meets host country standards, and if required by law or contract, failing to provide an employment contract in writing in a language the employee understands. See FAR Part 22.1703 Policy, DFARS Part 222.17 Combatting Trafficking In Persons, DFARS Part 242.302 (S-73), and DFARS Procedures, Guidance, and Information (PGI) 222.17 Combatting Trafficking in Persons.

Inspections: During quality inspections or via communications from contractor or subcontractor employees, or simply by being in the right place at the right time, CCOs might become aware of a potential CTIP violation. For instance, a CCO may see something which makes him or her suspect a contractor employee is being trafficked or is approached by somebody alleging she or he is trafficked. CCOs might even encounter situations in which local contractors offer to supply a “companion” as a form of gratuity, kickback, bribery, or compensation. Although it is important to be aware and take note of such activities, CCOs must avoid becoming personally or officially involved in a human trafficking situation. CCOs should, however, immediately inform the relevant chain of command, contracting officer, and legal counsel. If feasible, CCOs should take immediate action to impose suitable remedies (including termination) on contractors supporting or promoting trafficking or contractors who fail to monitor the conduct of their employees and subcontractors concerning CTIP, provided that doing so will not interfere with a pending or ongoing criminal investigation. If necessary, CTIP violations can also be reported at <http://ctip.defense.gov/>, DODIG at 1-800-424-9098, or the national Trafficking Hotline at 1-888-373-7888.

Responsibility: Ultimately, the contractor is responsible for knowing its employees’ activities and for complying with US law and policy on CTIP. However, FAR Part 52.222-50, “Combating Trafficking in Persons,” is a required clause in all solicitations and contracts. As such, the CCO also holds responsibility for maintaining surveillance over contractor compliance with CTIP requirements (DFARS Part 242.302).

Appointment

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- The CTIP team will be appointed by the unit commander. Their primary mission is to conduct audits in accordance with specific contract requirements. The welfare of the TCNs must be of the utmost importance of the CTIP team. The team's policies and procedures are governed by the following regulations.
- FAR Part 52.222-50 Combatting Trafficking in Persons
- DFAR Part 252.222-7007 Representation Regarding Combating Trafficking in Persons
- Class deviation (2014-O0018) 252.225-7995
- Local clauses : e.g. KSCR 1-2, CJTSCC 5152.222-5900
- Local Host Nation labor and housing laws.

Procedures

- **Housing Inspections**
 - Housing inspections play an integral role in the identification and prevention of trafficking violations. Inspections must be conducted in accordance with standards set forth by the local clauses and host country housing laws. The CTIP checklist is created with the help of standards set forth by these local housing laws.
 - During the CTIP housing inspection, the CTIP team/QAS will inspect contractor (and subcontractor, as coordinated with the contractor) housing in accordance with the CTIP checklist. Audit frequency will be determined by housing conditions during the initial inspection. After the initial inspection, CTIP team will determine if the contractor is complying with contract requirements, and prescribed laws and regulations. If the contractor is complying and you do not see any systemic issues, a quarterly inspection is more than adequate. However, if you see issues that require immediate change, then a monthly inspection will be required until such time as the issues have been resolved.
 - On the other hand, if the contractor-provided housing is above and beyond minimum requirements, you may decrease the frequency of inspections to once every six months, particularly in the case of American national housing, which tends to demand higher standards. Inspection frequency also depends on whether the contractor or subcontractor has provided housing to the employees or if the contractor/ subcontractor provides a stipend for employees to live on the economy. If the contractor provides a stipend, you will not conduct a housing audit. Caveat: If the contractor is providing a stipend, check the contract to ensure providing a stipend is a viable option. Some contracts require the contractor to provide “non-cash compensation” for lodging and meals.
 - Personnel conducting audits of OCN and/or American national housing shall work in teams of two or more, as deemed appropriate at the time of inspection, and shall coordinate with prime contractor representatives to ensure contractor participation during inspections of prime and subcontractor housing. Audit personnel shall ensure at least one prime contractor representative is present in each room during inspection. All noted non-compliances shall be photographed.
- **Employee Interviews: Two methods can be used to interview employees: formal and informal.**
 - The formal method is the least preferred and should be used only when informal interviews cannot be conducted. During a formal interview, the contractor (employer) is given time to select a specific number of random employees to be interviewed. Unfortunately, one of the problems with formal interviews is the lead time also gives the contractor time to prepare employees, perhaps to give false information. Also, because the employer knows the names of the interviewees, the employer can discipline or penalize employees who give negative information to the CTIP team.
 - The informal method is the preferred method and should be used whenever possible. In an informal interview, the CTIP team selects employees at random and talks with the employees at their place of work or at their housing location during an audit. Interviews are typically conducted away from managers and supervisors. This method allows the employee to relax and feel more comfortable, allowing him or her to answer questions truthfully, without fear of reprisal. A Government interpreter may also help an employee be more open and at ease, and can assist with

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effective communication. The personal information, opinions, and issues of all interviewed employees must not be divulged to any Contractor representative and should be kept as an internal document.

- The use of an interview checklist/questionnaire is also encouraged. All employees selected for interview shall have their identity confirmed utilizing picture identification. During the interviews, follow the checklist to ensure all questions regarding contract requirements, and possible trafficking indicators listed by the National Human Trafficking Resource Center are consistently addressed.
- **Management Reviews:** Management reviews should be conducted on a random basis, at least once every six (6) months. The primary focus of the management review is to evaluate the contractor's internal CTIP policies and procedures. During the management review, the CTIP team reviews the contractor's internal housing inspection records, housing locations, employee lists, subcontractors' contract CTIP flow-down, employee contracts, and FAR clause requirements. A management review can also help identify issues with employee contracts and passports.
- **Local Labor/ Housing Laws:** Local host country labor and housing laws must be followed as per FAR Part 52.222-50. In addition to these local laws, some countries might have ministry decrees. Since the FAR and DFARS clauses do not provide any standard by which to measure the housing requirements and employee labor requirements, these laws and decrees are particularly important to establish the specific standards required for the checklists. In some countries, these laws and decrees may not be readily available to the public and would require additional research. The use of an interpreter is additionally helpful in this situation, as most laws are written in the host country's native language.
- **Cultural Awareness:** Cultural awareness is our ability to appreciate and understand the various beliefs and customs associated with a person's origins. It is important for us to be aware of the cultural tendencies of the host country. What we construed as an abnormal business practice might be a generally accepted way of doing business in the host country. Furthermore, the host country's moral and ethical compass might be completely different from our own. It is imperative that you understand these differences and identify what can be changed and what might have to be accepted. For example: A host country might have a caste/social class system. This class system might impose restrictions on where an employee might be allowed to live. Being aware of these restrictions and acknowledging that this might be something that cannot be changed will help us not only focus on things we can change, but also improve the relationship with your host country. Additionally, it is vital to know the cultural background of the people you are trying to help. Much like the effect of having an interpreter, being knowledgeable about their culture will help OCNs be at ease and open up. Asking questions and having an honest interest in their culture will make them feel that we care about their well-being and this in turn will result in them being more apt to divulge information about their employers.

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CHAPTER 9

GOVERNMENT PROPERTY - FAR Part 45

Introduction

Contractors are ordinarily required to furnish all property to perform Government contracts and the inability to provide the necessary property to perform the contract can be a factor in the determination of a responsible prospective contractor. If the Government determines Government property will be provided to the contractor, it requires its contractors to provide effective and efficient stewardship of Government property in their custody. This stewardship responsibility, codified in the FAR Part 52.245-1 Government Property, 52.245-9 Use and Charges, and FAR Part 52.245-2 Government Property Installation Operation Services, and DFARS Part 252.245-7003 Contractor Property Management System Administration are the subject of this chapter.

The policies and procedures presented in this chapter are designed to implement the requirements of the FAR, facilitate effective and efficient oversight of contractors, maximize the Government's return on investment and achievement of best value, and protect the Government's interests. However, the contract terms and conditions take precedence over the requirements of this CAS Handbook.

Government Property: Government property includes Government Furnished Property (GFP) and Contractor Acquired Property (CAP).

"Government property" means all property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software. The Government retains title to all Government-furnished property until properly disposed of, as authorized by law or regulation. Property that is leased by the Government and subsequently furnished to the contractor for use shall be considered Government-furnished property under the clause 52.245-1, Government Property and 52.245-9 Use and Charges. TPE is returned to the Requiring Activity when no longer required to perform under the contract and not dispositioned IAW FAR Part 52.245-1, Government Property and 52.245-9 Use and Charges. If the Requiring Activity does not want the property the normal excess property rules will apply.

- Theater Provided Equipment (TPE) also known is type of government furnished property that is unique in contingency environment:
 - Furnished by the Government in theater (Theater Provided Equipment) on a temporary basis to the contractor in order to perform a mission under the contract. However the contractor has custodial responsibility for this property. Official accountability remains with the military PBO and the assets belongs to the Government.
 - Furnished as GFP under the contract and accountable to the contract.
- CAP also known as "Government Property":
 - Property acquired, fabricated, or otherwise provided by the contractor for performing a contract and to which the Government has title.
- Property Administrator/Contract Assignment
 - FAR Part 45.101 and 52.245-1(a) defines "provide" as "to furnish, as in Government-furnished property, or to acquire, as to contractor-acquired property".

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- FAR Part 45.102 -- Policy (a) Contractors are ordinarily required to furnish all property necessary to perform Government contracts.
- It is NOT the Government's policy to provide GFP or authorize a contractor to acquire CAP. Providing GFP is an exception to the Government's policy.
- There are four elements that must apply before GFP can be provided and all four of the elements must apply to satisfactorily justify the exception.
 - Making the exception to the Government's Policy must be properly documented IAW DFARS PGI 245.103-70.
 - The benefits to the Government must be more important than the extra costs associated with providing the GFP.
 - The requiring activity must demonstrate how providing GFP does not considerably increase the already applicable Government risk.
 - Requires the justification why providing GFP is critical to meeting the acquisition plan objectives.
- DFARS PGI 245.103-70(1) states: "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."

Process

- The Government Property Administrator (GPA) is the assigned industrial property management specialist who reviews each new contract to determine if property administration is required and to ensure contracts contain appropriate terms and conditions per the FAR and DFARS for property expected to be furnished or acquired. As a minimum, the following FAR/DFARS Parts should be in the contract; 52.245-1 and 52.245-9, and DFARS Part 252.211-7007, 252.245-7001, 252.245-7002, 252.245-7003, and 252.245-7004. For contingency contracts, GPAs also advise buying commands to coordinate their requests for property administration with the Combatant Command (COCOM).
- When reviewing contracts, PAs must be alert to a number of things, for instance: potential or obviously inappropriate instances of Government-furnished or contractor-acquired property, e.g., common office items or general purpose equipment; when the deliverable end-item is to be delivered/accepted in-place (FOB origin); period of performance dates (so as to plan for expeditious property disposition and contract close-out); unique in-theater contractual and technical requirements, country-to-country agreements, host nation requirements, memoranda of agreement, or treaties (see also DFARS Part 225.301 and PGI 225.7401); and special terms and conditions, such as those involving sensitive property (see FAR Part 45.101), physical inventory performance, demilitarization, or special storage or unique property disposition requirements.
 - If after conducting the review, the PA determines a contract lacks appropriate terms and conditions, the PA issues a Contract Deficiency Report (CDR) in EDA. When creating an EDA-CDR, the PA will identify the assigned Contracting Officer as the reviewing/validation official and notify the Contracting Officer in writing if use of EDA is not appropriate or unavailable, such as in an overseas or remote location.

How and when does TPE become GFP?

- TPE is property provided to a contractor for performance of a contract. TPE becomes GFP upon placement on the contract via a modification (GFP listing). TPE is nothing different than any other GFP that is provided to a contractor. TPE is basically a subset of the equipment classification of GFP. The important part of this is that a contract modification (GFP technical exhibit) must be accomplished to place stewardship accountability of the TPE (GFP equipment) over to the contractor. At contract close-out or when the equipment is no longer needed on the contract, disposition of TPE will come from Theater PBO.

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How to bring CAP onto a cost type contract before close-out

- Create “not separately priced” CLIN with a CDRL to deliver a list of all Government property (GFP and CAP).
- Create “not separately priced” CLIN(s), preferably at contract award, for the delivery of CAP.
- Once the PCO receives the CDRL information from the contractor, he/she shall coordinate with the PA and the requiring activity to determine if all items of CAP are to be delivered and to execute a modification to accept delivery and make the items of GFP accountable to the contract.
- The type of property changes from CAP to GFP at delivery.
- The PCO/ GPA shall coordinate with the PBO to ensure he/she has the required information to enter the “newly” type GFP items into the Accountable Property System of Record (APSR).
- HQ ACC recommends three(3) CLIN(s):
 - One CLIN for the CDRL.
 - One CLIN for the delivery of CAP items classified as equipment (EQP), special test equipment (STE), and special tooling (ST).
 - One CLIN for the delivery of CAP items classified as material.
- The PA typically assigns the following contract types/conditions for property administration:
 - Fixed-price contracts where property will be furnished to the contractor.
 - Purchase orders (identified as P, M, W, or V in the ninth position of the Procurement Instrument Identification Number (PIIN)) with property furnished for repair, maintenance, overhaul, or modification with a total acquisition value exceeding the DoD simplified acquisition threshold and otherwise meeting the requirements of FAR Part 45.107(d).
 - Time and materials contracts.
 - Cost reimbursement contracts (except when no property will be furnished or acquired, e.g., contracts involving only engineering services, research/study contracts).
 - Top level basic indefinite delivery contracts (IDCs), provided there is a Government property requirement. IDCs are identified by the letter "D" occupying the ninth position of the PIIN. Although MOCAS treats each IDC order as a separate contract; i.e., performance (shipments delivery and acceptance) is tracked, money is obligated and payments made at the order level, legally such orders do not stand alone, the basic IDC is the actual contract. Accordingly, PAs shall not assign fixed-price task orders issued under IDCs.
 - Delivery orders awarded under basic ordering agreements (BOA) (FAR 16.703), basic agreements (BA) (FAR Part 16.702) or blanket purchase agreements (BPA) where property is to be furnished or acquired. BOAs and BPAs are typically identified by the letter "G" or "A", respectively, occupying the ninth position of the PIIN.
 - Letter contracts (FAR Part 16.603-2). Letter contracts are typically, though not always, awarded as cost-reimbursement contracts, with specific contract type/pricing arrangements definitized at a later date.
 - Non-procurement instruments (grants, cooperative agreements, and other transactions).
- Within 30 days of contract assignment, the PA shall send the new contractor a letter of introduction advising the contractor of its contractual responsibilities. The PA should ask the contractor to provide a copy of its property management procedures and the names of appropriate points of contact. At the same time, the PA should submit a post-award orientation recommendation (if warranted) to the PCO, including the rationale and recommended type of orientation.
- The PA should receive the contractor’s policies and procedures and review the procedures within 45 days of receipt. If the procedures are unacceptable, the PA may grant the a contractor a reasonable amount of time, not greater than 45 days from the initial determination of unacceptability, to provide updated procedures. Minimum requirements for an

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acceptable property management system are set forth below. However, if after 45 days the procedures remain unacceptable, the PA shall notify the PCO.

- The PA shall revalidate the risk rating previously assigned to each PCO; to the extent a risk rating was previously assigned. PAs shall base the revalidation on the results of the last Property Management System Analysis (PMSA), the current status of the contractor's property management system and any other sources of reliance including, but not limited to, potential program impact due to property type or criticality, special programs' findings, past performance, prior experience with the contractor, contractor procedural changes, other audit findings, past deficiencies and corrective actions, or results of pre-award and post-award conferences. New contractors shall normally be considered moderate risk until such time the PA determines the appropriate level of surveillance.

Property Management System Analysis (PMSA):

- A PA typically selects the appropriate PMSA type based on a number of factors. A standard PMSA requires entrance and exit conferences, detailed tests, and formal examination/evaluation of the contractor's property management system. A standard PMSA involves plant visits and formal testing/evaluation of contractor processes. In contrast, a limited PMSA requires an informal "desk audit," and relies on contractor responses to a series of questions covering each required element of a contractor's property management system. If the limited PMSA reveals potential deficiencies, the PA may visit the contractor to resolve the issue(s) or conduct a standard PMSA if appropriate.
- PMSA schedules are based on the type of risk. If the contractor has a high risk rating, the PA should perform a PMSA annually, at a minimum, until the contractor improves to at least the moderate risk level and the PA determines the overall status of the contractor's system justifies a reduced level of oversight. If the contractor has a moderate risk rating, the PA will perform a standard, limited PMSA or site visit as frequently as conditions warrant, but at least once every three years. Similarly, for a low risk contract, the PA will perform a standard, limited PMSA or site visit as frequently as conditions warrant, but at least once every three years.
- Whenever possible, the PA should conduct the PMSA by the date scheduled. If necessary, however, the PA can adjust the PMSA date. Regardless of the circumstances, however, the PA must always review contractor written procedures, exercise reasonable judgment based on facts and data, and establish and maintain adequate documentation to support decisions. Review of the contractor's written procedures is essential, as it provides a sense of the contractor's operation. In general, procedures that are well designed, up-to-date, with strong internal controls, will produce consistent results. In contrast, contractor procedures that are neglected can forecast deficiencies.
- In general, the PA should ensure contractor procedures address contract terms and conditions, have adequate management and internal control measures such as those necessary for controlling sensitive property, establish clear lines of authority and organizational accountability for custodial care (ASTM E 2279-03), and describe the methods for performing prescribed tasks, e.g., acquisition, receiving. The PA should perform a risk assessment of the process outcomes identified in FAR Part 52.245-1, Government Property, and any other contract terms and conditions.
- The PA should notify the contractor in writing at least 30 days prior to starting a Standard PMSA (unless the contractor otherwise agrees to less than 30 days), and provide a copy of the notice to the PCO. (Limited PMSAs do not require prior written notification to the contractor.) Upon meeting the contractor in advance of a standard PMSA, the PA should conduct an entrance conference, where the PA will inform the contractor of the scope of review and the timeline for completion. The PA should also establish with the contractor a mutual understanding of audit processes and sampling procedures to be used. However, the PA must make no prior commitment regarding sampling methods. Lastly, the PA should discuss the status of any unresolved deficiencies, contractor proposed changes to the property management

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system, deficiencies identified by the contractor through their self-assessments or other internal reviews, plus any and all related corrective actions.

- A PA will review/test each applicable process that applies to a given PMSA at least once every three years. The PA will also perform annual on-site reviews of records, storage, utilization and physical inventories processes (at a minimum) when sensitive property is involved, notwithstanding the contractor's risk rating or criteria outlined below. Less frequent reviews or reviews not performed on-site, e.g. for contract closeout purposes, require the approval of the PA's supervisor.
 - Generally, the PA should perform sufficient testing of the following process outcomes, to the extent they apply:
 - Acquisition
 - Receiving
 - Records
 - Maintenance
 - Subcontractor control
 - Utilization
 - Storage
 - Consumption
 - Physical inventory
 - Disposition/ Contract close-out
 - Reports
 - Contractor responsibility and liability for property loss (see below)
- Sampling is a tool that supports, not supplants, the PA's judgment. Provided the number of transactions or records is large enough to allow a statistically valid sample to be obtained, statistical sampling is the preferred surveillance method, because it is an efficient and unbiased way to evaluate contractor performance. In all cases, populations should encompass the maximum number of items possible within a process segment that have common characteristics.
- For all Standard PMSAs, the PA shall determine the appropriate confidence level based on the following:
 - Ninety-seven percent confidence level (97% confidence of rejecting lots having 10% or more defectives). A 97% confidence level may be used for transaction testing of processes requiring a high degree of accuracy. PAs shall use a 97% confidence level, at a minimum, for processes involving sensitive items.
 - Ninety-five percent confidence level (95% confidence of rejecting lots having 10% or more defectives). A 95% confidence level may be used for transaction testing of processes requiring a moderate to high degree of accuracy, not involving sensitive property.
 - Ninety percent confidence level (90% confidence of rejecting lots having 10% or more defectives). A 90% confidence level is suitable for transaction testing of most contractor property management processes.
- Judgment sampling: Judgment sampling is the process by which a number of areas, items, or actions are selected from the population for analysis, based upon the professional judgment of the reviewer, without meeting random selection and sample size criteria. Judgment sampling is useful for process segments that do not lend themselves to other methods of sampling, for example, when reviewing the contractor's storage areas.
- Purposive sampling. Purposive sampling is the process by which credible known, suspected or reported conditions of a critical or substantial nature are used to select areas, items, or actions for review to determine their potential adverse impact.
- After determining the appropriate confidence level, the PA should draw samples. For transactional processes, the population shall consist of the universe of the applicable total transactions occurring in the past year (365 days), or in

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other words, 365 days prior to the start of the PMSA, or since the previous PMSA, whichever is less, in order to obtain a sufficient number of samples. For non-transactional processes, the population shall consist of the total number of applicable non-transactional attributes, e.g., a contractor storage site is a non-transactional attribute.

- Lastly, after drawing samples, the PA shall analyze defects from both a quantitative (using established statistical sampling tables acceptance and rejection rates for set populations) and qualitative (impact/significance and/or materiality of the defects) perspective, review appropriate source documents and supporting documents pertaining to each process outcome, and validate the alignment and consistency of the results of testing against the contractor's written procedures.
- The PA should conduct an exit conference after completing a Standard PMSA. An exit conference is not required for limited PMSAs, although the PA may choose to conduct one nonetheless. During an exit conference, the PA will inform the contractor of the results of the PMSA, discuss actions already taken by the contractor, if any, to resolve or correct deficiencies, and document the results of the exit conference in the PMSA file.
- For new contractors, i.e., contractors never before administered, the PA shall conduct a PMSA (Standard or limited, as appropriate) within 12 months of the date the new contractor received or acquired the property. However, a PA should conduct a PMSA (Standard or limited, as appropriate) within 6 months after a new contractor received or acquired property if the property is sensitive
- Where standard PMSAs are not applicable; e.g., low risk contractors, the PA shall conduct a limited PMSA. Prior to conducting a limited PMSA, the PA should develop a series of questions covering each required element of the contractor's property management system; and interview the contractor to determine if the contractor is complying with contract terms and conditions. The PA can validate/evaluate the results of the interview by obtaining samples of relevant documents; e.g., receiving reports. After conducting the PMSA, the PA should document the results of the PMSA in a memorandum for the record, which will include:
 - The list of questions developed for each required element of the contractor's property management system, and the contractor's responses
 - Documentation to support the adequacy and accuracy of the contractor's responses
 - Rationale for the applicability, adequacy, and/or inadequacy determination for each required element of the contractor's property management system
 - Findings and conclusions.
- Upon completion of the PMSA (either standard or limited), the PA shall prepare a PMSA summary report in accordance with the Business System Analysis Summary Template. For standard PMSAs, the PA should forward the PMSA summary report to the assigned PCO within 10 days of the exit conference. For limited PMSAs, the summary report should be sent within 10 days of the desk audit. The PA should provide copies of all other relevant correspondence to the PCO, requiring activity, and program manager.
- The PA must ensure the PMSA summary report provides a level of detail necessary to allow the PCO to determine the significance of any deficiencies, including recommended timeframes for contractor corrective actions and a clear understanding of the work performed and its conclusions. If the PCO determines that cited deficiencies are not significant, the PA should still seek contractor corrective action. If the contractor does not cooperate, the PA may escalate the matter to the PCO, notwithstanding the degree of findings or deficiencies.

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- Based on PMSA results and other sources of reliance, the PA will identify the contractor's future performance risk (risk identification). The PA will isolate and analyze root causes, determine relationships to other risks, and express performance risk in terms of probability and consequences, including both qualitative and quantitative analyses. Although dollar values or amounts of property in a contractor's possession are not meaningful factors for determining performance risk, PA's should be mindful of the size and scope of a contractor's property management system in order to prioritize systems of equal risk.
- Within 10 days of completing the PMSA, the PA should assign risk ratings (high, moderate, or low) to contractor performance. In determining the contractor's risk rating, the PA should identify unfavorable future events ("what could go wrong?"), assess the likelihood or probability of unfavorable future events ("is it likely to happen?"), and estimate the consequence or impact of those events ("what is the potential impact on the Government if the event occurs?"). The different risk levels and applicable criteria are listed below:
 - **High Risk.** High Risk means that the contractor's system has significant deficiencies as determined by the PCO. High Risk also means the contractor has undocumented, inconsistent or chaotic contractor processes and practices; findings of fraud, waste and abuse; safety or national security concerns; or cost, schedule or performance issues. High risk contractors include those with a pattern of questionable or non-existent procedures and those with poor internal controls.
 - **Moderate Risk.** Moderate Risk means that, although the contractor's property management system is in an approved status, new or changing conditions pose a degree of uncertainty or potential threat to future performance. Moderate risk contractors can include inexperienced contractors furnished with or acquiring property for the first time, contractors without fully developed procedures and systems, contractors who have deployed or who are in the process of deploying a new property management system, or those with new management teams. Moderate Risk contractors can also include new contractors whose procedures have not yet been reviewed, or for which a PMSA has yet to be accomplished; and other contractors (including formerly high risk contractors) who have completed all corrective actions, but do not yet meet low risk criteria.
 - **Low Risk.** Low risk means that the contractor's auditable processes are consistent with all contract terms and conditions, and are embedded within the organization and supported throughout all levels of management. Low risk can also mean that the contractor focuses continually on improving its processes through both incremental and technological improvements. The system is well-managed, effective and efficient; processes produce consistent positive results; cost, schedule, performance or other contractual requirements are not in danger of being compromised, and there are adequate internal controls in place and no known significant deficiencies. New contractors should not be rated low risk until a satisfactory track record is established.
- After the contractor completes all corrective actions (and notifies the PCO in writing), the PA shall reanalyze applicable processes to ensure that the contractor's corrective actions are implemented and working as intended. If reanalysis requires additional transactional testing, the PA should conduct the reanalysis only after sufficient transactions are available. In the event additional deficiencies are found during the reanalysis, the PA shall notify the PCO. GPAs shall also notify the PCO of contractor deficiencies revealed outside the PMSA process, for example, if the contractor's procedures (original submission) are unacceptable.
- Consistent with DFARS Part 252.245-7002, Reporting Loss of Government Property, the PA shall ensure the contractor reports property losses to the DCMA Property Loss eTool eTool (including the "contractor narrative" section), the information required of FAR Part 52.245-1 (f) (vi) (B) (1) through (13). This is a separate requirement from reporting

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requirements under the Aircraft Mishap Notifications Instruction (DCMA INST 8210.2) and DoDI 6055.07, Mishap Investigation, Reporting, and record keeping. Property loss under this section includes those occurring under DFARS Part 252.228-7001 Ground-and-Flight Risk. If the contractor reports property losses to the DCMA e-tool, additional written reporting/narratives from the contractor are not necessary.

- Within 90 days of receiving an acceptable report from the contractor, either manually or electronically via the DCMA Property Loss eTool application, the GPA should determine contractor responsibility and liability for property loss. To determine contractor responsibility and liability, the GPA must:
 - Review applicable contract terms and conditions;
 - Determine if the loss was the result of purposeful destructive testing, fair wear and tear or manufacturing defects;
 - Assess whether the loss involves inventory adjustments of non-sensitive consumable materials due to normal and reasonable process variation;
 - Determine causality; assess if the loss was caused by deficiencies in the contractor’s property management system, in which case the PA shall notify the PCO consistent with the requirements of paragraph 2, above.
 - If the lost property contains or potentially contains classified or sensitive data, report the incident to Defense Secret Service (DSS) and command security;
 - Ensure the contractor updates the DoD Item Unique Identification (IUID) Registry as required by DFARS Part 252.211-7007, to the extent applicable; and
 - Initiate a Course of Action. Based upon the findings and conclusions resulting from the actions described in paragraphs 1-4, above, the GPA shall
 - Recommend to the PCO that the contractor be held responsible and liable for the item’s unit acquisition cost (in full or in part), repair or replace the property, or provide other consideration as may be appropriate to the circumstances; e.g., scrap or salvage value
 - Relieve the contractor of responsibility (FAR Part 45.105(d)), consistent with the GPA’s certificate of appointment authority. Relief of responsibility can be either for the repair or replacement of the item, or for the item itself.
- The PCO may hold the contractor liable for property loss when the property loss results from willful misconduct or lack-of-good faith on the part of contractor’s managerial personnel (FAR Part 52.245-1(h) (1) (ii)); the Government’s assumption of risk for property loss was previously withdrawn (FAR Part 45.104(b)); when otherwise authorized in accordance with contract terms and conditions; or when the loss is covered by insurance or the contractor is otherwise reimbursed.

Key Points: The Contracting Officer (PCO or if delegated, ACO) is the final authority in determining the adequacy of a contractor’s PMS. FAR Part 45.105 states “Property Administrator shall notify the contractor in writing when the contractor’s property management system does not comply with contractual requirements, shall request prompt correction. However, DFARS Part 245.105(b) reassigns this responsibility to the contracting officer. This transfer of responsibility is due to the “property management system” being one of the six (6) contractor business systems identified in DFARS Part 252.242-7005. Before the contracting officer make the final determination to approve or disapprove the contractor’s PMS, the contracting officer must follow established timeline in DFARS 252.245-7003, 252.242-7005 Contractor Business Systems, and DFARS PGI 245-1 for disposition of the significant deficiency (ies) findings from PMSA.

- **Initial Determination** – Within 10 days of receiving the PMSA report, if the contracting officer makes a determination that there are significant deficiencies, 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.

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- **Evaluation of contractor's response** –Within 30 days of receiving an initial determination letter and the report from the contracting officer, the contractor shall respond if they disagree with the initial determination findings and their rationale for disagreeing in writing. If they agree with the initial determination findings, either corrects the deficiencies or the contractor shall provide an adequate corrective action plan (CAP) to correct the deficiencies within 45 days after receive the final determination.
- **Final Determination** - 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. The contracting officer shall request the contractor to submit an adequate CAP within 45 days receipt of the final determination showing milestones and actions to eliminate the significant deficiencies.
- **Withhold Payments**– If applicable, the contracting officer shall withhold the payment IAW DFARS Part 252-242-7005 when disapproves the system.
- **Key Point:** To withhold the payment, the DFARS Part 252.242-7005 clause must be included in the contract.

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CHAPTER 10

CLOSEOUT OF CONTRACT FILES – FAR Part 4.804

Introduction.

The contract closeout process starts at contract receipt and review and proceeds throughout the life of the contract. The contract should be closed within the FAR standard timeframe (FFP Contracts = 6 months and Cost type contracts = 36 months after the contracting officer receives evidence of physical completion) Many closeout problems increase in difficulty over time due to the inability to locate the responsible contracting officer or contractors go out of business or merge with other companies. However, the ACO should not close if the contract is in litigation, under appeal, or pending termination (Ref. FAR Part 4.804-1(c) Closeout by the Office Administering the Contract). When the contract terms and condition were met then follow FAR Part 4.804-5, Procedures for Closing the Contract Files and specific AOR contracting policy, if applicable. However, if the PCO/ACO is unable to close out the contract within the time period directed in the closeout by the office administering the contract (FAR 4.804-1), the ACO shall notify the PCO and provide a reason for the delay and a new closeout date. The ACO must provide this notice to the PCO within 45 days after expiration of the required time period. If the ACO is unable to close the contract within the new target date, the ACO shall again notify the PCO, provide a reason for the additional delay, and provide a new closeout date. Throughout period of contract performance, the ACO shall

- Make sure the contract funding, line items, special provisions and payment instructions as well as changes resulting from modifications are correct.
- Maintain support documentation for shipment and payment transactions.
- Monitor payments for accuracy and compliance with special payment instructions when applicable.

The proper documentation is a must for contract closeout. Inability to locate transaction support documents and the potential poor quality of hard copy documents are two common problems for contract closeout. Each ACO/CA is responsible for contract files for their assigned contracts. The contract file must be current, accurate, and placed in the designated shared drive.

ACO Duties:

- Contract closeout actions are primarily the responsibility of the PCO. However, the ACO may be delegated this task in the delegation letter from the PCO.
- Typically, the ACO will lead the contract closeout process in a contingency environment, including coordinating with DCMA personnel, DFAS, buying activity personnel, DCAA, the contractor, and as necessary, the Office of Counsel, Defense Criminal Investigative Service, Inspector General, and the Department of Justice. Even if the ACO will not be conducting closeout, the ACO and COR can provide indispensable help when disputes or litigation is involved.
- Firm Fixed Price (FFP) Contracts: FFP contracts with one Accounting Classification Reference Number (ACRN) for each Contract Line Item Number (CLIN) and no special provisions are generally easier to close. Difficulties closing fixed price contracts are usually associated with documentation of deliverables and unliquidated obligation balances. In addition to ensures all services have been delivered and accepted by the government, the ACO shall ensure following actions but not limited to, have been resolve before the contract closeout,
- All Government contract property accountable to a contract must be property dispositioned.
- All classified documents must be dispositioned IAW government security regulations if applicable. This can be accomplished when a final DD Form 254, DoD Contract Security Classification Specification, is issued, indicating disposition, or the contractor provides written certification that all data has been properly processed.

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- All open actions and liabilities must be resolved prior to closeout. The government may at any time during contract performance fully or partially terminate contracts for default or for convenience. The government may terminate a contract for default when the contractor has materially breached the contract by failing to perform in accordance with contract requirements.
- Once the final acceptance of the service on FFP contracts, the contractor is entitled to receive final payment before contract is closeout.

Cost Type Contracts: Close the Cost type contract function may not be delegated to ECA Organization due to complexity of the contract. Their final price is based on a negotiated settlement of allowable and allocable cost that may not be decided for several years after physical completion. The contractor is required to submit a final indirect cost proposal to the Government within 180 days of the close of the contractor's fiscal year. DCAA is responsible for auditing the yearly submission of the contractor's final overhead cost proposals and to provide a formal report of its findings to the ACO. DCAA is responsible to ensure that all proposed overhead costs are consistent with the Cost Accounting Standards (CAS), if applicable, and the cost principles in FAR Part 31, Contract Cost Principles and Procedures. The "Allowable Cost and Payment" clause, FAR Part 52.216-7, Allowable Cost and Payment, provides for reimbursement of costs incurred in contract performance that are deemed "allowable" by the contracting officer, in accordance with procurement regulations and contract terms. Once final annual indirect cost rates are settled for all years of a physically complete contract, the contractor must submit a completion invoice or voucher reflecting the settled amounts and rates within 120 days, unless an extension has been approved in writing by the contracting officer. The final voucher/invoice is part of the "contract completion package," which includes the release of claims and other required documents. The release of claims is a signed and dated statement from the contractor. It is helpful when the individual contracts are monitored in the following area during performance of contract.

- Period of Performance and timely submittal of required reports and data items.
- Status of DCAA audit of the incurred cost proposal.
- Funding status, total obligations by ACRN, identified canceling funds, and current funding balance.
- Public vouchers, previous amount paid, and fee withholding, if applicable.
- Prior to closeout, the COR must physically transfer his or her records to the ACO/PCO so the records become part of the official contract file. The COR must assist the ACO with ensure the contractor has rendered all services and/or delivered all supplies, final payments have been made, disposition of property completed, and all administrative actions are complete.
- A Contract Administration Completion Record (DD Form 1593) may be issued by the ACO in order to obtain the necessary statements from other organizational elements that actions they are responsible for have been completed.

QAS Duties:

- Assist in the collection and analysis of performance data in order to determine an appropriate contractor performance rating for CPARS.
- Assist in ensuring that final deliveries of supplies have been completed, that all services have been rendered, and that the contractor has otherwise satisfied all of its performance requirements under the contract.
- The QAS may assist the COR with completion of his or her official file prior to handover to the PCO/ACO for incorporation into the official contract file.
- The PCO, ACO, or PA may delegate to the QAS certain tasks related to the disposition of GFE/GFP.

PA Duties:

- Coordinate and validate the contractor's final inventory.
- Ensuring that all loss cases are processed prior to closeout.

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- Ensure that TPE is not processed through PCARSS and coordinate the return of TPE that is no longer needed in performance of a contract back to the requiring activity.
- Coordinate the transfer of government property to either the follow on contracts or to other government contracts with a bona fide need - ensure that all transfer modifications are complete.
- Coordinate the disposal of excess government property that is no longer needed (e.g. DLA disposition services).
- Ensure that the PBO is informed of all loss, disposal, and transfer actions, so he/she can update the APSR (i.e. GCSS-A, PBOSE, DPAS).
- Once all close-out actions are complete, the PA is responsible for getting documentation from the contractor that states that they have no remaining accountable property against the closing contract. Once the documentation is received and the PA is confident that all government property close-out actions are complete, the PA will complete a DD form 1593, submit a copy of it to the contracting officer and upload a copy into PCF.

Contract and Task Order Transition: The level of effort and difficulty of a transition depends if there it is a new contractor or if the incumbent remains in place. It is highly recommended that stakeholders plan for nothing less than 120-day for contact transition.

- **Contract Technical Review:** The first order of business is to get the new contract and conduct a complete technical review. Compare and contrast the services to ensure that there are no gaps in service.
- **Installation Access:** Contracting Officer Representatives (COR) appointment letters must be on file at the installation access badging office. The CORs will assist with contractor installation access badging packets. Installation access time can vary depending on the country of origin. For example, Expatriates and Coalition countries can receive base access within 24 hours of arrival. Foreign nationals will take significantly longer because they have to undergo background checks. Individuals from countries of concern take the longest because their access packet needs approval from KMOI and the Garrison Commander. Reference the most up to date installation access SOP that is available from the Provost Marshalls Office. Request for exceptions to installation access policy must be approved by the Provost Marshall or Garrison Commander.

Transition Meetings:

- **Government Only Meeting:** It is a good idea to have a government only meeting prior to the kickoff meeting. This is to ensure that the government has a common understanding prior to the kickoff meeting.
- **Kickoff Meeting:** It is important to have a kickoff meeting. The PCO is responsible for facilitating the kickoff meeting except if delegated to the ACO. In some instances, the kickoff meeting serve as the Notice to Proceed (NTP). In most cases, the incumbent contractor cannot begin transition prior to the kickoff meeting. Note: The kickoff meeting is held early in the life of a contract. It may be necessary to request an installation access exception to policy to get the new contractors on base for this meeting.
- **Transition Synch Meetings:** The incumbent contractor is responsible for the content of this meeting. Usually conducted by teleconference, the transition synch meetings ensure that stakeholders are meeting transition milestones. The meeting also ensures that issues and concerns are addressed in a timely manner. This meeting is a great forum to address government and contractor Requests for Information (RFIs). Synch meetings should continue on a regular basis until transition is complete.

NOTE: For an example post award Brief visit the share point link below.

<https://ecc.aep.army.mil/408th/CAS/SharedDocuments/Forms/AllItems.aspx?RootFolder=%2>

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[F408th%2FCAS%2FSharedDocuments%2FS3%20Operations%2FCCAS%20Handbook](https://ecc.aep.army.mil/408th/CAS/SharedDocuments/Forms/AllItems.aspx?RootFolder=%2F408th%2FCAS%2FSharedDocuments%2FS3%20Operations%2FCCAS%20Handbook)

Contract or Task Order Closeout:

- Environmental Baseline Surveys (EBS): Depending on the scope and scale of the contract or task order, both contractors will need to execute EBS. A joint meeting should be held between both contractors and government stakeholders. The ASG-KU Environmental Engineer will instruct the contractors on proper EBS format and prescribe the pertinent policies and regulations. Both contractors must provide copies of their EBS to the government for the record. The government may or may not conduct an independent EBS to reconcile any differences in their findings.
- Letter of Release (LOR): The outgoing contractor will need letters of release for services, property, and environmental. It may be necessary to issue separate letters of release as the contractor completes each requirement.
 - **Services LOR:** The typed of service LOR will depend on how the government directs the contractor to transition services. For example, services can be transitioned by site, or WBS function. Do not issue a service LOR until the incoming contractor is FOC.

NOTE For an example service letter of Release visit the share point link below

<https://ecc.aep.army.mil/408th/CAS/SharedDocuments/Forms/AllItems.aspx?RootFolder=%2F408th%2FCAS%2FSharedDocuments%2FS3%20Operations%2FCCAS%20Handbook>

- **Property LOR:** The Theater Property Administrator (TPA) must review all property transitions. The outgoing contractor is required to close all property loss reports prior to contract close out. Do not issue a property letter of release to the outgoing contractor without the TPA's approval. The incoming contractor will assume GFE and GFP via a LOTD followed up with a contract modification.

NOTE For an example service letter of Release visit the share point link below.

<https://ecc.aep.army.mil/408th/CAS/SharedDocuments/Forms/AllItems.aspx?RootFolder=%2F408th%2FCAS%2FSharedDocuments%2FS3%20Operations%2FCCAS%20Handbook>

- **Environmental LOR:** See section above in regard to EBS. Do not issue an environmental LOR without approval from the ASG-KU Environmental Engineer. The EBS clearance memo is similar to the property and service clearance memos.
- **Complete the Record:** Upload all necessary documents into Paperless Contracting File (PCF). Ensure that all COR reports and associated Contractor Performance Assessment Reporting System (CPARS) is uploaded into Paperless Contracting File.

NOTE For an example Final Task Order PFS visit the share point link below.

<https://ecc.aep.army.mil/408th/CAS/SharedDocuments/Forms/AllItems.aspx?RootFolder=%2F408th%2FCAS%2FSharedDocuments%2FS3%20Operations%2FCCAS%20Handbook>

Key Points:

- In a contingency environment, utilizing WAWF for payment might be problematic and requires the ACO to process the payment manually. In this situation, the contractor must submit a DD 250 for FFP contract and SF1034 for Cost type

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contract along with supporting document, if applicable. If the contract is hybrid with FFP Contract Line Item Number (CLIN) and Cost CLIN, the contractor must submit both DD 250 for FFP CLINs and SF1034 for Cost CLINs.

- All flexibly priced (Cost re-imbursable) contracts and Cost CLINs for the hybrid (FFP CLINs & Cost CLINs) contracts are subject to DCAA audit prior to contract closeout.
- The contracting agency is required to retain records IAW FAR Part 4.805 Storage, Handling, and Contract Files.

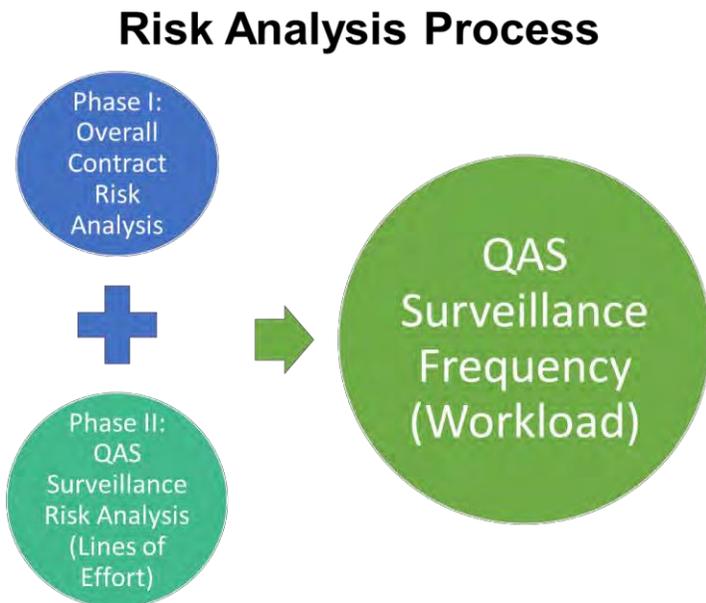
CHAPTER 11

CONTRACT RISK ANALYSIS

Introduction: In order to plan and organize for a CAS mission, an assessment of contract performance risk categories are critical to identifying the current and future CAS workload and manning requirements. Contract risk levels determine the frequency of surveillance, which in turn determines the workload and the amount of personnel required to perform oversight. In order to efficiently prioritize the CAS organization’s resources to meet the intent of the assigned higher headquarters, comprehensive and routine contract risk analyses must be a priority throughout execution of the CAS mission.

Process: The CAS contract risk analysis is done in two phases in order to accurately capture the performance risk factors and quality assurance surveillance checklist risks. Phase I also referred to as the “macro” phase assesses selected performance risk categories. Phase II also referred to as the “micro” phase assesses the individual “lines of effort” in each QAS surveillance checklist as described in Chapter 6.8 Quality Assurance- Risk Assessment. Both phases of the risk analysis process develops the QAS surveillance frequency and essentially the overall CAS workload and manning requirements.

Figure 11.1 – Risk Analysis Process



- Phase I (Macro): In the first phase, each CT should assess their designated contracts and apply a risk level to each performance criteria as identified by the CAS Commander/Director and functional staff leads. After assessing the different criteria risk levels, an overall contract risk level is then determined. The risk ratings for each performance criteria must take into consideration contractor past and current performance to include anticipated contract actions in the following months. The overall contract risk level is determined by applying both objective and subjective reasoning. In some cases, the preponderance of performance criteria risk ratings determines the overall contract risk rating. However,

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in other cases, the overall contract risk rating is determined based on a consensus among the CT, CAS Commander/Director and functional staff leads. Below are suggested CAS criteria to assess risk:

- Contract Type and Value. Cost type represents higher risk to the government whereas Fixed Price represents lower risk. A cost type contract is at least a moderate risk but not necessarily high risk to the government. In addition, a higher contract value doesn't necessarily mean the contract is of higher risk nor does a lower contract value represent lower risk.
- Type of Contract Support. The vast majority of external (ex. delegated from ACC- RI) and system support (requires deployment of CAAF or non-CAAF contractors) contracts are complex services. Complex services require higher level quality requirements and therefore require surveillances performed by contracting professionals in addition to those performed by CORs.
- Place of Performance. Conditions of the environment (contingency setting) or threat level can increase contract risk.
- Amount of Performance Sites. Contracts that cover multiple sites can increase risk in terms of COR coverage or ability to provide oversight.
- Contractor. Contractor past performance or CPARS ratings should be considered in assessing the overall risk rating.
- Potential of Contractor Transition in the Next 9 Months. An anticipated new award, re-compete, or exercise of an option year can increase the risk of a contract due to transition of contractors or implementation of new requirements. In addition, a re-assessment of surveillances will be required upon completion of a transition.
- Amount of Contractor personnel in operating area ("boots on ground"). The more contractor boots on the ground the more oversight and contractor management will be required.
- Local Nationals Employed (LN). LNs are typically low risk but that is dependent on the place of performance.
- Foreign Nationals (FN)/Other Country Nationals (OCN) Employed and from a Country of Concern. FNs can increase risk in terms of closer monitoring of local labor law requirements and the potential for CTIP violations. Prime contractors are required to house FNs or provide housing stipends – reference Ch. 8 CTIP. Countries that pose a threat to U.S. National interest can increase contract risk. The CTIP team should contact the garrison or unit Area of Operation's (AO) intelligence organization such as the S2 to obtain a listing of the current countries of concern.
- CTIP or Labor Law Oversight Required. If FNs/OCNs are employed, CTIP and labor law oversight is mandatory. Contractors that hire FNs/OCNs pose a higher risk to the contract.
- Contractors Authorized to Carry Weapons. Contractors authorized weapons and if they are government furnished will require more government oversight.
- Number of Population Supported. The amount of personnel a contract supports should be taken into consideration when assessing the contract risk. The following two questions must be asked when assigning risk to this criteria:
 - Does the performance impact life, safety, or health of population?
 - Temperature of food
 - Sanitization of equipment
 - Does the performance impact mission in the AO?
 - How much of the population is affected if contract performance stops?
 - Is contractor performance mission critical to the AO?
 - Can we perform the mission without the contract in place?
- Government Property Associated. Whether or not there is Government Property associated with the contract, if the contractor is in control of theater property and or property is acquired under the contract then Government Property administration is required – reference Ch. 9 Property Administration.

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- Property Management Systems Analysis (PMSA) Rating. A significant deficiency rating in the most recent PMSA poses a higher risk dependent on the status of the Corrective Action Plan (CAP).
- Number of CORs Required and Appointed at each Performance Site. Lack of adequate COR coverage increases risk due to lower contract oversight. In addition, CORs that are not physically located at the performance site can pose a higher risk to the contract
- COR in Theater / On-Site. If there is no COR appointed or if the COR is not in theater (in CONUS) is considered high risk. Likewise, CORs located in theater but located at a different site in theater can be considered moderate risk.
- COR Performance. The quality of monthly COR reports and ratings should be assessed in determining whether the COR is properly trained or effectively doing their appointed duties.
- Government Quality Assurance Oversight. Having a QAS on-site is considered low to moderate risk. However, Over the Horizon (OTH) QAS support poses a moderate to high risk.
- Contractor Quality Management and Cost Procurement Systems. The CAS team in conjunction with the PCO should identify if the required contractor systems are in place and acceptable to meet contract requirements. Inadequate systems pose a higher risk to the contract.

Figure 11.2 – Sample Risk Criteria Template

Criteria	Criteria
Contract #	Contractors Authorized to Carry Weapons
Contract Type	Number of Population Supported
Contract Value	- Does Performance Impact Life, Safety, or Health of Population?
Type of Contract Support	- Does Performance Impact any Critical Mission in the AO?
Place of Performance	Government Property Associated
Amount of Performance Sites	Property Mgmt System Rating
Contractor	Government Property Value
POP Start	# of CORs Appointed/Required
POP End	COR Coverage at Each Performance Site
Last Option Year End Date	COR in Theater/On-Site
Potential Transition of Contractors in the Next 9 Months	COR Performance
Amount of Contractor Boots on Ground	Gov't QA Oversight
Local Nationals Employed	Contractor Quality Mgmt System
Foreign Nationals (FN) Employed	Cost/Procurement System
FNs from a Country of Concern	
CTIP or Labor Law Oversight Required	

- Phase II (Micro): After assessing each overall contract risk, each team should assess the individual “lines of effort” by conducting a risk assessment of each QAS surveillance checklists/tasks. The QAS surveillance checklists are developed as described in Chapter 6.8- Quality Assurance Risk Assessment. Each checklist has individual lines of efforts which require the QAS’ to conduct a deep dive risk analysis of the PWS surveillance items/tasks of a specific contract. That surveillance checklist will then be given an overall risk rating, which in turn determines the frequency of surveillance for that checklist and workload for the designated QAS. Reference Chapter 6.8 Quality Assurance Risk Assessment.

Figure 11.3 – Sample QAS Surveillance Checklist Risk Rating

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PWS Element	Owner	Type Risk	Status	Risk Event (what we don't want to happen)	Likelihood Rating 1-5	Consequence rating 1-5	Risk Reporting matrix	Risk Mitigation strategy (What strategy are we using to attain the expected risk level)	Expected risk Rating
PWS 05.02 Facilities Management O&M									
05.02.04	COR	Safety/Health		Contractor does not repair electrical systems and equipment at K5, K1, K2, K6, K8, and K3	1	4	Low	COR verifies contractor maintains electrical systems at location by surveillance wof work order request, logs and tracking of customer surveys	Low
05.02.05	COR	Safety/Welfare		Contractor fails to maintain HVAC systems at K5, K1, K2, K3, K6, and K8	1	4	Low	COR verifies HVAC systems are repaired using work order requests, logs and customer surveys	Low
05.02.06	COR	Safety		Contractor fails to maintain light carts at K1 and K5	1	4	Low	COR verifies light carts are maintained by surveillance of work order request, logs and customer surveys	Low
05.02.07	COR	Safety/Welfare		Contractor fails to maintain power generation equipment at K1, K2, K3, K5, K6, and K8	1	4	Low	COR verifies power generation equipment is maintained by, surveillance of work order request, logs, and customer surveys	Low
05.02.08	COR	Health		Contractor fails to supply water supplies (10,000 gal) when directed to K1, K2, K3, K6, and K8	1	4	Low	COR verifies water supplies are supplied when directed, by surveillance of records and delivery logs	Low
05.02.08.a	COR	Health		Contractor fails to provide water supplies when directed to the buildings specified in the PWS such as the fire station, C2 building and ECPs at K5	1	4	Low	COR verifies water is supplied at K5 when directed, by surveillance of delivery records or visually observing holding tanks	Low
05.02.09	COR	Health		Contractor fails to provide operations and support of swamp coolers at K5	1	4	Low	COR verifies swamp coolers are maintained by contractor through random sampling of coolers and verification of work order requests.	Low
05.02.10	COR	Health		Contractor fails to maintain sewer systems at above ground locations at K5	1	4	Low	COR verifies sewer systems are maintained by reviewing work order requests and customer surveys	Low

- Risk Levels: Criteria and amount of surveillance frequency per risk level may slightly differ depending on the contracting organization’s established risk level SOP. The below risk level descriptions are consistent with Expeditionary Contracting Command standards:
 - High Risk. Contracts will generally have multiple risk factors. These contracts require the following activities on a monthly basis:
 - A minimum of monthly quality assurance surveillances performed by a quality assurance representative.
 - Annual site specific Property Management System Analysis.
 - Monthly cost monitoring performed by the ACO or Contract Specialist.
 - Monthly COR management including training, appointment, and verification surveillances of COR performance.
 - Moderate Risk. Contracts will have at least one risk factor. These contracts may require some or all of the activities listed above however the frequency of surveillance will be as required or on a quarterly/semi-annual basis.
 - Low Risk. Contracts may have one or more risk factors, however it is considered lower probability and consequences. These are contracts that the Government can accept some risk based on providing a COR in theater. These contracts may require some or all of the activities listed above, however the frequency will be as required or on a semi-annual basis.

- Calculating Required Surveillance Workload: Upon completing both phases of the risk analysis, the QAS “required” or “scheduled” surveillance workload is then calculated using the assigned unit’s risk level guidance or SOP. Unscheduled surveillances consist of NCR validations, CAP re-validations or COR validations, which are surveillances that are not required but essential to providing contract oversight. The total amount of high, moderate, or low checklists for a given contract is divided by the organization’s suggested risk surveillance frequency. That calculation becomes the required amount of monthly surveillances for that specific contract. Figure 11.4 depicts a sample method to calculating the QAS surveillance frequency for a particular contract based off of the assigned risk.

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Figure 11.4 Sample Risk Based Calculation Method

Low Risk: Semi Annual (# of Checklists / 6 Months)
Moderate Risk: Quarterly (# of Checklists / 3 Months)
High Risk: 1 x Month (# of Checklists x 1 Month)

Figure 11.5 is a sample table that outlines the amount of high, moderate, or low surveillance checklists for a given set of contracts. Those numbers are then calculated using the assigned unit’s risk based calculation method as shown in Figure 11.4 to determine the monthly required amount of surveillances for that contract.

Figure 11.5 Sample Surveillance Calculation Per Month

SCHEDULED SURVEILLANCES (CHECKLISTS)					CALCULATED SURVEILLANCES
CONTRACT	HIGH	MODERATE	LOW	TOTAL CHECKLISTS	REQUIRED PER MONTH
XXX1	0	38	62	100	23
XXX2	0	4	0	4	2
XXX3	0	0	7	7	1
XXX4	0	10	5	15	5
TOTAL	0	52	74	126	31

QAS Manpower Requirement: Generally speaking, 20 surveillances per month per QAS is considered a significant workload based on an 80 hour work week. Likewise, 10 surveillances per month per QAS is considered a significant workload based on a 40 hour work week. Based on this resourcing methodology, a CT responsible for a total of 31 required monthly surveillances should have a minimum of two (2) QAS’ assigned to the team.

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ANNEX A

ACO DO'S AND DON'TS FOR CONTRACT ADMINISTRATION

CONTRACT ADMINISTRATION	
DO'S	DON'T
Remember that the ACO and COR is an agent of the U.S. Government and has only the authority delegated by the contracting officer	Accept less than the services or supplies required by the contract
Get the names of contractor personnel who are authorized to represent the contractor	Assume an interpretation of ambiguous contract language that would be favorable to the Government. Remember: if the contractor's interpretation is reasonable, it will prevail
Find out the specific authority of contractor personnel (e.g., who has the authority to obligate the contractor)	Hold up payment unless performance is deficient or defective
Confirm that all Government approvals or consents are timely	Accept supplies or services without a complete inspection
Clear communications among the requiring activity, contractor, ACO and contracting officer is critical	Make any changes, modifications, deletions, or additions to the contract requirements. Instead, work through the contracting officer
Work with contractor personnel to prevent problems	Automatically consider all contractor claims to be unreasonable. Remember to be fair and impartial
Set a level of monitoring that is consistent with the type of contract	Act without consulting the PCO or ACO
Read progress reports- act on problems that are revealed immediately	Allow final delivery dates to be waived
Contact the PCO immediately once a deficiency is noted.	Take independent action against a delinquent contractor
Use the contractors invoices to help monitor technical progress	Order, request or suggest that the contractor do work not called for on the contract
	Assume that contractor billings are correct

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ANNEX B

CAS DELEGATION MATRIX

FAR Number	FAR Text	PCO ACC-RI	CAS
42.202c	Delegating additional functions. For individual contracts or groups of contracts, the contracting office may delegate to the CAO functions not listed in 42.302.		X
42.302a(1)	Review the contractor's compensation structure.		X
42.302a(2)	Review the contractor's insurance plans.		X
42.302a(3)	Conduct post-award orientation conferences.	X(P)	X
42.302a(4)	Review and evaluate contractors' proposals under Subpart 15.4 and, when negotiation will be accomplished by the contracting officer, furnish comments and recommendations to that officer.	X(P)	X
42.302a(5)	Negotiate forward pricing rate agreements (see 15.407-3).	X	
42.302a(6)	Negotiate advance agreements applicable to treatment of costs under contracts currently assigned for administration (see 31.109).	X	
42.302a(7)	Determine the allowability of costs suspended or disapproved as required (see Subpart 42.8), direct the suspension or disapproval of costs when there is reason to believe they should be suspended or disapproved, and approve final vouchers.	X	
42.302a(8)	Issue Notices of Intent to Disallow or Not Recognize Costs (see Subpart 42.8).	X	
42.302a(9)	Establish final indirect cost rates and billing rates for those contractors meeting the criteria for contracting officer determination in Subpart 42.7	X	
42.302a(10)	Attempt to resolve issues in controversy, using ADR procedures when appropriate (see Subpart 33.2); prepare findings of fact and issue decisions under Disputes clause on matters in which the administrative contracting officer (ACO) has the authority to take definitive action.	X	X
42.302a(11)i	Determine the adequacy of the contractor's disclosure statements;	X	X
42.302a(11)ii	Determine whether disclosure statements are in compliance with Cost Accounting Standards and Part 31;	X	X
42.302a(11)iii	Determine the contractor's compliance with Cost Accounting Standards and disclosure statements	X	X

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42.302a(11)iv	Negotiate price adjustments and execute supplemental agreements under the Cost Accounting Standards clauses at 52.230-2 , 52.230-3 , 52.230-4 , 52.230-5 , and 52.230-6 .	X	
42.302a(15)	Ensure timely notification by the contractor of any anticipated overrun or underrun of the estimated cost under cost-reimbursement contracts.	X	X(P)
42.302a(16)	Monitor the contractor's financial condition and advise the contracting officer when it jeopardizes contract performance.		X
42.302a(25)	Process and execute novation and change of name agreements under Subpart 42.12.	X	
42.302a(26)	Perform property administration (see Part 45).		X(P)
42.302a(28)	Perform necessary screening, redistribution, and disposal of contractor inventory.		X(P)
42.302a(30)	When contractors request Government property—		
42.302a(30)I	Evaluate the contractor's requests for Government property and for changes to existing Government property and provide appropriate recommendations to the contracting officer;		X
42.302a(30)ii	Ensure required screening of Government property before acquisition by the contractor;		X
42.302a(30)iii	Approve use of Government property on a noninterference basis in accordance with the clause at 52.245-9, Use and Charges;		X
42.302a(30)iv	Ensure payment by the contractor of any rental due; and		X
42.302a(30)v	Ensure reporting of items no longer needed for Government production.		X
42.302a(33)	Advise and assist contractors regarding their priorities and allocations responsibilities and assist contracting offices in processing requests for special assistance and for priority ratings for privately owned capital equipment.		X(P)
42.302a(34)	Monitor contractor industrial labor relations matters under the contract; apprise the contracting officer and, if designated by the agency, the cognizant labor relations advisor, of actual or potential labor disputes; and coordinate the removal of urgently required material from the strikebound contractor's plant upon instruction from, and authorization of, the contracting officer.		X
42.302a(35)	Perform traffic management services, including issuance and control of Government bills of lading and other transportation documents.		X
42.302a(36)	Review the adequacy of contractor's traffic operations.		X
42.302a(37)	Review and evaluate preservation, packaging, and packing.		X

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42.302a(38)	Ensure contractor compliance with contractual quality assurance requirements (see Part 46).		X
42.302a(39)	Ensure contractor compliance with contractual safety requirements.		X
42.302a(40)	Perform engineering surveillance to assess compliance with contractual terms for schedule, cost, and technical performance in the areas of design, development, and production.		X
42.302a(41)	Evaluate for adequacy and perform surveillance of contractor engineering efforts and management systems that relate to design, development, production, engineering changes, subcontractors, tests, management of engineering resources, reliability and maintainability, data control systems, configuration management, and independent research and development.		X
42.302a(42)	Review and evaluate for technical adequacy the contractor's logistics support, maintenance, and modification programs.		X
42.302a(43)	Report to the contracting officer any inadequacies noted in specifications.		X
42.302a(44)	Perform engineering analyses of contractor cost proposals.	AS REQUESTED	
42.302a(45)	Review and analyze contractor-proposed engineering and design studies and submit comments and recommendations to the contracting office, as required.	AS REQUESTED	
42.302a(46)	Review engineering change proposals for proper classification, and when required, for need, technical adequacy of design, producibility, and impact on quality, reliability, schedule, and cost; submit comments to the contracting office.		X
42.302a(47)	Assist in evaluating and make recommendations for acceptance or rejection of waivers and deviations.		X
42.302a(48)	Evaluate and monitor the contractor's procedures for complying with procedures regarding restrictive markings on data.	X	X(P)
42.302a(49)	Monitor the contractor's value engineering program.		X
42.302a(50)	Review, approve or disapprove, and maintain surveillance of the contractor's purchasing system (see Part 44).		X
42.302a(51)	Consent to the placement of subcontracts.		X
42.302a(52)	Review, evaluate, and approve plant or division-wide small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business master subcontracting plans.	AS REQUESTED	

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42.302a(53)	Obtain the contractor's currently approved company- or division-wide plans for small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business subcontracting for its commercial products, or, if there is no currently approved plan, assist the contracting officer in evaluating the plans for those products.	AS REQUESTED	
42.302a(54)	Assist the contracting officer, upon request, in evaluating an offeror's proposed small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business subcontracting plans, including documentation of compliance with similar plans under prior contracts.	AS REQUESTED	
42.302a(55)	By periodic surveillance, ensure the contractor's compliance with small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business subcontracting plans and any labor surplus area contractual requirements; maintain documentation of the contractor's performance under and compliance with these plans and requirements; and provide advice and assistance to the firms involved, as appropriate.	AS REQUESTED	
42.302a(56)	Maintain surveillance of flight operations.		X
42.302a(57)	Assign and perform supporting contract administration.		X
42.302a(58)	Ensure timely submission of required reports.		X
42.302a(65)	Accomplish administrative closeout procedures (see 4.804-5).	X	X
42.302a(66)	Determine that the contractor has a drug-free workplace program and drug-free awareness program (see Subpart 23.5).		X
42.302a(67)	Support the program, product, and project offices regarding program reviews program status, program performance and actual or anticipated program problems.	X(P)	X
42.302a(68)	Monitor the contractor's environmental practices for adverse impact on contract performance or contract cost, and for compliance with environmental requirements specified in the contract.		X
42.302a(68)i	Requesting environmental technical assistance, if needed;		X
42.302a(68)ii	Monitoring contractor compliance with specifications requiring the use of environmentally preferable products, energy-efficient products, and materials or delivery of end products with specified recovered material content. This must occur as part of the quality assurance procedures set forth in Part 46		X

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42.302a(68)iii	As required in the contract, ensuring that the contractor complies with the reporting requirements relating to recovered material content utilized in contract performance (see Subpart 23.4).		X
42.302a(69)	Administer commercial financing provisions and monitor contractor security to ensure its continued adequacy to cover outstanding payments, when onsite review is required.		X
42.302b(11)	Prepare evaluations of contractor performance in accordance with Subpart 42.15.	X(P)	X
242.302a(4)(B)	Also, review and evaluate Contractor material management and accounting systems under Subpart 242.72		X
242.302a(7)	See 242.7503 for ACO responsibilities with regard to receipt of an audit report identifying significant accounting system or related internal control deficiencies.		
242.303a(S-73)	Perform surveillance over contractor compliance with trafficking in persons (TIP) requirements		X
	(P) = Primary		
	(X) = Performs function		

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ANNEX C

DELEGATION LETTER EXAMPLE



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY SUSTAINMENT COMMAND
1 ROCK ISLAND ARSENAL
ROCK ISLAND, IL 61299-6500

April 7, 20XX

Replay to Attention of: PCO/ACC RI

MEMORANDUM FOR: 408th Contracting Support Brigade (CSB), Commander, Colonel Samuel Adams, Camp Arifjan, Kuwait, APO AE 09366

SUBJECT: Delegation of Administrative Contracting Officer (ACO) functions for Contract # W52P1J-15-D-XXXX TO 00XX for Basic Life Support in CENTCOM AOR.

1. Pursuant to the authority granted to me as Contracting Officer under Federal Acquisition Regulation Part 42.302 (a), 408th CSB is hereby delegated to perform Administrative Contracting Officer functions detailed in the attached matrix. This delegation authorizes 408th CSB to perform the tasks listed in the matrix to the extent required by the terms and conditions of contract W52P1J-15-D-XXXX TO 00XX and Performance Work Statement (PWS) for Basic Life Support in CENTCOM AOR. This delegation of authority is effective 30 April, 20XX and shall remain in effect until termination of the contract; or completion of the contract; whichever occurs first. This delegation does not include the right to take action that involves any change in the value of the contract.
2. The subject task order was awarded on 31 March, 20XX to ABC, Inc. as a *cost reimbursable OR firm fixed price* contract with a base and four option periods. The task order is to provide direct assistance to support of troops and authorized personnel who are in CENTCON AOR. A copy of this task order will be forwarded to your office upon acceptance of this delegation.
3. To ensure contractor compliance, it is necessary to have continuous on-ground Government oversight. The ACO will be the contractor's single point of contact for all contract administration requirements under the PWS and other mission related tasks. The administrative support functions should include, but not limited to: a variety of cost control measure to include approval of contractor requisitions as outlined in the contract, review of invoices, ensuring personnel manning requirements are met, ensuring efficient use of contractor personnel, ensuring contractor is compliant with the level of effort necessary, property administration surveillance and ensuring the contractor is complaint with the quality assurance requirements.
4. Upon review, if there are further questions, please contact the undersigned at (XXX) XXX-XXXX or email Paul.James.civ@mail.mil.
5. Please sign and return a copy of this letter as acknowledgement of receipt and acceptance of this delegation.

Paul James
Contracting Officer
ACC RI

Receipt Acknowledged:

Signature _____

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Printed Name: _____

Title:

Attachment: FAR Matrix

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ANNEX D

COR MONTHLY REPORT COMMENTS

COR Monthly Comments	
AVOID These Comments	Suggestions/Examples
“outside the scope of the contract”	“contractors work was exemplary” or “They produced a superior product” or “unsatisfactory performance”
“In our opinion” or “appeared”	These are subjective and speculative remarks which do not prove anything. Use instead “the contractor exhibited marginal or superior management....”
“We were not happy” or “We did not like”	This is an emotional and subjective statement which should be avoided. Reflect justification for successes and failures.
“It is our hope”	Should note pending corrections.
“Could be”	This indicates the customer is not sure that the reason for the deficiencies is poor.
“We think”	This phrase implies that the customer has not proven the contractor’s poor performance with evidence.
“We hope”	This phrase implies that the delivery of the item without deficiencies in the time period allotted is a desire, not a contractual requirement.
	Contractor consistently exceeded the 95% Operational Readiness (OR) rate by 3% for low and medium voltage power reliability across the site
	The lowest OR reported between January and February 20xx was 98%, exceeding the minimum contract requirement of 95%.
	This negatively impacted the ability to obtain housing in sufficient time to accommodate personnel.
<p>**CORs should provide detail of scope, complexity of contract, and key technologies. They should define any acronyms and/or technical terms in your write up. Provide examples in the write ups of good/bad performance to justify the write up. Detail if it’s a single or multiple event that is witnessed by the COR. The bottom line is for the COR to tell the entire story with supporting details. **</p>	

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ANNEX E

UNIVERSAL EXAMINATION RECORD COMBATING TRAFFICKING IN PERSONS CHECKLIST
(DFARS PGI 222.17)

EXAMINATION INFORMATION

(All blocks must be filled unless noted otherwise)

Audit Coversheet_v1.8

1. LOGCAP Task Order or TWCA: Select an item	2. Site Code:	3. Service Paragraph or Type of TWCA Contract: (CTIPs) Combating Trafficking In Persons	4. Place of Performance:	5. Sub Services: (list all that apply) <table border="1" style="width:100%; height:40px;"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																	
6. QAS: Name: (Last, First Rank)		7. Appointed COR/SME: (Only if a COR has been appointed for this service) Name: (Last, First Rank) Redeployment Date: (MMM-YY) Email Address:																			
8. Date of Audit: (DD-MMM-YY)	9. Last Audit Date: (DD-MMM-YY)	10. Number of Concerns:	11. Number of Repeat Concerns:	12. Number of Non-Conformances:	13. Number of Repeat Non-Conformances:																
14. Service Type: <input type="checkbox"/> Key Service <input type="checkbox"/> Non Key Service	15. COR Deficient: (If Yes, explain in Audit Summary block) <input type="checkbox"/> Yes <input type="checkbox"/> No		16. LII/LIII CAR Issued: <input type="checkbox"/> Yes <input type="checkbox"/> No	16a. LII/LIII CAR Number: (If Yes)																	
17. Audit Performed By: (If QAR Only for a Key Service, explain in Audit Summary block) Select an item			18. Audit Type: (If Other, explain in Audit Summary block) Select an item																		
19. Surveillance Type: (If Desk, Alibi, or Other, explain in Audit Summary block) Select an item			19a. If Alibi: (Explain in Audit Summary block) Select an item																		
20. Out-brief with Contractor Supervisor: <input type="checkbox"/> Yes <input type="checkbox"/> No Name: (Last, First) Email:			21. Responsible Contractor QA/QC: Name: (Last, First) Email:																		
22. Follow-Up Audit Required: <input type="checkbox"/> Yes <input type="checkbox"/> No			22a. If Yes, Proposed Follow-up Date: (DD-MMM-YY)																		

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23. Audit Summary: (A brief summary of how this audit was conducted)	
24. Concerns: (Potential problem areas that could lead to performance degradation or non-conformances. Contractor is expected to address these issues without Government intervention before the next audit. Repeated concerns without contractor follow-up may result in an ACO Letter of Concern or a Corrective Action Request.)	
•	
25. Non-Conformances Against Contract Requirements:	
Level 1 Non-Conformances: (Describe the non-conformance and how it was corrected. Level 1 non-conformances do not require an E-CAR form or a CAR number.)	Contract PWS/SOW Reference(s):
1.	1.
Level 2 Non-Conformances: (If there is a new Level 2 non-conformance, a new E-CAR must be issued and the CAR block must be checked on the front of this form, unless a Contractor Internal CAR or equivalent was previously issued for the non-conformance. If so, ensure Contractor Internal CAR # is documented in this section. If there is already an open CAR, document the non-conformance and the open CAR # in the "Audit Summary" block.)	Contract PWS/SOW Reference(s):
1.	1.
Contractor's Internal CAR No. or Equivalent: (if applicable)	1.

EXAMINATION GUIDELINES

Select Appropriate Response for each Requirement Examined

YES = Requirement performed satisfactory. *May comment when key observations are noted for PEB.*

NO = Requirement performed unsatisfactory. *Comment should identify corrective action in-place or plan of action i.e. CAR.*

N/O = Performance of requirement not observed. *Comment when adverse circumstances prevent verification of requirement.*

N/A = Requirement not applicable. *Comment when contractor disputes validity of requirement.*

Shorthand: **RVI** = Records Visually Inspected; **CAO** = Corrective Action Observed; **CAIP** = Corrective Action In Place

CTIPS POLICY

CARRY THE REQUIRED CTIPS CONTRACT CLAUSE(S) WITH YOU WHEN EVALUATING THE CONTRACTOR/SUBCONTRACTOR

The United States Government and the United States Department of Defense (DoD) has adopted a zero tolerance policy regarding trafficking in persons. Contractors, subcontractors and their employees shall not:

- (1) Engage in severe forms of trafficking in persons during the period of performance of the contract
- (2) Procure commercial sex acts during the period of performance of the contract
- (3) Use forced labor in the performance of the contract

* **LOGCAP** contract: both clauses apply, both sections must be completed.

* **THEATER-WIDE CONTRACT ADMINISTRATION (TWCA)** contracts: CTIPs requirement varies, both sections **MAY** apply, review contract before audit

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS (FEB 2009)

REQUIREMENT	YES	NO	N/O	N/A	COMMENT
1. Has the contractor informed its employees of the United States Government's zero tolerance CTIPs policy, to include informing employees of the actions that will be taken against	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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them for violations of this policy? FAR Para (c)(1)					
2. Has the contractor informed the contracting officer of any information it receives (<i>including from host country law enforcement</i>) that alleges a contractor employee or subcontractor employee has engaged in conduct violating the CTIPs policy? FAR Para (d)(1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Has the contractor informed the contracting officer of any actions taken against contractor employees, subcontractor's or subcontractor employees pursuant to this clause? FAR Para (d)(2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

JCC-I/A 952.222-0001 PROHIBITION AGAINST HUMAN TRAFFICKING, INHUMANE LIVING CONDITIONS, AND WITHHOLDING OF EMPLOYEE PASSPORTS (JUL 2009)

REQUIREMENT	YES	NO	N/O	N/A	COMMENT
4. Does the contractor knowingly destroy or posses any employee passport (<i>or other immigration document</i>) to prevent an employee's liberty to travel – in order to maintain the labor or services of that person? LOGCAP JCC-I/A Para (a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Does the contractor only hold employee passports and other identification documents for the shortest period of time reasonable for administrative processing purposes? LOGCAP JCC-I/A Para (b)(1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Does the contractor provide all employees with a signed copy of their employment contract, in English as well as the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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<p>employee's native language – that defines the terms of their employment/ compensation? LOGCAP JCC-I/A Para (b)(2)</p>					
<p style="text-align: center;">REQUIREMENT</p>	<p style="text-align: center;">YES</p>	<p style="text-align: center;">NO</p>	<p style="text-align: center;">N/O</p>	<p style="text-align: center;">N/A</p>	<p style="text-align: center;">COMMENT</p>
<p>7. Does the contractor provide adequate living conditions (<i>sanitation, health, safety, living space</i>) for their employees? LOGCAP JCC-I/A Para (b)(4)</p> <p><i>Note: Fifty square feet is the minimum acceptable square footage of personal living space per employee. Upon contractors' written request, contracting officers may grant a waiver in writing in cases where the existing square footage is within 20% of the minimum, and the overall conditions are determined by the contracting officer to be acceptable.</i></p> <p><i>A copy of the waiver approval shall be maintained at the respective life support area.</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>8. Does the contractor's Quality Control program incorporate checks of life support areas to ensure compliance with the requirements of this Trafficking in Persons Prohibition? LOGCAP JCC-I/A Para (b)(5)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>9. Does the contractor advise the Contracting Officer if they learn of their employees violating the human trafficking and inhumane living conditions? LOGCAP JCC-I/A Para (c)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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ANNEX F

CPARS EVALUATION CRITERIA (FAR 42.1503 TABLE 42-1)

Rating	Definition	Note
(a) Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being evaluated was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.	To justify an Exceptional rating, identify multiple significant events and state how they were of benefit to the Government. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceptional rating. Also, there should have been NO significant weaknesses identified.
(b) Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being evaluated was accomplished with some minor problems for which corrective actions taken by the contractor were effective.	To justify a Very Good rating, identify a significant event and state how it was a benefit to the Government. There should have been no significant weaknesses identified.
(c) Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor recovered from without impact to the contract/order. There should have been NO significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be evaluated with a rating lower than Satisfactory solely for not performing beyond the requirements of the contract/order.
(d) Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being evaluated reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.	To justify Marginal performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the Government. A Marginal rating should be supported by referencing the management tool that notified the contractor of the contractual deficiency (e.g., management, quality, safety, or environmental deficiency report or letter).

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<p>(e) Unsatisfactory ...</p>	<p>Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.</p>	<p>To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the management tools used to notify the contractor of the contractual deficiencies (e.g., management, quality, safety, or environmental deficiency reports, or letters).</p>
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ANNEX G

LOTD EXAMPLE

DEPARTMENT OF ARMY
CONTRACTING BATTALION
CAMP ARIFJAN, APO AE, 09366

25 June XXXX



Reply to Attention of ACO/DI

MEMORANDUM FOR DynCorp International (DI), Attn: Mr. James Jonson, Program Manager

SUBJECT: Letter of Technical Direction - **LOTD** 06-89-C1-525L (Supplemental Water Delivery and Waste Water Removal Services at COB Speicher) **NOTICE TO PROCEED**

REFERENCES:

- (a) Operations Support Command (OSC) Contract No. W51P1J-07-D-XXXX-000X,
- (b) Task Order 0089 SOW CHANGE 1 dtd 1 JAN 06
- (c) IAW T.O. 89 SOW CH. 1 Paragraph 8.1

1. The contractor is hereby directed to provide the following water delivery/waste water removal services at the frequency indicated. Contractor is requested to advise the ACO immediately if delivery of water is impractical or not within standards. Upon acceptance, the contractor is also to add these sites to the water delivery route:

BUILDING NO#	UNIT	SIZE OF TANK	WATER USAGE	HOW OFTEN WATER REQUIRED	REMARKS
ADACG	101 st AVN Bde	5,000 GAL	5,000 GAL	Twice a week	White water delivery, Gray and Black water removal.
LSA #10	187 th BCT	5,000 GAL	5,000 GAL	Twice a Week	White Water delivery, Gray and Black water removal

PERIOD OF PERFORMANCE: 4-28 July xxxx. Support for RIP/TOA.

- 2. The government believes this requirement meets the requirement of a LOTD and all associated costs are within the scope of the existing contract and current funding streams. This letter will also serve as the contractors **Notice to Proceed (NTP), in which a review and response is required within xxhrs of issuance.** If there any requirements in which the contractor has issue with, or additional costs associated with performance, a written rationale shall be submitted for discussion to the ACO.
- 3. Point of Contact for this action is MSG Jon Smith at jon.smith.civ@mail.mil.
- 4. The requirement is within scope of Task Order xxxx and this letter of technical direction does not obligate additional funds. DynCorp International shall notify the ACO immediately if additional cost will be incurred. Please contact me immediately with further comments or to request clarification at (DSN) (312) xxx-xxxx ext 1-8430, or via e-mail at faith.knowles.civ@mail.mil.

//Original Signed//
 Ms. Faith Knowles
 Administrative Contracting Officer

For Official Use Only

(DI Contract Administrator Signature)
PCO, Ms. Jana Weston – ACC RI

For Official Use Only



ANNEX H

ADMINISTRATIVE CHANGE LETTER EXAMPLE

DEPARTMENT OF THE ARMY
CONTRACTING BATTALION
CAMP ARIFJAN APO AE 09366

25 April XXXX

Reply to attention of ACO/ DI,

MEMORANDUM FOR DynCorp International (DI), Attn: Mr. James Jonson, Program Manager

SUBJECT: ACO Change Letter (ACL) ACL_15_W52P1J-07-D-XXXX_000X

1. Reference LOGCAP contract W52P1J-07-D-XXX-000X, Performance Work Statement (PWS), dated 01 April 2013, Project Planning Request (PPR), PPR DYN-15-0004-RS002-XXXX-R2, dated 22 April XXXX, Project Planning Estimate (PPE), dated 22 April XXXX.
2. The Contractor is to perform the work in accordance with the references above. This letter serves as the official notice to proceed with a Not to Exceed amount of \$XX,XXX.00.
3. The Government has reviewed the PPE and has determined that there are no MILCON or OPA funding violations.
4. The Contractor shall notify the Administrative Contracting Officer (ACO) if it is believed the costs incurred will exceed the funding presently allocated to this ACL.
5. Schedule: The period of performance for this effort will be: 25 June through 31 July XXXX and 01 August XXXX through 01 January XXXX.
6. The Contractor shall submit a delay notice to the ACO if the schedule is delayed or if the contractor anticipates delay for any reason.
7. The Contractor shall submit a qualifying proposal to the PCO for definitization within 45 days.
8. The point of contact for this memorandum is ACO Ms. Knowels at DSN XXX-XXXX, or e-mail faith.knowels.civ@mail.mil.

Ms. Faith Knowles
Administrative Contracting Officer
1. PPR DI-15-0003-UA-
0002

3 Encls

For Official Use Only

dated 20 Nov 2015

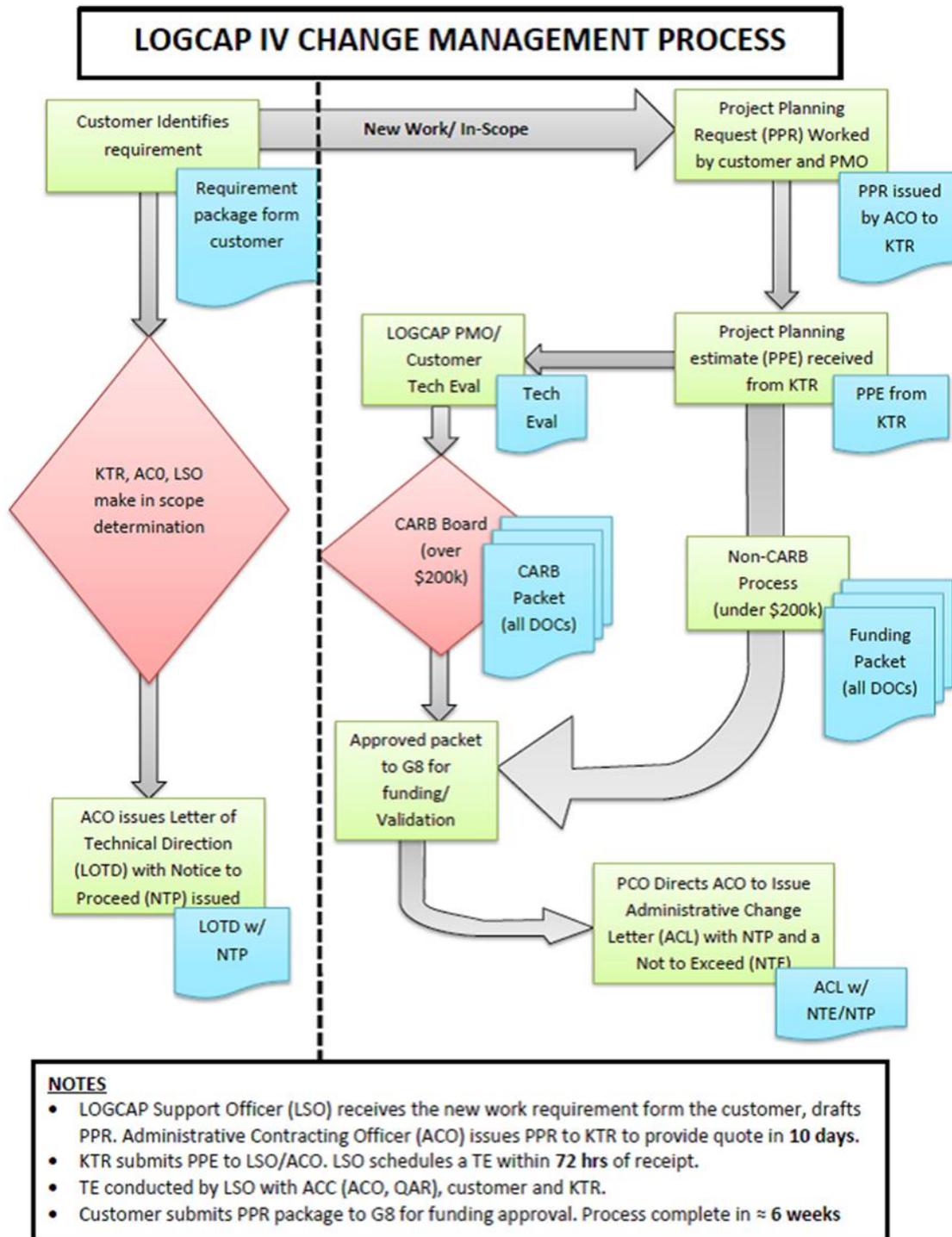
2. PPE DI-15-0003-UA-0002

dated 1 Mar 2015

3. E-mail dated 26 Mar 2015

ANNEX I

LOGCAP CONTRACT CHANGE PROCESSES



ANNEX J

NOTICE OF TERMINATION TO PRIME CONTRACTORS

[At the top of the notice, set out all special details relating to the particular termination; e.g., name and address of company, contract number of terminated contract, items, etc.]

(a) *Effective date of termination.* This confirms the Government's telegram to you dated _____, 20__ , terminating _____ [insert "completely" or "in part"] Contract No. _____ (referred to as "the contract") for the Government's convenience under the clause entitled _____ [insert title of appropriate termination clause]. The termination is effective on the date and in the manner stated in the telegram.

(b) *Cessation of work and notification to immediate subcontractors.* You shall take the following steps:

(1) Stop all work, make no further shipments, and place no further orders relating to the contract, except for--

- (i) The continued portion of the contract, if any;
- (ii) Work-in-process or other materials that you may wish to retain for your own account; or
- (iii) Work-in-process that the Contracting Officer authorizes you to continue

- (A) for safety precautions,
- (B) to clear or avoid damage to equipment,
- (C) to avoid immediate complete spoilage of work-in-process having a definite commercial value, or
- (D) to prevent any other undue loss to the Government. (If you believe this authorization is necessary or advisable, immediately notify the Contracting Officer by telephone or personal conference and obtain instructions.)

(2) Keep adequate records of your compliance with subparagraph (b) (1) of this section showing the--

- (i) Date you received the Notice of Termination;
- (ii) Effective date of the termination; and
- (iii) Extent of completion of performance on the effective date.

(3) Furnish notice of termination to each immediate subcontractor and supplier that will be affected by this termination. In the notice—

- (i) Specify your Government contract number;
- (ii) State whether the contract has been terminated completely or partially;
- (iii) Provide instructions to stop all work, make no further shipments, place no further orders, and terminate all subcontracts under the contract, subject to the exceptions in subparagraph (b)(1) of this section;
- (iv) Provide instructions to submit any settlement proposal promptly; and
- (v) Request that similar notices and instructions be given to its immediate subcontractors.

(4) Notify the Contracting Officer of all pending legal proceedings that are based on subcontracts or purchase orders under the contract, or in which a lien has been or may be placed against termination inventory to be reported to the Government. Also, promptly notify the Contracting Officer of any such proceedings that are filed after receipt of this Notice.

(5) Take any other action required by the Contracting Officer or under the Termination clause in the contract.

(c) *Termination inventory.*

(1) As instructed by the Contracting Officer, transfer title and deliver to the Government all termination inventory of the following types or classes, including subcontractor termination inventory that you have the right to take:

[*Contracting Officer insert proper identification or "None"*].

(2) To settle your proposal, it will be necessary to establish that all prime and subcontractor termination inventory has been properly accounted for. For detailed information, see Part 45.

(d) *Settlements with subcontractors.* You remain liable to your subcontractors and suppliers for proposals arising because of the termination of their subcontracts or orders. You are requested to settle these settlement proposals as promptly as possible. For purposes of reimbursement by the Government, settlements will be governed by the provisions of Part 49.

(e) *Completed end items.*

(1) Notify the Contracting Officer of the number of items completed under the contract and still on hand and arrange for their delivery or other disposal (see 49.205).

(2) Invoice acceptable completed end items under the contract in the usual way and do not include them in the settlement proposal.

(f) *Patents.* If required by the contract, promptly forward the following to the Contracting Officer:

(1) Disclosure of all inventions, discoveries, and patent applications made in the performance of the contract.

(2) Instruments of license or assignment on all inventions, discoveries, and patent applications made in the performance of the contract.

(g) *Employees affected.*

(1) If this termination, together with other outstanding terminations, will necessitate a significant reduction in your work force, you are urged to--

(i) Promptly inform the local State Employment Service of your reduction-in-force schedule in numbers and occupations, so that the Service can take timely action in assisting displaced workers;

(ii) Give affected employees maximum practical advance notice of the employment reduction and inform them of the facilities and services available to them through the local State Employment Service offices;

(iii) Advise affected employees to file applications with the State Employment Service to qualify for unemployment insurance, if necessary;

(iv) Inform officials of local unions having agreements with you of the impending reduction-in-force; and

(v) Inform the local Chamber of Commerce and other appropriate organizations which are prepared to offer practical assistance in finding employment for displaced workers of the impending reduction-in-force.

(2) If practicable, urge subcontractors to take similar actions to those described in subparagraph (1) of this section.

(h) *Administrative.* The contract administration office named in the contract will identify the Contracting Officer who will be in charge of the settlement of this termination and who will, upon request, provide the necessary settlement forms. Matters not covered by this notice should be brought to the attention of the undersigned.

(i) Please acknowledge receipt of this notice as provided below.

(Contracting Officer)

(Name of Office)

(Address)

Acknowledgment of Notice

The undersigned acknowledges receipt of a signed copy of this notice on _____, 20__ Two signed copies of this notice are returned.

(Name of Contractor)

By _____
(Name)

(Title)

(End of notice)

(a) *Effective date of termination.* You are notified that Contract No. _____ (referred to as “the contract”) is terminated _____ [*insert “completely” or “in part”*] for the Government’s convenience under the clause entitled _____ [*insert title of appropriate termination clause*]. The termination is effective _____ [*insert either “immediately upon receipt of this Notice” or “on _____, 20__,” or “as soon as you have delivered, including prior deliveries, the following items:” (list)*]. Reduce items to be delivered as follows: [*insert instructions*].

ANNEX K

CONTRACT TERMINATION DECISION CHECKLIST

1. What factors, circumstances or conditions indicate that termination may be necessary?

- a. Funds are unavailable for continued performance – Convenience
- b. Requirement is no longer needed – Convenience
- c. Quantity of the requirement has been reduced – Convenience
- d. Change in requirement beyond contractor's capability/expertise – Convenience
- e. Radical increase in the scope of requirement - Convenience
- f. Impossibility of performance - Convenience
- g. Material Breach of Contract – Cause/Default
 - i. Refusal to perform
 - ii. Prohibited activity
 - iii. Poor performance
 - iv. Failure to comply with material contract term/condition
 - v. Abandonment of work

2. What alternatives if any are there to termination?

- a. Continue present contract w/safeguards to protect the government
 - i. Permit performance under revised delivery schedule
 - ii. Permit subcontracting/other 3rd party business arrangement
- b. Change contract requirements to permit continued performance w/consideration
- c. Cancellation of purchase order prior to acceptance
- d. No cost settlement cancellation
 - i. Supply/service can be obtained elsewhere
 - ii. No cost cancellation acceptable to contractor
 - ii. GFP not involved
 - iii. No outstanding payments, debts or other obligations due the government

3. What type of termination is required?

- a. Complete or partial termination for convenience (T4C)
 - i. Commercial Items - FAR Part 12.403
 - ii. Noncommercial Requirements – FAR Part 49
 - iii. Contract performance is unacceptable, but the government is partially responsible
 - iv. Conversion from improper termination for default
 - v. Cancellation of award pursuant to successful GAO protest
- b. Complete or partial termination for cause: Commercial Requirements - FAR Part 12.403
- c. Complete or partial termination for default – FAR Part 49 (T4D)

4. Who has the authority to terminate the contract?

- a. FAR 1.602-1 – Authority
- b. FAR 1.603-3 – Appointment
- c. FAR 2.101 – Definitions
- d. AFFARS, Appendix CC-102 – Definition of CCO

- e. Applicable MAJCOM Supplement (e.g. PACAFFARS 5349.101)

5. What parties are stakeholders/have an interest in a contemplated termination?

- a. Customer/Requiring Activity
- b. Contractor
- c. Subcontractors
- d. Guarantor, Assignee, Surety
- e. Legal

6. What potential/actual costs exist pursuant to the termination?

- a. Compensation for actual performance
- b. Profit on work performed (not anticipatory profits)
- c. Inventory
- d. Subcontractor settlement costs
- e. Settlement proposal preparation costs

7. What actions are taken prior to/in conjunction with termination?

Action	Type of Termination	Party
Issue cure notice cause/default (if sufficient time remains to effect a cure)	Cause/Default	Government (TCO)
Issue show cause notice	Cause/Default	Government (TCO)
Consult with stakeholders	Convenience/Cause/Default	Government (TCO)
Document case for termination	Convenience/Cause/Default	Government (TCO)
Notify congress as required	Convenience/Cause/Default	Government (TCO)
Issue termination notice to contractor	Convenience/Cause/Default	Government (TCO)
Inform parties that may be impacted by termination	Convenience/Cause/Default	Government (TCO)
Meet with contractor to discuss termination process/plan	Convenience/Cause/Default	Government (TCO)
Amend/rescind termination notice	Convenience/Cause/Default	Government (TCO)
Determine disposition of completed items produced under contract	Cause/Default	
Determine disposition of completed items produced under contract	Cause/Default	
Develop negotiation position	Convenience	Government (TCO)
Negotiate settlement or issue Unilateral settlement determination	Convenience/Cause/Default	
Prepare termination settlement memorandum	Convenience/Cause/Default	
Pay contractor or collect debt from contractor pursuant to partial payment.	Convenience/Cause/Default	
Re-procure as appropriate	Convenience/Cause/Default	

8. What form/instrument is used to execute the termination?

9. What specific authority must be cited as the reason for termination?

- a. Convenience: FAR 52.212-4(l) – Contract Terms and Conditions - Commercial Items
- b. Convenience: FAR 52.249- (1, 2, 3, 4, 5, **6, 7**) Other than Commercial Items
- c. Cause: FAR 52.212-4(m) – Contract Terms and Conditions - Commercial Items
- d. Default: FAR 52.249- (6, 7, 8, 9, 10) Other than Commercial Items**

ANNEX L

CONSENT TO SUBCONTRACT CHECKLIST

Consent to Subcontract

1. Is the decision to subcontract consistent with the contractor's approved make-or-buy program, if any?
 Yes No N/A
2. Is the subcontract for special test equipment, equipment, or real property that is available from Government sources? Yes No N/A
3. Is the selection of the particular supplies, equipment, or services technically justified?
 Yes No N/A
4. Has the contractor complied with the prime contract requirements regarding—
 - i. Small business subcontracting, including, if applicable, its plan for subcontracting with small, veteran-owned, service-disabled veteran-owned, HUBZone, small disadvantaged and women-owned small business concerns (see [Part 19](#)); and
 - ii. Purchase from nonprofit agencies designated by the Committee for Purchase From People Who Are Blind or Severely Disabled (Javits-Wagner-O'Day Act ([41 U.S.C. 48](#))) (see [Part 8](#))? Yes No N/A
5. Was adequate price competition obtained or its absence properly justified?
 Yes No N/A
6. Did the contractor adequately assess and dispose of subcontractors' alternate proposals, if offered?
 Yes No N/A
7. Does the contractor have a sound basis for selecting and determining the responsibility of the particular subcontractor? Yes No N/A
8. Has the contractor performed adequate cost or price analysis, or price comparisons; and obtained accurate, complete, and current cost or pricing data, including any required certification? Yes No N/A
9. Is the proposed subcontract type appropriate for the risks involved and consistent with current policy?
 Yes No N/A
10. Has adequate consideration been obtained for any proposed subcontract that will involve the use of Government-provided equipment and real property?
 Yes No N/A
11. Has the contractor adequately and reasonably translated prime contract technical requirements into subcontract requirements?
 Yes No N/A
12. Does the prime contractor comply with applicable CAS for awarding the subcontract? Subcontract awards subject to CAS require the same type of CAS coverage as would prime contracts awarded to the same business unit. In measuring total CAS-covered awards for a year, a transfer by one segment to another shall be deemed to be a subcontract award by the transferor (Code of Federal Regulations, title 48, part 9903.201-2(d) of title 48 (Reference (m)). Yes No N/A
13. Is the proposed subcontractor in the Excluded Parties List System? (FAR subpart 9.404, Excluded Parties List System, (Reference (n)). Yes No N/A
14. Did the contractor adequately substantiate the selection of the subcontractor as offering the greatest value to the Government when other than the lowest price is the basis for the award? Yes No N/A

ANNEX M

ACO CONSENT TO SUBCONTRACT LETTER EXAMPLE

DEPARTMENT OF THE ARMY
CONTRACTING BATTALION
CAMP ARIFJAN APO AE 09366

01 July, XXXX

Reply to Attention of ACO/DI

MEMORANDUM FOR DynCorp International (DI), Attn: Mr. James Jonson, Program Manager

SUBJECT: ACO Consent to Subcontract for Range Management Services with Kamal Mustafa, Al Sultan Co (KMSCo) under letter contract

1. References:

- a) Advance Notification and Request for Consent to Subcontract Package, dated 23 June, XXXX
- b) FAR Clause 52.244-2 Subcontracts
- c) FAR Part 44.201-2, Consideration
- d) Prime Contract # W52P1J-07-D-XXXX-000X

2. I have reviewed reference (a) and the package submitted meet the requirements as set forth in reference (b).

3. Consent is hereby given for DI to award proposed Letter Contract for a Base Period of 01 August, XXX to 30 November, XXXX. This is Firm Fixed Price subcontract with a maximum value of USD \$4,299,502.41.

4. Consent is subject of the clauses contained in the prime contract and conditioned upon the information furnished by the contractor in support thereof. This consent shall in no way relieve the prime contractor any obligations or responsibilities it may otherwise have under the contract or under law. It shall neither create any obligation of the Government to, nor privity of contract with, the subcontractor or vendors, and shall be without prejudice to any right or claim of the Government under the prime contract. This consent does not constitute a determination as to the acceptability of the subcontract or the allowability of costs.

5. The point of contact for this action is Ms. Faith Knowles at faith.knowles.civ@mail.mil or DSN XXX-XXXX.

Ms. Faith Knowles
Administrative Contracting Officer

Attachments:
References (a)

CC:
PCO, Ms. Jana Weston – ACC RI

ANNEX N

COR File Review

COR Name:	
Date:	
Contract Number:	
Delivery/Task Order:	
Location:	
Description of Services/Supply:	
Reviewer's Name:	
KO's Name	
COR's Current Supervisor:	

- Courtesy Audit
- Record Audit (Number of record audits performed)

1. Review COR's appointment letter on file; is the letter current with assigned duties?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Comments: <input type="text"/>			
2. Has the COR completed all required training within the past three years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Comments: <input type="text"/>			
3. Does the COR file have all necessary documentation in the file for the following?			
a. Copy of Contract	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
b. Copy of all orders/modifications	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
c. All invoices (Yes if in WAWF)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
d. All DD 250s (Yes if in WAWF)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
e. Deficiency Reports	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
f. Quality Assurance Surveillance Plan (QASP) Current	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
g. Memo for Record / Other Correspondence / Email	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
h. Surveillance Check List	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
i. Surveillance Schedule	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
j. Contractor Quality Control Plan (QCP)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
k. Environmental Plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
l. Maintenance Plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
m. Work Plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
n. Government Furnished Equipment or Contractor Furnished Equipment (GFE/CFE) Inventory	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
o. Safety Plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
p. Test Reports	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
q. GF Property Validation	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
r. Any other documents specified in the QASP or appointment letter	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Note: Identify any additional documents that are required but not currently available in the COR's file in the comments section below

Comments: <input type="text"/>			
4. Did the COR complete their annual report in one of the following systems?			
a. Contractor Performance Assessment Reporting (CPARS)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
b. Architect-Engineer Contractor Assessment (ACASS)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
c. Construction Contractor Assessment (CCASS)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
d. Date of last assessment: (MM/DD/YY)	<input type="text"/>		<input type="checkbox"/> N/A
e. Has the initial annual performance period passed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Comments: <input type="text"/>			
5. Has the COR performed contract surveillance / site visits?			
a. Date of last surveillance: (MM/DD/YY)	<input type="text"/>		<input type="checkbox"/> N/A
Comments: <input type="text"/>			
6. Has the COR completed the required Contractor Manpower (CMRA) information and validated that the contractor has input all required information?			
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Comments: <input type="text"/>			
7. Are the results of contractor surveillance / inspection current and complete?			
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Comments: <input type="text"/>			
8. Does the COR complete a COR Monthly Report and provide it to the KO as required?			
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
a. Date of last COR Monthly Report: (MM/DD/YY)	<input type="text"/>		<input type="checkbox"/> N/A
Comments: <input type="text"/>			
9. Overall Review Status:			
	<input type="checkbox"/> Found Acceptable 90% - 100% <input type="checkbox"/> Found with Issues but Acceptable 70% - 89% <input type="checkbox"/> Found Unacceptable \leq 69%		
Comments: <input type="text"/>			
10. General Comments: <input type="text"/>			

Note: If overall review status is other than Found Acceptable, comments are required

Signature Field

Designated Reviewer

** Note that ACASS and CCASS no longer exist. The current form is available in the CORT Tool

ANNEX O
CONTRACT TECHNICAL REVIEW

Contract Technical Review (CTR)

1. Contractor's Name and Address (include Zip Code)		2. Subcontractor's Name, Address and Zip Code (If Applicable)	
3. Prime Contract Number		4. Subcontract Number (if applicable)	5. Date Process Document Received
6. Contract Type		CLIN(s)	Additional Contract Types on Contract? <input type="radio"/> Yes <input type="radio"/> No
7. Service or Item Description			
Reviewer			
8. Name		8a. Telephone Number	8b. Name and Location of Activity
Shipment Data			
"X" If Applicable	Item	Contract Page Number	"X" If Applicable
<input type="checkbox"/>	9. Inspection Point <input type="checkbox"/> Source <input type="checkbox"/> Destination		<input type="checkbox"/>
<input type="checkbox"/>	10. Acceptance Point <input type="checkbox"/> Source <input type="checkbox"/> Destination		<input type="checkbox"/>
<input type="checkbox"/>	11. Shipment <input type="checkbox"/> CONUS <input type="checkbox"/> OCONUS		<input type="checkbox"/>
<input type="checkbox"/>	12. Place of Performance		<input type="checkbox"/>
<input type="checkbox"/>	13. Initial Delivery Date		<input type="checkbox"/>
<input type="checkbox"/>	14. Scheduled Contract Completion Date		<input type="checkbox"/>
Requirements			
<input type="checkbox"/>	15. Contractor Quality Control Plan		<input type="checkbox"/>
<input type="checkbox"/>	16. Commercial Contract Clause 52.212-4		<input type="checkbox"/>
<input type="checkbox"/>	17. Contracting Officer Representative		<input type="checkbox"/>
<input type="checkbox"/>	18. CTIP		<input type="checkbox"/>
19. FAR - Contract Quality		Page Number	Additional Quality Clauses on Contract? <input type="radio"/> Yes <input type="radio"/> No
52.246-7 - Inspection Of Research And Development Fixed Price			
20. FAR - Contract Quality - Higher Level		Requirement - ISO, AS	Page Number
21. FAR - Warranty / Liability			
22. FAR - Safety		Page Number	Additional Safety Clauses on Contract? <input type="radio"/> Yes <input type="radio"/> No
23. DFARS - Safety		Page Number	Additional Safety Clauses on Contract? <input type="radio"/> Yes <input type="radio"/> No
Please reference Government Property Matrix on last page for questions 24 and 25			
24. FAR - Property Clause		Page Number	Add Req? <input type="radio"/> Yes <input type="radio"/> No
25. DFARS - Property Clause		Page Number	Add Req? <input type="radio"/> Yes <input type="radio"/> No

ACC-CTR

2014 Nov 20 1200

26. Does the Contract or PWS include language like or similar to the following; "The contractor shall report ALL contractor labor hours (including subcontractor labor hours) required for performance of services provided under this contract for the [NAMED COMPONENT] via a secure data collection site. The contractor is required to completely fill in all required data fields using the following web address: http://www.ecmra.mil/"	<input type="radio"/> Yes <input type="radio"/> No	
27. Is there any evidence of poor performance by the Contractor documented and available for your review?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	
28. Additional Comments, Special Requirements, Safety Requirements, Calibration, Weight Restrictions, etc		
29. Is this a review of a PCO Contract Mod?	<input checked="" type="radio"/> Yes	
30. Should Contract Deficiency Report (CDR) be completed and submitted to Contracting Officer ?	<input type="radio"/> Yes <input type="radio"/> No	
Save As	Submit	Reset Form

Contract Type

FFP - Firm-Fixed-Price
 CPFF - Cost Plus Fixed-Fee
 CPIF - Contract Cost-Plus-Incentive-Fee
 COST - Cost
 CPAF - Cost Plus Award-Fee
 A - BPA
 FPAF - Fixed Price Award Fee
 LH - Labor-Hour
 T&M - Time and Materials
 FP-EPA - Fixed-Price with Economic Price Adjustment
 CS - Cost Sharing
 FFP-LOE - Firm Fixed Price Level-Of-Effort Contract
 FP-PPR - Fixed-Price Redetermination
 FPI - Fixed Price Incentive
 O - Other

Contracting Officer Representative

DFARS 252.201-7000
 None

FAR - Contract Quality

52.246-1 - Contractor Inspection Requirements
 52.246-2 - Inspection Of Supplies--Fixed Price
 52.246-3 - Inspection Of Supplies Cost-Reimbursement
 52.246-4 - Inspection Of Services Fixed Price
 52.246-5 - Inspection Of Services Cost-Reimbursement
 52.246-6 - Inspection--Time-And-Material And Labor-Hour
 52.246-7 - Inspection Of Research And Development Fixed Price
 52.246-8 - Inspection Of Research And Development Cost Reimbursement
 52.246-9 - Inspection Of Research And Development (Short Form)
 52.246-10 - Inspection of Facilities
 52.246-12 - Inspection of Construction
 52.246-13 - Inspection--Dismantling, Demolition, or Removal of Improvements
 52.246-14 - Inspection of Transportation

FAR - Contract Quality - Higher Level

52.246-11 - Higher-Level Contract Quality Requirement

Safety Element/Clause**Service Contracts**

General Safety Program Statement (SOW, PWS) (FAR 9.104-1 General standards; FAR 9.104-2 Special standards; 37.110 Solicitation provisions and contract clauses)
 FAR 52.208-5 Condition of Leased Vehicles (As prescribed in 8.1104(b))
 FAR 52.222-20 Walsh-Healey Public Contracts Act (Manufacturing and Remanufacturing only, all others see Service Contract Act of 1965 Subpart 22.10)
 FAR 52.222-41 (h) Service Contract Act of 1965 (As prescribed in 22.1006(a) / 37.107 Service Contract Act of 1965)
 FAR 52.236-13 Accident Prevention (As prescribed in 36.513)
 FAR 52.236-13 Accident Prevention; Alternate I (Nov 1991) (As prescribed in 36.513)
 FAR 52.237-2 Protection of Government Buildings, Equipment, and Vegetation
 FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
 DFARS 252.223-7303 Hexavalent Chromium

ACC-CTR

FAR - Warranty / Liability

52.246-15 - Certificate of Conformance
 52.246-16 - Responsibility For Supplies
 52.246-17 - Warranty Of Supplies Of A Noncomplex Nature
 52.246-18 - Warranty Of Supplies Of A Complex Nature
 52.246-19 - Warranty Of Systems And Equipment Under Performance Specifications Or Design Criteria
 52.246-20 - Warranty Of Services
 52.246-21 - Warranty of Construction
 52.246-23 - Limitation Of Liability
 52.246-24 - Limitation Of Liability -- High-Value Items
 52.246-25 - Limitation If Liability--Services

FAR - Property Clause

52.245-1 - Government Property
 52.245-1 Alt 1
 52.245-2 - Government Property Installation Operation Services
 52.245-9 - Use And Charges

DFARS - Property Clause

252.211-7003 - ITEM UNIQUE IDENTIFICATION AND VALUATION
 252.211-7007 - REPORTING OF GOVERNMENT-FURNISHED PROPERTY
 252.245-7001 - TAGGING, LABELING, AND MARKING OF GOVERNMENT-FURNISHED PROPERTY
 252.245-7002 - REPORTING LOSS OF GOVERNMENT PROPERTY
 252.245-7003 - CONTRACTOR PROPERTY MANAGEMENT SYSTEM ADMINISTRATION
 252.245-7004 - REPORTING, REUTILIZATION, AND DISPOSAL

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DFARS 252.223-7004 Drug-Free Work Force (As prescribed in 223.570-2)
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (As prescribed in 223.7103(a))
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials Alternate I (As prescribed in 223.7103(a))
DFARS 252.223-7008 Prohibition of Hexavalent Chromium (As prescribed in 223.7306)
DFARS 252.246-7003 Notification of Potential Safety Issues (As prescribed in 246.371(a))

Construction Contracts

General Statement (SOW, PWS)
FAR 52.222-41 (h) Service Contract Act of 1965 (As prescribed in 22.1006(a) / 37.107 Service Contract Act of 1965)
FAR 38.507 Permits and responsibilities.
FAR 52.236-7 Permits and Responsibilities.
FAR 52.236-13 Accident Prevention (As prescribed in 36.513)
FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
DFARS 252.246-7003 Notification of Potential Safety Issues (As prescribed in 246.371(a))
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials Alternate I (As prescribed in 223.7103(a))
DFARS 252.223-7008 Prohibition of Hexavalent Chromium (As prescribed in 223.7306)

Supplies Contracts

FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
DFARS 252.223-7008 Prohibition of Hexavalent Chromium (As prescribed in 223.7306)

Hazardous Materials

FAR 52.223-3 Hazardous Material Identification and Material Safety Data (As prescribed in 23.303)
FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
DFARS 252.223-7001 Hazard Warning Labels (As prescribed in 223.303)
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (As prescribed in 223.7103(a))
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials Alternate I (As prescribed in 223.7103(b))
DFARS 252.246-7003 Notification of Potential Safety Issues (As prescribed in 246.371(a))

Radioactive Material

Subpart 52.223-7 Notice of Radioactive Material (As prescribed in 23.601(d) / 23.602)
FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)

Ammunition and Explosives

FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
DFARS 252.223-7002 Safety Precautions for Ammunition and Explosives (As prescribed in 223.370-5)
DFARS 252.223-7003 Change in Place of Performance--Ammunition and Explosives (As prescribed in 223.370-5)
DFARS 252.223-7008 Prohibition of Hexavalent Chromium (As prescribed in 223.7306)

Aviation and Missiles

FAR 52.247-68 Report of Shipment (REPSHIP) (As prescribed in 47.208 -2)
DFARS 252.209-7010 Critical Safety Items (As prescribed in 209.270-5)
DFARS 252.228-7001 Ground and Flight Risk (As prescribed in 228.370(b))
DFARS 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (As prescribed in 228.370(d))
DFARS 252.236-7005 Airfield Safety Precautions (As prescribed in 236.570(b)(3))

ANNEX P

GOVERNMENT PROPERTY CLAUSE MATRIX



Government Property Clause(s) Matrix

Version: May 2014

Are they required? Which one(s) do I need?



Cost Reimbursement or Time & Material		Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004					
Labor Hour	Is property expected to be furnished?	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004				
		No	No Gov't Property Clause Needed STOP				
Fixed Price	Does the contract contain Cost CLIN(s)?	Yes	Refer to Cost Reimbursement STOP	Will GFP be provided to the Contractor?	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004	
		No			No	No Gov't Property Clause Needed STOP	
Purchase Order (Recognized by a M, P, V, or W in the 9th position of the Contract Number)	Will GFP be provided for maintenance, modification, overhaul, or repair? FAR 45.107(d)	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004				
		No	No Gov't Property Clause Needed STOP	Does the acquisition cost of the item being provided exceed the Simplified Acquisition Threshold (SAT)?	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004	
	Will GFP (not for repair) be provided to the Contractor?	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004				
		No	No Gov't Property Clause Needed STOP				
		No	No Gov't Property Clause Needed STOP	No	Is other GFP (not for repair) being provided?	Yes	Incorporate FAR 52.245-1 & -9, DFARS 252.211-7003* & 7007, 252.242-7005** & 252.245-7001,7002,7003, & 7004
					No	No	No Gov't Property Clause Needed STOP

* DFARS 252.211-7003 should be used in solicitations and contracts using FAR Part 12 procedures for the acquisition of commercial items that required item identification or valuation LAW DFARS 211.274-2 and 211.274-3.

** DFARS 252.242-7005 only applies to covered contracts that are subject to the Cost Accounting Standards.

Exception(s):

Contractor assumes all risks associated w/ Gov't Property - Incorporate FAR 52.245-1 (ALT D)

Contract for non-profit organization or higher education conducting applied or scientific research - Incorporate FAR 52.245-1 (ALT II)

Fixed-price service contract performed on a Gov't installation where GFP is provided for initial provisioning only and Gov't is not responsible for repair/replacement - Incorporate both FAR 52.245-1 and FAR 52.245-2

Point(s) of Contact: David H. Groell, HQ ACC Property Branch Chief/SME, COM (256) 955-7800, Email: David.Groell@us.army.mil or Sherri M. Matters, HQ ACC Government Contract Property SME, COM (256) 955-7778, Sherri.Matters@us.army.mil