JOB ORDER CONTRACTING GUIDE

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Job Order Contracting Steering Committee

Assistant Chief of Staff for Installation Management

Army Contracting Agency

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PREFACE

The Assistant Chief of Staff for Installation Management (ACSIM) is the proponent for the Army's Job Order Contracting (JOC) Program. The Deputy Assistant Secretary of the Army (Policy & Procurement) (DASA{P&P}) is the proponent for the Army Federal Acquisition Regulation Supplement (AFARS). AFARS Subpart 5117.9000 pertains to Job Order Contracting.

The JOC Guide serves as working instructions for installations considering, or in the process of using a JOC contract. It is the only document that provides detailed procedures for the execution and administration of JOC contracts. It is the product of the OACSIM, the Army Contracting Agency (ACA), and the JOC Steering Committee and represents a joint effort by the engineer and procurement communities.

The JOC Steering Committee, which was originally chartered in 1992 by the Assistant Secretary of the Army for Installations, Logistics and Environment and the ASA (RDA), is composed of engineer and procurement representatives from Headquarters, Department of the Army, Army Regions and installations. The primary mission of the Committee is to support and promote sound, effective and efficient JOC utilization and continued development and enhancement of the Army JOC Program.

The JOC Guide and the AFARS coverage of JOC will be used by installations for the execution and administration of JOC contracts. The procedures in this Guide are not optional and are to have a mandatory application. This applies to Directorate of Public Works (DPW) and all variations of DPW, such as DIS, DEL, DLE, DHPW, DPWL, DPE, and DEH.

CHAPTER 1

THIS GUIDE IS NOT INTENDED TO SUPERSEDE OR SUPPLEMENT FAR, DFARS, OR AFARS. IN CASE OF CONFLICTS BETWEEN THIS GUIDE AND REGULATIONS, THE REGULATIONS SHALL GOVERN. IF THERE ARE DIFFERENCES BETWEEN THE TERMS AND PROVISIONS OF A SPECIFIC AWARDED CONTRACT AND THE PROCEDURES CONTAINED IN THIS GUIDE, THE CONTRACT SHALL GOVERN.

INTRODUCTION

PURPOSE

The procedures contained in this Guide shall be used in conjunction with those in the Army Federal Acquisition Regulation Supplement (AFARS) when acquiring, executing, and administering Job Order Contracting (JOC) contracts. The JOC Guide gives implementation guidance on planning, executing, and administering a JOC contract to ensure successful acquisition and work execution. The procedures in this Guide are not optional and are to have a mandatory application.

This Guide consists of five main chapters and is supplemented with samples and examples provided as appendices. The Guide is organized as follows:

- Chapter One provides an introduction to the JOC process and discusses the advantages of JOC over traditional construction contracting procedures. It also discusses the general scope of the JOC program and the responsibilities of the major program players.
- Chapter Two discusses various factors a Garrison Commander, the Directorate of Public Works (DPW) and the contracting activity should consider before deciding to implement a JOC contract.
- Chapter Three addresses acquisition planning and strategy, including an acquisition milestone plan.
- Chapter Four discusses DPW responsibilities and actions necessary to actually acquire and manage the JOC contract. It describes the unit price book (UPB) and responsibilities of the personnel involved with the JOC contract.
- Chapter Five discusses contract administration and program/project management functions. It provides guidance on the actual work execution phase of JOC, including task order negotiation, issuance, administration, and inspection. It also includes considerations for follow-on contracting.

BACKGROUND

Job order contracting uses an indefinite-delivery/ indefinite-quantity type of contract to reduce the total lead time for accomplishing sustainment, restoration, and modernization (SRM) projects at installations. In particular, the traditional, separate, and interactive design/specifications and construction contracting actions are avoided. Prepriced units of work are used to help streamline the contracting process within the overall framework of a fixed-priced construction contract. The contracts, which are awarded by means of competitive procedures, (including awards under the 8(a) program as appropriate) provide a continuing performance incentive due to the type of contract.

The JOC contract includes a unit price book (UPB), which may be obtained commercially. Depending upon the source of database used, the UPB may contain from 25,000-95,000 line items that support the SRM activities at the installation. You must ensure that line items for tasks, either not authorized under JOC or that are included in the contractor's coefficient (e.g., services, final clean-up, etc.), are not included in the task order or the contractor's proposal. Including text in the solicitation and resulting contract that indicates types of line items not authorized can accomplish this.

During task order discussions between the contractor and the government the quantities and tasks necessary to perform the scope of work are negotiated. Then the task quantities are multiplied by the respective line item unit prices in the UPB and the contractor's coefficient to establish a firm-fixed-price task order (T.O.). The signed T.O. becomes the contractor's Notice to Proceed (NTP) unless a separate NTP is specified in the task order. Each individual T.O. becomes in effect a fixed-price lump sum contract, and is managed accordingly. The work must be performed in accordance with method and quality of construction specified in the contractor's proposal. (Reference "Scope of Work", Chapter 5.) JOC also permits, as needed, the inclusion of a small percentage of non-prepriced (NPP) items (not included in the UPB at the time of contract award).

BENEFITS

The benefits of a successful JOC program include:

Improved Customer Service and Responsiveness. Job order contracting significantly reduces lead times by acquiring SRM contract work by eliminating the need to develop design specifications each time a work requirement is identified. Contracting lead-time is also shortened by eliminating the need to establish a contract or purchase order for each individual work requirement. The government contracts with a contractor(s), who may subcontract some of the work requirement. The

source selection steps required for separate contracts are also eliminated as the contract terms and conditions have already been established. These factors result in procurement cycles three to nine months shorter than those using existing procedures.

After the initial contract is awarded, task orders for individual projects can usually be estimated, scoped, negotiated and issued in three to four weeks.

Prices. Reasonable prices established in the unit price book are assured through competitive award of the initial JOC contract. The contractor's proposed price for each task order should also be reasonable, since each task order proposal is compared to an independent government estimate (for orders valued at $100K or more) or the initial desk estimate (for orders less than $100K).

Quality. With job order contracting, there is usually a noticeable improvement in the quality of the work. This improvement is partly the result of the necessary interaction between the appropriate government representative and the contractor that takes place when jointly scoping the work requirements. This fosters a cooperative and mutually beneficial climate. However, if the contractor's performance is less than satisfactory, there is no obligation to place work with that contractor after ordering the guaranteed minimum stated in the contract. This method provides a strong incentive for the contractor to provide consistently high quality construction.

Small and Small Disadvantaged Businesses (SDB). Job order contracting provides more opportunity for small and small disadvantaged businesses than traditional procurement methods.
In the past, these companies have faced significant barriers from bonding requirements and other government "red tape." However, under a JOC contract, such barriers are removed because it is the prime contractor who satisfies the requirements. Experience has shown that job order contracting helps small and small disadvantaged businesses.

Year-End Funds. JOC is an effective method for using year-end migratory funds. Task orders, other than the guaranteed minimum, placed near the end of the fiscal year must comply with the bona fide need principles in DFAS 37-1, statutory requirements and other restrictions placed on year-end spending. When determined there is a high probability the requirement will not be canceled, projects can be scoped, estimated, and negotiated and then shelved to await whatever year-end funds reach the DPW. When these migratory funds become available, it is easy to prepare the shelved task order for award and ensure that the funds are used for high priority, cost effective projects. JOC contracts and year-end funds together are effective tools to help reduce an installation's maintenance backlog. Year-end funds planning is essential.

JOC ORGANIZATION, RESPONSIBILITIES, AND AUTHORITIES

A Standing Operating Procedure (SOP) must be prepared to identify the duties and responsibilities of all participants in the JOC process.

Effective use of the JOC contract requires that the DPW have significant responsibilities and authorities for planning work and budget projections, identification/prioritization of individual job order requirements, task order proposal evaluation, and contract administration (e.g., ordering officer authority, monitoring of contractor performance, and acceptance of work products). Coordination and cooperation between the DPW and the contracting office are also essential to successful implementation of the JOC contract. The supporting contracting office may issue letters appointing ordering officers and contracting officer representatives (COR) concurrently with distribution of the contract. Appointments will be made by name and should follow the format in Appendix B and the AFARS. Authorities delegated in the appointment letter may not be redelegated to any other person.

Ordering Officer

Ordering officer's authorities and assignments should be considered during the early planning phases, and candidates should be identified during precontract activities. JOC ordering officers should take the JOC Basic Course offered by the Installation Support Training Division, Huntsville, Alabama, prior to contract award. See Appendix K for additional information on this course and the JOC Advanced course.

The letter appointing the ordering officer(s) may also specify any special authority to execute individual task orders, as well as modifications to existing orders. Task orders or modifications to task orders in excess of that limit must be negotiated and signed by the contracting officer. Ordering officer execution limits will be consistent with limits established by the AFARS. The letter may also give the ordering officer(s) the authority to distribute and administer the orders that are placed, but changes to the terms and conditions of the basic contract shall not be permitted.

Contracting Officer's Representative

An individual may be appointed to perform certain contract administration functions, particularly those relating to quality assurance, such as inspection, acceptance, and performance surveillance. The contracting officer (KO) may appoint a specific individual to be responsible for these functions as the representative of the contracting officer. Contracting officer's representative (COR) duties and responsibilities are spelled out in the appointment letter.

Frequent interaction with the contractor will require that the COR perform duties diplomatically to avoid disputes. Quality assurance requires not only inspection of finished work for defects, but also surveillance of various phases of the contractor's performance. COR duties may include:

- Monitoring work to assure timely performance.
- Advising the contracting officer of any potential problems that may affect performance (e.g. financial problems, loss of key personnel etc.)
- Evaluating the contractor's technical letters and proposals and providing technical advice/assistance as requested to the contracting officer or ordering officer.
- Assuring that the contractor complies with safety and environmental requirements.
- Assisting in negotiation of task orders.
- Reviewing and evaluating work performed by the contractor to assure conformance with the drawings and specifications.
- Accomplishing inspection and acceptance of the work. Determining corrective actions necessary to enable acceptance of the work performed, and communicating the need for these actions to the contractor.
- Monitoring receipt of data required by the contract.
- Monitoring the contractor's compliance with the Davis-Bacon Act and subcontracting plan.

CORs do not have the authority to initiate or amend requirements, specifications, or drawings or otherwise change contract requirements. CORs must avoid obtaining informal commitments from the contractor to perform work that has not been called for by the contract and task order or issuing instructions that could be interpreted as constructive changes.

CONTRACTING CONSIDERATIONS

Location of Contracting Office

Commanders can use their Directorate of Contracting (DOC) to solicit, award, and administer the installation's JOC contract. Alternatively, they can request such services on a reimbursable basis from the installation's direct support district of the U.S. Army Corps of Engineers (USACE). Whichever is used - the installation's DOC or USACE district - the terms "contracting office" and "contracting

officers" refer to the Agency chosen. This choice needs to be made clear in the planning process to ensure that the contracting office has adequate time for internal JOC planning.

Contract Option Years

The JOC contract will normally include priced (coefficient) options (defined as a constant UPB plus coefficient as amended by an economic price adjustment) for at least two 12-month periods following the basic contract period. Surveillance of contractor performance, monitoring of prices, and adherence to the small, small disadvantaged, and women-owned business subcontracting plan are necessary to ensure sound decisions on whether to exercise the options. The contract is flexible in that it is not necessary to award work beyond the minimum requirement of the basic contract. Any work awarded to the contractor beyond the minimum is solely at the government's discretion.

Each option year in a JOC contract should be considered to be the equivalent of a separate contract. This means that minimum and maximum amounts will apply to each option year. The minimum and maximum amounts applicable to the option years must be specified in the solicitation. As part of this requirement, a new minimum guarantee must be obligated upon exercise of an option year. This minimum guarantee need not be the same amount that was used to secure the award of the basic contract. However, it must be more than a token amount so that adequate consideration exists. This minimum guarantee will show the intention of the government to award additional work so as to retain the JOC contractor's interest and commitment to the additional time period. The annual maximum is connected with the bonding requirement. (See Chapter 5 for information on bonding.)

To provide maximum flexibility to the JOC a "maximum" will be established for the total estimated amount/value of the contract, including all options. Estimates will be provided for the basic contract and each option year but in no event will the sum of the estimates from the basic contract and each option period exceed the "maximum". For example, a contract has an estimate of $3M per year for the base year and two option years and an overall maximum of $9M over the life of the contract. An installation may order $5M in the first year, $3M in the second year and $1M in the final year or it may order $6M in the first year, $3M in the second year and never exercise the final option year.

The current Davis-Bacon Wage Determination must be incorporated into the contract at the time the option year is exercised in accordance with FAR 22.404-12(b). Adjustments to contract price due to any increases or decreases to wages and benefits as a result of a new wage determination, will be made utilizing the economic price adjustment described in AFARS 5152.237-9000. Exception to the use of

this clause includes contracts utilizing an annually updated UPB such as R.S. Means.

JOC IMPLEMENTATION

Implementation of a JOC contract requires five basic steps: analyzing the appropriateness of using a JOC contract, planning an acquisition strategy, DPW planning and JOC award activities, work execution, and contract administration. Each step is discussed in the following chapters of this Guide.

Analysis of Appropriateness

In this first step, the DPW's historical workload is reviewed to determine the potential for JOC type projects. The threshold for efficient use of a JOC contract has been established at approximately $2 million minimum annual work of the variety suitable for job order contracting. Two or more installations may join efforts under a single contract in order to meet this threshold. If the minimum workload exists, the review should then determine whether potential contractors are available to perform the work. After approval by the Garrison Commander, this review becomes the basis for initiating JOC acquisition planning. Chapter 2 has additional information on analysis of appropriateness.

Acquisition Strategy

In this phase, the plans required to conduct the JOC acquisition are prepared. The DPW needs to get involved with contracting authorities to plan potential contractor sources, JOC start date, and funding available to support the program. Factors such as timing of contract placement and annual funding implications also need to be considered. In addition, the DPW needs to be involved in deciding what special provisions - if any - will be required in the contract in order to achieve the desired results while maintaining fundamental performance and quality features.

DPW Planning and Contract Award

This step includes selecting personnel from the DPW staff who will be administering and executing the JOC contract. It also includes joint development (engineering and procurement) of the installation’s standing operating procedures (SOP). Training the DPW and contracting personnel and planning for ordering work should be done during this phase. The step also includes the preparation of the statement of work, selection of the installation's UPB with technical specifications, coordination of environmental requirements, creation of a technical library, and all other actions necessary to prepare and forward the DA Form 3953 to the contracting office so the acquisition process can begin.

Contracting personnel serve in advisory roles during the feasibility planning process, and the DPW should participate in developing the JOC solicitation, developing the Source Selection Evaluation Plan (SSEP), and discussions concerning small business set-asides that must be made before release of the solicitation. The solicitation is then issued; proposals are received, evaluated, and negotiated; the offeror is selected; and award is made.

Work Execution

This is the operational phase of the JOC contract. The DPW generates individual job orders (IJOs) from customer requests and site inspections. If the IJO is appropriate for accomplishment by JOC, a project manager may initiate a request for proposal package, which is approved by the contracting officer/ordering officer. The contractor prepares a detailed proposal for accomplishing the required work. Simultaneously, the project manager prepares an Independent Government Estimate (IGE) for orders valued at $100,000 or more. The contracting officer/ordering officer reviews the contractor's proposal and negotiates to arrive at a fair and reasonable price for the order. The contracting officer/ordering officer issues a task order after any necessary reviews. Quality assurance, inspection, and acceptance procedures are essentially the same for a JOC task order as for other construction contracts and task orders.

Contract Administration

After contract award, the contracting office has the primary responsibility for administration and execution throughout the life of the contract. The separate responsibilities between the contracting office and the DPW must be clearly defined. Contract administration by both the DPW staff and contracting office will be required for surveillance of the contract. Additionally, both the DPW and contracting office will need to monitor the contractor's performance and other conditions to determine whether exercising contract options is in the government's best interest.

LIMITATIONS

The JOC program has great potential but it also has limitations. A concise list of JOC limitations is provided below; more specific information is provided throughout the Guide.

Task Order Limits. Task orders should have an estimated minimum value of $2,000 and not exceed the amount of SRM authority delegated to the installation by HQDA. See Chapter 5 for additional information on task order limits.

Non-Prepriced (NPP) Limits. The percentage of NPP items used per task order should not exceed 10% of the total value of prepriced items. Exceptions are clarified in Chapter 5.

Work Limits. JOC cannot be used to purchase supplies, services or architect and engineer (A-E) services. Department of Labor guidance provides that services such as carpet installation, landscaping, asbestos removal, and building demolition may be performed as construction when the work is incidental to a construction project. See Chapter 5 for specific items not authorized for acquisition under a JOC contract.

Ordering Officer Limits. JOC ordering officers may not sign task orders with a value exceeding $500,000. They may sign task orders where the value of any non-prepriced item(s) does not exceed $2,500. They may issue modifications to existing task orders as long as they don't exceed their established authorities. The ordering officer(s) authorities and limitations are discussed in detail in Chapter 5.

CHAPTER 2

ANALYSIS OF APPROPRIATENESS

CHAPTER INTRODUCTION

The initial action for the Garrison Commander, the DPW and the DOC is to determine whether a JOC contract would be beneficial to the installation. Many factors should be considered during the analysis. The basic factors are set forth in this chapter, but this list is by no means exhaustive. The installation's DPW is free to include additional factors as appropriate to meet local needs.

APPLICABILITY ANALYSIS

The DPW should start by defining the work that could be done under a JOC contract at the installation and identify the types of SRM and customer-funded work to support a JOC contract. An estimate of the annual volume of work susceptible to performance in a job order contracting environment is required. The annual work plan, budget, and other anticipated workload should be examined. The recommended minimum level of activity for an effective JOC contract is approximately $2 million annually, and amount of work that will result in a favorable coefficient, considering the contractor's overhead. Task orders below $2,000 should not be included in the analysis, since orders that small are not cost-effective under a JOC contract. The historical database maintained by the DPW can be used as a starting point to forecast the potential annual work volume, considering the following:

- What work is being accomplished.
- How the work is presently being accomplished.
- Who is currently performing the work.
- Why the work is necessary.
- When the work is being accomplished.
- Where the work is being accomplished.

The current backlog of work, planned stationing actions, and other master planning for the installation must be considered, including any changes foreseen in the installation's mission. After the benefits assessment is completed, future requirements and annual minimum and maximum workloads should be estimated. If current and historical contract work of this type exceeds $2 million per year, it is likely that a JOC contract is appropriate. If analysis indicates potential benefits from a JOC contract, then its feasibility should be examined.

If the workload at your installation is not significant enough to warrant a JOC contract, consider partnering with another installation to award a single contract for both. If several installations are located in close proximity to one another, a JOC contract to service all sites is also feasible.

FEASIBILITY ANALYSIS

Funds budgeted and programmed for recent years should be evaluated to determine consistency of historical benefits data with forecasted needs. Additionally, the DPW should consider whether funds budgeted will currently support a JOC contract and will continue to support it for the anticipated term of the contract. Meaningful minimum and maximum workload requirements must be established. Remember that the minimum will obligate the government to place orders totaling at least that amount in the contract and the annual maximum is connected with bonding requirements.

Current commercial contract support should be reviewed to ensure that a JOC contract will not produce conflicts with and between existing contractors that could result in disruptions to work and/or protests. Existing DPW support contracts need to be checked to determine whether potential contractors and subcontractors are working in the same location under both cost-reimbursement and fixed-price contracts, so that conflicts can be avoided. Having such contracts in operation at the same location could present cost-control and potential conflict-of-interest problems. Conflicts between an existing or planned commercial activity (CA) contract and the JOC contract scope of work must be avoided. The DPW should review existing requirements contracts and their interface with planned JOC actions. All existing DPW contracts should be considered in this analysis.

Enough qualified personnel should be available in the DPW organization to manage and execute a JOC contract. The DPW and the contracting office may have to realign existing personnel to handle day-to-day execution and contract administration responsibilities.

As a next series of steps, the following actions should be taken:

- Determine the ability of the DOC to establish and support a JOC contract. If the DOC cannot provide the initial or post award contracting support, determine whether the supporting USACE district can place the initial contract and provide the needed services, on a reimbursable basis.

- Determine the source for the UPB.

- Conduct a market survey (i.e., FedBizOpps Synopsis) to determine whether there are enough qualified and interested prime contractors to ensure meaningful competition for the JOC contract.

- Identify any topographic considerations. Is the installation serviced by more than one local area and market? Determine whether there are any geographic distances that would result in multiple labor or supply sources. Also, surface, subsurface, and climate differences should be identified for the feasibility analysis, with appropriate consideration in the selection of the UPB.

- Decide how many different UPBs or coefficients will be needed at the installation. For example, some installations may have different Davis-Bacon wage rates that will require separate UPBs or coefficients for those areas. Since residential construction generally has much lower Davis-Bacon rates than building construction, consideration may be given to a separate coefficient for family housing. Consideration may also be given to a preagreed rate for indirect costs and profit for nonprepriced work. (See page 5-12 for additional information.)

- Determine whether any specified activities should be added (e.g., non-appropriated funds (NAF), etc.) or omitted from the JOC contract and the impact on the feasibility analysis.

APPROPRIATENESS AND FEASIBILITY REPORT

At the conclusion of the appropriateness and feasibility analysis, the DPW should issue a report summarizing the results and conclusions. The report should be coordinated with the appropriate staff offices (including the supporting contracting office) and approved by the Garrison Commander, who cannot re-delegate this authority. Following approval, coordination between the contracting office and legal office is required to establish a JOC contract at the installation.

CHAPTER 3

JOC ACQUISITION STRATEGY

CHAPTER INTRODUCTION

This chapter discusses the planning required, ultimately leading to solicitation issuance, contractor selection, and JOC contract award. Both technical and business strategies must be developed, and the basic considerations included in the solicitation and contract must be documented.

PLANNING FOR ACQUISITION

Acquisition Plan

Effective acquisition planning is required for all JOC contracts regardless of size. A formal acquisition plan is required when the dollar value is estimated to exceed $15M for any fiscal year/$30M for all years including options. The acquisition plan should be tailored to the needs of a JOC construction services contract. The plan should be written to allow the contracting activity the flexibility of accomplishing requirements that are unknown at the time of basic JOC contract award. All necessary organizations must participate in its development to ensure that objectives and interests of all government activities involved have been accommodated.

A plan for acquisition starts with the needs and feasibility study and is complete once the decision has been made to implement a JOC contract. Planning should be initiated well in advance of the fiscal year in which the contract is to be awarded. This planning should avoid awarding the basic contract in the 4th quarter of the fiscal year. Figure 3-1 shows a time line for the acquisition planning process.

The contracting office has overall responsibility for acquisition planning and must be supported by the DPW in preparing and maintaining the plan. The contracting office will be aided by other functional staff personnel (e.g. DPW, legal, quality assurance, small business), as required. The plans should be prepared for both initial and follow-on contracts and will be filed with, and become a part of, the contract support file. Additionally, a copy of the plan will be given to the ordering officer to provide the background of the acquisition and the

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                                                                                  Contract
                                                                                   Award
                                                   Months
Activity                 -9     -8     -7     -6     -5     -4     -3     -2     -1  |  +1    +2
-------------------------------------------------------------------------------------------------
Needs and feasibility analysis   O----------O                                      |
Develop plan for acquisition            O--------O                                |
Produce technical documentation                 O---------------O                 |
Produce solicitation                            O---------------O                 |
Develop source selection plan                   O----------O                      |
Staffing                                        O---------------O                 |
Conduct solicitation                                   O-------------------------------------------------------0
Training                                               O--------------------------------O                     |
Award Contract                                                                                   O
                                                                                                 |
Contract award activities                                                                        O
                                                                                                 |
Mobilization                                                                                     O---------------O
                                                                                                 |
```

FIG 3.1 JOC IMPLEMENTATION TIME LINE FOR ACQUISITION PLANNING
(Avoid 4th qtr award)

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process for issuing orders. Since the acquisition planning is an ongoing activity, the plan must be updated as elements are changed.

CONTENTS OF THE ACQUISITION PLAN

The contents of a suggested plan for job order contracting are described below. It should include "Acquisition Background" and "Plan of Action" sections. The Federal Acquisition Regulation (FAR) and the DOD FAR Supplement (DFARS) contain additional guidance for this purpose. Existing guidelines at the Department of the Army (DA) contracting region, and installation should also be followed.

Acquisition Background

The following are necessary components of the plan's background portion:

- **Statement of Need.** A summary of the appropriateness analysis should be incorporated here, together with a reference to the study and its location in the files. For follow-on contracts the statement of need should include a discussion of the technical and contractual history of the acquisition, plus any acquisition alternatives and any related contractual or in-house efforts.

- **Surrounding Conditions.** This action should include all significant conditions, such as requirements for compatibility with existing contracts.

- **Capabilities Being Acquired.** Discuss any required capabilities and performance goals being sought, such as contractor response time, and JOC support requirements.

- **Performance Period.** Describe the performance period for the JOC contract, including both the initial contract award and option periods.

Plan of Action

The following components are necessary and should be considered as part of the plan of action.

- **Sources.** Part of the plan for acquisition requires that surveys be conducted so that full and open competition can be obtained. The plan of action will address the market survey, and its results, including any effect these results will have on other elements of the plan for acquisition. The discussion sources should include what, if any, consideration was given to small business participation. Unrestricted acquisitions will require a subcontracting plan if awardee is a large firm.

- **Competition.** Describe how competition will be sought, promoted, and sustained.

- **Source Selection Procedures.** Discuss the source selection procedures. This discussion should include the timing for development of the source selection evaluation plan (SSEP). It should reflect that the SSEP will be available before the solicitation is released, so that it can be used in developing Section M of the solicitation addressing source selection.

- **Contracting Considerations.** For each contract contemplated, discuss the unique features of a JOC contract and how they are to be accommodated in the acquisition. Discuss any special contract clauses contemplated, or special solicitation provisions.

- **Multiple Awards.** The FAR provides for multiple or single award of delivery and task order contracts. Consideration must be given to several factors before making multiple awards for a JOC contract. A few things to consider are: the affordability of providing facilities for two or more contractors; the resources required to properly administer more than one contract; and the impact on the subcontractor pool. If an installation has multiple JOC contracts, each task order must be competed among all JOC contractors.

- **Budgeting and Funding.** Describe how budget estimates were derived, and discuss the schedule for obtaining adequate funds at the initial contract award for the guaranteed minimum, plus the process of obtaining funds before issuing individual task orders after the guaranteed minimum has been

ordered. This section should also include a discussion of responsibilities for funds management for the contracting officer/ordering officer(s), resource management personnel and other DPW JOC personnel.

- **Management Information System Requirements.** Discuss what management information system, if any, will be used to monitor the contractor's performance. Discuss any automated data processing interface considered between the government and the contractor.

- **Logistics Consideration.** Describe the quality assurance requirements, including any planned use of warranties of contractor-installed equipment. Describe the requirements for contractor technical or procurement data.

- **Government Furnished Property.** The contemplated JOC acquisition will generally require the contractor to use or occupy government property. This requirement leads to the possibility of an on-site work facility or space for a work facility on-site. This required action may vary from providing a location for the contractor to installing a trailer or similar temporary facility, to providing an existing building or space in a building that can be converted to usable offices. It may also mean availability of shop facilities or space in shops, which the contractor will operate, or facilities that the contractor will have access to on a "space available" basis. The contractor may be granted limited access to government property as necessary to accomplish work called for in the individual task orders. Each of the possibilities will require different pricing consideration for the contractor and must be fully explained in the solicitation. Information should also be provided on the extent to which the contractor may consume government utilities - heat, light, and power - for use at on-site facilities and work locations. The plan will also include the planning and scheduling considerations necessary to ensure the availability of government-furnished property required to support contractor needs without work disruption.

- **Government Furnished Information.** Discuss availability of government manuals, drawings, and other data to be provided to prospective offerors and contractors. Include a discussion of the availability of specifications and the source of specifications, for both priced work (from the UPB) and non-prepriced work.

Contractor Computer Equipment. The equipment specifications to support the pricing (UPB) software must be planned for and identified in advance. The contractor must equip itself with compatible computer hardware and software so that information can be shared, as required.

- **Environmental Considerations.** Discuss the proposed resolution of environmental issues and any environment-related requirements to be included in the solicitation and contract. Discuss whether any environmental considerations are to be separately treated when individual task orders are issued, and whether contractual coverage will be required.

- **Security Consideration.** If the contractor's contractual responsibilities require the use of secured areas, discuss how adequate security will be established, maintained, and monitored. Discuss how security clearances for the prime and any subcontractors will be handled and the responsibilities of both the government and the prime contractor regarding them.

- **Energy Considerations.** Discuss energy conservation considerations, including whether specific coverage will be required in the solicitation and in selecting the unit price book.

- **Standardization.** Discuss any standardization programs to be recognized in the contract. Standardization programs, if any, must be limited to those that have been appropriately directed and approved through Region channels.

- **Occupational Safety and Health Administration (OSHA).** Discuss how OSHA requirements will be met in the solicitation and contract, including the need for special contract clauses.

- **Source Selection Evaluation Plan (SSEP).** Because the selection of a contractor is based on other factors in addition to price, the nature and structure of the source selection process should be discussed to ensure that adequate planning occurs.

Contract Structure. Discuss the initial period and option(s) structure of the contract. Discuss the responsibilities of the contracting office, COR, ordering officer and other DPW JOC staff members in monitoring contractor performance.

- **Bonding Requirements.** Discuss any bonding requirements to which the contractor and subcontractors will be expected to adhere to (see FAR 28.1). Chapter 5 has additional guidance on anticipated bonding requirements and limits.

- **Preproposal Conference.** Discuss the plans for the preproposal conference, including scheduling, government representation, location, etc.

- **Determination of Contracting Support.** Either the DOC or servicing USACE district will be chosen to award/administer the JOC contract. The planning considerations necessary for either activity making the procurement must be discussed. If district assistance is required, discuss the timing requirements, the office to be contacted, memorandums of agreement (MOA) contemplated, etc., necessary to ensure a smooth and well-coordinated contract.

- **Task Order Placement.** Discuss the appointment and training of the ordering officer(s) within the DPW. Discuss the location and schedule of training, so that it will be completed before contract activation. Ordering officer(s) should attend the JOC Basic training course. JOC training is available through the US Army Corps of Engineers Installation Support Training Division, Huntsville, Alabama. Discuss the working agreements needed, MOAs etc., to ensure coordinated interaction between the ordering officer and the contracting officer.

- **Assignment of Source Selection Authority.** As with any solicitation of the magnitude of a JOC contract, the appointment of the source selection authority (SSA) needs to be addressed.

- **Assignment of Ordering Officer Responsibilities.** The distribution of functions associated with contract operations, including issuance of task orders and actions required by the contracting officer, should be planned and discussed to ensure smooth and orderly accomplishment of functions.

Contract Administration Functions. Responsibilities should be spelled out for the various contract administration functions, including such areas as payment disputes, appeals, total or partial contract termination (including task order termination) and contract closeout. A contract administration plan will be written by the contract administration office and the DPW as part of a JOC execution SOP.

- **DPW Organization Staffing Plan.** Discuss the organization staffing plan and assignment of responsibilities for the personnel who will be involved with the JOC contract.

- **Contract Clauses.** Identify any specific contract clauses contemplated for inclusion in the solicitation and contract, including those covering bonding, response times, operating hours, quality control, subcontracting plan, Non-Appropriated Funds (NAF), and progress payments.

- **Subcontracting Plan Regarding Small, Small Disadvantaged and Women-Owned Small Business.** Discuss the planned structure of the contract to ensure compliance with small, small disadvantaged and women-owned small business subcontracting requirements.

- **Milestones for the Acquisition Cycle.** Identify and establish milestone dates and critical events, to ensure timely accomplishment of the acquisition. See Table 3-1 for a list of suggested milestones.

- **Identification of Participants.** List the individuals who participated in preparing the plan for acquisition, giving contact information for each.

EVENT	PLANNED DATE	ACTUAL DATE
1. Garrison Commander Approval		
2. Acquisition Plan Approval, as required.		
3. Statement of Work		
4. Specifications & Unit Price Book		
5. Data Requirements		
6. Small Business Coordination Record (DD Form 2579)		
7. Purchase Request		
8. ASFI/FedBizOpps Synopsis		
9. Preparation of Acquisition Package		
10. Obtain Presolicitation Approvals (as required)		
11. Solicitation Review Panel		
12. Source Selection Evaluation Plan Approval (as required)		
13. Issue Solicitation		
14. Preproposal Conference		
15. Evaluate proposals, audits & field reports, as required		
16. Prepare Discussion and Clarification Statements		
17. Prepare Discussion and Competitive Range Decision		
18. Request & Review Revised Proposals (Discussions Process)		
19. Request Final Revised Offer		
20. Prepare Selection Decision		
21. Contract Award		
22. Debriefing(s)		

TABLE 3-1
PLAN FOR ACQUISITION MILESTONES

CHAPTER 4

DPW - PLANNING ACTION

CHAPTER INTRODUCTION

This chapter discusses the DPW's precontract responsibilities and the steps necessary to actually acquire and manage the JOC contract. After the final steps in acquisition planning are complete, the DPW will need to address: obtaining the UPB and technical specifications, and selecting and training the people who will be responsible for the JOC contract. The DPW is also responsible for developing a JOC statement of work, creating and maintaining a technical library, and performing other precontract steps such as assisting in the development of a JOC SOP and Source Selection Evaluation Plan. The contracting office has overall responsibility and should be consulted, as necessary.

THE UNIT PRICE BOOK AND SPECIFICATIONS

The JOC contract includes a UPB, which may be obtained commercially. Consider the following when selecting a UPB:

- Can line items be added/deleted?
- Are demolition line items included for each applicable line item or is there a separate demolition section?
- Is hotline support provided and at what cost?
- Are specifications included?
- What are the hardware requirements (size capacity)?
- Can the UPB be localized to reflect the local economy?
- How often is the database updated and are there associated costs?
- Does the database address the 16 CSI divisions?
- Is it quantity sensitive (e.g., offers quantity discounts)? If not, this may be addressed in the basic contract.
- Are there line item tasks that should be in the contractor's coefficient and therefore not to be included in individual task orders? If so, this also can be addressed in the basic contract.

Unit Price Book

The UPB and specifications are key elements of the JOC contract. When completed, they embody the two basic elements that give the JOC contract its main strengths: technical specifications for work segments in the UPB, and fixed prices

for these work segments. The DPW has primary responsibility for price review and technical sufficiency of the UPB and specifications.

The contracting officer shall coordinate with the installation DPW to assure that the UPB has undergone technical review and validation and is tailored to meet the projected requirements of the installation and local economic conditions. This is a critical step in implementing JOC and is required to minimize the need for non-prepriced items during the processing of task orders. This will assure optimum use of JOC to meet installation needs.

The use of labor only line items in the JOC UPB is acceptable provided proper internal controls are in place and that the method for using labor line items is specifically outlined in the JOC solicitation and contract. Labor line items should be identified as a modifier or as a new task, such as by LF, SF, EA, etc., and be used only when incidental to construction. Labor line items are not to be used to provide services, which could normally be performed under a separate service or requirements contract.

The unit price book is an integral part of the contract. The unit prices should be thoroughly reviewed by all bidders and the government prior to award. In order to preserve the integrity of the competitive procurement process, post-award changes in unit prices can and should only be made in the most extraordinary of circumstances. These circumstances may arise if the unit price is the equivalence of a mutual mistake in bid (not intended by either party) or if otherwise determined to be in the best interest of the government. Specifically, this authority should not be used to selectively help a contractor "get well" if there is a perceived shortfall in pricing of a particular task in the UPB that the contractor should have been aware of prior to award. Legal counsel should be consulted in these circumstances. Any mutually agreed to changes in the UPB under this criteria should attempt to rectify those egregious errors that favor either party and/or that result from facts only brought to light after award. Care must be taken to ensure that the revised pricing is fair and reasonable and fully supported by appropriate documentation. Keep in mind that we never know for sure how much contingency is built into the offeror's coefficient. These rare post-award revisions cannot serve as a substitute for a thorough pre-award review of the UPB by all parties.

Technical Specifications

The DPW will develop or utilize established specifications and revise them as necessary. The technical specifications will be included or referenced in the JOC solicitation.

STATEMENT OF WORK

The DPW should review all existing SRM contracts before determining the statement of work (SOW) for the JOC contract. In developing the SOW, the following must be considered:

- The capabilities that a JOC contract will provide.
- The relationships with other contracts, particularly requirements and commercial activity contracts.
- The value of typical task orders.
- The contractor's use of Government-Furnished Material (GFM)/Government-Furnished Equipment (GFE).
- Use of clear, concise language.

When preparing the SOW, the DPW must consider that JOC contracts are construction contracts that can only be used for sustainment, restoration, and modernization of buildings, structures, or other real property. They cannot be used to buy supplies or services. Chapter 5 includes a list of items not authorized for purchase under a JOC contract.

The SOWs for installation operations contracts and service contracts that fall under Office of Management and Budget (OMB) Circular A-76 review must be considered when developing the statement of work for a JOC contract. Typical DPW work compared under A-76 procedures includes recurring operations, service order work, and maintenance work. An installation may utilize an A-76 contract and a JOC contract provided there is no conflict in scopes of work.

DPWs must realize that JOC contracts envision that the contractor will furnish the labor, materials, and equipment needed to perform the work. Limited use of government-furnished material or government-furnished equipment may be necessary to solve a specific schedule or cost problem; however, any job that includes substantial portions of GFM or GFE is generally not appropriate for job order contracting.

The final statement of work, and each task order (T.O.) should be as clear, concise and unambiguous as possible. Clear and explicit requirements help elicit quality proposals and quality work performance and help avoid disagreements over the intent of the contract. Avoid words that have subjective interpretations. The word "reasonable" does not have a clear, precise meaning. For example, what is reasonable to a government inspector may not be to the contractor. Other examples of terms to avoid are:

- "To the satisfaction of the contracting officer."
- "In accordance with the best engineering practice."
- "Installed in a neat and workmanlike manner."
- "The contractor should," gives the contractor a choice; make it mandatory.

ECONOMIC PRICE ADJUSTMENT

JOC solicitations and contracts shall contain provisions for making annual adjustments to the option year(s) prices. This shall be done by updating the base year coefficient using criteria and predetermined formulas in an economic price adjustment (EPA) clause. Adjustments to the base year coefficient will be based on the Engineering News Record Building Cost Index (BCI) as published by McGraw Hill. The index is a weighted aggregate of changes to construction costs. For computation of the EPA, the BCI for the city closest to the supporting installation will be used. EPA will not be used for contracts awarded outside of the United States. The clause found in AFARS 5152.237-9000 shall be used in JOC contracts. Use of EPA under regional or multi-site JOC contracts with multiple coefficients must be addressed on a case-by-case basis.

ENVIRONMENTAL COORDINATION

Usually environmental assessments are not required for a JOC contract. However, to meet the intent of the National Environmental Policy Act of 1969, Public Law 91-190, the DPW will coordinate with the installation environmental office to review and implement (as required) the requirements in AR 200-1 and 200-2. A record of environmental consideration should be completed and approved by the installation environmental office prior to task order award.

ESTABLISH TECHNICAL LIBRARY

One of JOC's primary objectives is to have the contract awarded in a competitive environment and to have it performed pursuant to the competitive results. A technical library is required to provide potential offerors with access to operating regulations, Installation Design Guides, drawings, and various site specifics that will govern contract performance. A thorough review of the contract specifications should be made prior to the issuance of the solicitation to ensure that all required references are available.

SOURCE SELECTION

Source Selection Team

A key to performing a successful source selection is the early identification of team members. It is important to train personnel who are not familiar with their responsibilities; start as early as possible. In addition to the normal functional representatives on the source selection evaluation team, the contracting team, and the technical team, it is smart to include a technical person on the contracting team. That person assists in the technical evaluation of price proposals to determine whether a price proposal is complete, reasonable, and realistic. It is also a good idea to have a contracting person as an advisor to the technical team to advise on contractual matters and ensure the integrity of the process. Considering the long range (multi-year) and high cost impacts, it is wise to put the best, most qualified personnel on both teams. This up-front effort should make JOC run much smoother and more efficiently over the life of the program.

Selection Evaluation Plan

Evaluation of proposals and selection of the successful offeror will be done in accordance with the Source Selection Evaluation Plan (SSEP). The DPW should develop the technical requirements portion of the SSEP as soon as a plan for acquisition has been approved. The objective of source selection is to select the offeror whose proposal provides the best value to the government.

In using the best value approach, the Army seeks to award to an offeror who gives the greatest confidence that it will best meet the requirements affordably. This may result in an award being made to a higher rated, higher priced offeror where the decision is consistent with the solicitation’s evaluation factors and the Source Selection Authority (SSA) reasonably determines

that the technical superiority and/or overall business approach and/or superior past performance of the higher priced offeror outweighs the cost difference. The SSA, independently exercising prudent business judgment, arrives at a source selection decision based on the offeror(s) who proffers the best value to the government.

If threshold and objective performance requirements are identified in the Request for Proposal (RFP), the solicitation must communicate to offerors (1) how evaluation of objective performance requirements will be accomplished and (2) to the extent that performance above the threshold requirement is achieved, how the offeror will be credited for such performance. The Source Selection Evaluation Board, in conjunction with the SSA, and consistent with the solicitation's hierarchy of Factors, Subfactors, and Elements, will review each offeror's proposed achievement of objective requirements and make as informed a judgment as possible, based on the data available, as to whether the proposal to meet objective requirements is worth the government's approximation of the delta price to achieve the objective requirement. The SSA, in the Source Selection Decision Memorandum, and consistent with the solicitation's hierarchy of Factors, Subfactors, and Elements, shall recognize and appropriately consider, in the Source Selection Decision Memorandum, the extent of the performance benefits afforded by the level of objective performance expected to be achieved by the offeror.

A tradeoff process is appropriate when it may be in the best interest of the government to consider award to other than the lowest price offeror or other than the highest technically rated offer. When using tradeoff process the following apply. All evaluation factors and significant subfactors that will affect contract award and their relative importance shall be clearly stated and whether all evaluations factors other than price, when combined, are significantly equal to, or significantly less important than price. This process permits tradeoffs among cost or price and non-cost factors and allows the government to accept other than the lowest priced proposal. The perceived benefit of the higher priced proposal shall merit the additional cost, and the rationale for tradeoffs must be documented in the file.

Lowest price, technically acceptable source selection process is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. The evaluation factors and significant subfactors that establish the requirements of acceptability shall be set forth in the solicitation. Solicitations shall specify that award will be made on the basis of the lowest evaluated price of proposals meeting or exceeding the acceptability standards for

non-price factors. Tradeoffs are not permitted. Proposals are evaluated for acceptability but not ranked using the non-price factors.

Use of evaluation criteria that reflect the requirements of the JOC program will enable the government to emphasize technical ability, management abilities, quality, and past performance in reaching a source selection decision. Examples of evaluation criteria that have been effectively used in JOC source selections include:

(1) Project management ability, including key project management staff, technical support staff, the quality control plan, and financial resources;

(2) Subcontracting support capability and subcontract management, including identification of key subcontractors, purchasing system/level of subcontracting.

(3) Past and present performance information which will demonstrate ability to perform the proposed effort;

(4) Project execution, including sample project preparation/submission; and

(5) Price, including completeness, reasonableness, and realism.

PREAWARD ACTIVITIES

After the solicitation is issued, the DPW will participate in a preproposal conference, proposal evaluation, and the source selection process. This and all other preaward activities are coordinated by the contracting officer. The preproposal conference compels the JOC team to consider various perspectives and differing interpretations of the government's solicitation. By allowing potential contractors to ask questions, the Army can anticipate the receipt of better proposals and an overall smoother acquisition. Part of planning for the conference should include the selection of an appropriate facility conducive to questions, discussions, and the exchange of information. Additional information on the preproposal conference is on page 4-10.

Base Support for the Contractor

The use of GFE/GFM is discouraged. However, any GFE/GFM that will be provided must be planned for and described in the solicitation. The contractor's coefficient is based on the items in the solicitation document; the DPW must decide before the solicitation is issued if GFE/GFM will be provided. Steps must be taken to ensure the GFE/GFM will be available when needed during contract performance.

The DPW has to consider whether to provide facilities and utilities for use by the contractor. The decision should be based on such factors as:

- Location of contractor work facility.
- Contractor use of shop facilities.
- Charge-back rate for utilities use.

The contractor's computer system must be compatible with the government system to ensure that information can be transferred between the contractor and the government and to support the operation of a JOC automated data processing system.

Contractor Phase-In Plan

The key to orderly and timely implementation of JOC operations is the offeror's plan for activation. The solicitation should require the offerors to submit a phase-in plan. The contractor's proposal should demonstrate a full understanding of the UPB, how it operates, how a proposal for a scope of work becomes a task order for tasks contained in the UPB, and how to establish prices for NPP requirements.

Contractor Phase-Out Plan

The requirement for a contractor phase-out plan should also be considered. Oftentimes, when one JOC contract expires and another one is awarded, there most likely will be task orders still outstanding from the previous contract. Therefore, there may be two different contractors on the installation at one time until all outstanding work under the first contract is complete. Depending on the amount of work remaining, this could be anywhere from one to six months. The contractor should explain how warranties will be managed and how operations on the installation will be phased out.

Identification of Special Contract Requirements

DPWs must consider special contract requirements before the solicitation is issued. These contract requirements are expressed in installation-unique JOC statements of work and specifications. For example, the quality control operations expected from the contractor might be appropriate for inclusion. The DPW and contracting office should work jointly to identify and develop any special requirements of the contract.

Presolicitation Review

DPW personnel must participate with the contracting office during any presolicitation reviews. Each functional activity should review and comment on the solicitation to ensure that it meets the following criteria:

- Gives a sound basis for contracting and includes the desired objectives.
- Conforms to existing regulations and laws.
- Implements the acquisition objectives in conformance with policies and regulations.
- Sets forth in clear and concise terms the government's objectives.
- Contains only essential requirements, including data requirements.

FORMAL ACQUISITION PROCESS

Contract Funding

The technical documents (i.e., UPB, technical specifications, and SOW) that the DPW needs to prepare for the solicitation and contract must be submitted to the contracting activity as attachments to a completed DA Form 3953, Purchase Request and Commitment. The DA Form 3953 must include the funds committed for the guaranteed minimum. This form and its attachments start the actual contracting process, which is the primary responsibility of the contracting office.

Preproposal Conference

Any potential offerors should be notified of the preproposal conference date in the solicitation. The conference should be scheduled no sooner than 2 weeks following release of the solicitation and no later than 20 days before the proposal submission date. This conference enables potential offerors to receive clarifications to any sections of the solicitation. When and if time allows, the contracting officer should ask prospective offerors to submit written questions in advance so that prepared answers can then be delivered during the conference. Technical (DPW), contracting and legal personnel will attend the conference. The contracting officer or the designated representative will chair the conference, furnish all prospective offerors information concerning the proposed acquisition, make a complete record of the conference, and promptly furnish a copy of the minutes to all prospective offerors. The DPW should conduct a tour of the facilities to familiarize offerors with local conditions, since they need knowledge of these conditions in order to formulate realistic offers. Remarks and explanations at the conference do not change the requirements; the only way to change the solicitation is by means of amendments issued by the contracting office to all the offerors.

Proposal Evaluation

Selected personnel will participate when proposals are evaluated in accordance with the source selection evaluation plan. This will be a joint effort involving the several activities (contracting, DPW, SDB and legal) set forth in the plan.

Competitive Range

The DPW should participate in establishing solicitation evaluation factors and as a member of the Evaluation Board. All proposals shall be evaluated based solely on the factors and sub-factors contained in the solicitation, price, and other factors. If discussions are to be conducted, the contracting officer shall establish a competitive range comprised of all the most highly rated proposals, unless the range is further reduced for the purposes of efficiency. The contracting officer competitive range decision is based on the summary report, prepared by the Evaluation Board, for each proposal that includes the evaluated price; the final rating for each factor and sub-factor; and a discussion of the associated strengths, weaknesses, deficiencies, and risks.

Preaward Survey

Preaward surveys (FAR 9.106) are required when the contracting officer considers that the information on hand is not sufficient to make a determination of an offeror's responsibility. If a preaward survey is needed, the DPW should participate.

Evaluation of Contractor Performance

Before awarding a JOC contract, contracting officers must retrieve all performance evaluations in the Construction Contractor Appraisal Support System (CCASS) on all offerors. Contracting officers may deny award on a contract based upon the documented history of unsatisfactory contract performance contained in the CCASS database maintained by the U.S. Army Corps of Engineers, Northwestern Division (AFARS 5136.201).

Negotiations and Source Selection

DPW personnel participate in contract negotiations as members of the contracting officer's technical team. When factors other than price are considered, members of the cognizant technical team are responsible for the technical elements of the evaluation. They will document their decisions and the results in accordance with the SSEP. The documents will be included as part of the contract files and will be subject to subsequent review.

Debriefing Unsuccessful Offerors

Offerors requesting a debriefing in writing will be debriefed by the contracting officer, supported by technical, legal and other functional activities if necessary. Debriefing is an important step in avoiding protests and has the positive effect of resulting in better proposals for future requirements.

SUPPORTING THE JOC PROCESS

Staffing

The initial planning for JOC staffing occurs during the feasibility study detailed in Chapter 2. The minimum skills required to support the JOC process include managerial, contract administration, construction management, project management, and quality assurance. The JOC staffing will change to meet the workload to be managed/performed by using JOC. The QA personnel should work in close relation to those preparing task orders to facilitate communications, scheduling, and coordination.

Generally, $2 million to $5 million in annual JOC workload will require the primary responsibilities of four or five staff members. It is recommended that one position be primarily responsible for JOC COR and contract support activities.

Facilities

Adequate office space, equipment, and telephones are necessary for a productive environment. Access to a conference room is mandatory for conducting private discussions with the contractor during task order execution. The JOC responsibility may be a part of the Engineering, Plans and Services Division (EPSD) or the Resource Management Division (ERMD) of the DPW, depending upon the type of work that the JOC contract is expected to be used for and the personnel in each organization. Experienced, competent and credible personnel should be involved in the JOC process. All personnel performing JOC functions must become familiar with and adhere to the Standards of Ethical Conduct for Employees of the Executive Branch, issued by the Office of Government Ethics and the DOD Joint Ethics Regulation. Additionally, ordering officers and CORs must also comply with the Procurement Integrity Act in accordance with FAR 3.104, as applicable.

Training

All personnel assigned JOC responsibilities must be trained to properly perform their job functions. To meet this need, JOC training courses are offered by the US Army Corps of Engineers Installation Support Training Division, (ISTD) Huntsville, Alabama. See Appendix K for additional information on the JOC Basic and JOC Advanced courses. Training should begin 5 or 6 months before the planned award date so that the staff is ready to start work once the contract is awarded. ISTD will centrally manage training. Personnel involved with the JOC contract from both the DPW and contracting offices are encouraged to visit installations that are currently executing a JOC contract to gain a working perspective.

Preaward Activities

The DPW JOC personnel assume responsibility for selecting, reviewing and revising the UPB and specifications as discussed earlier in this chapter. The DPW JOC personnel and the contracting office will jointly develop an SOP for JOC. The SOP procedures identify the responsibilities of other operations associated with job order contracting, such as identifying requirements, verifying the validity of acquisition under the

contract, establishing task orders, (including negotiation of work unit requirements as required) jointly developing a contract administration plan, and negotiating NPP work requirements within the limits established in the ordering officer's letter of appointment. An outline for the recommended SOP is included in Appendix C.

Continued assurance of public confidence in the acquisition is important. Accordingly, the provisions of AR 11-2 must be followed to develop and maintain internal control procedures. The JOC contract is subject to review by U.S. Army Audit Agency (USAAA), the Inspector General (IG), General Accounting Office (GAO) and the other review activities responsible for ensuring that operations are conducted in the best interest of the government. A good internal control procedure and compliance with it will allay concerns associated with JOC. An internal control checklist can be found in Appendix D.

In preparation for awarding the contract, the DPW should identify potential projects that will be performed under the JOC contract and announce the pending award of the contract to tenant activities on the installation. Upon receipt of requirements from potential customers, the work requirements should be reviewed as set forth in Chapter 5.

CHAPTER 5

WORK EXECUTION AND CONTRACT ADMINISTRATION

CHAPTER INTRODUCTION

This chapter provides guidance on the actual work execution phase of job order contracting and tracks the path of an individual job order (IJO) from the time it is requested by the customer, received and channeled through the DPW, and becomes an approved task order. This chapter also defines contract administration responsibilities during task order performance. Other procedures described are task order modifications, fiscal year-end planning, exercising options, and follow-on contracting. CAUTION: CONTRACTING POLICY AND ASSOCIATED ISSUES MUST BE REFERRED TO THE CONTRACTING OFFICER.

JOB ORDER EXECUTION

Initiating and Reviewing Job Orders

DPW customers, tenant activities, preventive maintenance programs, and other in-house facilities inspection programs generate requirements for sustainment, restoration, and modernization work. Completed IJO’s are submitted to the DPW in accordance with installation regulations and standard procedures. The initial step is to prepare an IJO on a DA Form 4283, Work Request. The DPW work management office is responsible for assessing the validity of the work request, checking for duplication with other requests, classifying the category of work, checking the customer's scope of work for sufficient detail, identifying and confirming a funding source, and assigning a priority and project number. The work management office also completes a desk estimate of the project cost to help determine the best method for executing the work request (in-house shops, competitively bid individual contracts or JOC).

In-House or Contract Performance

The DPW considers the availability of in-house personnel, troop personnel, and self-help capabilities to determine whether the project should be performed in-house or by contract. At any time during the process, the IJO can be returned to the work management office for additional information. The IJO must be analyzed to determine the most suitable method of accomplishing the work. In addition to these responsibilities, the DPW will log in the IJO, validate the requirement, set priorities, and obtain appropriate approvals.

Methods of Contracting

If the work management office determines that the IJO should be performed under a contract, different methods of contracting should be considered.

Requirements Contract

If an existing eligible requirements contract (as defined in FAR 16.503) totally covers the job order's work requirement, the work must be awarded to the contractor holding that contract. If only part of the IJO's requirement is covered by a requirements contract, the work management office must decide whether to obtain the appropriate portion from the requirements contractor and the rest from the JOC contractor, or to have all the work done by the JOC contractor. The principal consideration is whether it is conceivable and/or economically feasible to divide the job. If the JOC option is selected, the IJO should be delivered to the DPW office responsible for JOC execution.

Job Order Contracting

Job order contracting provides a quick and cost-effective means of acquiring SRM needs. A JOC contract can be used to accomplish SRM projects of buildings, structures, or other real property. JOC cannot be used to purchase supplies, services, or architect and engineer (A-E) services. The DPW work management office must ensure that requests for work other than construction are not sent to the JOC section. For example, the following items are not authorized for acquisition under a JOC contract task order:

- Fuels
- Utilities
- Construction equipment
- Administrative equipment
- Furnishings
- Construction materials only (lumber, concrete, etc.), for other than valid JOC projects
- Architect-Engineer Services (Brooks Act)

- Administrative services such as typing, transportation, reproduction, graphics, and interior design services not part of a JOC contractor construction proposal

- Maintenance, overhaul, or repair of equipment

- Housekeeping services

JOC contracts should not be used for orders less than $2,000, since the government and contractor overhead costs make orders of this size uneconomical. Requirements less than $2,000 will normally be accomplished by in-house maintenance personnel or by micro purchase (credit card). JOC contracts are not the appropriate vehicle for constructing major capital projects. Minor construction projects are limited to $750K. (See AR 420-10 for project limitations.)

Under JOC, the contractor furnishes labor, materials, and equipment needed to perform the work. The DPW should consider limited use of government-furnished material (GFM) or government furnished equipment (GFE), as necessary. However, any job that includes a substantial portion of GFM or GFE is likely to be inappropriate for job order contracting.

Job Order Routing

Upon receipt, the office responsible for JOC will review the IJO to make sure that the JOC contract is the appropriate contracting tool (given the same criteria as above), and develop a preliminary scope of work, and ascertain that the IJO is a valid requirement. If the IJO is found to be inappropriate for JOC, it must be returned to the work management office for reassignment to the proper office.

Assignment of a Project Manager

Once the IJO has been approved for accomplishment by the JOC contract, a project manager will be assigned. This assignment will be based upon the scope of the project, its complexity, and the predominant construction discipline required. The project manager will be responsible for ensuring successful and timely completion of the IJO under the JOC contract.

The project manager must become familiar with the job by visiting the construction site with the customer to determine the relevant aspects of the project. The project manager must review the applicable standards and regulations governing the required type of work. If the project manager determines that JOC is not the appropriate method for completing the IJO, it

should be returned to the work management office so that the job order can be accomplished by some other method.

Scope of Work

The scope of work should contain all significant quantities, methods of construction, and quality levels required. These important items of consequence if not performed or accounted for by the contractor, would relate to a less than fully satisfactory completion of the task order requirement. This scope must be in sufficient detail to be the basis of the contractor's proposal and the government's IGE. The scope of work will be refined during the T.O. preparation and finalized during T.O. negotiation. The final scope of work will be the basis of the T.O. This updated scope of work may also include a statement that the work must be performed in accordance with the method and quality of construction specified in the contractor’s proposal. Other pertinent aspects of the contractor’s proposal may also be specifically cited as deemed appropriate. A sample scope of work can be found at Appendix E.

Scope Validation Meeting

When the project manager is satisfied that the IJO can be accomplished under the JOC contract, he should set up a scope validation meeting with the customer, and the JOC contractor to review the job order and to refine the scope of the project. The contracting officer/ordering officer and quality assurance personnel (inspectors) may also attend this meeting. This meeting should take place at the construction site. The project manager is responsible for developing the scope of work. The following topics should be discussed, as appropriate:

- Existing site conditions
- Methods and alternatives for accomplishing the work
- Definitions and requirements
- Detailed scope of work
- The contractor's requirement for plans, sketches, shop drawings, as-builts, etc. or the government provided plans, sketches, drawings etc.
- Tentative construction schedule

In addition, the parties should tentatively agree upon a target performance period during the meeting. This target may be modified after the contractor has prepared a detailed proposal. After the meeting, the project manager should prepare a memorandum for record (MFR) describing the details of the meeting. This memorandum will be used later as a guide to prepare the task order package, the independent government estimate and refine the scope of work. The MFR will be included in the task order support file.

Request for Contractor's Proposal

The contracting officer and ordering officer (when authorized) are the only people who have the responsibility and authority to place JOC task orders. The contracting officer, ordering officer, or contracting officer's representative, may issue requests for contractor's proposal. JOC personnel must adhere to the authorities delegated to them by the contracting officer.

Before issuing the request for proposal, the following conditions should be met. Once satisfied that these conditions are met, check to see that the requirement is within the delegation of the ordering officer authority.

- The requirement is within the scope of the JOC contract.
- The request for proposal and support file are complete.
- The requirement is not subject to the provisions of another existing contract.

Once satisfied that these conditions are met, check to see that all of the following items are included in the task order proposal package:

- Name of project
- Project number
- Scope of work
- Date of request
- Date proposal is due

- Special instructions, such as identifying work that must be performed during other-than-normal working hours and the need for drawings, samples, etc.

- Preliminary construction schedule

- Liquidated damages assessment, if appropriate

- Number of copies of the proposal required

- Copy of the site visit MFR

After reviewing the material, the request for proposal can be issued to the contractor. This request to the contractor shall instruct the contractor to return the task order proposal to the contracting officer/ordering officer by a specified date. A sample request for task order proposal is included as Appendix F.

Proposal Preparation

Upon receipt of the request for task order proposal, the contractor will prepare a detailed proposal identifying the required construction tasks from the UPB, refine the quantities, propose prices for NPP tasks, prepare working drawings, develop performance schedules, and prepare the proposal document in the specified format. The contractor's task order proposal must be based on the UPB, using the predetermined prices and technical specifications to the maximum extent possible. The contractor will separately identify work requested by the government that must be performed during other-than-normal working hours.

Non-prepriced (NPP) work may arise from tasks that were not included in the UPB at contract initiation, but are within the scope of the contract. The contractor must develop a detailed proposal supporting any portions of the work requirement that are NPP so that these items can be compared with the same items in the government estimate. The contractor must provide adequate information (e.g., at least two vendor quotes) for the contracting officer/ordering officer to determine the reasonableness of the cost for the NPP work requirements.

The contractor will submit the completed task order proposal and supporting documentation to the contracting officer/ordering officer on the date stipulated. A sample of the contractor's proposal can be found in Appendix G.

Independent Government Estimate Preparation

While the contractor is developing a detailed proposal, the project manager will prepare an independent government estimate (IGE) for projects $100,000 or more. This IGE is in addition to the earlier gross estimate, which helped determine whether the proposed work was appropriate for JOC. A detailed analysis of all task orders is required for orders less than $100,000 in order to aid in the determination of a fair and reasonable price. The IGE or detailed analysis must be completed before receipt of the contractor's proposal and before negotiations take place. The IGE will be used to evaluate the reasonableness of the contractor's proposal and will serve as the government's pricing and quantity objective during negotiations. The IGE should normally be prepared using the UPB so that a common basis exists to compare with the contractor's proposal. A separate government estimate, using an alternative method such as R.S. Means or F. W. Dodge, may be used in order to determine whether the proposed work is appropriate for a JOC contract or a separate contract. A lump-sum IGE for a total job is not acceptable. Major significant components of work and all NPP items must be identified separately, their quantities enumerated, and their costs estimated independently. The IGE must identify the source from which it was generated and the name of the preparer. The IGE will not be revised for the sole purpose of matching the contractor's proposal. A sample IGE can be found in Appendix H.

Protection of Government Estimate

The approved government estimate will be signed by the project manager, dated, stamped "FOR OFFICIAL USE ONLY", and placed in a sealed envelope and secured.

Revisions to the Government Estimate

If the IGE is revised, for any reason, the basis for any adjustments must be documented. All revised estimates must be signed and dated by the project manager to show his concurrence.

Evaluate Contractor's Proposal

When the contractor's task order proposal is received, the contracting officer/ordering officer must record the date and forward the proposal to the project manager for review. The project manager must perform a detailed review of the contractor's proposal. Simply comparing the total cost of the task order to the total cost shown on the government estimate is not sufficient. The proposal will be checked for scope completeness, method of construction, proper identification of tasks and quantities and NPP pricing data as applicable. The project manager should also review the contractor's specifications and drawings for acceptability. The contracting officer/ordering officer and the technical personnel will evaluate and determine the reasonableness of the contractor's proposal by comparing it with the IGE or detailed analysis, the scope validation visit MFR, and the detailed scope of work.

Each proposed construction task must be reviewed in detail by the project manager. The review of items found in the UPB should determine whether they are required and whether the proposed quantities are accurate, reasonable, and consistent with the scope of work. The project manager should review any additions to the scope of work beyond that which was requested and approved. The review of all NPP items should verify the need for the items and the accuracy of the proposed quantities and should determine that the proposed direct cost for the items is fair and reasonable. The project manager will ensure that the contractor's performance schedule is realistic and meets the requirements of the job order.

If the contractor's proposal is completely unacceptable, it can either be returned to the contractor with supporting documentation for revision or be determined inappropriate for a JOC contract. A transmittal letter should explain why the proposal is being returned and what changes are needed to make the proposal acceptable, or why the proposal is no longer required. If the project manager and contracting officer/ordering officer agree that the proposal is not only unacceptable but also inappropriate for job order contracting, the JOC project file will be closed and the IJO returned to the work management office for accomplishment by some other means.

Negotiation of Task Order

Following the detailed review of a proposed task order, the contracting officer/ordering officer will conduct a negotiations meeting with the contractor to reconcile differences in the performance schedule, construction tasks quantities, and/or

method of performance for prepriced tasks. If necessary, the government and contractor must also negotiate the NPP tasks to include quantities, methods of performance, and costs. A memorandum of negotiations shall be prepared by the ordering officer/ contracting officer at the conclusion of the negotiations and be included in the project file to support the government's position. Differences between the scope of work, the IGE, and the contractor's proposal shall be reconciled and documented.

If changes are required, the contractor must modify his proposal to incorporate them and resubmit it to signify concurrence with those changes. The scope of work will also be revised to incorporate any changes as a result of negotiations.

Normally, if the value of the non-prepriced work exceeds 10 percent, then the non-prepriced work should be reduced, eliminated or performed in-house or the job must be acquired using other contracting methods. However, contracting officers may exceed 10 percent if the non-prepriced portion of the order involves urgent or emergency situations or if the contracting officer determines it is a good business decision. The contracting officer shall negotiate the task order and make a determination that the price is fair and reasonable.

Task Order Award Package Preparation

Following successful completion of negotiations with the contractor, the project manager/contract administrator initiates a DD Form 1155 [DFARS 213.5051(b)], Order for Supplies or Services, and includes it in the task order package for review and approval by the contracting officer/ordering officer.

The task order support package will include the following:

- Approved DA Form 4283, Work Request
- Scope validation site visit memorandum for record
- Preliminary and final scope of work
- Request for task order proposal
- Contractor's signed proposal
- Memorandum of Negotiations
- Determination and findings, if applicable

- Independent government estimate, if applicable
- DA Form 3953, Purchase Request and Commitment
- The DD Form 1155, signed by the contracting officer/ordering officer
- Other documentation appropriate to the order (e.g., documentation regarding government-furnished property)

The contracting officer/ordering officer may now place the order, considering the following guidance:

- A copy of all task orders will be forwarded to the contracting officer for preparation of the DD Form 350, Individual Contracting Action Report, or reporting on the 1057 within 3 days of issue.
- If the task order exceeds the limitations of the ordering officer appointment, the T.O. package must be sent to the contracting officer for issuance of the T.O.

If funding is not available at this time, the task order and support file can be held until funding becomes available or the project is canceled. Projects held for available funding may be good candidates for year-end funding and should be prioritized so that the year-end funds can be applied most effectively. If projects are put on hold for an extended period, it may be necessary to go back to the contractor for application of a new option year coefficient (as amended by the economic price adjustment).

All valid task orders and support files must be sent to the contracting officer/ordering officer for final review, award, and distribution in accordance with the procedures in FAR 4.804. A task order file checklist is useful to ensure all components of the task order package are included and properly executed. An example of such a checklist is included as Appendix I.

Placing the Order

After negotiation and prior to the contracting officer/ordering officer signing the task order, the DD Form 1155 is mailed or otherwise delivered to the contractor who formally accepts the task order, as mutually agreed during negotiations, by signing in block 16 of the DD Form 1155. The task order is then signed by the contracting officer/ordering officer and issued to the contractor. The signed, issued task order constitutes the contractor's notice to proceed unless a separate Notice to Proceed (NTP) is specified in the task order.

However, under no circumstances will the NTP be used to evade fiscal year funding restrictions or the bona fide needs rule. See page 5-21 for additional information. The contractor must begin work in the time period specified in the order. A duplicate of all task order documentation packages issued by the ordering officer is sent to the contracting office and likewise all T.O.s issued by the contracting officer will be forwarded to the ordering officer for monitoring contract performance.

Task Order Authorities

	Ordering Officer	Contracting Officer
Total T.O. $ Value	$100,000(1)	(2)
NPP $	$ 2,500	---
NPP %	---	10%(3)

(1) JOC ordering officers may be authorized to sign task orders of greater value, not to exceed the limits authorized in the AFARs, on behalf of the government, if determined necessary to realize the benefits of JOC, provided that the criteria in AFARS 5117.9006(c)(2)(i)-(iv) are met.
(2) The maximum T.O. value is limited to the SRM approval authority, as delegated by HQDA.
(3) KOs may exceed 10% limit if it involves urgent or emergency situations or if the KO determines it is a good business decision.

If task orders contain NPP work in excess of $2,500 or otherwise exceed the ordering officer's limits, the contracting officer is responsible for negotiating and placing the order and obtaining any required approvals.

Preconstruction Meeting

The project manager should conduct a preconstruction meeting with the customer and the contractor for final project coordination. This meeting will follow receipt of the signed task order and/or the contractor's notice to proceed. Construction should begin as specified in the task order.

ADMINISTRATIVE RESPONSIBILITIES

The assignment of contract administration responsibilities will be accomplished in accordance with the FAR, its supplements, and the contract administration plan (CAP). The ordering officer and other DPW personnel involved with the contract will oversee contract administration functions and quality assurance inspection and acceptance, delegated by the contracting officer.

Non-Prepriced Items

Non-prepriced (NPP) work may arise from tasks that were not included in the UPB at contract initiation, but are within the scope of the contract. Care must be taken in pricing the NPP item(s)to ensure that costs and profit already present in the coefficient applied to prepriced items are not included in the cost of the item(s). To streamline the negotiation of non-prepriced items during task order negotiations with the contractor, an "indirect costs and profit rate" may be used, if the contract allows. This rate must be solicited during the solicitation phase of the basic JOC contract. Indirect costs and profit is defined as all costs associated with performing the tasks, other than direct labor, equipment and material costs. NPP proposals shall be supported with verifiable documentation supporting competitive quotes (minimum of two), catalog price, etc., for all NPP work. NPP items shall be proposed in bare costs only (material, equipment and labor) multiplied by the quantity and the NPP indirect costs and profit rate (if applicable) to arrive at the total price for the NPP work.

When prices for NPP items are negotiated and incorporated in a task order, this does not incorporate the item in the UPB for subsequent use as a priced item. To permit subsequent use under the UPB as a prepriced item, repetitive NPP items must be incorporated by supplemental agreement to the JOC contract. Also, a contract provision may be developed to permit regular (such as quarterly or annually) incorporation of negotiated NPP items into the UPB.

NPP items may be added as a modifier to an existing line item or as a new line item. Care must be taken to price the new item(s)(or modifiers to existing line items) to reflect the same year as existing line items in the UPB to prevent a "multiple" application of escalation factors already present in the coefficient. See Appendix L for guidance to assist in this process.

Contractor Performance

JOC personnel should create and maintain a contractor performance file that will be used to support the government's decision as to whether or not to exercise its option for the following year. Evaluation of the contractor's performance must be supported in writing based on observations made by the DPW JOC and contracting personnel, or customers. DPW personnel should meet with the contracting officer no later than six months before the option exercise date to review contractor performance and recommend whether or not to exercise the option.

The FAR requires contracting officers to evaluate contractor performance and prepare a performance report for each construction contract over $500,000. However, for JOC contracts, IAW AFARS 5136.201, the contracting officer shall complete a performance evaluation form on all specific task orders of $100,000 or more and evaluate the contractor annually, following the base year and each option year. Reports should be submitted for any dollar threshold for unsatisfactory or outstanding performance. In accordance with DFARS 236.201, DD Form 2626, Performance Evaluation (Construction), is to be used for reporting performance evaluations. These reports are entered electronically by the reporting activity into the DOD database, Construction Contractor Appraisal Support System (CCASS). Before awarding a JOC contract, contracting officers must retrieve all performance evaluations in the CCASS on those offerors in range for award.

Significant Events

JOC personnel should document all significant events. A significant event is defined as anything that occurs pertaining to a contract that has a materiel impact on cost, quality or delivery. Significant events can be caused by the government or by contractors. Some examples include:

- Completion schedule changes
- Changes in method or sequence of work
- Late or defective government-furnished property or information
- Delays in government actions such as processing engineering change proposals and review of technical data

When a significant event occurs, it should be analyzed and documented immediately. If not accomplished at the time of the

event, it will be very difficult, if not impossible, to reconstruct the event and capture all the information at a later time.

Information to be generated for each significant event should include, as a minimum:

- The nature and pertinent circumstance of the event;
- The date of the event and the identification of government and contractor personnel involved, including name and function of the respective individuals;
- Identification of any relevant documents involved;
- The substance of any oral communications;
- A statement concerning the possible consequences or effects of the event described upon the contract cost, schedule, or technical performance, including manner or sequence of performance.

Task Order Close Out

Task orders must be closed out within a reasonable amount of time. The ordering officer can close out task orders as part of contract administration if the responsibility for close out was delegated by the Chief, Contracting Office. If not, the task order must be closed out by the contracting officer.

Payroll Review

The contracting officer is responsible for ensuring that the contractor complies with the Davis-Bacon Act as part of contract administration responsibilities. The contractor will be required to submit weekly payroll records to the contracting officer, who may require support from the DPW personnel to review these reports. The contracting officer will be given a report of deficiencies, if any, for transmittal to the contractor and must decide whether corrective actions are needed. When withholdings must be made from payments to the contractor, the cognizant labor relation's personnel must be contacted. The contracting officer is responsible for conducting labor interviews, with assistance from the DPW.

Timely Accomplishment of Requirements

Performance in accordance with the mutually-agreed-upon task order schedule is important. The ordering officer/COR must ensure that the schedule requirements are met and that the contracting officer is notified if it appears that the contractor will not complete the requirement on time. If the task order package includes a liquidated damages clause, the government, in coordination with legal counsel, should begin the required actions in accordance with that clause.

Contract Status Report

A contract status report can be used to track fund obligations under the JOC contract and to make sure orders do not exceed performance and payment bonding or the annual maximum amount. Funds for a minimum quantity of work must be obligated at contract award. The ordering officer will maintain the contract status report, if delegated, to show the original funds obligated and the task orders issued against the funds. As orders are received, the report balance will be checked to make sure funds are still available.

The report can also be used to monitor levels of liability imposed on the contractor to determine whether current levels for performance and payment bonds remain adequate to protect the government's interests.

Bonding

The solicitation shall clearly notify offerors of initial and continuing bonding requirements. Initial bonding must be sufficient to cover the stated estimated annual maximum contract value. No JOC contract shall cite the total estimated maximum value of the contract (including option periods) as the estimated *annual maximum* value. If the estimated annual maximum value is exceeded, FAR 28.102-2(a) and (b) apply. Contractors shall be clearly notified of their responsibility for ensuring sufficient bond coverage necessary to protect the government’s interests during the course of the contract. All costs associated with bonding (specifically including bond premiums) shall be included in the coefficient.

Payments

Frequently the terms "partial payment" and "progress payment" are used interchangeably. However, they are not synonymous. Progress payments are paid on the basis of costs incurred or the

state of completion during performance of the contract before final delivery, while partial payments are paid upon delivery of one or more complete units called for under the contract. Under partial payments the government actually takes title to the units it pays for. Therefore, the contractor is relieved of further responsibility or liability for the care and custody of the item(s). Under progress payments the government neither takes title nor beneficial occupancy (unless otherwise specified in the contract) and the contractor remains liable not only for the completion of the work but also for any risk of loss. For example, if a fire occurs in a structure that the government has made a partial payment on, the government may bear the risk of loss. If we make progress payments, it remains the contractor's risk.

Progress payments are authorized under a JOC contract in accordance with FAR 52.232-5, which states that the government shall make progress payments monthly as the work proceeds, or at more frequent intervals as determined by the contracting officer. The contracting officer/ordering officer (if delegated) will review and approve requests for progress payments in accordance with the "Payments Under Fixed-Price Construction Contracts" clause of the JOC contract, Section I. When the work is certified complete and a proper invoice has been received, the KO can process the invoice for payment through the appropriate finance and accounting office.

Each task order is considered a mini-construction contract; therefore, a release of claims statement should be obtained prior to making final payment, in accordance with FAR 52.232-5, paragraph (h)(3), Payments Under Fixed-Price Construction Contracts.

Small Business Utilization Reporting

For contracts awarded to large businesses, a report must be prepared semi-annually by the contractor showing the use of small, small disadvantaged and women-owned business subcontractors. SF 294, Subcontract Report for Individual Contracts, and SF 295, Summary Subcontract Report, are the proper forms. Reports will be sent to the Contracting Officer. If requested by the KO, DPW personnel will periodically verify that the prime contractor's reporting on the use of small, small disadvantaged and women-owned businesses is accurate and timely.

Quality Assurance/Quality Control

The quality assurance reviews and inspection and acceptance are made by DPW personnel and are the same as those for any other construction contract. Quality Assurance (QA) is the responsibility of the government. Contract quality assurance means the various functions including inspection, performed by the government to determine whether a contractor has fulfilled the contract obligations pertaining to quality and quantity. The FAR, Part 46, prescribes policies and procedures to assure that supplies and services procured by the government conform to the quality and quantity set forth in the contract. The government determines the type and extent of government quality assurance based upon the particular acquisition.

On the other hand, Quality Control (QC) is the responsibility of the contractor. Contractors are responsible for carrying out their obligations as set forth in the contract terms and conditions, for controlling product quality, and for offering to the government only those supplies and services conforming to contract requirements. The contractor shall establish and maintain a Quality Control Plan (QCP) that has been reviewed and accepted by the government for compliance with contract requirements. The contractor's QCP shall explain the manner in which the contractor will assure all contract requirements are being accomplished in an acceptable manner. A JOC contractor's coefficient includes the costs associated with quality control.

See Appendix J for a sample of what the government should require in a contractor's QC Plan.

TASK ORDER MODIFICATIONS

The T.O. is similar to a fixed price construction contract where a negotiated agreement is reached involving quantities, quality levels, materials and methods of construction. If the agreed-to methods of construction, quantities, or quality levels as specified in the scope of work are changed, an equitable adjustment is required. Adjustments should not be made for minor changes to the contractor's detailed proposal (as opposed to the scope of work).

If at any time during the execution of a T.O., a modification to the order is required, an SF Form 30, Amendment of Solicitation Modification of Contract, must be executed. Typical circumstances that may require a T.O. modification are differing site conditions and changes to proposed requirements in the scope of work, including time extensions, termination of work, or changes in methods of work performance.

An ordering officer may execute modifications to existing task orders provided that the contracting officer specifically delegates this authority in the appointment letter. Pricing for the modification must be accomplished using the unit price book. The amount of the modification must not exceed the ordering officer's authority, to include the total value of non-prepriced items. Modifications affecting termination actions or work suspensions shall be executed by the contracting officer because of legal consideration and the potential fiscal issues involved.

If an ordering officer executes the T.O. modification, the SF 30 shall be modified by XXXing out the words "Contracting Officer, United States of America," and typing in "Ordering Officer, Authorized Representative of the Contracting Officer."

Every attempt should be made to identify the site conditions properly during the initial site visit and scope validation meeting before the T.O. is placed so that the accurate site conditions may be priced before the work begins. This will minimize application of the Differing Site Conditions Clause (FAR 52.236-2).

An administrative change is a unilateral contract change, in writing, that does not affect the substantive rights of the parties, e.g., correction of typographical errors, and change in paying office, and accounting and appropriations data. An administrative change does not include time extensions for work completion, additions/deletions of quantities, or suspension of work in progress.

Changes to T.O. Requirements

T.O. changes are governed by the Changes Clause FAR 52.243-4, which provides for an equitable adjustment in price as the result of any change. Authorized changes are limited to those within the scope of the contract. They include:

- Changes to the specifications, drawings, and designs
- Changes to the method or manner of performance of the work directed by the government
- Changes in the government-furnished facilities, equipment, materials, services, or site.
- Directed acceleration in the performance of work

Time extensions due to delays caused by weather, government requirements, or delivery of equipment, and terminations of work shall be governed by the default clause in FAR 52.249-10.

Modifications to requirements following issuance of a T.O. will be made in accordance with the appropriate contract clauses. A formal request for proposal modification will be forwarded to the contractor whenever the complexity of the changes or the dollar amount requires it.

FISCAL YEAR-END PLANNING

Execution of Task Orders Against the Guaranteed Minimum

Oftentimes, the contract period will cross fiscal years. Thus, funds for the minimum guarantee will be obligated in one fiscal year while task orders may be placed against it in another fiscal year. Task orders up to the minimum contract liability may be placed at any time during the initial contract performance period and are not limited to the fiscal year in which the contract becomes effective. This means that a DPW who obligates $300,000 to meet a contract minimum in July and spends only $200,000 by 30 September still has $100,000 to spend after 1 October.

The bona fide need inquiry only focuses on the activity's legitimate need for a JOC contract itself, not for each task order placed against the guaranteed minimum. Therefore, it is not necessary for contractor performance to begin by 1 Jan of the following calendar year for a task order issued against the guaranteed minimum, but in no case will performance begin later than twelve months after issuance of a task order.

Execution of Task Orders Issued After Guaranteed Minimum

Government SRM projects are typically funded by annual appropriations available only for valid requirements of the current fiscal year. This one-year availability of Operations and Maintenance Army (OMA) funds creates the phenomenon known as "year-end funding." Advance planning permits the DPW to apply these funds more effectively and efficiently as they become available. The DPW prioritization of requirements always results in the set-aside of certain requirements for acquisition in future years. JOC does not encourage year-end spending; but if used properly, it can help DPW managers make full use of funds that become available to the installation late in the fiscal year. The JOC contract should be only one of several tools that DPWs use to react to year--end funding.

The key to proper use of year-end funds is early, detailed contingency planning. Specific control procedures are needed to ensure that all activities are carried out effectively. DFAS 37-1 contains the policy for obligating year-end funds. The following procedures are appropriate for job order contracting during year-end:

- Identify and prioritize, in advance, potential JOC projects so year-end funded proposals can be developed.

- Ensure that year-end funded projects are valid and approved, appropriate for JOC, and represent bona fide needs of the current fiscal year.

- Ensure that cut-off dates are established in advance so that adequate time will be available for final coordination of the task orders.

The bona fide needs rule requires that work be financed with funds that are current when the government's obligation is incurred. Part of the evidence for a bona fide need is that the contractor or other performer will start promptly and perform under the terms and conditions of the contract without unnecessary delay. Current year appropriations may be obligated for SRM contracts awarded near the end of the FY even though contractor performance may not begin until the next FY. Task orders awarded near the end of the FY must contain a specific requirement that work begins before 1 January of the following calendar year. The contracting officer is the determining official for assessing factors within the government’s control and determining when commencement of work has occurred. Guidelines are as follows:

a. Physical on-site evidence. A visual inspection of the work site discloses work has been accomplished or contractor employees actually are engaged in work performed.

b. Documentary evidence. If physical on-site evidence of performance does not exist and to prevent unwarranted default proceedings, the contractor may be asked to produce documentary evidence that costs have been incurred or material has been ordered to allow performance under the contract or task order.

Given the above guidelines, it is imperative that, if a Notice to Proceed is used on a task order, the Notice to Proceed MUST be issued before 1 January of the following calendar year. Additionally, either physical or documentary evidence must be obtained. Physical evidence is self-explanatory. Documentary evidence should be provided by the contractor within the timelines, reviewed by the COR and contracting officer and, if acceptable, placed in the contract file. The documentary evidence may include a range of actions that evidence costs have been incurred. Examples include invoices for materials ordered or binding subcontracts that have been issued by the prime. It is not necessary that the government has made a progress payment for any of the above work items. Task order(s) that at the time of issue do not use a separate Notice to Proceed shall, however, comply to the requirements for physical or documentary evidence of beginning work before 1 January.

ADDITIONAL DPW FUNCTIONS

Citation of Funds

All SRM work performed at the installation must be classified and administratively approved (AR 420-10). The three principal categories of work under JOC are sustainment, restoration, and modernization. The work classifications and administrative approval requirements apply to all SRM work accomplished at the installation, regardless of how it is performed or the source of funding. Job order contracting does not affect these classifications and approval requirements. The contracting officer/ordering officer ensures that adequate funds are available for obligation before signing a task order for performance by the contractor.

Task Order Status Report

DPW JOC personnel should submit to the KO a monthly report on the status of all T.O.s. This report, submitted no later than the 10th of the following month, includes the following information:

- A list of the subject and dollar amount of all T.O.s issued during the month
- A list of the subject and dollar amount of all T.O.s completed during the month
- The status of all incomplete T.O.s

- A statement of the total number and dollar amount of T.O.s issued, and of the difference between the dollar amount issued and JOC's maximum value

- A list of T.O. modifications issued during the month

EXERCISING OPTIONS

The JOC contract, when awarded, normally provides for additional option years of service from the contractor. This contract option gives the government the right to continue the service of the contractor when it is in the government's best interest to do so. The KO will make the decision after consideration of the requirements set forth in the FAR and FAR supplements, together with inputs from the ordering officer and the DPW JOC personnel. Reviewing the Performance Evaluation reports (DD2626) will assist in this decision. The initial solicitation specified the minimum and maximum dollar amounts applicable to the option years. A new minimum guarantee must be obligated upon exercise of an option year.

The contracting officer will award the option under the JOC contract. The decision to award the option is a unilateral decision to be made by the government.

FOLLOW-ON CONTRACTING FOR A NEW CONTRACT

The requirement for a follow-on contract can arise from any of the following situations:

- Expiration of the existing contract and its options

- Completion of the contract without options

- Any termination action

- KO documented decision to not exercise a contract option year or proceed beyond the guaranteed minimum

If the need for a JOC contract continues, advance planning by the DPW is required to ensure continuity of operations. The contracting office should estimate the lead time required to place the follow-on contract. New technical documents reflecting current conditions applicable to the installation will be required. The plan for acquisition and other procedures required for the initial JOC contract must again be developed and followed.

The responsibilities for follow-on contract placement rest with the cognizant contracting activity, supported by the DPW. The planning and coordination of all acquisition and execution phases discussed in this Guide will again be necessary for any follow-on JOC contract. The exception is the appropriateness and feasibility report discussed in Chapter 2. A memorandum citing the current workload and past performance of JOC contractor(s) and signed by the Garrison Commander is sufficient for a follow-on contract. Procedures will follow the regulations in effect at the time, in addition to this Guide.

APPENDIX A

UNDERSTANDING THE CONTRACTOR'S COEFFICIENT

Coefficient means a numerical factor that represents costs (generally indirect costs) not considered to be included in the UPB prices, e.g., general and administrative and other overhead costs, insurance costs, bonding and alternative payment protection costs, protective clothing, equipment rental, and contractor's profit. Contingent costs, such as labor rate changes and inflation in option years, are also covered in the coefficient *when an Economic Price Adjustment or annually updated UPB are not used.*

The solicitation shall explain the make-up of the government unit prices and specify what types of costs, as a minimum, must be covered by the coefficient(s). Offerors shall be asked to specify in their proposal what additional types of costs are included in their coefficient(s). The coefficient(s) proposed by the offeror and accepted by the government are incorporated in the JOC contract. Pricing of option periods, to include consideration of any wage adjustments when Economic Price Adjustment is not used, shall be covered by the contractor's coefficient(s) proposed for those periods.

The contractor's price coefficient must include, but is not limited to the following:

Contractor's overhead and profit
Subcontractors' overhead and profit
Insurance
All costs associated with bonding (specifically including bond premiums)
Employee payroll taxes, insurance and fringe benefits
Business taxes, contributions, memberships, corporate headquarters support (legal, financial, etc.)
All waste and excess material
Sales tax on material and equipment costs
Clean up[1]

[1] The contractor's coefficient includes the cost of final clean-up for each individual project. If there is a Final Clean-up line item (usually found in Division 01 of the UPB) it is to be used when there is pre-existing debris at a work site or pre-existing clean-up requirements prior to the task order. For example, cleaning windows is included in the glazing or installation of windows, but to clean existing dirty windows would require the use of the appropriate clean-up line item. It should be noted, however, that if the contractor, by the nature of his work, dirties the windows, he is responsible to clean, or repair to previous condition, at no expense to the government.

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Mobilization and close out for the total contract and each task order

Compliance with environmental laws (overhead {indirect} costs associated with performing work in compliance with EPA/OSHA regulations, including obtaining any necessary licenses and permits, reporting requirements, etc.)

Compliance with protection and safety laws (i.e., safety rails, face and clothing protection, etc.)

Traffic and work site signs and barriers

Project management and supervision

Protection of and/or moving of government property

Quality control

Office management and equipment

Depreciation of mobile office(s)

Interest associated with funding of equipment and payroll

Submittal preparation

As built drawings

Permits, licenses and fees

Other risks of doing business (i.e., risk of a lower than expected contract dollar value; risk of a high inflation cost if factors are bid for option years; risk of poor subcontractor performance and re-performance)

APPENDIX B

SAMPLE APPOINTMENT LETTER

(Office Symbol)

SUBJECT: Appointment of Ordering Officer

TO: (Insert Name, Rank, Address and Installation)

1. Appointment. Under AFARS 5101.603-1-90, you are appointed an Ordering Officer for the purposes set forth in paragraph 2. Your appointment shall become effective *(enter date)* and shall remain effective, unless sooner revoked, until expiration of the contract enumerated in paragraph 2, or until you are reassigned or your employment terminated. You are responsible to and under the technical supervision of the contracting officer *(enter name of Installation or Activity)* for your actions as an Ordering Officer under contract No. *(enter contract number)*.

2. Authorities, Limitations, and Requirements. Your appointment is subject to the use of the method of purchase and the limitations and requirements stated below:

a. Subject to your ensuring that funds are available, you may place task orders (DD Form 1155) against this indefinite delivery type contract *(list contract by number and name of contractor)* within the terms and conditions of the contract and the following limitations.

(1) For prepriced items listed in the unit price book, the sum of which shall not exceed $ _____ per individual task order.

(2) Negotiate method, quantities, and time of delivery for prepriced items stated in paragraph 2 a. (1) above

(3) Negotiate method, quantities, time of delivery, price, and issue task orders for non-prepriced items, the sum of which shall not exceed $ _____ per T.O. provided the conditions in 2.a.(1) above are met.

b. You are responsible for (1) distributing and administering task orders that you place, (2) establishing controls necessary to ensure that all contract terms and conditions are met, and that all work ordered conforms to contract requirements before acceptance is made or payment authorized, and (3) reporting deficiencies in contractor performance promptly to the contracting officer who awarded the contract. You may not make any changes in the terms or conditions of the contract.

c. The authorities stated above may not be redelegated to any other person.

3. **Standards of Conduct and Acquisition Reporting Requirements**

a. You shall comply with all Standards of Ethical Conduct for Employees of the Executive Branch, issued by the Office of Government Ethics and the DOD Joint Ethics Regulation. You must also comply with the Procurement Integrity Act IAW FAR 3.104, as applicable.

b. You shall furnish the contracting officer to whom you are responsible such information as he may require for contract reporting purposes in the manner and the time specified by him.

4. **Termination of Appointment**

a. Your appointment may be revoked at any time by the undersigned authority or his successor, and shall be terminated in writing except that no written termination of your appointment shall be made upon expiration of the contract enumerated in paragraph 2, unless such contract is terminated prior to the expiration dates established in this appointment letter.

b. Should you be reassigned from your present position, or should your employment be terminated while this appointment is in effect, you shall promptly notify the appointing authority in writing so that your appointment may be terminated.

(TYPED NAME AND TITLE OF APPOINTING AUTHORITY)

APPENDIX C

STANDING OPERATING PROCEDURE OUTLINE

This appendix contains a standing operating procedure (SOP) outline that is intended as guidance for developing an installation unique job order contracting SOP. Recommend using this outline for developing an SOP although exact duplication may not be appropriate.

SOP OUTLINE

I. Introduction

II. Purpose

III. Definitions

- A. Job Order Contracting
- B. Task Order
- C. Coefficient
  - 1. Normal Hours
  - 2. Other-than-Normal Hours
- D. Non-Prepriced Work
- E. Unit Price Book
- F. Others, as necessary

IV. Contract Award & Execution Authority

V. Appointment of Ordering Officer/COR

- A. How
- B. When
- C. Limits
- D. Training

VI. Task Order Authority

- A. Prepriced limits
- B. Non-prepriced limits

VII. Execution Procedures

- A. Work Coordination
  - 1. In House
  - 2. Contract
- B. JOC Execution
- C. Request for Task Order
  - 1. IGE
  - 2. Issuing Orders

VIII. Task Order Modification

- A. Differing Site Conditions
- B. Changes Clause

IX. Reporting Requirements

- A. Contractors
- B. Ordering Officers
- C. DPW
- D. Contracting Officers

X. Payments

XI. List of Attachments to SOP

- A. Sample Appointment Letters
  - 1. Ordering Officer
  - 2. Contracting Officer Rep.
- B. Task Order File Checklist
- C. Sample Request for Proposal
- D. Internal Control Procedures
- E. Sample Contractor's Proposal
- F. Quality Assurance Plan
- G. Workflow Diagrams
- H. Sample Price List Changes
- I. Sample Forms Required
- J. Others, as Necessary

APPENDIX D

INTERNAL CONTROL AND REVIEW PLAN

1. The potential for fraud, waste or abuse exists in nearly all human activities including nearly all DPW and contracting activities. Therefore, it is important and necessary to be alert of this potential and take reasonable, prudent, efficient actions to guard against fraud, waste, and abuse.

2. The following measures will be taken:

a. Personnel to be assigned to work with JOC will be carefully screened to ensure only competent individuals with a high degree of integrity are assigned.

b. Managers at all appropriate levels will:

(1) Ensure JOC personnel are properly trained to do their jobs.

(2) Ensure JOC personnel are familiar with and understand the terms of the contract they are executing.

(3) Ensure that the procedures established are followed for processing JOC actions from start of job to finish of contract administration.

(4) Ensure all JOC personnel read and adhere to the Standards of Ethical Conduct for employees of the Executive Branch, issued by the Office of Government Ethics, and the DoD Joint Ethics Regulation.

(5) Ensure JOC personnel seek assistance and guidance before proceeding on unclear or borderline issues.

c. Meaningful quarterly reviews of JOC operations will be made by DPW management staff and contracting officer's staff.

d. All personnel concerned will ensure work scopes, government estimates, contractor's proposals, awarded task orders, and contractor invoices are logically progressive, consistent and clear.

e. Project scoping and project quality control/acceptance activities will be kept separate. Individuals involved with project scoping and development as well as proposal negotiations with the contractor will not be the same individual responsible for monitoring quality assurance. Although project engineers may be required during the construction phase to clarify scope of work or recommend modifications for changes or unforeseen conditions, the responsibility for recommending acceptance of completed work will remain with separate quality assurance personnel. This principle of separation should also allow for effective coordination between project engineers and quality assurance persons so that problems occurring during the construction phase do not cause contractor delays and potential claims to the government.

f. The Chief of the team or division with responsibility for JOC will:

(1) Ensure contract administration documentation activities are kept current, complete and correct.

(2) Ensure periodic sessions are held regularly among JOC personnel to discuss their work activities, procedures and problems.

(3) Complete at least annually, the JOC internal control checklist shown on page D-3.

g. The Chief, Construction Inspection Division, will complete any of the items on the internal control checklist that pertain to his area of responsibility.

Job Order Contracting Internal Control Checklist

1. Is there an SOP for JOC, signed by both the DPW and contracting officer, that identifies authorities, limitations, and responsibilities of all DPW and contracting office personnel involved in the JOC contract?

Response: YES _____ NO _____
REMARKS:

2. Was the JOC unit price book sufficiently reviewed and changed before contract award, when required, in order to meet the specific needs of the installation and the requirements of job order contracting?

Response: YES _____ NO _____
REMARKS:

3. Have JOC ordering officers received training and orientation regarding policy and procedures for operation of the JOC contract which specifically addresses their authorities, limitations and responsibilities?

Response: YES _____ NO _____
REMARKS:

4. Were JOC duties of project negotiating and inspection performed by different personnel?

Response: YES _____ NO _____
REMARKS:

5. Do statements of work for proposed task orders under a JOC contract contain sufficient detail to assure that the government can properly develop an IGE and that the contractor can properly prepare responsive and cost-effective proposals with a minimum of non-prepriced work?

Response: YES _____ NO _____
REMARKS:

6. Was the Independent Government Estimate (IGE) prepared prior to evaluation of the task order?

Response: YES _____ NO _____
REMARKS:

7. If there were significant differences between government estimates and contractor proposals, were they evaluated to determine reasonableness of bids or accuracy of government estimates and documented in the task order file?

Response: YES _____ NO _____
REMARKS

8. Were projects developed near the end of the fiscal year based on bona fide needs?

Response: YES _____ NO _____
REMARKS

9. Does contractor notify government quality assurance representative at critical construction points (hold points)?

Response: YES _____ NO _____
REMARKS

10. Does contractor provide payrolls weekly on each task order?

Response: YES _____ NO _____
REMARKS

APPENDIX E

SAMPLE SCOPE OF WORK

There are two methods to develop a scope of work.

The first is to completely design the project with either Government in-house assets or an A/E indefinite delivery contract prior to giving it to the JOC contractor.

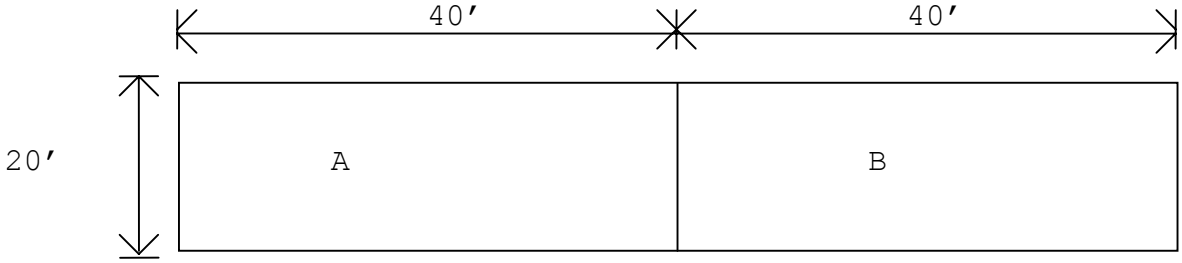
In the second method, a general scope of work is developed. After identifying all of the requirements of the project, critical items are stated, paying attention to the general performance requirements. Once the site visit is made, the scope is further developed by including the detail and specific requirements discussed. The scope is further developed during and upon completion of the negotiation/scope clarification meetings. The final scope is a mutually developed scope of work between the government and the contractor. This is the preferred method because it puts the project development responsibility on the contractor, reducing the government's manpower requirement. Basically, the government tells the contractor what to do and the contractor develops how it will be done. The rationale for the changes to the scope are documented until the final negotiations and subsequent task order is issued.

The following sample scope of work is intended to show the development and refinement of the scope of work through the entire task order process. Note, realistically, the incandescent lighting identified during the site visit (step 2.a.) would have been identified during the verification of the original requirement (step 1.). It is identified in step 2.a. solely for the purpose of showing how the scope of work is continually refined during the process.

The following is an example of the development of a scope of work for a JOC task order:

1. The original requirement is verified and clarified with the user, resulting in the initial scope of work requirements. Example follows:

Install suspended ceiling in rooms A and B as indicated in the drawing below.



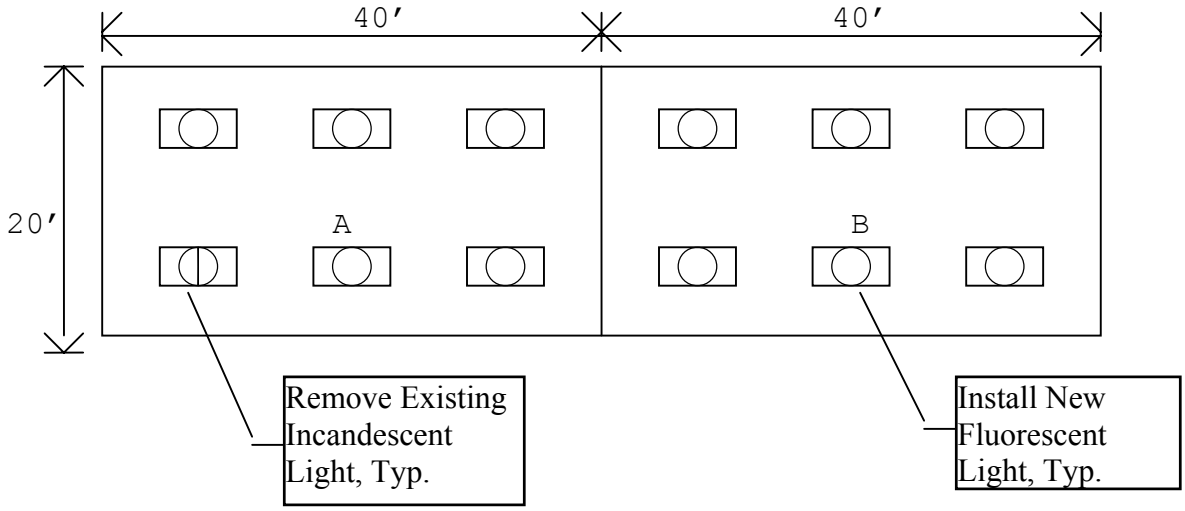
2. During the site visit the following issues were recognized:

a. The existing incandescent lighting needs to be demolished and install new fluorescent lighting in the suspended ceiling system.

b. It's recommended by the contractor to install fiberglass batt insulation at the roof deck.

The revised scope of work would then be as follows:

Remove the existing incandescent lighting, and install fiberglass batt insulation at the roof deck. Install suspended ceiling and troffer lighting in rooms A and B as indicated in the drawing below.



3. During the negotiations the following issues were decided:

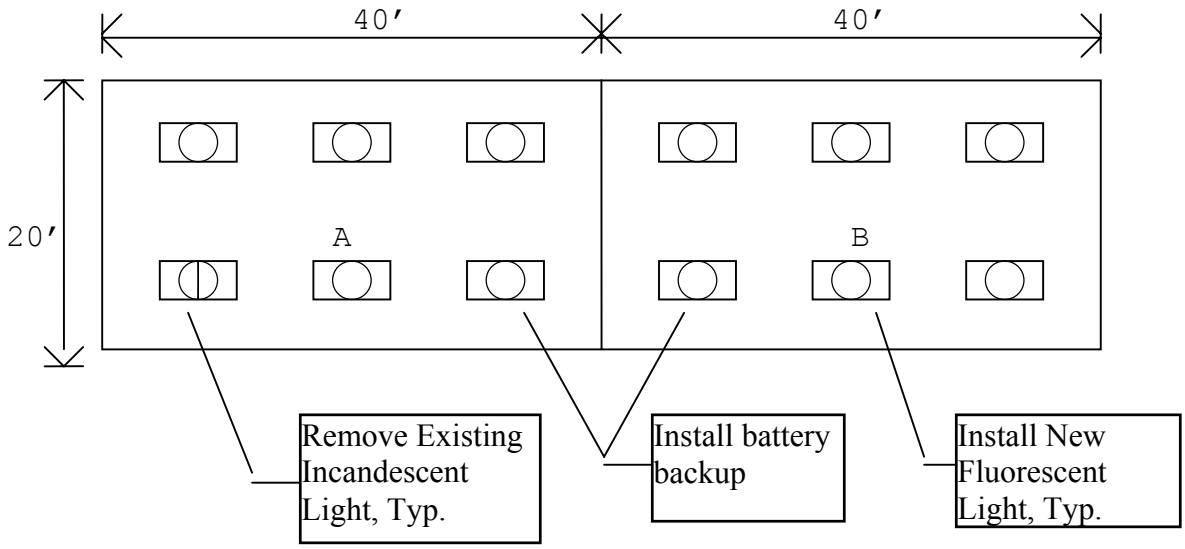
a. All of the new fluorescent fixtures are to be 4 tube troffer type fluorescent fixtures. Two of the new fixtures are to have emergency battery backup.

b. The insulation is to be Kraft faced R19 fiberglass insulation.

c. Suspended ceiling will be 8 feet above finished floor.

The final scope of work would then be as follows:

Remove the existing incandescent lighting, and install Kraft faced R19 fiberglass batt insulation at the roof deck. Install suspended ceiling and 4 tube fluorescent troffer fixtures in rooms A and B as indicated in the drawing below. One lighting fixture in each room shall have emergency battery backups. The new ceiling height shall be 8 feet above finished floor.



Note: Ceiling Height to be 8 feet above finished floor.

NOTE: This is only an example showing the nature of the scope development process. Remember, the final scope of work should be detailed enough that both parties can agree to the requirements of the project.

APPENDIX F

SAMPLE REQUEST FOR PROPOSAL

(Firm's Name and Address)

Reference is made to Contract Number for Job Order Contract at Form

(Date)

Request that you provide a proposal for the following work in the format provided in referenced contract, paragraph *(insert appropriate paragraph number from contract)*:

1. Title: *(insert title)*

2. Individual Job Order Number:*(insert Job Order Number)*

3. Location: *(insert location)*

4. Scope of work: *(insert SOW)*

   ATTACH CONTINUATION SHEETS IF NEEDED

5. Scope of work above was discussed at the job site on *(date)* with the following individuals:

(NAME) (ORGANIZATION)

Drawings and technical description required: *(list)*

Material submittals required: *(list)*

Special instructions: *(e.g., Statutory Cost Limitation, Government Furnished Material/Equipment, Security Limitations, Working Hours, etc.)*

Your shop drawings are due *(insert due date)*

Your proposal is due *(insert due date)*

Attached is a copy of the: *(IJO; Site Plan/As Built Drawings*; Sketch; etc.)

TYPED NAME OF ORDERING OFFICER/CONTRACTING OFFICER

APPENDIX G

SAMPLE CONTRACTOR'S PROPOSAL

PROPOSAL TRANSMITTAL

DATE _____ Contract No. ____

Project No.: ____

1. PROJECT DATA::
Title: _____
Building No: _____
Estimator: _____

T .O. No.: _____
Area: _____
Type: _____

2. PROPOSAL DATA:
Prepriced Items

	Standard Hours	Non-Standard Hours
Total Cost:	$4,645.29	Total Cost: 0

Non Prepriced Items

Total Cost:	0	Total Cost: 0

TOTAL PROJECT COST: $4,645.29

3. PERFORMANCE TIME:
A. Proposed start date _____days.
B. Length of construction _____days.
C. Total performance time _____days.

4. SUPPORTING DATA (attachments):
____ Detailed list of prepriced items.
____ Detailed list of non-prepriced items.
____ Material submittal (if required).
____ Incidental Drawings, Sketches, Technical Description. Please find enclosed two copies.

Received _____ DATE: _____ Time: _____

Project Manager: *(signature)*

ATTACHMENT

NOTES TO PROPOSAL: Roof deck is at 18 feet above finished floor, and suspended ceiling is to be at 8 feet above finished floor.

TAKE OFF NOTES:

DEMOLITION:

a. Demolition of lights, to include handling and turn-in at DRMO.
Taken from plan: 12 each.

b. Haul demolished material to DRMO.
6 mile one way haul at 40 MPH average.

INSTALLATION:

a. Scaffold, since work is above normal scaffolding, will be required for electrical and insulation work performed at roof deck.

1 month rental Roller Scaffold, 14' to 20' high.
2 erection and dismantle scaffold; one for each room.
Scaffold will be used by both disciplines.

b. Insulation:
Area of each room: 20'X40'X 2 Rooms = 1600 SF

c. Ceiling Grid:
Area of each room: 20'X40'X 2 Rooms = 1600 SF

d. Ceiling Tile:
Area of rooms minus area of lights = 1600 SF - ((2'X4') X 12) =
= 1600 SF - 96 SF = 1504 SF

e. Conduit, EMT:
12 drops, one for each light, 10' each (roof deck height minus new ceiling height) = 12 X 10' = 120,

f. Conduit Connectors:
One at each end of each drop, or 2 per drop times 12 drops = 24 EA

g. Fluorescent Lights:
12 each per plan.

h Battery Backups:
2 per scope of work.

FINANCIAL SUMMARY

From: Enter contractor's company name
Enter the address for the contractor
Enter the City, ST ZIPCD

Project #: 14U

Project Description: Guide Sample

SUMMARY BY FACTOR

FACTOR	INSTALLATION	DEMOLITION	FACTOR	INSTALLATION	DEMOLITION
A 1.0700			N 1.0000		
B 1.1800	4,566.70	78.59	O 1.0000		
C 1.1200			P 1.0000		
D 1.2300			Q 1.0000		
E 0.0000			R 1.0000		
F 1.2100			S 1.0000		
G 0.0000			T 1.0000		
H 1.0000			U 1.0000		
I 1.0000			V 1.0000		
J 1.0000			W 1.0000		
K 1.0000			X 1.0000		
L 1.0000			Y 1.0000		
M 1.000			Z 1.0000		

SUMMARY BY CSI

CSI	INSTALLATION	DEMOLITION	CSI	INSTALLATION	DEMOLITION
01	159.71		10		
02	1.75		11		
03			12		
04			13		
05			14		
06			15		
07	641.92		16	1,946.31	78.59
08			17		
09	1,817.01		18		

INSTALLATION TOTAL: 4,566.70 DEMOLITION TOTAL: 78.59

TOTAL FOR JOB: 4,645.29
Non-prepriced Items: 0.00% Non-Prepriced.

_____
Signature Date

Line #	Ref #	Type	UOM	Unit Price	Factor	Quantity	Total W/Factors

01000 GENERAL REQUIREMENTS

♠6H
01610 3000 Rolling Scaffolding
01610 3001 Rolling Tower Scaffolding 5' wide x 7' long, 14' to 20'
Scaffold Rental

0001	1	Installation	MON	105.11	B-1.1800	1.00	124.03

01610 3002 Rolling Tower Scaffolding Erection And Dismantling
Scaffold Set-Ups & Tear Downs

0002	2	Installation	EA	15.12	B-1.1800	2.00	35.68

Demolition total for section 01000 **0.00**
Installation total for section 01000 **159.71**

02000 SITE WORK

♠6H
02112 9000 Rubbish Hauling of all Selective Demolition items to Dumpsite.
02112 9100 Hauling - Includes Time for Travel and Dump. Assumes average Speed Varies with Production Based on Distance. Production is Based on Loose Cubic Yards.
02112 9110 8 CY (6 M3) Capacity Truck
02112 9113 Haul to Dump, 8 CY (6 M3) Trk, 6 Mi (10 Km), 40 MPH (60 Km/Hr)
Haul Demolished Material to Dump or DRMO

0003	3	Installation	CY	1.48	B-1.1800	1.00	1.75

Demolition total for section 02000 **0.00**
Installation total for section 02000 **1.75**

07000 THERMAL & MOISTURE PROTECTION

♠6H
07210 1000 Fiberglass Flexible Insulation
07210 1004 6" Kraft Faced R19 Fbgs Insul
New Insulation

0004	4	Installation	SF	0.34	B-1.1800	1,600.00	641.92

Demolition total for section 07000 **0.00**
Installation total for section 07000 **641.92**

Line #	Ref #	Type	UOM	Unit Price	Factor	Quantity	Total W/Factors

09000 FINISHES

♠6H
09511 2000 Mineral Fiber Panels
09511 2002 2'x4'x5/8"Min Fib Acous Ceil Pnl
New Ceiling Panels, Room Area Minus Light Area

0005	5	Installation	SF	0.46	B-1.1800	1,504.00	816.37

♠6H
09540 1000 Basic Materials
09540 1001 T Bar Ceil Susp System 2'x 4'
Ceiling Grid

0006	6	Installation	SF	0.40	B-1.1800	1,600.00	755.20
		Modifier->1101	SF	0.13	B-1.1800	1,600.00	245.44

For 1-1/2 Inch Carrier Channels 4 Ft (1.2M) O.C. Add Per SF

Demolition total for section 09000 **0.00**
Installation total for section 09000 **1,817.01**

16000 ELECTRICAL

♠6H
16111 1000 Exposed Installation - Branch Rough-In Note - 1. Based On 100 Ft (30M) Run, FlaWall. Mounting HeightUp To 10 Ft (3M), Single Rod, In Masonry Walls 2. Labor U Includes Unloading At Jobsite, Measuring And Cutting Layout, Fabrication And As Support System 3. Material Costs Are For Called Item. Fob Port Of Embarkation 4 Supporting Strap, Hanger And Fastening Not Included - See Csi 16111/1200 And 16
16111 1300 Emt Thinwall Conduit Exposed Installation
16111 1301 1/2" EMT "/Coupling Mtd Exposed on Flat Wall,10' Hgt
New Conduit From Exist. Box to New Lights

0007	7	Installation	LF	1.14	B-1.1800	120.00	161.42

16111 1302 l/2" EMT Set Screw Connectors Mtd Exposed on Flat Wall,10' Hgt One at Each End of Each of 12 Conduit Drops

0008	8	Installation	EA	2.18	B-1.1800	24.00	61.74

♠6H
16512 1000 Fluorescent - Recessed 40 Watt Rapid Start
16512 1500 Acrylic Prismatic Lens
16512 1504 Recess Fluor Fxtr,2x4,4-40W,Prsm Stat Troffer(Layin)Acrylic Prsm New Troffer Light Fixtures

0009	9	Installation	EA	99.46	B-1.1800	12.00	1,408.35

♠6H
16512 1000 Fluorescent - Recessed 40 Watt Rapid Start
16512 1800 Emergency Battery And Lamp

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Line Ref Unit Total

#	#	Type	UOM	Price	Factor	Ouantity	w/Factors

16512 1801 Emer Battery and Lamp (Type 200) Supply Unit for Flourescent Fxt Battery Back-Ups

0010	11	Installation	EA	133.39	B-1.1800	2.00	314.80

♠6H

16513 1000 Porcelain Enameled Reflector
16513 1200 Standard Dome Ceiling Mount
16513 1201 Ceil Mtd(103B) Fxtr,lOOW,12" Dia Industrial, w/Std Dome Reflector

		Demolish Existing Lights					
0011	10	Demolition	EA	5.55	B-1.1800	12.00	78.59

Demolition total for section 16000	**78.59**
Installation total for section 16000	**1,946.31**

APPENDIX H

SAMPLE INDEPENDENT GOVERNMENT ESTIMATE

NOTES TO IGE: Roof deck is at 18 feet above finished floor, and suspended ceiling is to be at 8 feet above finished floor.

TAKE OFF NOTES:

DEMOLITION:

a. Demolition of lights, to include handling and turn-in at DRMO.

Taken from plan: 12 each.

b. Haul demolished material to DRMO.
6 mile one way haul at 40 MPH average.

INSTALLATION:

a. Scaffold, since work is above normal scaffolding, will be required for electrical and insulation work performed at roof deck.
1 month rental Roller Scaffold, 14’ to 20’ high.
2 erection and dismantle scaffold; one for each room, scaffold will be used by both disciplines.

b. Insulation:
Area of each room: 20’ X 40’ X 2 rooms = 1600 SF

c. Ceiling Grid:
Area of each room: 20’ X 40’ X 2 Rooms = 1600 SF

d. Ceiling Tile:
Area of rooms minus area of lights = 1600 SF - ((2’X4’) X 12)
= 1600 SF - 96 SF = 1504 SF

e. Conduit, EMT:
12 drops, one for each light, 10’ each (roof deck height minus new ceiling height) = 12’ X 10’ = 120,

f. Conduit Connectors:
One at each end of each drop, or 2 per drop times 12 drops = 24 EA

g. Fluorescent Lights:
12 each per plan.

h. Battery Backups:
2 per scope of work

COST ESTIMATE

Prepared by: Public Works

Project #: 14U

Project Description: Guide Sample

SUMMARY BY FACTOR

FACTOR	INSTALLATION	DEMOLITION	FACTOR	INSTALLATION	DEMOLITION
A 1.0700			N 1.0000		
B 1.1800	4,504.96	78.59	O 1.0000		
C 1.1200			P 1.0000		
D 1.2300			Q 1.0000		
E 0.0000			R 1.0000		
F 1.2100			S 1.0000		
G 0.0000			T 1.0000		
H 1.0000			U 1.0000		
I 1.0000			V 1.0000		
J 1.0000			W 1.0000		
K 1.0000			X 1.0000		
L 1.0000			Y 1.0000		
M 1.0000			Z 1.0000		

SUMMARY BY CSI

CSI	INSTALLATION	DEMOLITION	CSI	INSTALLATION	DEMOLITION
01	159.71		10		
02	1.75		11		
03			12		
04			13		
05			14		
06			15		
07	641.92		16	1,884.57	78.59
08			17		
09	1,817.01		18		

INSTALLATION TOTAL: 4,504.96 DEMOLITION TOTAL: 78.59

TOTAL FOR JOB: 4,583.55

Non-prepriced Items: 0.00% Non-Prepriced.

Signature Date

Cost Estimate

Line #	Ref #	Type	UOM	Unit Price	Factor	Quantity	Total w/Factors

0100 GENERAL REQUIREMENTS

♠6H

01610	3000	Rolling Scaffolding					
01610	3001	Rolling tower scaffolding 5' WIDE X 7' LONG, 14' TO 20' Scaffold rental					
0001	12	Installation	MON	105.11	B-1.1800	1.00	124.03
01610	3000	Rolling Scaffolding					
01610	3002	Rolling Tower Scaffolding Erection and Dismantling Scaffold set-ups and Tear Downs					
0002	13	Installation	EA	15.12	B-1.1800	2.00	35.68

Demolition total for section 0100 **0.00**
Installation total for section 0100 **159.71**

0200 SITE WORK

♠6H

02112	9000	Rubbish Hauling of all Selective Demolition items to Dumpsite.					
02112	9100	Hauling - Includes Time for Travel and Dump, Assumes average Speed Varies with Production Based on Distance. Production is Based on Loose Cubic Yards.					
02112	9110	8 CY (6 M3) Capacity Truck					
02112	9113	Haul to Dump, 8 CY (6 M3) Trk, 6 Mi (10 Km), 40 MPH (60 Km/Hr) Haul Demolished Material to Dump or DRMo					
0003	14	Installation	CY	1.48	B--1/1800	1.00	1.75

Demolition total for section 02000 **0.00**
Installation total for section 02000 **1.75**

0700 THERMAL & MOISTURE PROTECTION

♠6H

07210	1000	Fiberglass Flexible Insulation					
07210	1004	6" Kraft Faced R19 Fbgs Insul New Insulation					
0004	15	Installation	SF	0.34	B-1.1800	1.600.00	641.92

Demolition total for section 07000 **0.00**
Installation total for section 07000 **641.92**

Cost Estimate

Line #	Ref #	Type	UOM	Unit Price	Factor	Quantity	Total w/Factors
09000 FINISHES							
♠6H							
09511	2000	Mineral Fiber Panels					
09511	2002	2'x4'x5/8"Min Fib Acous Ceil Pnl					
		New Ceiling Panels, Room Area Minus Light Area					
0005	16	Installation	SF	0.46	B-1.1800	1,600.00	816.37
09540	1000	Basic Materials					
09540	1001	T Bar Ceil Susp System 2' x 4'					
		Ceiling Grid					
0006	17	Installation	SF	0.40	B-1.1800	1.600.00	755.20
		Modifier >1101	SF	0.13	B-1.1800	1,600.00	245.44
		For 1-1/2 Inch Carrier Channels 4 Ft (1.2M) O.C. Add Per SF					
09540	1000	Basic Materials					
16111	1301	T Bar Ceil Susp System 2' x 4'					
		New Conduit From Exist, Box to New Lights					
0007	18	Installation	LF	1.14	B-1.1800	120.00	161.42
Demolition total for section 09000							**0.00**
Installation total for section 09000							**1,978.43**
16000 ELECTRICAL							
♠6H							
16512	1000	Fluorescent - Recessed 40 Watt Rapid Start					
16512	1500	Acrylic Prismatic Lens					
16512	1504	Recess Fluor Fxtr, 2x4, 4-40W, Prsm Stat Troffer (Layin) Acrylic Prsm					
		New Troffer Light Fixtures					
0008	19	Installation	EA	99.46	B-1.1800	12.00	1,408.35
16512	1000	Fluorescent - Recessed 40 Watt Rapid Start					
16512	1800	Emergency Battery and Lamp					
16512	1800	Emer Battery and Lamp (Type 200) Supply Unit for Flourescent Fxt					
		Battery Back-Ups					
0009	20	Installation	EA	133.39	B-1.1800	2.00	314.80
16513	1000	Porcelain Enameled Reflector					
16513	1200	Standard Dome Ceiling Mount					
16513	1201	Ceil Mtd (103B) Fxtr,100W,12" Dia Industrial,w/Std Dome Reflector					
		Demolish Existing Lights					
0010	21	Demolition	EA	5.55	B-1.1800	12.00	78.59
Demolition total for section 16000							**78.59**
Installation total for section 16000							**1,723.15**

14U

NOTE: In accordance with policy, an IGE is not required for task orders less than $100K. While this sample IGE is less than $100K, it was specifically developed for the project found in the scope of work in Appendix E and the contractor's proposal in Appendix G.

APPENDIX I

TASK ORDER FILE CHECKLIST

CONTRACT NO:
TASK ORDER NO:
DATE TASK ORDER AWARDED:
CONTRACTOR/SUBCONTRACTOR:
AMOUNT OF THIS ORDER: $ _____

	YES	NO
1. Does file contain properly executed (approved and classified) Individual Job Order Request (DA Form 4283)?	____	____
2. Are sufficient funds available and documentation contained within the file?	____	____
3. Is the Memorandum for Record of Site Visit adequate?	____	____
4. If Government Furnished Material and/or Government Furnished Equipment (GFM/GFE) is provided to contractor, does the file contain a signed Determinations & Findings (D&F) that demonstrates that such GFM/GFE is in the best interest of the government IAW AFARS 5145.300?	____	____
5. Does file contain the Request for Proposal?	____	____
(a) Does scope of work match that set forth on DA Form 4283?	____	____
(b) If 4(a) is no, does site visit MFR set forth changes?	____	____
6. Does the government estimate contain:		
(a) The effort as set forth in the RFP?	____	____
(b) Adequate pricing data for determining the reasonableness of the contractor's proposal?	____	____
(c) Non-prepriced items?	____	____
7. Does the contractor's proposal contain:		
(a) Proposal for the scope as set forth in the RFP?	____	____
(b) Pricing by line item in accordance with the Unit Price Book?	____	____
(c) Non-prepriced items?	____	____
(d) Method of construction?	____	____
(e) Other items as set forth in the RFP?	____	____

	YES	NO
8. Record of Negotiations:		
(a) If 6(c) was yes, was the value of the NPP work determined to be fair and reasonable?	____	____
(b) Did the Record of Negotiations provide in sufficient detail, negotiated variances in price, period of performance, quantities, etc.?	____	____
9. Does task order contain NPP items exceeding 10% of the value of the prepriced work?	____	____
(a) If yes, did the contracting officer decide that the work involved emergency or urgent, conditions or made a good business decision?	_____	____
10. If order exceeds $100,000, does file contain legal review?	_____	____
11. Is DD Form 1155 complete and contain:		
(a) Signature of contracting officer or ordering officer on all task orders, as appropriate?	____	____
(b) Accounting and appropriation data?	____	____
(c) Scope of work?	____	____
(d) Period of performance?	____	____
12. Inspection Reports:		
(a) Daily inspection reports	____	____
(b) Deficiencies with corrective action	____	____
(c) Final inspection	____	____
(d) Deficiencies with corrective action	____	____
(e) Acceptance	____	____
13. Receiving Report	____	____
14. Payment Voucher	____	____
15. Close Out (DD Form 1594)	____	____

APPENDIX J

QUALITY CONTROL PLAN REQUIREMENTS

1. The Quality Control Plan (QCP) is a plan the contractor submits to the government which describes how the contractor proposes to implement the requirements of contract clause, "INSPECTION OF CONSTRUCTION," (FAR 52.246-12). This plan shall include, as a minimum, the following:

a. A description of the quality control organization.

b. The name, qualifications, duties, responsibilities and authorities of each person assigned a QC function.

(1) This shall include the identification of an individual, within the contractor organization at the site of the work, who shall be responsible for overall management of QC and have the authority to act in all QC matters for the contractor.

(2) Inspectors shall have a working knowledge of general construction. The major areas of construction are electrical, mechanical, site work, masonry, finish work and carpentry. Each task order in progress shall be comprehensively inspected at least daily and these inspections documented.

c. Procedures for scheduling and managing submittals, including those of subcontractors, off-site fabricators, suppliers and purchasing agents.

d. Control testing procedures for each specific test performed on any task order (submitted and approved prior to start of construction on the specific task order).

(1) The contractor shall perform tests specified or required to verify that control measures are adequate to provide a product, which conforms to contract requirements.

e. Proposed reporting formats and distribution of the reports.

2. A Quality Control Plan should also include the following functions:

a. All submittals are approved and submitted in a timely fashion (timely fashion should be specifically defined).

b. The supplies that are delivered are the same ones on the submittal form and that the supplies are in the proper condition when delivered and then stored properly.

c. Construction equipment is correct and meets contract requirements.

d. Testing provisions are reviewed and testing equipment and personnel qualifications are reviewed and correct.

e. All tests are performed at the proper times and in the proper places.

f. All test reports meet contract requirements.

g. Inspect each area of work to insure the preparation for the work is correct and that no deficient work is covered up by succeeding work.

h. All inspections are documented; documentation covers both conforming and defective work.

i. All deficiencies are corrected.

j. Develop a "punch list" for the completion inspection.

k. Government officials are notified at the proper times of inspections or tests that are required.

The contractor shall maintain current records of quality control operations, daily activities, and tests performed, including the work of suppliers and subcontractors. These records shall be on an acceptable form and indicate a description of trades working on the project, the numbers of personnel working, the weather conditions encountered, any delays encountered, and acknowledgment of deficiencies noted along with the corrective actions taken on current and previous deficiencies. In addition, these records shall include factual evidence that required activities or tests have been performed.

APPENDIX K

JOB ORDER CONTRACTING TRAINING

One of the first things to be considered in the JOC planning phase is training. All personnel assigned to JOC must be trained to properly perform their job functions. Although there are many courses available in construction contracting, specific JOC training is recommended.

The US Army Corps of Engineers Installation Support Training Division sponsors two JOC courses - the JOC Basic and the JOC Advanced. Personnel in the JOC organization should take the JOC Basic as soon as the decision to implement a JOC program is made. The JOC Advanced Course should be taken some time after the contract has been awarded and a number of task orders have been issued. Students should be experienced in JOC operations to gain the maximum benefit of this course.

The target audience for the JOC Basic Course is engineering and procurement personnel who are just implementing a JOC contract or who have recently begun to work with JOC. The DPW JOC Basic course addresses basic policies and procedures for properly executing sustainment, restoration, and modernization projects using the JOC contract. Topics include the elements of JOC management; task order scoping; task order proposal requesting, receiving, review, evaluation, negotiation, and documentation; task order placement by ordering officers; key JOC management issues, and contract administration procedures under JOC. Underlying themes emphasize cooperative working agreement between contractor and government, efficient and timely processing and completion of projects and adherence to proper contract administration procedures.

The JOC Advanced Course covers JOC task order technical processes and negotiation with contractors and changes and claims in the JOC task order process. The course includes a negotiations workshop. Attendees should be installation DPW and DOC personnel and USACE District personnel who are performing as JOC project managers, ordering officers, or contract administration personnel. Recommend the JOC Basic Course be completed prior to attending the JOC Advanced Course.

Resident courses are usually held in the Huntsville, Alabama area. Courses are made available for on-site presentation at the request of hosting installations or activities. These courses are lump-based, with the parent organization responsible for all training costs. Courses for the current year may be found in the Managers and Supervisors Training Handbook; otherwise known as The Purple Book (CEHRP 690-1-1). This publication and updates to it may be viewed on the internet at: http://pdsc.usace.army.mil. The course numbers are 990 for the DPW JOC Basic course and 991 for the DPW JOC Advanced course.

For additional information on course schedules and requirements, please contact:

US Army Corps of Engineers
Professional Development Support Center
Installation Support Training Division
P.O. Box 1600
Huntsville, AL 35807-4301

Phone: (256) 895-7421 or (256) 895-7425, DSN 760-7421 or 7609-7425, or FAX (256) 895-7496.

APPENDIX L

ADDING NON-PREPRICED ITEMS TO YOUR JOC CONTRACTS

A critical step in implementing JOC is the validation and tailoring of specifications and line items that will become your Unit Price Book (UPB). From time to time, however, repetitive use items/tasks not in the UPB (non-prepriced) but within the technical scope of the basic contract, are identified during the contract period that could not have been reasonably anticipated during the planning phase. In these cases, a new prepriced item (or items) may be added to the UPB by executing a supplemental agreement to the basic contract. These NPP items may be added as a new line item or as a modifier to an existing line item.

Extreme care must be taken in pricing the item(s) to ensure costs and profit already present in the coefficient applied to prepriced items, are not included in the cost of the item(s). This includes pricing the new item(s) to reflect the same year as existing line items in the UPB to prevent a "multiple" application of escalation factors already present in the coefficient. The following guidance is offered to assist you in this process.

The first step is to negotiate with your contractor the material, labor and equipment costs required to accomplish the task based on a unit of measure (i.e., each). The contractor must provide adequate information (i.e., at least two vendor quotes) for the contracting officer/ordering officer to determine the reasonableness of the cost for the NPP work requirement. This will be referred to as the bare cost of the non-prepriced (NPP) item.

Once the bare cost of the NPP item has been negotiated, it can be added to a task order by adding contractor overhead and profit. Or it can be added to the UPB through modification to the contract. Before it is added to the UPB, the bare cost must be economically adjusted to the date of the development of the UPB, and then must be adjusted to be consistent with the contractor's coefficient.

First, adjust to the date of the UPB. This can be accomplished by utilizing the Building Cost Index (BCI) found in the Engineering Record (ER). Utilize the following formula:

$$\frac{\text{INDEX OF DATE OF UPB}}{\text{CURRENT INDEX}} \times \text{NPP BARE COST} = \text{ECONOMICALLY ADJUSTED BARE COST}$$

Second adjust this cost to be consistent with the contractor's weighing of the UPB. This is the value for which the contractor determined that he can perform the tasks in the UPB (excluding all items in the coefficient). This factor should be in the contractor's pricing proposal submitted during the solicitation phase. Utilize the following formula:

$$\frac{\text{ECONOMIC ADJUSTED BARE COST}}{\text{CONTRACTOR'S WEIGHT OF UPB}} = \text{ADJUSTED BARE COST TO USE IN MODIFYING UPB}$$

The following example is offered to show how this is accomplished.

From price quotes obtained, the fair and reasonable negotiated material cost was determined to be $4.00 each. From labor standards, the labor hours required to accomplish the work were negotiated to be 1/4 hour per each plumber labor hour. Davis-Bacon plumber rate, including fringe benefits, is $20.00 per hour. Therefore, the labor cost for this task is $5.00 each (1/4 hour x $20./hour). Equipment cost was negotiated from quotes and labor standards to be $1.00 per each. Therefore, the bare cost of the negotiated NPP item equals

$4.00	+	$5.00	+	$1.00	= $10.00 each
(material)		(labor)		(equip.)	

Now adjust this $10.00 to the date of the UPB. For this example, the Building Construction Index for the date of the UPB is 4295. The current Building Construction Index is 4519. Using the first formula shown in the Appendix, adjust to the date of the UPB.

$$\frac{4295}{4519} \times \$10.00 = 0.95043 \times \$10.00 = \$9.50$$

Your final step before incorporating the NPP item into your UPB is to adjust this $9.50 figure to the contractor's weight of the UPB. For this example, the weight is 0.85. Using the second formula shown.

$$\frac{\$9.50}{0.85} = \$11.18 \text{ each}$$

The NPP item can now be added to your UPB as a prepriced item, through a modification to the contract, at a cost of $11.18 each.

GLOSSARY

ABBREVIATIONS

ACSIM = Assistant Chief of Staff for Installation Management (back)

ACA = Army Contracting Agency (back)

A-E = Architect and Engineer (back)

AFARS = Army Federal Acquisition Regulation Supplement (back)

AR = Army Regulation (back)

ASFI = Army Single Face to Industry (back)

BCI = Building Cost Index (back)

CA = Commercial Activity (back)

CAP = Contract Administration Plan (back)

CCASS = Construction Contractor Appraisal Support System (back)

CONUS = Continental U.S.

COR = Contracting Officer's Representative (back)

CSI = Construction Specifications Institute (back)

DA = Department of the Army (back)

DASA(P&P) = Deputy Assistant Secretary of the Army (Policy and Procurement) (back)

D&F = Determination and Findings (back)

DFARS = DOD FAR Supplement (back)

DOC = Directorate of Contracting (back)

DOD = Department of Defense (back)

DPW = Directorate of Public Works (back)

EPA = Economic Price Adjustment (back)

EPS = Engineered Performance Standards

EPSD = Engineering Plans and Services Division (back)

ERMD = Engineer Resource Management Division (back)

FAR = Federal Acquisition Regulation (back)

FedBizOpps = Federal Business Opportunities (back)

FY = Fiscal Year (back)

GAO = Government Accounting Office (back)

GFE = Government Furnished Equipment (back)

GFM = Government Furnished Material (back)

HCA = Head of Contracting Activity

HQDA = Headquarters Department of Army (back)

IG = Inspector General (back)

IGE = Independent Government Estimate (back)

IJO = Individual Job Order (back)

ISTD = Installation Support Training Division (back)

JOC = Job Order Contracting (back)

KO = Contracting Officer (back)

MCA = Military Construction Army

MFR = Memorandum for Record (back)

MOA = Memorandum of Agreement (back)

NAF = Non-Appropriated Fund (back)

NPP = Non-Prepriced (back)

NTP = Notice to Proceed (back)

OMA = Operations and Maintenance, Army (back)

OMB = Office of Management and Budget (back)

OSHA = Occupational Safety and Health Administration (back)

PARC = Principle Assistant Responsible for Contracting

QA = Quality Assurance (back)

QC = Quality Control (back)

QCP = Quality Control Plan (back)

RFP = Request for Proposal (back)

SDB = Small and Small Disadvantaged Business (back)

SF = Standard Form (back)

SJA = Staff Judge Advocate

SOP = Standing Operating Procedure (back)

SOW = Statement of Work (back)

SRM = Sustainment, Restoration, Modernization (back)

SSA = Source Selection Authority (back)

SSEP = Source Selection Evaluation Plan (back)

T.O. = Task Order (back)

UPB = Unit Price Book (back)

USAAA = U.S. Army Audit Agency (back)

USACE = U.S. Army Corps of Engineers (back)

DEFINITIONS

Acquisition. The acquiring by contract with appropriated funds for supplies or services (including construction) through purchase or lease. Acquisition begins at the point when needs are established and includes the description of requirements to satisfy the needs, solicitation and selection of sources, award of contracts (and task orders), contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling the needs by contract. (back)

Acquisition planning. Acquisition planning is the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition. (back)

Bilateral. A bilateral document is one signed by both the contractor's and the government's authorized representatives, as contrasted to a unilateral document, usually signed only by the government's representative.

Coefficient. A coefficient is a factor bid by the contractor, which is multiplied against the quantity of work and the prices in the UPB. Two factors are usually bid - one for normal working hours, the second for other than normal working hours. The total price for a task order is the product of the quantity of work units, the unit price, and the contractor's coefficient, resulting in a firm-fixed price for the task orders issued against the contract. The coefficient represents the contractor's overhead costs and profit. (back)

Contract. "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications.

Contracting Officer. The term "contracting officer" is defined broadly in FAR 2.101. Ordering officers are included in the definition as "Authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer." Orders placed by ordering officers are included in the FAR definition of "contract."

Job Order Contract. A job order contract is a competitively bid, fixed-price, indefinite-quantity contract. It includes a collection of detailed engineering tasks and specifications with their established unit prices. It is placed with a single contractor to accomplish sustainment, restoration, and modernization projects for the Directorate of Public Works.

Non-prepriced Items. Non-prepriced (NPP) items are tasks not included in the UPB but within the intent and general scope of the contract. NPP work may also include items that are included in the UPB but require adjustments because of unusual site conditions differing from those contemplated in the contract. NPP work is negotiated separately from tasks included in the UPB.

Task Order. A task order is an order for sustainment, restoration, and modernization projects against an active contract. These projects are obtained through task orders under the terms of the contract and are not small purchase transactions.

Unit Price Book and Technical Specifications. A unit price book (UPB) contains task listings, descriptions, units of measure, and total installed unit prices. Technical specifications establish the quality of workmanship and materials required for the engineering and construction tasks in the UPB.