# DEFENSE LOGISTICS ACQUISITION DIRECTIVE (DLAD)

**Revision 5**
**(Originally issued May 11, 2000 - this revision replaces Revision 4)**

***(Revised December 11, 2023 through PROCLTR 2024-01)***

## GENERAL STRUCTURE

*(Revised January 13, 2022 through PROCLTR 2021-15)*


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*(Revised January 31, 2022 through PROCLTR 2022-01)*

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## SUBPART 1.1 – PURPOSE, AUTHORITY, ISSUANCE

*(Revised February 25, 2019 through PROCLTR 2019-04)*

**1.105 Issuance.**

**1.105-3 Copies.**

(S-90) The DLA Acquisition Compliance, Policy and Pricing Division—

(1) Maintains the published version of the Defense Logistics Acquisition Directive (DLAD) with Procedures, Guidance, and Information (PGI) (https://www.dla.mil/HQ/Acquisition/Offers/DLAD.aspx) on the Acquisition -- J7 SharePoint Website (https://dlamil.dps.mil/Sites/Acquisition/Pages/default.aspx) (scroll to Defense Logistics Acquisition Directive (DLAD) Revision 5 with PGI); and see DLA Acquisition Policy and Directives (J7) (https://www.dla.mil/HQ/Acquisition/Policy-and-Directives/), and scroll to Defense Logistics Acquisition Directive (DLAD) Revision 5 with PGI); and

(2) Provides the published version of the DLAD for posting on ACQUISITION.GOV (https://www.acquisition.gov/).

(S-91) The DLA Transformation Policy Management Division maintains the Official Repository for DLA Issuances (https://issue-p.dla.mil/Pages/default.aspx).

**1.170 Peer reviews.**

(a) DPC peer reviews.

(1) Procuring organizations shall submit forecasts of projects meeting the Defense Pricing and Contracting (DPC)(USD(A&S) peer review thresholds for the following quarter by the 15th of September, December, March, and June, for consolidation of project information by the DLA Acquisition Operations Division program manager. Provide information using the following format:

**DEFENSE PRICING AND CONTRACTING (DPC) PEER REVIEW FORECAST**
**Fiscal Year 20XX Oct-Dec**

**PREAWARD – COMPETITIVE**

| Organization | Program/Acquisition Name/Description | Dollar Amount | Estimated Phase 1 Peer Review Date | Expected Date of Solicitation Issuance | Estimated Phase 2 Peer Review Date | Expected Date of Request for Final Proposal Revisions | Estimated Phase 3 Peer Review Date | Expected Date of Contract Award | Notes |
|---|---|---|---|---|---|---|---|---|---|
| *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response).* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response).* |

**PREAWARD – NONCOMPETITIVE**

| Procuring Organization | Program/Acquisition Name/ Description | Dollar Amount | Estimated Phase 1 Peer Review Date | Expected Date of Negotiation Issuance | Estimated Phase 2 Peer Review Date | Expected Date of Request for Final Proposal Revisions | Expected Date of Contract Award | Notes |
|---|---|---|---|---|---|---|---|---|
| *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* |

(2) The HCA shall conduct an Integrated Acquisition Review Board (IARB) as defined in 2.101 prior to a DPC peer review.

(3) If there is a discrepancy between the acquisition strategy and the DPC peer review recommendations, the HCA shall confer with the DLA Acquisition Director to determine appropriate action.

(4) Within 15 calendar days after the date of the DPC peer review report, the contracting officer shall document the disposition of all DPC peer review recommendations in a memorandum for the record and furnish a copy to the DLA Acquisition Operations Division. If the contracting officer takes exceptions to any DPC recommendations, the contracting officer shall route the report through the HCA, who will notify the DLA Acquisition Director and DLA Acquisition Operations Division prior to providing the response to DPC. If the DLA Acquisition Director recommends any changes, the DLA Acquisition Director will discuss them with the HCA.

(b) Component peer reviews.

(1) HCAs are responsible for—

(i) Executing peer reviews in accordance with DFARS Part 201;

(ii) Conducting a minimum of two (2) reviews per fiscal year;

(iii) Providing identification of and first quarter forecast for the acquisitions for the following fiscal year to the DLA Acquisition Operations Division by September 30th; and

(iv) Providing a quarterly forecast update of the (minimum of two (2)) projects identified for peer review to the DLA Acquisition Operations Division by the 15th of, December, March, and June. Provide the forecast using the following format:

**DLA PEER REVIEW FORECAST**
**Fiscal Year 20XX – Oct-Dec**

**PREAWARD – COMPETITIVE**

| Procuring Organization | Program/Acquisition Name/Description | Dollar Amount | Estimated Phase 1 Peer Review Date | Expected Date of Solicitation Issuance | Estimated Phase 2 Peer Review Date | Expected Date of Request for Final Proposal Revisions | Estimated Phase 3 Peer Review Date | Expected Date of Contract Award | Notes |
|---|---|---|---|---|---|---|---|---|---|
| *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* |

**PREAWARD – NONCOMPETITIVE**

| Procuring Organization | Program/Acquisition Name/ Description | Dollar Amount | Estimated Phase 1 Peer Review Date | Expected Date of Negotiation Issuance | Estimated Phase 2 Peer Review Date | Expected Date of Request for Final Proposal Revisions | Expected Date of Contract Award | Notes |
|---|---|---|---|---|---|---|---|---|
| *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* | *(Insert response)* |

(v) Providing a copy of the DLA peer review recommendations and the contracting officer's disposition of the recommendations, for each phase of review, to the DLA Acquisition Operations Division program manager.

(2) The HCA shall ensure the review team includes representatives from other DLA procuring organizations (two experienced Acquistion Professionals, one Office of Counsel, and one Small Business Program). The senior member chairs the review team.

(3) The DLA Acquisition Operations Division is responsible for oversight of peer reviews.

## SUBPART 1.2 – ADMINISTRATION

*(Revised February 25, 2019 through PROCLTR 2019-04)*

**1.201-90 Maintenance of the DLAD.**

**1.201-91 Amendment of regulations.**
Submit recommendations for amending the FAR or the DFARS to the DLA Acquisition Compliance, Policy and Pricing Division for approval by the DLA Acquisition Director and submission to the DAR Council.

## SUBPART 1.3 – AGENCY ACQUISITION REGULATIONS

*(Revised February 25, 2019 through PROCLTR 2019-04)*

**1.301 Policy.**
(a)(1)(S-90) The Defense Logistics Agency (DLA) Director has authorized the DLA Acquisition Director to issue the Defense Logistics Acquisition Directive (DLAD). The DLAD implements and supplements requirements of the Federal Acquisition Regulation (FAR), the Defense FAR Supplement (DFARS), DFARS Procedures, Guidance and Information (PGI), Department of Defense publications, and DLA Issuances. Pursuant to FAR 1.304, the DLAD establishes DLA regulations relating to the acquisition of supplies and services under the authority of Title 10 USC Chapter 137, or other statutory authority.

(S-91) Only the DLA Acquisition Director is authorized to approve acquisition policies and procedures for use by DLA acquisition personnel. Procuring organizations shall not issue acquisition policies or procedures. The DLA Acquisition Director signs procurement policy letters (PROCLTRs) to issue policies revising the DLAD. The DLA Acquisition Compliance, Policy and Pricing Division assigns PROCLTR numbers, distributes PROCLTRs, and posts PROCLTRs on the Acquisition – J7 SharePoint site. Policies issued by PROCLTR are effective immediately, unless stated otherwise in the PROCLTR, and take precedence over the published version of the DLAD until the DLA Acquisition Compliance, Policy and Pricing Division incorporates the revisions into the published version.

(S-92) Provisions and clauses. When solicitation provisions or contract clauses are required, the following procedures apply:

(A) The CCO may approve provisions and clauses developed for a single procurement that fulfill a specific and unique requirement of the acquisition or are a result of negotiations, subject to review by Office of Counsel prior to incorporation into a solicitation or contract. Such provisions and clauses shall not constitute a deviation from higher-level regulations or from the DLAD, or otherwise require DPC approval. The CCO may delegate this authority to a level not lower than the Procurement Policy Chief. These provisions and clauses can be approved for one-time use only in a single acquisition or contract. One-time use provisions and clauses are not assigned DLAD numbers, but shall be identified in accordance with FAR 52.103 by title, date, and name of procuring organization that developed them.

(B) For a proposed repetitive-use provision, clause, or procurement note, or for a substantive change to an existing provision, clause, or procurement note, submit requests to the DLA Acquisition Compliance, Policy and Pricing Division. Include prescriptive policy for use of the provision, clause, or procurement note on either an enterprise or non-enterprise basis.

(a)(2) Procuring organizations are authorized by the DLA Acquisition Director to issue internal guidance within the limitations of FAR 1.301(a)(2).

**1.304 Agency control and compliance procedures.**

(1)(i) Submit requests for approvals required by DFARS 201.304(1)(i) to the DLA Acquisition Compliance, Policy and Pricing Division.

## SUBPART 1.4 – DEVIATIONS FROM THE FAR

*(Revised February 25, 2019 through PROCLTR 2019-04)*

**1.402 Policy.**

(S-90) Submit requests for deviations to the DLA Acquisition Compliance, Policy and Pricing Division.

(S-91) The DLA Acquisition Compliance, Policy and Pricing Division assigns DEVIATION numbers, distributes DEVIATIONs, and posts DEVIATIONs at Acquisition DEVIATIONs (https://dlamil.dps.mil/sites/Acquisition/Pages/DEVIATIONs.aspx).

## SUBPART 1.5 – AGENCY AND PUBLIC PARTICIPATION

*(Revised February 25, 2019 through PROCLTR 2019-04)*

**1.501-2 Opportunity for public comments.**

(b)(2) Submit comments on proposed rules in the Federal Register to the DLA Acquisition Compliance, Policy and Pricing Division.

## SUBPART 1.6 – CAREER DEVELOPMENT, CONTRACTING AUTHORITY AND RESPONSIBILITIES

*(Revised June 16, 2023 through PROCLTR 2023-09)*

**1.601 General.**

(a)(S-90) Contracting authority flows from the DLA Acquisition Director to the five HCAs for the DLA contracting activities designated in DFARS PGI 202.101. (See PGI 1.601 for limitations on HCA authority.)

(S-91) HCAs and CCOs may delegate their authorities under any paragraph of the DLAD with power of redelegation to other officials, unless the FAR, DFARS, DLAD or statute limits delegation of the authority. The CCOs will maintain a list of delegations authorized in this policy.

(S-92) Upload written delegations of authority in Document Automated Content Services-Records Management (DACS-RM) (https://www.private.dacs.dla.mil/dacsrm/cs?func=llworkspace).(DACS-RM training and access are required.)

(S-93) When acquisition documentation requires review and/or approval by the SPE or CAE, obtain Office of Counsel review, and submit the documentation through the HCA.

**1.601-90 Critical acquisition responsibilities.**

The HCA is responsible for maintaining oversight of the contracting function, which includes ensuring adequate oversight of all acquisitions conducted by the contracting activity and the fundamental integrity of its contracting system.

**1.601-91 Contract Quality Review (CQR) Program.**
(a) The CQR Program is a formal data-driven evaluation of quality performance to predetermined standards and the presentation of that evaluation in a manner that induces change towards improved contract quality. This continuous review cycle, using a standardized checklist, collects and maintains data to enable enterprise oversight, decision making, and corrective action planning. The CQR is synchronized with Contracting Officer (KO) Warrant Program reviews (see 1.602-90).
(b) For procedures associated with CQR Program roles and responsibilities, see DLAM 5025.03, Contract Quality Review (CQR) Program (https://issue-p.dla.mil/Published_Issuances/5025.03.pdf).

**1.602-2 Responsibilities.**
(d)(S-90) *Contracting Officer's Representative (COR)*. For information on COR function and requirements, see DoDI 5000.72, Change 2, DoD Standard for Contracting Officer's Representative (COR) Certification DoDI 5000.72, Change 2, DoD Standard for Contracting Officer's Representative (COR) Certification (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/500072p.PDF?ver=Gz57VcITZqrt78aS_jH2Jg%3d%3d).
(d)(S-91) *Joint Appointment Module (JAM) and Surveillance and Performance Monitoring (SPM) Module.*

(i) JAM is the enterprise-wide module for executing nomination and appointment functions. SPM is the enterprise- wide module for executing COR monitoring functions. See Procurement Integrated Enterprise Environment (PIEE) (https://wawftraining.eb.mil/piee-landing/) for access to JAM and SPM. For training, see Joint Appointment Module (JAM) - Web Based Training (https://wawftraining.eb.mil/wbt/xhtml/wbt/jam/index.xhtml), which includes SPM and Government Purchase Card (GPC) roles.

(ii) The DISA DECC Ogden Electronic Business Service Desk is available to assist with technical problems with PIEE at Government Customer Support - Submit Issue (https://wawf.eb.mil/xhtml/unauth/web/homepage/governmentCustomerSupport.xhtml). Department Administrators at each procuring organization can assist with access and navigation issues.
(d)(S-92) For procedures associated with COR Program oversight roles and responsibilities, see DLAM 5025.14, Contracting Officer's Representative (COR) Program (https://issue-p.dla.mil/Published_Issuances/COR%20PROGRAM%20CHANGE%201.pdf). Contracting officers shall appoint a nominated replacement COR, who is qualified and certified, within a maximum of 30 calendar days after the date either (i) the current COR appointment is terminated; or (ii) there is a requirement for a replacement due to a change in circumstances of the current COR, resulting in a reasonable expectation of the inability to perform effectively (e.g., conflict of interest, reassignment, separation from the Government). COR management shall proactively nominate a qualified and certified replacement COR in a timely manner to allow the contracting officer the ability to appoint the replacement within a maximum of 30 calendar days. Additional guidance on the appointment and duties of CORs is provided in the

DoD COR Guidebook (https://www.acq.osd.mil/dpap/cpic/cp/docs/USA002477-17_DoD_COR_Guidebook.pdf).

**1.602-2-90 Automated Procurement Systems Internal Controls (APSIC) Program.**
(a) The APSIC Program standardizes the oversight of automated procurement system functional outcomes, pricing and responsibility logic, contracting officer training and documentation, postaward reviews of automated award files, and price trend analysis.
(b) For procedures associated with the APSIC Program, see DLAM 5025.06, Auotmated Procurement System Internal Control (APSIC) (https://issuep.dla.mil/Published_Issuances/Automated%20Procurement%20System%20Internal%20Control%20(APSIC).pdf )

**1.602-2-91 Pricing Oversight Program.**
(a) The Pricing Oversight Program implements consistent, process-driven verification and/or statistical sampling validation to ensure procuring organizations use acceptable cost or pricing analysis techniques. It promotes proven methodologies in acquisition strategy planning, evaluation, and award.
(b) For procedures associated with the Pricing Oversight Program, see All DLA Official Issuances (https://issue-p.dla.mil/Pages/ViewAllIssuances.aspx). Select "Issuance #", and scroll to DLAM 5025.08, Pricing Oversight Program.

**1.602-3 Ratification of unauthorized commitments.**
(b) Policy.
(2) The HCA is authorized to approve ratification actions valued over the SAT. This authority is nondelegable.
(3) The CCO is authorized to approve ratification actions valued at or below the SAT. This authority is nondelegable.
(c) *Limitations*. The contracting officer shall—
(S-90) Prepare a request for ratification that conforms to requirements in the Ratification of Unauthorized Commitments Checklist at PGI 1.602-3(c)); and
(S-91) Submit the request to the CCO or HCA, as applicable (see 1.602-3(b)(2) and 1.602-3(b)(3)).
(d) *Nonratifiable claims*.
(S-90) An unauthorized commitment does not exist when—
(i) The contractor—
(A) Performed without a contract;
(B) Acted in good faith; and
(C) Submitted a claim to the Government; and
(ii) The Government—
(A) Did not direct the contractor to perform without a contract; and
(B) Received a benefit from the contractor's voluntary performance.
(S-91) The contracting officer may recommend payment on a quantum meruit basis for goods received or services rendered.
(S-92) To request relief on a quantum meruit basis, the contracting officer shall—
(i) Prepare a request for relief that conforms to requirements in the Quantum Meruit Checklist at PGI 1.602-3(d);

(ii) Coordinate the request through Office of Counsel and the procuring organization chain of command; and

(iii) Submit the request to the DLA Acquisition Operations Division for CAE approval. The CAE approval authority is nondelegable.

**1.602-90 Contracting Officer (KO) Warrant Program.**

(a) The KO Warrant Program establishes a standard program for the selection, appointment, termination, and reinstatement of contracting officers to ensure that only those individuals who fully meet selection criteria are appointed and retained as contracting officers. Warrant candidates must satisfy prequalification appointment standards and proficiency assessments. KO Warrant Program reviews are synchronized with CQRs (see 1.601-91) and conducted to objectively assess compliance outcomes. Individual proficiency reviews are conducted continuously to ensure integrity of all warranted KOs through comprehensive work product reviews. Procuring organizations shall maintain all evidentiary matter in two central repositories as follows:

(1) Maintain all documents in the procuring organization repository; and

(2) Maintain copies of all Standard Forms 1402 in the DLA Contracting Officer Warrant Database.

(b) For procedures associated with the KO Warrant Program, see DLAM 5025.04, Contracting Officer (KO) Warrant Program (https://issue-p.dla.mil/Published_Issuances/Contracting%20Officer%20(KO)%20Warrant%20Program%20with%20CAP%20changes.pdf); or DLA Issuances (https://issue-p.dla.mil/Pages/ViewAllIssuances.aspx, select "Issuance #", and scroll to DLAM 5025.04

**1.602-91 Nonappropriated funds.**

DoD policy for contracting actions using nonappropriated funds is in DoD Directive (DoDD) 4105.67 and Army Regulation (AR) 215-4, Nonappropriated Fund Contracting.

**1.603-3-90 Micro-purchase contracting authority.**

(a) Holders of a Government Purchase Card (GPC) have authority to make micro-purchases. DLA's GPC policies and procedures are provided in DLAM 5025.07, Government Purchase Card (GPC) Program (https://issue-p.dla.mil/Published_Issuances/Government%20Purchase%20Card%20Program%20(GPC).pdf). The Sub Process Owner will upload written appointments of GPC holders in Document Automated Content Services-Records Management (DACS-RM) (https://www.private.dacs.dla.mil/dacsrm/cs?func=llworkspace). (DACS-RM training and access are required.)

(b) The HCA may issue written designations of authority to make micro-purchases by means other than the GPC to individuals who have completed CON 237, Simplified Acquisition Procedures. The Sub Process Owner will upload written designations in Document Automated Content Services-Records Management (DACS-RM) (https://www.private.dacs.dla.mil/dacsrm/cs?func=llworkspace). (DACS-RM training and access are required.)

**1.603-3-91 Ordering officers.**

(a)(l) This policy covers DLA ordering officers only.

(2) Contracting officers have the authority to appoint qualified DLA personnel as ordering officers for the purpose of placing orders under fixed-price indefinite delivery contracts (IDCs) or blanket purchase agreements (BPAs) awarded by DLA contracting officers for supplies or services. The contracting officer shall not appoint ordering officers for IDCs or BPAs that require negotiation of prices or any other contract terms. The contracting officer does not have authority to appoint ordering officers to execute modifications. (Refer to FAR 43.102(a)(1).)
(b) Include procurement note L23 in IDCs or BPAs when the contracting officer has assigned an ordering officer.
*****
L23 Ordering Officers (FEB 2018)
(1) The following Government employees have ordering officer authority for [*contracting officer insert contract or ordering vehicle number*]:

| Name | Title | Contact Information |
|---|---|---|
| [*contracting officer insert*] | [*contracting officer insert*] | [*contracting officer insert*] |

(2) Ordering officers must place orders within the express scope of this indefinite delivery contract or blanket purchase agreement.
(3) The contracting officer will notify you in writing when adding or terminating an ordering officer appointment prior to completion of this indefinite delivery contract or blanket purchase agreement.
*****
(c) Appointment of ordering officer.
(1) The contracting officer shall appoint a DLA ordering officer using the appointment letter in **53.9001(a)**. The contracting officer shall insert the IDC or BPA number and the name and contact information of the appointed ordering officer in procurement note L23 in the contract.
(i) The contracting officer shall present the appointment letter to the DLA ordering officer and provide instructions on authorities and responsibilities. The DLA ordering officer shall sign the appointment letter to signify receipt of instructions and understanding.
(ii) The contracting officer shall include the appointment letter, and training documents, as stated in **1.603-3-91(f)**, in the contract file and send an electronic copy to the procuring organization warrant program manager.
(2) The procuring organization warrant program manager shall record the appointment in the Active Ordering Officer Warrant List and take appropriate actions to load authority in the contract writing system. For Enterprise Business System ordering officers, the procuring organization warrant program manager shall enter the ordering authority amount in the "Output Limit" field only. Do not enter data in the “Approval Limit” field.
(3) If an IDC or BPA has a contracting officer’s representative (COR) assigned, the contracting officer shall distribute a copy of the ordering officer’s appointment letters to the COR.
(4) The contracting officer shall notify contractors and other appropriate personnel in writing when an ordering officer’s appointment is terminated or a new ordering officer is appointed prior to completion of the IDC or BPA.
(d) Ordering officer official file.
(1) DLA ordering officers shall maintain an official ordering officer file for each IDC and BPA for which they are authorized as an ordering officer. The ordering officer shall include in

each file, at a minimum, the appointment letter and a spreadsheet listing all orders issued by the ordering officer.

(2) DLA ordering officers shall provide to the contracting officer on a monthly basis the list of orders they have issued.

(e) Limitations. Ordering officers are not authorized to and shall not—

(1) Delegate their ordering authority.

(2) Place an order for supplies or services not expressly within the scope of the IDC or BPA.

(3) Take any action that could be considered an alteration of the terms and conditions of the IDC or BPA in any way, either directly or by implication.

(4) Take any action that could be considered a termination of the IDC or BPA in any way, either directly or by implication.

(5) Issue modifications to the IDC, BPA, or individual orders.

(6) Issue instructions to the contractor to start or stop work.

(7) Take any other action identified in their appointment letter as a limitation of their authority.

(f) Qualifications. The contracting officer shall only appoint DLA ordering officers who—

(1) Are DLA employees.

(2) Have completed, at a minimum, the following continuous learning courses through Defense Acquisition University (https://www.dau.edu/):

(i) CLC005 Simplified Acquisition Procedures.

(ii) CLM049 Procurement Fraud Indicators.

(iii) DLA Annual Ethics Training or CLM003 Overview of Acquisition Ethics.

(g) Oversight.

(1) The contracting officer shall ensure ordering officers—

(i) Operate within the scope and limitations of authority delegated and FAR Subparts 3.1 and 3.2.

(ii) Maintain standards of conduct prescribed in DoD Directive 5500.07, Standards of Conduct, and DoD 5000.07-R, The Joint Ethics Regulation (JER), and FAR Subparts 3.1 and 3.2.

(iii) Do not engage in improper practices, such as splitting purchase transactions to avoid monetary limitations or delegating authority to others.

(iv) Establish and maintain an official ordering officer file for each IDC and BPA for which they are authorized as an ordering officer; which file shall include, at a minimum, the appointment letter and a spreadsheet listing all orders issued by the ordering officer.

((v) Submit correct and timely information for contracting action reporting purposes.

(vi) Comply with any additional requirements stated in their appointment letter or required by the IDC or BPA.

(2) The contracting officer or the procuring organization warrant program manager shall review a sample of orders issued by the ordering officer to ensure compliance with the authorities authorized in the appointment.

(i) The sample size shall be sufficient to ensure the ordering officer is satisfactorily performing ordering officer duties.

(ii) The review shall verify the ordering officer did not perform unauthorized actions as outlined in section 2a of the appointment letter.

(iii) The review shall verify the ordering officer properly performed the following actions:

(A) Ordered only supplies or services expressly within the scope of the IDC or BPA.

(B) Promptly notified the contracting officer when the ordering officer recommended increasing the quantity or dollar value or extending the ordering period to meet emergency requirements, if the contract terms and conditions permit.

(C) Established and maintained an official ordering officer file for each IDC and BPA for which they have ordering officer authority; including, at a minimum, the appointment letter and a spreadsheet listing all orders issued by the ordering officer.

(D) Complied with any additional requirements stated in their appointment letter or required by the IDC or BPA.

(iv) The contracting officer or the procuring organization warrant program manager shall conduct the review on an annual basis.

(v) The contracting officer or the procuring organization warrant program manager shall ensure copies of review findings are retained in the official ordering officer's file.

(h) Termination.

(1) Appointing authorities may terminate ordering officer appointments at any time.

(2) The contracting officer shall normally terminate ordering officer authority promptly when—

(i) An ordering officer exceeds the delegated authority or fails to perform properly within the appointment authority; or

(ii) An ordering officer fails to complete assigned corrective actions noted during review.

(3) The contracting officer shall execute terminations in writing; except that ordering officer appointments are automatically terminated when the IDC or BPA ends or when the ordering officer leaves Government employment.

(4) Upon termination of the appointment, the contracting officer shall verify if the individual is an ordering officer on any other IDCs or BPAs. If they are not, the contracting officer shall contact the procuring organization warrant program manager, who shall take appropriate actions to remove the terminated ordering officer from the contract writing system.

(i) Disposition.

(1) Upon completion of the IDC or BPA, the ordering officer shall forward to the contracting officer any hard copy records maintained.

(2) If an appointment is terminated before the IDC or BPA completion, the ordering officer shall provide all records to the ordering officer's successor and the contracting officer.

**1.604 Contracting officer's representative (COR).**

For policies regarding the Joint Appointment Module (JAM) and Surveillance and Performance Monitoring (SPM) Module in the Procurement Integrated Enterprise Environment (PIEE), see. see 1.602-2 Responsibilities.

**1.670 Appointment of property administrators and plant clearance officers.**

(a) The appropriate agency appointment authority is the HCA. This authority may be delegated no lower than the O6/GS-15 level.

(b) DLA employees who meet the requirements specified in DFARS 201.670(b), including employees serving in the 1103 or 1150 job series or military equivalent job series, may be considered for appointment as Property Administrators or Property Managers. DLA does not appoint Plant Clearance Officers. Property administrator duties are identified in the DoD

Guidebook for Contract Property Administration, dated DoD Guidebook for Contract Property Administration, dated December 2014 (https://dodprocurementtoolbox.com/cms/sites/default/files/resources/GFP%20Guidebook%20DEC%20Fomatted%2011122014.pdf).

**1.690 Contract clearance and oversight.**

**1.690-1 Establishment of business clearance authority.**

(a) The DLA Acquisition Director has delegated clearance authority to the lowest possible level consistent with law and regulation. Clearance for purposes of this section is the authorization to proceed to the next stage in the acquisition. These stages are typically Acquisition Strategy Review Panel (ASRP), Acquisition Plan/Solicitation ("Pre-solicitation Stage") and Award ("Pre-award Stage").

(1) *ASRP*. At a minimum, documents for review include market research, Business Case Analysis (BCA) (if applicable), and ASRP slide deck.

(2) *Pre-solicitation Stage*. At a minimum the documents submitted for review will include market research, BCA/revalidation (if applicable), DD Form 2579, the acquisition plan, the source selection plan (if applicable), draft solicitation (with attachments), draft Contract Management Plan (if applicable), signed staff summary sheet, and the Pre-Solitation slide deck.

(3) *Pre-award Stage.* At a minimum the documents for review will include the final solicitation including amendments, the Price Negotiation Memorandum (if applicable), the draft Source Selection Decision document or Award Decision Document, signed staff summary sheet, and the Pre-Award slide deck.

(4) The ASRP, Pre-solicitation, and Pre-award slide decks can be found on the J7 SharePoint Page.

(b) Clearance authority thresholds:

(1) Clearance authority for Major Defense Acquisition Program (MDAP) is OSD unless authority has been delegated to DLA. MDAP includes procurements of more than $3.065 billion and RDT&E expenditures of more than $525 million.

(2) Clearance authority for Major Systems is the Component Acquisition Executive (CAE). This authority cannot be further delegated. A Major System includes procurements of more than $930 million and RDT&E expenditures of more than $200 million.

(3) Clearance authority for the acquisition of services over $250M and less than $1B (less than $500M for IT services) is the Senior Procurement Executive (SPE) in coordination with the Senior Services Manager (SSM). This authority cannot be further delegated.

(4) Clearance authority for the acquisition of services up to $250M is the HCA. HCAs are authorized to redelegate, in writing, clearance authorities within their contracting activity.

(5) Clearance authority for the acquisition of supplies over $1B is the SPE. The SPE may delegate this authority to the HCA, in writing on an individual solicitation or award basis. This authority cannot be further delegated.

(6) Clearance authority for the acquisition of supplies up to $1B is the HCA. HCAs are authorized to redelegate, in writing, clearance authorities within their contracting activity.

(7) For acquisitions that include bundling over $2M, an ASRP is required with SPE as the clearance authority.

(8) For acquisitions requiring a BCA, the clearance authority thresholds contained herein apply. BCAs which impact operations from another Major Subordinate Command (MSC) require an ASRP regardless of dollar value; SPE is the clearance authority.

(9) The CAE and SSM (for acquisition of services) reserve the right to review any acquisition that has an impact to mission criticality, warfighter operational support, financial investment, stewardship responsibilities, or where there is known special or significant interest.

**1.690-2 Portfolio reviews.**

The SPE will conduct biannual portfolio reviews of each contracting activity. The reviews will address:

(a) Oversight program.
(b) Pricing.
(c) Competition.
(d) Systems support.
(e) Better Buying Power implementation and metrics.
(f) Small Business program and implementation.
(g) Strategic acquisitions.
(h) Feedback from CCOs and contracting officer supervisors.

**1.690-3 Strategic solution analysis reviews.**

(a) Major Subordinate Commands (MSCs) shall use the Strategic Solution Analysis Template (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/Acquisition%20Home%20Page/Template%20-%20Strategic%20Solution%20Analysis%2020180913.docx) when analyzing and recommending strategic solutions, for sustainment strategies, that would impact multiple MSCs.
(b) MSCs shall complete the Strategic Solution Analysis Template during the requirement development phase and prior to approval of the acquisition strategy.
(c) The MSC who is leading the strategic solution to conduct the analysis shall coordinate with the other MSCs, and obtain approval from the Enterprise Operations Planning Council prior to approval of the acquisition strategy.
(d) The Strategic Solution Analysis is in addition to the requirements of DLAI 5010.06, "Business Case Analysis" (see 1.690-5).

**1.690-4 Strategic contract (STRATCON) oversight.**

(a) The SPE and the Senior Services Manager (SSM) (for acquisition of services) reserve the right to review any acquisition.
(b) Procuring organizations shall report forecasted strategic contracts as defined in DLAD 2.101 to the DLA Acquisition Operations Division by the 10th of each month. The DLA Acquisition Operations Division will recommend acquisitions or contracts to be reviewed by the SPE/SSM.
(c) The SPE/SSM shall advise the HCAs of acquisitions that have been selected for review.
(d) HCAs shall consider holding Acquisition Strategy Review Panels (ASRPs) and Integrated Acquisition Review Boards (IARBs) for strategic contracts (see definitions in 2.101).
(e) HCAs shall consider conducting Acquisition Strategy Review Panels (ASRPs) and Integrated Acquisition Review Boards (IARBs) for STRAP contracts (see definitions in 2.101).]

**1.690-5 Business case analysis (BCA).**

In accordance with DLAI 5010.06, Business Case Analysis (https://issuances.dla.mil/Published_Issuances/Business%20Case%20Analysis%20(BCA).pdf), and Office of Management and Budget Circular A-94, procuring organizations shall—
(a) Conduct appropriate cost analyses to validate the acquisition strategy, including cost-benefit analyses.
(b) Revalidate any BCA performed in support of the acquisition strategy prior to each change in the acquisition strategy or every five years, whichever occurs first.
(c) Include in BCAs for services an independent government cost estimate (IGCE) in accordance with guidance at DoD Independent Government Cost Estimate (IGCE) Handbook for Services Acquisition (https://www.acq.osd.mil/dpap/sa/Policies/docs/DoD_IGCE_for_SA_Handbook.pdf).

**1.691 Legal review.**
(a) For purposes of this section, "contract action" includes both FAR and non-FAR procurements (including other transaction agreements), contracts, and related actions, including contract administration modifications such as option exercises and other substantive modifications, but excluding administrative modifications not requiring the significant exercise of discretion by the contracting officer; "simplified acquisition threshold" (SAT) means the threshold amount stated in its definition in FAR Subpart 2.1 (or as increased by FAR deviation if a statutory increase has not yet been implemented in the FAR), without adjustment for special circumstances.
(b) DLA contracting activities shall, at a minimum, require legal review for all contract actions, including supporting documents such as required determinations and findings, requiring review and/or approval by the HCA or Chief of the Contracting Office (Director of Supplier Operations for Depot Level Reparable (DLR) sites); the DLA Acquisition Director, the Senior Procurement Executive, or the Component Acquisition Executive; the DLA Logistics Operations Director; or the Agency Director.
(c) Contracting offices under the DLA Acquisition contracting activity shall ensure that legal review is accomplished on all contract actions, including supporting documents such as required determinations and findings, requiring review and/or approval by the HCA or Chief of the Contracting Office (Director of Supplier Operations for DLR sites); the DLA Acquisition Director, the Senior Procurement Executive, or the Component Acquisition Executive; the DLA Logistics Operations Director; or the Agency Director; and all other contract actions with an estimated value over the following thresholds:
(1) DLA Contracting Services Office -- Philadelphia – $700,000;
(2) DLA Contracting Services Office – Other – $500,000;
(3) DLA Disposition Services - $700,000;
(4) DLA Distribution - $1 million;
(5) DLA Strategic Materials - $700,000.
(d) Pre-award review will include at least the following documents:
(1) Solicitation packages, including solicitation documents (e.g., RFP, RFQ) with SOW/PWS/SOO, acquisition plans, source selection plans, justifications and approvals/limited source justifications, required determinations and findings, and related documents; and
(2) Negotiation and preaward documents for best value awards, including competitive range determinations and award documentation (e.g., price negotiation memorandum and source selection decision document).

(e) All DLA procuring organizations shall obtain legal review and advice of Office of Counsel:

(1) In the preparation and review of acquisition documents for procurements that are subject to procuring organization or DLA ASRP and IARB, DLA or DoD Peer Review, or are included on the list of STRATCON procurements that are reported to the Agency Director.

(2) In the preparation of procurement notes, provisions, or clauses that are not in the FAR, DFARS, or DLAD, and are not required to be approved by DLA Acquisition, which are to be contained in solicitations, including all DLA EPA clauses and revisions to EPA clauses; prior to taking action to resolve any instance of defective cost or pricing data or false claim; and on any questionable legal areas in acquisitions, such as the preparation and/or execution of contractual documents.

(3) All actions listed below. Some of the listed actions are subject to value thresholds; where a threshold is not stated, the action requires legal review regardless of value.

(i) Justifications and approvals/limited source justifications/brand name justifications for exceptions to fair opportunity for contract actions valued over the SAT (valued over $700,000 for DCSO – Philadelphia), and redaction of justification documents required to be made publicly available;

(ii) Non-responsibility determinations (FAR Subpart 9.1);

(iii) Waivers to tailor commercial clauses (FAR 12.302);

(iv) Offeror-proposed terms and conditions or exceptions to solicitation requirements;

(v) Late offer determinations (FAR 15.208);

(vi) Bundling and/or consolidation memoranda;

(vii) Mistake in bid/offer type issues;

(viii) Multi-year contract determinations (see FAR Subpart 17.1);

(ix) Waivers of certified cost or pricing data requirements;

(x) Cost Accounting Standards issues to include waivers;

(xi) Buy American Act, Balance of Payments Program, and/or Trade Agreements Act waivers;

(xii) No-cost contracts;

(xiii) Letter contracts and other undefinitized contract actions (see Subpart 17.74);

(xiv) Solicitation and award of non-firm-fixed price and non-fixed price with EPA type contracts/orders valued over the SAT;

(xv) Procurements valued over the SAT (valued over $25 million for DCSO – Philadelphia) using non-DOD contracts (direct or assisted);

(xvi) Equipment or vehicle leases valued over the SAT;

(xvii) Advance payments and contract financing (see FAR Subparts 32.1 through 32.5, and 32.10);

(xviii) Research and development procurements and broad agency announcements valued over the SAT (valued over $2 million for DCSO – Philadelphia);

(xix) Small Business Program matters, including:

(A) Protests of small business size status and representations for all Small Business Administration (SBA) programs (FAR Subpart 19.3);

(B) Disagreements with the SBA regarding small business set-asides or bundling or consolidation issues (FAR Subpart 19.5; FAR Subpart 7.1);

(C) Certificate of Competency referrals to the SBA (FAR Subpart 19.6);

(D) Disagreements with the SBA regarding any aspect of the Section 8(a) program (FAR Subpart 19.8);

(E) SDVOSB matters (FAR Subpart 19.14);

(xx) Tax matters and negotiations, including foreign taxes and exemptions (FAR Part 29);

(xxi) Assignment of claims (FAR Subpart 32.8);

(xxii) Requests from non-DLA activities and agencies for contracting support or by other countries for support under Acquisition and Cross-Servicing Agreements (ACSA) or Fuel Support Agreements;

(xxiii) Revisions and additions to procurement policy;

(xxiv) Cost allowability/reasonableness/allocability determinations;

(xxv) Novation and change of name agreements;

(xxvi) Bankruptcy related issues;

(xxvii) Ratifications and Quantum Meruit Claims;

(xxviii) Conflict of interest issues and determinations;

(xxix) Equitable adjustments valued over the SAT;

(xxx) Contracting officer final decisions;

(xxxi) Claims, disputes, and protests, including related actions such as stay overrides;

(xxxii) Cure/show cause notices in procurements valued over the SAT;

(xxxiii) Terminations for default/cause or convenience (not applicable to unilateral purchase orders);

(xxxiv) Requests for extraordinary contract relief, including indemnification for nuclear or other unusually hazardous risks (see FAR Part 50).

(4) When legal review is required by or conducted in accordance with another section of the FAR/DFARS/DLAD, the requirements of that section will govern.

(5) Legal review is not required for routine issuance of task or delivery orders against existing DLA contracts (competed task orders are not considered routine), contracts developed by another agency in conjunction with DLA (e.g., Department of Veterans Affairs medical/pharmaceutical contracts), or for administrative modifications not requiring the exercise of discretion by the contracting officer.

(f) Procuring organizations shall promptly refer matters for legal review. All acquisition matters referred for legal review shall be accompanied by a complete file with supporting material as appropriate (hardcopy or digital) or with a link to the relevant contract documents if maintained on a networked system to which the legal office has access. Procuring organizations should consider and include the anticipated time for legal review in acquisition planning timelines. If a procuring organization is contacted by a non-government attorney, the activity or office will immediately notify Office of Counsel.

(g) This policy shall not be further supplemented without the approval of the DLA Acquisition Director in consultation with the DLA General Counsel, except as stated herein. Procuring organizations may submit a request for exception to a specific part of the policy in this section to the DLA Acquisition Director, who will determine whether to grant an exception in consultation with the DLA General Counsel. Requests for exception shall be coordinated with the appropriate Chief Counsel and shall include a detailed and complete rationale for the exception. Procuring organizations do not require approval to supplement this policy to require legal review in situations not covered by this policy, or at lower thresholds than stated in this policy. Contracting

officers do not require approval to request legal review at the contracting officers' discretion for situations where this policy does not require legal review.

# PART 2 – DEFINITIONS OF WORDS AND TERMS

*(Revised January 10, 2023 through PROCLTR 2023-02)*

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2.101 Definitions.

## SUBPART 2.1 – DEFINITIONS

*(Revised December 6, 2023 through PROCLTR 2022-11, 2022-15, 2023-10)*

**2.101 Definitions.**

*"Acquisition Strategy Review Panel (ASRP)"* means an oversight group that conducts a review after completion of the market research report and the Business Case Analysis (BCA), if applicable, and prior to development of the acquisition plan to analyze and approve the proposed contracting approach. The Senior Procurement Executive (SPE) is the chair and clearance authority. Panel members should include HQ personnel from the following functional areas, as applicable: Logistics Operations; Information Operations; Finance; and Military Service Program or Technical Manager. Panel advisors should include DLA HQ personnel from the following functional areas, as applicable: Competition Advocate (COMPAD); General Counsel; and Small Business Programs. The SSM and Component Portfolio Manager (CPM) should be included as panel advisors for the acquisition of services. MSCs are encouraged to conduct an ASRP with personnel from the equivalent functional areas at their local level. See 1.690-1, Establishment of business clearance authority, for the minimum documents requiring review.
"Integrated Acquisition Review Board (IARB)" means an oversight group that conducts a review at key decision points typically Acquisition Plan/Solicitation and Award stages. The IARB has the authority to continue the acquisition, modify the strategy, terminate the process, or determine how next phases should proceed. The Senior Procurement Executive (SPE) is the chair and clearance authority. Board members should include DLA HQ personnel from the following functional areas, as applicable: General Counsel; Contract Review, Small Business Programs; Finance; and Logistics Operations. The SSM and Component Portfolio Manager (CPM) should be included as board advisors for the acquisition of services. MSCs are encouraged to conduct an IARB with personnel from the equivalent functional areas at their local level. See 1.690-1, Establishment of business clearance authority, for the minimum documents requiring review at the appropriate acquisition stage.
*"Bridge action "* means a non-competitive action requiring justification to retain the current or similar product or service due to a delay in the negotiation, award of a follow-on contract. Bridge actions by new contract may be awarded to other than the existing contractor.
"*Chief of the Contracting Office (CCO)*" means a Government employee with certification in the acquisition career field who has direct managerial responsibility for the operation of a contracting office as defined in FAR 2.1. CCOs are listed below.

| Contracting Activity | Contracting Office | CCO |
|---|---|---|
| DLA Aviation | DLA Aviation Supplier Operations at Richmond (FA and FM) | Director and Deputy Director, Supplier Operations |

| Contracting Activity | Contracting Office | CCO |
|---|---|---|
| DLA Aviation | DLA Aviation Strategic Acquisition at Richmond (A) | Director and Deputy Director, Strategic Acquisition |
| DLA Aviation | DLA Aviation at Ogden (AU) | Director, Procurement Operations |
| DLA Aviation | DLA Aviation at Oklahoma City (AO) | Director, Procurement Operations |
| DLA Aviation | DLA Aviation at Warner Robins (AW) | Director, Procurement Operations |
| DLA Aviation | DLA Aviation at Philadelphia (AP) | Director, Procurement Operations |
| DLA Aviation | DLA Aviation at Huntsville (AH) | Director, Procurement Operations |
| DLA Energy | DLA Energy | Director, Procurement Process Support Directorate |
| DLA Land and Maritime | DLA Land and Maritime Procurement Process Support Directorate (BP) | Director, Procurement Process Support Directorate |
| | Strategic Acquisitions Program Directorate (Z) | Deputy Director, Strategic Acquisitions Program Directorate |
| | DLA Land at Warren (ZG) | Director, Procurement Operations |
| | DLA Land at Aberdeen (ZL) | Director, Procurement Operations |
| | DLA Land at Albany (ZB) | Director, Procurement Process Support Directorate |
| | DLA Maritime at Mechanicsburg (ZI) | Director, Procurement Operations |
| DLA Troop Support | DLA Troop Support (includes Medical, Subsistence, Clothing and Textile (C&T), and Construction and Equipment (C&E), Supply Chains; DLA Troop Support Europe and Africa; and DLA Troop Support Pacific) | Director, and Deputy Director Procurement Process Support Directorate |
| DLA Acquisition | DLA Contracting Services Office (including locations at Philadelphia, Richmond, Columbus, Fort Belvoir, and New Cumberland). DLA Document Services (Contracting) remains under DCSO. | Director, DLA Contracting Services Office. |
| | DLA Disposition Services. | Director Contracting Directorate |
| | DLA Distribution | Chief, Contracting Division |

*"Collaboration folders"*, also known as cFolders, means the DLA point of access to technical data associated with open solicitations issued from DLA's Enterprise Business System (EBS) and the staging area for technical data for other projects not associated with open solicitations issued from DLA's EBS.

"*Controlled unclassified information (CUI)*" means unclassified information the Government creates or possesses, or that an entity creates or possesses for or on behalf of the Government, that a law, regulation, or Government-wide policy requires or permits an agency to handle using safeguarding or dissemination controls. Specific definitions and categories of CUI are available at 32 CFR § 2002.4(h) https://ecfr.io/Title-32/Section-2002.4; DoDI 5200.48, Controlled Unclassified Information (CUI) (https://www.dodcui.mil/Portals/109/Documents/Policy%20Docs/DoDI%205200.48%20CUI.pdf); DLAI 5200.48, Controlled Unclassified Information (CUI) (https://dlamil.dps.mil/sites/Intelligence/Shared%20Documents/DLAI%205200.48%20CUI.pdf), which establishes the DoD CUI Registry of Categories (http://www.dodcui.mil/home/dod-cui-registry). All Source Selection Information is CUI.

*"Covered Nation"* means

(i) the Democratic People's Republic of North Korea;

(ii) the People's Republic of China;

(iii) the Russian Federation; and

(iv) the Islamic Republic of Iran

"*DLA Export Control Technical Data Access*" means DLA requirements in EBS that limit distribution of export-controlled technical data to contractors that have DLA controlling authority approval to access the export-controlled data within the cFolders. To obtain approval, contractors must have an active United States/Canada Joint Certification Program (JCP) certification and a DLA Internet Bid Board System (DIBBS) account; and must have completed the "Introduction to Proper Handling of DoD Export-Controlled Technical Data Training" and the DLA "Export Control Technical Data" questionnaire.

"*Head of agency*" or "*agency head*" means the DLA Acquisition Director.

"*Enhanced validation*" means the process used to vet contractors before the DLA controlling authority approves access to DLA export-controlled data. This also refers to the enhanced validation requirement in the DLA Master Solicitation for Automated Simplified Acquisitions.

"*Integrated Acquisition Review Board (IARB)*" means an oversight group that conducts a review at key decision points after the contracting approach has been approved by the ASRP. The IARB has the authority to continue the acquisition, modify the strategy, terminate the process, or determine how next phases should proceed. The HCA is the chairman and clearance authority. Board members shall include the following: DLA Acquisition Director, DLA Logistics Operations Director, DLA Information Operations Director, DLA Comptroller, HCA and/or Director or Commander of contracting office; Technical, Program, or Service Manager of procuring organization; and Military Service Program or Technical Manager. Board advisors shall include the following: DLA General Counsel; DLA Small Business Programs Director; DLA Competition Advocate (COMPAD); DLA Center of Excellence for Pricing (COEP); DLA Acquisition Division Chiefs or Deputy Chiefs; DLA Acquisition Peer Review Manager; procuring organization Office of Counsel, COMPAD, and price analyst(s); and, for acquisition of services, the SSM and Component Level Lead (CLL) and Portfolio Manager.

"*Federal Supply Class (FSC) 5962, Electronic Microcircuit"* means

(i) a small circuit having a high equivalent circuit element density, which is considered as a single part composed of interconnected elements placed and/or formed on or within a single substrate to perform an electronic circuit function. The elements may be formed on or within a semiconductor material substrate. They may consist of conductive film(s) formed on an insulating substrate or may be a combination of one or both of these types with discrete elements;

(ii) designed specifically to generate, modify, or process electrical signals included in FSC 5962;

(iii) a supply class identified as being high-risk for counterfeiting; and

(iii) includes Integrated Circuit Devices; Integrated Circuit Modules, Integrated Electronic Devices: Hybrid, Magnetic, Molecular, Opto-Electronic, and Thin Film

"*JCP Certification*" means the United States/Canada Joint Certification Program (JCP). Contractors must have an active JCP certification to obtain access to unclassified technical data disclosing critical technology controlled in the United States.

"*Major Subordinate Command (MSC)*" means the following six DLA field organizations: DLA Aviation, DLA Land and Maritime, DLA Energy, DLA Troop Support, DLA Disposition, and DLA Distribution.

"*Procuring Organizations*" means all DLA activities with contracting authority, and includes both contracting activities and contracting offices.

"*Strategic contracts (STRATCON")* means those acquisitions that represent the highest risk and impact to mission criticality, warfighter operational support, financial investment, and stewardship responsibilities. Strategic contracts may include, but are not limited to, the following:

(1) Acquisitions subject to DoD Peer Review thresholds;

(2) Prime Vendor/Tailored Logistics Support;

(3) Performance-Based Logistics;

(4) Implementation of Captains of Industry recommendations and/or initiatives;

(5) Bridge contracts for existing Strategic Contracts;

(6) OCONUS acquisitions critical to current contingencies or major military operations;

(7) Acquisitions as identified by the DLA Director, DLA Vice Director, SPE, or SSM, including Strategic Partnerships with other Agencies, Undefinitized Contract Actions (UCA), and/or specified corporate contracts; and

(8) Acquisitions where there is known special or significant interest by members of Congress, the White House, media, Government Accountability Office, DoD Inspector General Office, Office of the Under Secretary of Defense for Acquisition, Technology and Logistics or its subordinate organizations, other Office of the Secretary of Defense organizations, or a high potential to attract such interest.

"*Tailored Logistics Support (TLS) Contract*" means an acquisition that targets support to the point of the customer's need, and supports the full range of logistics functions, including shipping, receiving, storage, inventory management, and transportation or traffic visibility, to achieve a solution for a customer.

# PART 3 – IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

*(Revised March 23, 2020 through PROCLTR 2020-04)*

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## SUBPART 3.1 – SAFEGUARDS

*(Revised Jannuary 10, 2023 through PROCLTR 2023-02)*

### 3.103 Independent pricing.

Disclosure of prices during a reverse auction conducted by the Government, in which each offeror consents to public disclosure of its prices, including to other offerors, does not constitute a disclosure.

### 3.104 Procurement integrity.

### 3.104-1 Definitions.

"*Access to controlled unclassified information (CUI)*" means the ability or opportunity to acquire, examine, or retrieve CUI.
"*Contracting activity ethics official*" means the Chief Counsel.
"*Contracting office ethics official*" means the designated Counsel.
"*Designated agency ethics official*" means the General Counsel.

## PART 3 – IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

"*Ombudsman for Procurement Integrity*" means the DLA Acquisition Deputy Director.

**3.104-3 Statutory and related prohibitions, restrictions, and requirements.**
In accordance with 41 U.S.C. 2107(1), offerors participating in a particular DLA reverse auction and their designated employees, and commercial auction providers and their designated employees are authorized to disclose and obtain the prices submitted by all offerors participating in that reverse auction.

**3.104-4 Statutory and related prohibitions, restrictions, and requirements.**
(a) Oversight officials have authority to access contractor bid or proposal information or source selection information to the extent necessary to perform their official duties.
(b) All Government employees, and non-government personnel participating in activities that require access to CUI, as defined in 3.104-1, including source selection information or other protected information such as contractor proprietary information, shall sign a non-disclosure agreement NDA using the applicable mandatory template prescribed at PGI 3.104-4 paragraph (a)(1), (a)(2), or (a)(3,) before gaining access to the CUI.

**3.104-7 Violations or possible violations.**

(a)(1) Office of Counsel is the designee.
(b) The determination shall be coordinated with the Office of Counsel.
(f) The determination shall be coordinated with the Office of Counsel. Notification shall be provided to the DLA Acquisition Director.

## SUBPART 3.2 - CONTRACTOR GRATUITIES TO GOVERNMENT PERSONNEL

*(Revised July 26, 2016 through PROCLTR 2016-08)*

**3.203 Reporting suspected violations of the FAR Gratuities clause.**
(a) Report suspected violation to the CCO and Office of Counsel.
(b) If the CCO reports a finding, refer the matter to the HCA.

**3.204 Treatment of violations.**
(a) The HCA is the designee.
(b) If the contractor requests a hearing, the HCA will conduct a hearing in coordination with designated counsel. Information submitted by the contractor during the hearing will be considered in reaching a final decision. If the contractor elects not to have a hearing but submits information, that information will be considered in reaching a final decision.

## SUBPART 3.3 – REPORTS OF SUSPECTED ANTITRUST VIOLATIONS

**3.301 General.**
(b) Report suspected antitrust violations to the Office of Counsel.

## SUBPART 3.7 – VOIDING AND RESCINDING CONTRACTS

*(Revised July 26, 2016 through PROCLTR 2016-08)*

## PART 3 – IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

**3.705 Procedures.**
(a) Reporting. The General Counsel is the designee.

## SUBPART 3.8 – LIMITATION ON THE PAYMENT OF FUNDS TO INFLUENCE FEDERAL TRANSACTIONS

*(Revised July 26, 2016 through PROCLTR 2016-08)*

**3.806 Processing suspected violations.**
Suspected violations shall be referred to Office of Counsel.

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*(Revised July 26, 2016 through PROCLTR 2016-08)*

**3.903 Policy.**
(5) Complaints shall be forwarded to Office of Counsel.

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*(Revised August 16, 2022 through PROCLTR 2022-11)*

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**SUBPART 4.73 – SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING**
4.7301 Definitions.
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**4.90** Electronic Microcircuits Restriction.

## SUBPART 4.1 – CONTRACT EXECUTION

*(Revised August 16,2022 through PROCLTR 2022-09)*

**4.190 Contractor team arrangements.**

(a) Definitions. As used in this section—

"*Contractor team arrangement agreement*" (hereafter referred to as CTA Agreement) means a written document between the contractor team arrangement (CTA) members that sets forth the different responsibilities, roles, and work allocation of the members as relates to the acquisition. *"CTA Lead"* means the contractor designated by the CTA members as the leader and whose responsibilities have been outlined in the CTA Agreement.

(b) The contracting officer shall include procurement note L34 Contractor Team Arrangements – Solicitation and Award in solicitations and awards when the use of contractor team arrangements (CTAs) is contemplated (see 7.107-6(S-90), 8.403(b)(S-90), and 9.603(S-90)).

(1) Offerors complete fill-ins with CTA and member information and submit with proposal.

(2) The contracting officer shall include procurement note L34 in awards along with the contract number and vendor submitted CTA information. The contracting officer shall not include procurement note L34 in award if there is no CTA.

(3) If the CTA members change before or after award, the CTA Lead will provide written notice to the contracting officer within two working days after the date the CTA Agreement incorporating the change is signed. Upon review and acceptance of the CTA change, the contracting officer shall issue a bilateral contract modification to update the table in procurement note L34.

*****

L34 Contractor Team Arrangements – Solicitation and Award (JUL 2022)

(1) Definitions. As used in this procurement note—

*"Contractor team arrangement agreement"* (hereafter referred to as CTA Agreement) means a written document between the contractor team arrangement (CTA) members that sets forth the different responsibilities, roles, and work allocation of the members as relates to the acquisition. *"CTA Lead"* means the contractor designated by the CTA members as the leader and whose responsibilities have been outlined in the CTA Agreement.

(2) The Government will consider offers, conforming to the solicitation, from responsible sources, including contractor team arrangements or, if applicable, GSA schedule contractor team arrangements.

(3) Offers including a contractor team arrangement (CTA) shall complete fill-ins with contractor team arrangement and member information and submit with proposal.

(a) This offer/award includes a contractor team arrangement in accordance with [check as applicable]:

(i) [___] FAR subpart 9.6 Contractor Team Arrangement, or

(ii) [___] GSA Schedule Contractor Team Arrangement, or

(iii) [___] Other, specify _____.

(b) [___] (Yes/No) A CTA Agreement has been completed and signed by all members of the CTA?

(c) CTA Members [*add lines as needed*]:

| CTA Lead (Yes/No) | Company Name | CAGE Code | GSA Schedule (if applicable) | Contract Number (Contracting Officer completes upon award) |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

(4) If the CTA members change before or after award, the CTA Lead shall provide written notice, including updates to the CTA Members table at (3)(c), to the contracting officer within two working days after the date the CTA Agreement incorporating the change is signed. The contracting officer will review and upon acceptance of the CTA change, issue a contract modification to update the table.
*****
(c) The contracting officer shall include procurement note L35 Contractor Team Arrangements – Task and Delivery Orders—

(1) In contract awards when a contractor team arrangement (CTA) is the awardee, procurement note L34 is included in the award, and task/delivery orders will be issued; and

(2) In solicitations for task/delivery orders and awards when CTAs are eligible to compete.

(i) CTAs complete fill-ins with information of CTA members proposed to perform on the order and submit with proposal.

(ii) For task/delivery order awards, the contracting officer shall include procurement note L35 along with the task/delivery order number and awardee submitted CTA information. If task/delivery order award is not made to a CTA, the contracting officer shall not include procurement note L35 on the task/delivery order.

(iii) If the CTA members change before or after task/delivery order award, the CTA Lead will provide written notice to the contracting officer within two working days of change. Upon 4 review and acceptance of the CTA change, the contracting officer shall issue a bilateral task/delivery order modification to update the table in procurement note L35.
*****
L35 Contractor Team Arrangements – Task and Delivery Orders (AUG 2022)
(1) Definitions. As used in this procurement note— "Contractor Team Arrangement Agreement" (hereafter referred to as CTA Agreement) means a written document between the contractor team arrangement (CTA) members that sets forth the different responsibilities, roles, and work allocation of the members as relates to the acquisition. "CTA Lead" means the contractor designated by the CTA members as the leader and whose responsibilities have been outlined in the CTA Agreement.
(2) Offers from a contractor team arrangement (CTA) shall complete fill-ins with information for team members proposed to perform on the order and submit with proposal.
(3) CTA Members [add lines as needed]:

| CTA Lead (Yes/No) | Company Name | CAGE Code | Task/Delivery Order Number (Contracting Officer completes upon award) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

(4) If the CTA members change before or after task/delivery order award, the CTA Lead shall provide written notice, including updates to the CTA Members table at (3), to the contracting officer within two working days of change. The contracting officer will review and upon acceptance of the CTA change, issue a task/delivery order modification to update the table.
*****

## SUBPART 4.2 – CONTRACT DISTRIBUTION

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**4.270 Electronic Document Access.**

**4.270-2 Procedures.**

(a)(2) Contracting officers will accept or reject contract deficiency reports (CDRs) in EDA within 10 days of submission, and resolve the CDR within 30 days of submission. The DLA Acquisition Operations Division is responsible to track and report performance on a monthly basis to the SPE. Procuring organizations shall track and report monthly to the HCA.

## SUBPART 4.5 – ELECTRONIC COMMERCE IN CONTRACTING

*(Revised June 11, 2020 through PROCLTR 2020-12)*

**4.502 Policy.**

(b) The DLA Internet Bid Board System (DIBBS) (https://www.dibbs.bsm.dla.mil/) is the DLA supplier-facing portal for DLA Enterprise Business Systems (EBS) managed requirements utilized to:

(i) Post solicitations, solicitation amendments, awards, and award modifications;

(ii) Facilitate submission of quotations by suppliers in response to request for quotations;

(iii) Enable upload of offers in response to request for proposals;

(iv) Convey important messages to the supplier community; and

(v) Transmit notices of proposed contract actions and awards to Contract Opportunities (https://sam.gov/content/opportunities) at SAM.gov (https://sam.gov/content/home). Contracting officers shall include procurement note L01 in DIBBS solicitations for purchase orders and contracts (except indefinite delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts).

*****

L01 Electronic Award Transmission (JUN 2020)

DLA provides notice of awards by either—

(1) Electronic email containing a link to the electronic copy of the Department of Defense (DD) Form 1155, Order for Supplies or Services, on the DLA Internet Bid Board System (DIBBS); or

(2) Electronic Data Interchange (EDI) 850 utilizing American National Standards Institute (ANSI) X12 Standards through a value added network (VAN) approved by DLA Transaction Services.

Offerors/contractors can obtain information regarding EDI, ANSI X12 transactions, and VANs approved by DLA Transaction Services at Defense Automatic Addressing System (DAAS) Value Added Network List (https://www.transactionservices.dla.mil/daashome/edi-vanlist-dla.asp).

Offerors should direct questions concerning electronic ordering to the appropriate procuring organization point of contact below:

DLA Land and Maritime, Helpdesk.EBS.L&M.LTCs@dla.mil

DLA Troop Support, dlaedigroup@dla.mil

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Contracting officers shall include procurement note L02 in DIBBS solicitations for indefinite-delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts.
*****
L02 Electronic Order Transmission (JUN 2020)
Offerors shall select one of the following alternatives for paperless order transmission:
( ) American National Standards Institute (ANSI) X12 Standards through a value added network (VAN) approved by DLA Transaction Services; or
( ) Electronic mail (email) award notifications containing web links to electronic copies of the Department of Defense (DD) Form 1155, Order for Supplies or Services.
Offerors must register on the DLA Internet Bid Board System (DIBBS) (https://www.dibbs.bsm.dla.mil/) to receive email notification.
If the offeror elects ANSI/VAN order transmission, DLA will send Electronic Data Interchange (EDI) transaction sets at time of award. The contractor shall acknowledge receipt of transaction sets with a functional acknowledgement or order receipt message within 24 hours. If the contractor receives the award transaction set on a weekend or Federal holiday, the contractor shall acknowledge receipt on the next business day. This acknowledgement will confirm that the contractor's interface with the system is working as needed for contract ordering.
Offerors can obtain information regarding EDI, ANSI X12 transactions, and VANs approved by DLA Transaction Services at Defense Automatic Addressing System (DAAS) Value Added Network List (https://www.transactionservices.dla.mil/daashome/edi-vanlist-dla.asp ).
Offerors should direct questions concerning electronic ordering to the appropriate procuring organization point of contact below:
DLA Land and Maritime, Helpdesk.EBS.L&M.LTCs@dla.mil
DLA Troop Support, dlaedigroup@dla.mil
DLA Aviation, avnprocsysproceddiv@dla.mil, phone # 804-279-4026
*****

## SUBPART 4.6 – CONTRACTING REPORTING

*(Added October 13, 2020 in accordance with PROCLTR 2020-23)*

### 4.606 Reporting Data.

### 4.606-90 Source selection process data element.

(a) In accordance with (DPC) Memorandum **Reporting Source Selection Process in Federal Procurement Data System (FPDS)** (https://www.acq.osd.mil/dpap/policy/policyvault/USA000991-20-DPC.pdf), dated May 21, 2020, contracting officers shall report the Source Selection Process data element in FPDS using one of the following codes, unless an exception at 4.606-90(b) applies:

CODES FOR REPORTING "SOURCE SELECTION PROCESS" IN FPDS

| Code | Short Description | Long Description |
|---|---|---|

| | | |
|---|---|---|
| LPTA | Lowest Price Technically Acceptable | Select this option if contract award used the LPTA source selection process. LPTA is defined in FAR subpart 15.101-2, but select this option if the process was used for competitive procurements conducted in accordance with other subparts (e.g., 8, 12, 13, 16). |
| TO | Trade-off | Select this option if contract award used any type of best value trade-off process using price/cost and nonprice/cost factors to determine the successful offeror award. Trade-off is defined in FAR subpart 15.101-1, but select this option if the process was used for competitive procurements conducted in accordance with other subparts (e.g., 8, 12, 13, 16). |
| O | Other | Select this option if contract award did not use LPTA or a Trade-off process to determine the successful offeror (e.g., price-only, sole-source). |

(b) The Source Selection Process data element is not a required data field for blanket purchase agreements (BPAs) issued using part 13 procedures; task and delivery orders issued using single-award indefinite-delivery contracts; and call orders issued under single-award BPAs and using FAR part 8 procedures.

(c) Contracting officers shall not leave the Source Selection Process data field blank.

(d) Contracting officers shall enter—

(1) O for non-competitive awards.

(2) One of the choices in the table at 4.606-90(a) for competitive awards.

(3) LPTA or TO when the contracting officer used a source selection process on awards issued using FAR section 15.101.

(4) O for fully automated actions. In accordance with the DLA Master Solicitation for Automated Simplified Acquisitions, the program evaluates all qualified quotations based on price alone and does not consider quantity price breaks.

(5) TO for automated requirements that are evaluated and awarded manually. In accordance with the DLA Master Solicitation for Automated Simplified Acquisitions, manual evaluation factors include price, delivery, and past performance in accordance with the terms in the solicitation.

(6) The code consistent with the evaluation procedures cited in the RFQ/RFP for all manually solicited requirements, even if only one offeror responded.

(7) TO for all manual solicitations that may include language for a potential best value trade-off (e.g. use of past performance).

## SUBPART 4.7 - CONTRACTOR RECORDS RETENTION

**4.703 Policy.**

(a) Contracting officers shall include procurement note C03 in solicitations and awards.

C03 Contractor Retention of Supply Chain Traceability Documentation (JUN 2023)

(1) By submitting a quotation or offer, the contractor is confirming it currently has, or will obtain before delivery, and shall retain supply chain traceability documentation, as described in paragraph (2) of this procurement note, demonstrating the item conforms to the technical requirements, and, for part numbered items, is from an approved manufacturer.

(2) Supply Chain Traceability Documentation

(i) Supply chain traceability documentation shall include: basic item description; part number; drawing or specification; national stock number; manufacturing source; manufacturing source's Commercial and Government Entity (CAGE) code; and clear identification of the name and location of all supply chain intermediaries between the manufacturer to the contractor to Government acceptance.

(ii) Supply chain traceability documentation shall also include, when available, the manufacturer's batch identification for the item(s), such as date codes, lot codes, or serial numbers.

For part numbered items, contractors can find examples of acceptable supply chain traceability documentation at the Counterfeit Detection and Avoidance Program (CDAP) website (http://www.dla.mil/LandaxndMaritime/Business/Selling/Counterfeit-Detection- AvoidanceProgram/).

(iii) In addition, the contractor will obtain, retain, and provide to the contracting officer written documentation of all inspections and tests necessary to substantiate that the supplies furnished under this contract conform to contract requirements, including any applicable technical requirements for specified manufacturers' parts. Such records shall include, without limitation, test reports, test data, material certification, and manufacturing process sheets, in addition to any other information identified in the technical specifications applicable to the item.

(3) The contractor shall make supply chain traceability documentation available to the contracting officer within three business days upon the contracting officer's request. The contracting officer determines the acceptability and sufficiency of documentation. The contractor shall retain supply chain traceability documentation for ten years after final payment under this contract for audit and other valid government purposes. If the contractor fails to retain or provide the documentation, or the contracting officer finds the documentation to be unacceptable, the contracting officer may take corrective action, including, but not limited to, cancellation of undelivered orders or rejection of delivered supplies.

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## SUBPART 4.8 – GOVERNMENT CONTRACT FILES

*(Revised March 31, 2021 through PROCLTR 2021-08)*

**4.802 Contract files.**

(f) DLR sites shall follow the processes and systems at the Military Services sites.

**4.804 Closeout of contract files.**

(S-90) Subject to DLAD 4.802(f), contracting officers shall follow the FAR standard timeframe for closeout. Contracting officers shall assess the validity of their unliquidated obligations (ULOs) that are 120 calendar days or more past the contract delivery date in accordance with DLAM 7010.02, Unliquidated Obligations (ULO) and Undelivered Orders (UDO) Management (https://issue-p.dla.mil/Published_Issuances/Unliquidated%20Obligations%20(ULO)%20and%20Undelivered%20Orders%20(UDO)%20Management.pdf).

(S-91)(1) Definition.

*"Excess funds"* means any funding amount remaining obligated on a contract at the time of contract closeout that is not needed to pay for contract performance or for contract adjustments (see DLAM 7010.02, Encl. 3, Table 1 for valid reasons funds should remain obligated). Excess funds are a subset of "unliquidated obligation(s)."

(2) Contracting officers shall deobligate excess funds via bilateral or unilateral (see 43.103(b)(S-90)) contract modification as part of the contract closeout process. The record of the contract obligation amount is maintained in DLA's electronic business system and shall be updated to remove all deobligated excess funds as part of contract closeout.

**4.805 Storage, handling, and contract files.**

(a) For non-DLR sites procuring organizations shall follow the Records Management Procurement Job Aid for storage and retrieval of electronic documents.

(1) Procuring organizations shall store all acquisition contract file records in EProcurement "Records Management," the official DLA records repository, except as stated in 4.805(b).

(2) Procuring organizations shall upload to Records Management all obligations documents (e.g. contract awards; and modifications affecting the overall contract obligation, such as those for equitable adjustments or raising the contract ceiling), to include bilateral signature pages. Follow the procedures for saving and naming conventions in the Procurement Job Aid entitled Completing Forms in Document Builder (https://dlamil.dps.mil/:w:/r/sites/InfoOps/_layouts/15/doc2.aspx?sourcedoc=%7B950AD3EC-CE42-444C-B2E6-1A3BB848637A%7D&file=Completing%20Forms%20in%20Document%20Builder%20-15%20Feb%2019.doc&action=default&mobileredirect=true).

(3) When a condition at 4.805(b) applies, include a reference statement in the Records Management contract file notifying authorized users of the location of any document or material maintained outside Records Management.

(b) Procuring organizations shall maintain contents of contract files outside EProcurement Records Management in accordance with the following:

(1) Maintain documents containing personally identifiable information (PII), legal reviews, documents marked as contractor proprietary information, and oversized or voluminous documents as a hard copies or in an electronic, restricted-access location (e.g., eWorkplace Sharepoint site or local share drive).

(2) Maintain classified documents in hard copy only.

(3) Maintain material that cannot be converted to electronic format (e.g., samples, models) in a secured, restricted-access location.

(4) Maintain contractor bid or proposal information or any other source selection information not marked proprietary as hard copies or in an electronic, restricted-access location until time of award. After award, procuring organizations may upload the documents into Records Management or maintain them in an electronic, restricted-access location. Procuring organizations may maintain oversized or voluminous documents as hard copies.

(c) HCAs shall ensure compliance with this policy.

(S-90) Retain Financial Management Regulation records for 10 years in accordance with DLA Finance Director memorandum dated September 15, 2016, SUBJECT: New DoD Change for Financial Record Retention in Support of Audit Compliance. This policy applies only to records

necessary to support financial transactions and financial statement balances; and document evidence of effective internal controls over financial reporting (e.g., reviews and approvals).

## SUBPART 4.13 – PERSONAL IDENTITY VERIFICATION

*(Revised January 30, 2022 through PROCLTR 2022-04)*

**4.1302 Acquisition of approved products and services for personal identity verification.**
(c) DLA Information Operations is responsible for determining compliance.

**4.1303 Contract clause.**

**4.1303-90 Personal identity verification of contractor personnel.**
The contracting officer shall insert procurement note H14, Contractor Personnel Security Requirements, in solicitations and contracts that contain FAR 52.204-9, Personal Identity Verification of Contractor Personnel, when contract performance requires contractor access to Federally controlled facility and/or access to a Federally controlled information system. Contractors requiring intermittent access for a period of less than six months shall obtain approval from the installation security office through the contracting officer.When the contractor employee(s) is/are required to obtain a Common Access Card (CAC) and DLA will serve as the Trusted Agent, follow the procedures in **Issuance and Accountability of Common Access Cards for DLA Contracts**, (**https://issuances.dla.mil/Published_Issuances/Issuance%20and%20Accountability%20of%20Common%20Access%20Cards%20for%20DLA%20Contracts.pdf**).
For all contracts where contractor CACs and/or Installation Access Badges will be issued, contracting officers shall ensure that responsibilities for oversight and retrieval of contractor CACs and Installation Access Badges are addressed in the COR designation letter. If a COR is not designated, the contracting officer is responsible for oversight and retrieval of contractor CACs and Installation Access Badges issued under the contract.
If contract performance is to occur at a non-DLA site and the site has physical site and/or information technology security requirements, in addition to the DLA CAC requirements, the contracting officer shall identify those requirements and include them in the solicitation and subsequent contract.
*****
H14 Contractor Personnel Security Requirements (DEC 2021)
(a) Work to be performed under this contract or task order may, in full or in part, be performed at the Defense Logistics Agency (DLA) Headquarters (HQ), DLA field activity office(s), or other Federally-controlled facilities. Prior to beginning work on a contract, DLA requires all contractor personnel working on the Federally-controlled facility to have, at a minimum, an initiated National Agency Check with Written Inquiries (NACI) or NACI equivalent and favorable completion of a Federal Bureau of Investigation (FBI) fingerprint check.
(b) Additionally, in accordance with Department of Defense (DoD) Regulation 5200.2-R, Personnel Security Programs, and DLA Issuance 4314, Personnel Security Program, all DoD contractor personnel who have access to Federally-controlled information systems must be

assigned to positions which are designated at one of three information technology (IT) levels, each requiring a certain level of investigation and clearance, as follows:

(1) IT-I for an IT position requiring a single scope background investigation (SSBI) or SSBI equivalent;

(2) IT-II for an IT position requiring a National Agency check with Law and Credit (NACLC) or NACLC equivalent; and

(3) IT-III for an IT position requiring a NACI or equivalent.

Note: IT levels will be designated according to the criteria in DoD 5200.2-R.

(c) Previously completed security investigations may be accepted by the Government in lieu of new investigations if determined by the DLA Intelligence Personnel Security Office to be essentially equivalent in scope to the contract requirements. The length of time elapsed since the previous investigation will also be considered in determining whether a new investigation is warranted. To assist the Government in making this determination, the contractor must provide the following information to the respective DLA Intelligence Personnel Security Office immediately upon receipt of the contract. This information must be provided for each contractor employee who will perform work on a Federally-controlled facility and/or will require access to Federally-controlled information systems:

(1) Full name, with middle name, as applicable, with social security number;

(2) Citizenship status with date and place of birth;

(3) Proof of the individual's favorably adjudicated background investigation or NACI, consisting of identification of the type of investigation performed, date of the favorable adjudication, name of the agency that made the favorable adjudication, and name of the agency that performed the investigation;

(4) Company name, address, phone and fax numbers with email address;

(5) Location of on-site workstation or phone number if off-site (if known by the time of award); and

(6) Delivery order or contract number and expiration date; and name of the contracting officer.

(d) The contracting officer will ensure that the contractor is notified as soon as a determination is made by the assigned or cognizant DLA Intelligence Personnel Security Office regarding acceptance of the previous investigation and clearance level.

(1) If a new investigation is deemed necessary, the contractor and contracting officer will be notified by the respective DLA Personnel Security Office after appropriate checks in DoD databases have been made.

(2) If the contractor employee requires access to classified information and currently does not have the appropriate clearance level and/or an active security clearance, the DLA Intelligence Personnel Security Office will relay this information to the contractor and contracting officer for further action. Investigations for contractor employees requiring access to classified information must be initiated by the contractor Facility Security Officer (FSO).

(3) The contracting officer will ensure that the respective DLA Intelligence Personnel Security Office initiates investigations for contractor employees not requiring access to classified information (i.e., IT or unescorted entry).

(4) It is the contractor's responsibility to ensure that adequate information is provided and that each contractor employee completes the appropriate paperwork, as required either by the

contracting officer or the DLA Intelligence Personnel Security Office, in order to begin the investigation process for the required clearance level.
(e) The contractor is responsible for ensuring that each contractor employee assigned to the position has the appropriate security clearance level.
(f) The contractor shall submit each request for IT access and investigation through the contracting officer to the assigned or cognizant DLA Intelligence Personnel Security Office. Requests shall include the following information and/or documentation:

(1) Standard Form (SF) 85, Questionnaire for Non-Sensitive Positions, or the SF 86, Questionnaire for National Security Positions (see note below);

(2) Proof of citizenship (i.e., an original or a certified copy of a birth certificate, passport, or naturalization certificate); and

(3) Form FD-258, Fingerprint Card (however, fingerprinting can be performed by the cognizant DLA Intelligence Personnel Security Office).

(Note to (f)(1) above: An investigation request is facilitated through use of the SF 85 or the SF 86. These forms with instructions as well as the Optional Form (OF) 306, Declaration for Federal Employment, which is required with submission of the SF85 or SF 86, are available at the Office of Personnel Management's (OPM) system called Electronic – Questionnaires for Investigations Processing (e-QIP). Hard copies of the SF85 and SF86 are available at OPM's web-site, www.opm.gov, but hard copies of the forms are not accepted.)
(g) Required documentation, listed above in paragraphs (f)(1) through (3), must be provided by the contractor as directed by the contracting officer to the cognizant DLA Intelligence Personnel Security Office at the time of fingerprinting or prior to the DLA Intelligence Personnel Security Office releasing the investigation to OPM.
(h) Upon completion of the NACI, NACLC, SSBI, or other sufficient, appropriate investigation, the results of the investigation will be forwarded by OPM to the appropriate adjudication facility for eligibility determination or the DLA Intelligence Personnel Security Office for review and determination regarding the applicant's suitability to occupy an unescorted entry position in performance of the DLA contract. Contractor personnel shall not commence work on this effort until the investigation has been favorably adjudicated or the contractor employee has been waived into the position pending completion of adjudication. The DLA Intelligence Personnel Security Office will ensure that results of investigations will be sent by OPM to the Department of Defense, Consolidated Adjudications Facility (DoDCAF) or DLA Intelligence Personnel Security Office.
(i) A waiver for IT level positions to allow assignment of an individual contractor employee to commence work prior to completion of the investigation may be granted in emergency situations when it is determined that a delay would be harmful to national security. A request for waiver will be considered only after the Government is in receipt of the individual contractor employee's completed forms, the background investigation has been initiated, and favorable FBI fingerprint check has been conducted. The request for a waiver must be approved by the Commander/Director or Deputy Commander/Director of the site. The cognizant DLA Intelligence Personnel Security Office reserves the right to determine whether a waiver request will be forwarded for processing. The individual contractor employee for which the waiver is being requested may not be assigned to a position, that is, physically work at the Federally-controlled facility and/or be granted access to Federally-controlled information systems, until the waiver has been approved.

(j) The requirements of this procurement note apply to the prime contractor and any subcontractors the prime contractor may employ during the course of this contract, as well as any temporary employees that may be hired by the contractor. The Government retains the right to request removal of contractor personnel, regardless of prior clearance or adjudication status whose actions, while assigned to this contract,who are determined by the contracting officer to conflict with the interests ofthe Government. If such removal occurs, the contractor shall assign qualified personnel, with the required investigation, to any vacancy.
(k) All contractor personnel who are granted access to Government and/or Federally-controlled information systems shall observe all local automated information system (AIS) security policies and procedures. Violations of local AIS security policy, such as password sharing, performing personal work, file access violations, or browsing files outside the scope of the contract, will result in removal of the contractor employee from Government property and referral to the contractor for appropriate disciplinary action. Actions taken by the contractor in response to a violation will be evaluated and will be reflected in the contractor's performance assessment for use in making future source selection decisions. In addition, based on the nature and extent of any violations of AIS security policy, the Government will consider whether it needs to pursue any other actions under the contract such as a possible termination.
(l) The contractor may also be required to obtain a Common Access Card (CAC) orInstallation Access Badge for each contractor employee in accordance with procedures established by DLA. When a CAC is required, the contracting officer will ensure that the contractor follows the requirements of Homeland Security Presidential Directive 12 and any other CAC-related requirements in the contract. The contractor shall provide, on a monthly basis, a listing of all personnel working under the contract that have CACs.
(m) See procurement note H16, Operations Security (OPSEC) For On-site Contractors, for required OPSEC training.
(n) When a contractor employee who has been granted a clearance is removed from the contract, the contractor shall provide an appropriately trained substitute who has met or will meet the investigative requirements of this procurement note. The substitute may not begin work on the contract without written documentation, signed by the contracting officer, stating that the new contractor employee has met one of the criteria set forth in paragraphs (c), (d), or (i) of this procurement note (i.e., acceptance of a previously completed security investigation, satisfactory completion of a new investigation, or a waiver allowing work to begin pending completion of an investigation). Contractor individual employees removed from this contract as a result of a violation of local AIS security policy are removed for the duration of the contract.
(o) The following shall be completed for every employee of the Government contractor working on this contract upon contract expiration. Additionally, the contractor shall notify the contracting officer immediately in writing whenever a contractor employee working on this contract resigns, is reassigned, is terminated, or no longer requires admittance to the Federally-controlled facility or access to Federally-controlled information systems. When the contractor employee departs, the contractor will relay departure information to the cognizant DLA Intelligence Personnel Security Office and the Trusted Agent (TA) that entered the individual into the Trusted Associated Sponsorship System (TASS), so appropriate databases can be updated. The contractor will ensure each departed employee has completed the DLA J6 Out-Processing Checklist, when applicable, for the necessary security briefing, has returned any Government furnished equipment, returned the DoD CAC and DLA (or equivalent Installation) badge,

returned any DoD or DLA vehicle decal, and requested deletion of local area network account with a prepared Department of Defense (DD) Form 2875. The contractor will be responsible for any costs involved for failure to complete the out-processing, including recovery of Government property and investigation involved.
(p) These contractor security requirements do not excuse the contractor from meeting the delivery schedule/performance requirements set forth in the contract, or waive the delivery schedule/performance requirements in any way. The contractor shall meet the required delivery schedule/performance requirements unless the contracting officer grants a waiver or extension.
(q) The contractor shall not bill for personnel, who are not working on the contract while that contractor employee's clearance investigation is pending.
*****

**4.1303-91 Operations Security (OPSEC) For On-site Contractors.**
The contracting officer shall insert procurement note H16 in solicitations and contracts when contract performance requires contractors to have intermittent and/or routine physical access to a Federally-controlled facility and/or intermittent and/or routine access to a Federallycontrolled information system.
*****
H16 Operations Security (OPSEC) For On-site Contractors (DEC 2021)
(1) Contractors shall complete the following courses: (a) Center for the Development of Security Excellence Operations Security (OPSEC) Awareness; (b) Unauthorized Disclosure of Classified Information for DoD and Industry; (c) Insider Threat Awareness; and (d) Introduction to Information Security courses. These courses are located at Security Awareness Hub (https://securityawareness.usalearning.gov/index.html).
(2) The courses identified at subparagraph (1) above are required for all contractors that perform work on-site at a DLA or DoD facility; or for contractors that perform work off-site and access a Federally-controlled information system.
(3) The contractor shall immediately direct its workforce who are performing services for the Government to take the training after contract award. The contractor shall provide evidence of this training to the contracting officer representative or the contracting officer no later than five business days after contract award or prior to accessing the installation or a Federally-controlled information system, whichever occurs first.
(4) Annual refresher training is required and consists of re-accomplishing all of the courses listed in subparagraph (1) above. The contractor shall keep certificates on record for inspection or submission as required by the Government at the Government's discretion.
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## SUBPART 4.16 – UNIQUE PROCUREMENT INSTRUMENT IDENTIFIERS

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**4.1601 Policy.**
(a) This process, for Business Process Analyst use only, is located in the Procurement Job Aid applicable to PIIN maintenance in EP and ECC:

Supplier Relationship Management (SRM)/EProcurement:

Table Maintenance - Maintaining PIIN Tables
(https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT%2FTable%20Maintenance)

Table Maintenance - Maintaining Basic Agreement PIIN/SPIIN Tables
(https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT%2FTable%20Maintenance).

Enterprise Core Component (ECC):
Table Maintenance - PIIN and Call Number Table Maintenance and Associated Error Workflow Tables
(https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FPROCUREMENT%20DOCUMENTS%2FTable%20Maintenance).

## SUBPART 4.71 – UNIFORM CONTRACT LINE ITEM NUMBERING SYSTEM

**4.7103-2 Numbering procedures.**
DEVIATION 20-01 authorizes DLA Disposition Services to use a hazardous waste (HW) Profile-Based CLIN/sub-CLIN numbering structure. This deviation expires on November 17, 2022.

**4.7104-2 Numbering procedures.**
Reference 4.7103-2.

## SUBPART 4.73—SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

*(Revised April 30, 2021 through PROCLTR 2021-10)*

**4.7301 Definitions.**
See 2.101 for definitions of "collaboration folders," "DLA Export Control Technical Data Access," "enhanced validation," and "JCP Certification." See DFARS 204.7301 for definitions of "controlled technical information" and "covered defense information." See DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, paragraph (a) for definitions of "covered defense information," "operationally critical support," and "cyber incident." See DoDD 5230.25, Withholding of Unclassified Technical Data From Public Disclosure, E2.1.2 for definition of "critical technology."

**4.7303-1 General.**
Contracting officers shall follow the guidance at DFARS PGI 204.7303-1(a) and (b), Safeguarding Covered Defense Information and Cyber Incident Reporting, Procedures, General.

(a) In addition to the requirements at DFARS PGI 204.7303-1(a):

(1) For services and items without a material master that require access to controlled technical data or information**,** the requiring activity will provide a performance work statement (PWS) or performance specification that identifies the need for contractors to access covered defense information (CDI). Contracting officers shall review the PWS or performance specification and associated data that the requiring activity determined contains, utilizes, or may result in the generation of CDI and conditions that may potentially arise after award that may result in the generation of CDI to confirm the requiring activity identified the need for contractors to access CDI.

(2) For NSN and LSN items that require access to controlled technical data or information, the product specialist will update the Purchase Order Text (POT) to include Standard Text Objects (STOs) RD002, Covered Defense Information Applies, or RD003, Covered Defense Information Potentially Applies; and RQ032, Export Control of Technical Data (see 25.7901-4(S-90). These STOs constitute notice to contracting officers that the requiring activity expects the solicitation to result in a contract, task order, or delivery order that will involve controlled technical information.

(b) DLA may require additional contractor qualifications to access controlled technical information. For export-controlled items, see subpart 25.79.

(S-90) The requiring activity may be internal to DLA or external. Contracting officers should coordinate with the supply planner or other customer-facing personnel to identify the requiring activity, if unknown. Contracting officers should collaborate with the requiring activity to identify covered defense information and/or operationally critical support.

**4.7303-3 Cyber incident and compromise reporting.**

(a)(S-91) If the contracting officer receives notice from the DoD Cyber Crime Center (DC3) and DLA is the requiring activity—

(i) Following receipt of the DC3 ICF notification of a cyber incident, the DLA requiring activity will—

(A) Communicate directly only with the contracting officer regarding the incident. The contracting officer is the only individual responsible for all direct communications with the contractor regarding the cyber incident;

(B) Submit a Special Situation Report (Special SITREP) in accordance with instructions and template at DLA DTM 17-017, Commander's Critical Information Requirements (CCIR) Reporting Policy Changes (https://dlamil.dps.mil/sites/InfoOps/CCIR/Forms/AllItems.aspx); and

(C) Contact the Damage Assessment Management Office (DAMO) (OSD Liaison Telephone (410) 694-4380), and request point of contact information if the DAMO has not already initiated contact;

(D) Coordinate with the DAMO to decide whether to submit a request for contractor media in accordance with the clause at DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, paragraph (e); and provide notice of the decision with supporting rationale to the contracting officer; and

(E) Assess and implement appropriate programmatic, technical, and operational actions to mitigate risks identified in the damage assessment report and update the Program Protection Plan to reflect any changes resulting from the assessment.

(ii) The DLA Information Operations Cyber Security Team Manager/System Security Engineer, J61, will—

(A) Provide support to the DLA requiring activity by assisting in the assessment of risk and mitigation strategy associated with the cyber incident; and

(B) If the requiring activity requests an assessment of contractor compliance with the requirements of DFARS 252.204-7012, consult with the contracting officer before beginning the assessment.

(S-92) If the contracting officer receives notice from the DC3 and the requiring activity is external to DLA, the contracting officer shall—

(i) Submit the Special SITREP (see 4.7303-3(a)(S-91)(i)(B)); and

(ii) Provide the DC3 notice to the DLA Cyber Emergency Response Team (CERT) (cert@dla.mil)

## SUBPART 4.90 - ELECTRONIC MICROCIRCUITS RESTRICTION

*(Revised August 16, 2022 through PROCLTR 2022-11)*

### 4.90 Electronic Microcircuits Restriction.

### 4.9000 Policy.

Contracting officers shall include procurement note H17, Restriction on FSC 5962, Electronic Microcircuits, in solicitations and contracts equal to or under the micro-purchase threshold. Procurement note H17 applies only to procurements involving Federal Supply Class (FSC) code 5962, Electronic Microcircuits.

### 4.9001 Definitions.

(a) For the purpose of this section:

(1) "Covered Nation" means

(i) the Democratic People's Republic of North Korea;

(ii) the People's Republic of China;

(iii)the Russian Federation; and

(iv) the Islamic Republic of Iran

(2) "Federal Supply Class (FSC) 5962, Electronic Microcircuit" means

(i) a small circuit having a high equivalent circuit element density, which is considered as a single part composed of interconnected elements placed and/or formed on or within a single substrate to perform an electronic circuit function. The elements may be formed on or within a semiconductor material substrate. They may consist of conductive film(s) formed on an insulating substrate or may be a combination of one or both of these types with discrete elements;

(ii) designed specifically to generate, modify, or process electrical signals included in FSC 5962;

(iii) a supply class identified as being high-risk for counterfeiting; and

(iv) includes Integrated Circuit Devices; Integrated Circuit Modules, Integrated Electronic Devices: Hybrid, Magnetic, Molecular, Opto-Electronic, and Thin Film.

### 4.9002 Prohibition.

(a) The offeror shall not propose to deliver FSC 5962, Electronic Microcircuits, from a covered nation to the Government under any solicitation or resulting contract.
(b) If the contracting officer is unable to determine whether the FSC 5962, Electronic Microcircuits is from a covered nation based on traceability documentation or other means on the offeror's representation, then the award shall not be made to that offeror.

**4.9003 Requirements.**
(a) The awardee must meet the following requirements:

(i) Provide post award traceability documentation. If the contracting officer is unable to obtain traceability accounting for 100% of the material, the contracting officer reserves the right to reject the material based on the prohibition in DLAD 4.9002;

(ii) Obtain written contracting officer approval prior to shipment.

**4.9004 Procurement note**.
As prescribed in DLAD 4.9000, use procurement note H17 for procurements involving FSC 5962 only that are equal to or under the micro-purchase threshold.
H17 RESTRICTION ON FSC 5962, ELECTRONIC MICROCIRCUITS (MAY 2022)

(a) Application. This procurement note shall apply only to actions at or under the micro-purchase threshold.
(b) Definitions.
As used in this procurement note.

(1) "Covered Nation" means

(i) the Democratic People's Republic of North Korea;

(ii) the People's Republic of China;

(iii) the Russian Federation; and

(iv) the Islamic Republic of Iran.

(2) "Federal Supply Class (FSC) 5962, Electronic Microcircuit" means

(i) a small circuit having a high equivalent circuit element density, which is considered as a single part composed of interconnected elements placed and/or formed on or within a single substrate to perform an electronic circuit function. The elements may be formed on or within a semiconductor material substrate. They may consist of conductive 8 film(s) formed on an insulating substrate or may be a combination of one or both of these types with discrete elements;

(ii) designed specifically to generate, modify, or process electrical signals included in FSC 5962;

(iii) a supply class identified as being high-risk for counterfeiting; and

(iv) includes Integrated Circuit Devices; Integrated Circuit Modules, Integrated Electronic Devices: Hybrid, Magnetic, Molecular, Opto-Electronic, and Thin Film.

(c) Prohibition.
The offeror represents by the submission of its quotation that it shall not propose to deliver FSC 5962, Electronic Microcircuits from a covered nation to the Government under this solicitation or any resulting contract. If the contracting officer is unable to determine whether the FSC 5962, Electronic Microcircuits is from a covered nation based on traceability documentation or other means on the offeror's representation, as described above, then the award shall not be made to that offeror.

(d) Requirements. The awardee must also meet the following requirements:

(i) Provide post award traceability documentation. If the contracting officer is unable to obtain traceability accounting for 100% of the material, the contracting officer reserves the right to reject the material based on the above prohibition.

(ii) Obtain written contracting officer approval prior to shipment.

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# PART 5 – PUBLICIZING CONTRACT ACTIONS

*(Revised July 26, 2016 through PROCLTR 2016-08)*

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## SUBPART 5.1 – DISSEMINATION OF INFORMATION

*(Revised July 26, 2016 through PROCLTR 2016-08)*

### 5.101 Methods of disseminating information.

(a) The synopsizing and public display requirements at FAR 5.101(a)(2) are satisfied when the solicitation is posted on DIBBS.

## SUBPART 5.2 – SYNOPSES OF PROPOSED CONTRACT ACTIONS

*(Revised July 26, 2016 through PROCLTR 2016-08)*

### 5.201 General.

(b)(2) Notice is satisfied when the solicitation is posted on DIBBS.

### 5.202 Exceptions.

(a)(13) Proposed contract actions exceeding $25,000 but not expected to exceed the SAT posted on DIBBS meet this exception when the solicitations contain:

(i) NSNs/Materials that are numeric or begin with letters "G," "M," "S," or "L."

(ii) A PIIN/PIID with the 9th position equal to "Q," "T," or "U."

(iii) Delivery terms expressed in a number of days after date of award (ADO) for all proposed contract lines.

(iv) International Commerce Technology Terms (Incoterms) that are the same for all proposed contract lines.

## SUBPART 5.3 – SYNOPSES OF CONTRACT AWARDS

*(Revised July 26, 2016 through PROCLTR 2016-08)*

### 5.301 General.

(a)(1) Synopsis through Contract Opportunities (https://sam.gov/content/opportunities) at SAM.gov (https://sam.gov/content/home) is accomplished automatically in EBS for all awards posted on DIBBS.

**5.303 Announcement of contract awards.**
(a) Public announcement. Submit the required information via email in paragraph form to the DLA Public Affairs Office at DLAContractAwards@dla.mil two full work days prior to the date of award. Failure to submit the information timely requires a revision to the proposed award date.

## SUBPART 5.4 – RELEASE OF INFORMATION

*(Revised July 26, 2016 through PROCLTR 2016-08)*

**5.404 Release of long-range acquisition estimates.**

**5.404-1 Release procedures.**
(a) The HCA is the designee.

# PART 6 – COMPETITION REQUIREMENTS

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## SUBPART 6.2 – FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES

*(Revised October 24, 2016 through PROCLTR 2016-10)*

**6.202 Establishing or maintaining alternative sources.**
(b)(1) By memorandum dated July 30, 2015, the DLA Acquisition Director has delegated approval and signature authority to the HCAs for the determination and findings required to exclude a source under FAR 6.202(b)(1) for procurements within their contracting activity. This authority may not be further delegated.

## SUBPART 6.3 – OTHER THAN FULL AND OPEN COMPETITION

*(Revised October 24, 2016 through PROCLTR 2016-10)*

**6.303 Justifications.**

**6.303-2 Content.**
For AMSC A or H coded items, follow the annual screening and review requirements in DFARS 217.7506. J&As will state that AMSC A and/or H coded items will not be placed on contract (or will be removed from contract, as applicable) if the annual screening and review does not result in assignment of a permanent AMSC code within one year of the date the J&A is approved.

**6.305 Availability of the justification.**

**6.305-90 Oversight program.**
The oversight required by Defense Pricing and Contracting (DPC) in response to GAO report GAO-14-304, “Federal Contracting: Noncompetitive Contracts Based on Urgency Need Additional Oversight” dated March 26, 2014, is:
(a) HCAs shall monitor FPDS-NG data monthly for compliance with justification and approval (J&A) signature requirements and posting timelines for awards using the unusual and compelling

urgency exception. The FPDS-NG data elements Extent Competed and Reason Not Competed and the FPDS code URG will be used in reporting.
(b) HCAs shall compile a quarterly report of the results of the monthly data collected as required in 6.305-90(a). Reports shall be submitted to the DLA Acquisition Operations Division by the 5th working day after the end of the quarter. The report must include the following information:

(1) FPDS-NG data elements: Solicitation number, contract number, original contract award dollarvalue (excluding options), award date, modification number, modification's dollar value increase, and award date;

(2) Period of performance/estimated completion date; J&A approval authority's name, title, and signature date; and J&A posting date.

(3) Identification of all contract actions not in compliance with required J&A approval levels and posting timeframes and corrective action.

(c) The DLA Acquisition Operations Division will prepare an enterprise summary for the DLA Acquisition Director by the 10th working day after the end of the quarter.

## SUBPART 6.5 –ADVOCATES FOR COMPETITION

*(Revised October 24, 2016 through PROCLTR 2016-10)*

### 6.501 Requirement.

(1) The DLA Acquisition Deputy Director is the Agency Competition Advocate.

(2) The HCAs shall appoint competition advocates and alternates.

### 6.503 Annual reporting requirements.

(b)(2) Procuring organization competition advocates shall submit their annual competition report to the DLA Acquisition Operations Division by 15 November each year.

# PART 7 – ACQUISITION PLANNING

*(Revised August 30, 2021 through PROCLTR 2021-13)*

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## SUBPART 7.1 – ACQUISITION PLANS

*(Revised August 30, 2021 through PROCLTR 2021-13)*

**7.102 Policy.**

(a) Written acquisition plans are required for all acquisitions expected to exceed the simplified acquisition threshold (SAT), including those accomplished by means of direct or assisted acquisitions using non-DoD contract vehicles such as Federal Supply Schedules. Actions exempt from this requirement are:

(1) Individual orders (except orders greater than the SAT against non-DoD contracts) against contracts when the contract-level acquisition plan is adequate to cover all anticipated orders and the order is issued in strict compliance with the terms of the basic contract.

(2) A modification of the contract.

(3) Acquisition of replenishment parts, below DFARS 207.103 thresholds (where applicable).

(b) Acquisition plans shall be completed and approved prior to solicitation issuance. The clearance authority levels in DLAD 1.690-1 apply.

(c) For urgent requirements, the HCA is authorized to waive the requirement for approval prior to solicitation issuance.

(d) Reserved.

(e) The level of detail provided in the acquisition plan should be commensurate with the complexity and dollar value of the acquisition.

(1) The acquisition plan shall accompany justifications for other than full and open competition (see FAR 6.301 and FAR 6.304) when submitted to the procuring organization competition advocate (COMPAD). Procuring organization COMPADs shall also be provided a

copy of the acquisition plan for acquisitions with a history of only one offer received and with no expectation of price competition.

**7.102-90 Contract management plan (CMP).**
(a) *Purpose.* The CMP describes how the contracting officer shall monitor performance over the life of the contract. The primary purpose of the contract management plan (CMP) is to ensure sufficient resources for contract administration and for proper management and oversight of contracting officer's representatives (CORs).
(b) *Applicability.* A CMP is required—
(1) For all strategic contracts (STRATCONs);
(2) When the clearance authority is the SPE;
(3) When the clearance authority is the HCA and the DLA Acquisition Deputy Director is the HCA; or
(4) As determined by the procuring organization.
(c) *Content.* The CMP identifies the oversight schedule and the parties responsible for performing each function. Oversight functions include, but are not limited to, postaward conference; order receipt/acceptance and invoice process; performance metrics; incidental services; subcontracting plan; exercise of options; domestic preference provisions; repricing actions; contract closeout; and management and oversight of CORs.
(d) *Responsibilities.*
(1) The CCO shall ensure resources are balanced across all CMPs.
(2) The contracting officer shall—
(i) Tailor each CMP to address the specific acquisition.
(ii) Submit the CMP for approval prior to contract award.
(iii) Adjust the CMP as necessary throughout the life of the contract.
(e) *Clearance authority.* The CMP clearance authority is the same as for the acquisition plan. For postaward changes to the CMP, the clearance authority is the same as for the original contract action; except that if the contract action approval authority was at a level higher than the CCO, the CCO approves CMP changes.
(f) *Request for waiver.* The HCA shall submit a request for waiver when the clearance authority is the SPE; except that when the DLA Acquisition Deputy Director is the HCA, the CCO shall submit the request.

**7.103 Agency-head responsibilities.**
(a) Procuring organization COMPADs, small business specialists, technical personnel, and program managers are the resources to assist contracting officers in expanding competition.
(b) Procuring organization COMPADs, small business specialists, technical personnel, and program managers are the resources to assist contracting officers in expanding the use of commercial items.
(d)(i)(B) An acquisition valued over the SAT but less than $50 million for all years requires a written streamlined acquisition plan (SAP) (see template in 53.9007(a)). For acquisitions valued $50 million or more for all years or $25 million or more for any fiscal year, follow DFARS 207.103(d)(i)(B).
(g)(1) All service requirements require written review, validation, prioritization and approval/disapproval by the Decision Authority as directed in DLA Manual 5000.74, DLA Acquisition of Services.

(2) Program managers, functional service managers, requirements generators, requirements owners, and requirements analysts must—

(i) Obtain approval of all service requirements under their purview by the appropriate Decision Authority, who must provide approval of service requirements before the contracting officer develops an acquisition strategy; and

(ii) Provide to the cognizant contracting office a complete package as directed in DLA Manual 5000.74 including appropriate documentation that the service requirement is approved and funded.

(3) Contracting officers must:

(i) Obtain documentation of the review, validation, approval, and funding of service requirements with the requirements package; and

(ii) Include a statement in the acquisition plan that the documentation of the review, validation, approval, and funding of the service requirements demonstrates the requirement is valid, approved, and funded.

**7.105 Contents of written acquisition plans.**

(b)(1)(iv) For any bundled requirement, contracting officers shall—

(1) Notify the DLA Office of Small Business Programs (OSBP) for acquisitions valued over $2 million prior to acquisition plan approval;

(2) Regardless of dollar value, document on the DD Form 2579, Small Business Coordination Record, the impact of any bundling that might adversely affect participation of small businesses in the acquisition; and

(3) Attach the list of incumbent contractors and contracts affected by the bundling to the DD Form 2579.

**7.107 Additional requirements for acquisitions involving consolidation, bundling, or substantial bundling.**

**7.107-1 General.**

(S-90) Any new solicitation, or addition of requirements to a contract that would have constituted consolidation or bundling if they were part of the solicitation that resulted in the contract and were not considered previously, requires a new determination and approval by the CCO, HCA, or SPE based on established thresholds at 7.107-2(b) and 7.107-3(a).

(S-91) Contracting officers shall coordinate any consolidation or bundling determination/justification their procuring organization OSBP and include that coordination when forwarding the determination to the CCO, HCA, or SPE for approval.

**7.107-2 Consolidation.**

(b) For all procuring organizations, the SPE has delegated the authority to execute consolidation determinations to the CCO for acquisitions valued over $2 million up to $10 million, and to the HCA for acquisitions valued over $10 million up to $100 million. The delegations also include the authority to approve acquisitions involving consolidations in which the expected benefits do not meet the thresholds for a substantial benefit but are critical to the agency's mission success and the acquisition strategy provides for maximum practicable participation by small business concerns. The SPE is the determining authority for procurements over $100 million.

**7.107-3 Bundling.**
(a) For all procuring organizations, the approving authority to execute bundling determinations where the expected benefits meet the thresholds at FAR 7.107-3(d) is the CCO for acquisitions valued over $2 million up to $10 million, the HCA for acquisitions valued over $10 million up to $100 million, and the SPE for procurements over $100 million.
(f)(2) Submit the justification to the DLA Acquisition Operations Division. Approval must be obtained prior to issuing the solicitation. The SPE has approval authority, without power of delegation.

**7.107-4 Substantial bundling.**
(b)(S-90) In addition to addressing the requirements at FAR 7.107-4(b)(1)-(6), the acquisition strategy shall also include documentation that each member of the acquisition team has, within the previous three-year period, completed the Contract Consolidation and Bundling course (ACQ-CCB), which is available in the DLA Learning Management System.

**7.107-5 Notifications.**
(a)(1) The contracting officer shall send an individual notification to each such small business using a means reasonably calculated to reach them; reference to the bundling in a synopsis or other general notice concerning the procurement published in accordance with FAR Part 5 is not sufficient.
(b)(1) Each procuring organization's website is the agency website for purposes of posting notices of bundled requirements. Procuring organizations that do not have a public website should post notices of bundled requirements to Contract Opportunities (https://sam.gov/content/opportunities) at SAM.gov (https://sam.gov/content/home).

**7.107-6 Solicitation provision.**
(S-90) When FAR provision 52.207-6, Solicitation of Offers from Small Business Concerns and Small Business Teaming Arrangements or Joint Ventures (Multiple-Award Contracts), is included in solicitations, the contracting officer shall include procurement notes L34 Contractor Team Arrangements – Solicitation and Award and L35 Contractor Team Arrangements – Task and Delivery Orders in solicitations and awards, as applicable (see section 4.190 and FAR section 7.107).

## SUBPART 7.2 – PLANNING FOR THE PURCHASE OF SUPPLIES IN ECONOMIC QUANTITIES

*(Revised December 27, 2016 through PROCLTR 2017-09)*

**7.204 Responsibilities of contracting officers.**
(a) The contracting officer shall submit a referral to the material planner or requiring activity at DLRs citing the proposed the economic purchase quantity. Material planners will use this data to evaluate economic order quantities for supplies and shall advise the contracting officer of any change to the original requirement.

# PART 8 – REQUIRED SOURCES OF SUPPLIES AND SERVICES

*(Revised August 16, 2022 through PROCLTR 2022-09)*

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**SUBPART 8.90 – DOD FEDERAL MALL (FEDMALL)**

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**8.003 Use of other mandatory sources.**

(S-90) Procurement of audit readiness or audit sustainment services.

DCSO is responsible for acquiring audit readiness and/or audit sustainment services for DLA organizations. No other procuring organization shall award a contract or place an order on an existing contract for audit readiness and/or audit sustainment services for a DLA organization without the written approval of the DCSO Director. In addition, no DLA requirements owner shall submit a requirement for audit readiness and/or audit sustainment services for a DLA organization to a non-DLA contracting organization (e.g., an order under the Economy Act, as provided under FAR 17.502-2) without the written approval of the DCSO Director.

(S-91) DCSO is the single DLA procuring organization with authority to procure office document devices and associated maintenance support (see 39.9001(b)).

(S-92) DCSO is the primary procuring organization responsible for acquiring information technology (IT) services, supplies, equipment, training, and subscriptions for DLA (see 39.9001(c)).

(S-93) Procurement of training.

(1) Pursuant to Director, DLA Human Resources memorandum entitled, "Centralizing Administration of Government Purchase Cards for Training Payment," dated June 30, 2014, DLA organizations shall submit all training requirements, regardless of the training source or funding source, to DLA Human Resources Services, DLA Training (DHRS-DT) for review, management, administration, and sourcing. If DHRS-DT determines the training requirement is valid, DHRS-DT will then determine the best method to source that training (e.g., LMS Online course, Resident Course with DLA trainers, DAU Course, GPC, new contract, etc.).

(2) DCSO Columbus is the DLA Center of Excellence for DLA Enterprise Training Services. If DHRS-DT determines a new contract is the best method to satisfy the training requirement,

DHRS-DT will work with the requiring activity to prepare a requirements package and submit the request for contract support to DCSO Columbus in coordination with the requiring activity, unless 8.003(S-93)(3) applies.

(3) DLA organizations shall not submit requirements for training services to any procuring organization other than DCSO unless DHRS-DT determines in writing that a non-DCSO procuring organization should provide the contracting support and the DCSO Director approves the determination in writing.

## SUBPART 8.4 – FEDERAL SUPPLY SCHEDULES

*(Revised August 16, 2022 through PROCLTR 2022-09)*

### 8.403 Applicability.

(b)(S-90) GSA schedule contractor team arrangement (CTA).

(1) A GSA Schedule CTA is an arrangement in which two or more GSA Schedule contractors form a team to work together to provide a total solution to meet a customer's needs. Under Schedule CTAs, contractors complement each other allowing teams to compete for orders for which they may not qualify independently.

(2) FAR subpart 9.6 Contractor Team Arrangements does not apply to GSA Schedules teaming. Under GSA Schedules, teaming allows contractors to use their individual GSA Schedules to develop a solution for the government. Under a GSA Schedules CTA:

(i) The CTA does not create a separate legal entity.

(ii) Each CTA member must have a GSA Schedule contract.

(iii) Each CTA member is responsible for its portion of the work per the terms and conditions set forth in its GSA Schedule contract.

(3) The contracting officer shall include procurement notes L34 Contractor Team Arrangements – Solicitation and Award and L35 Contractor Team Arrangements – Task and Delivery Orders in solicitations and awards, as applicable, when the use of GSA Schedule CTAs is contemplated (see section 4.190 and GSA Schedule Contractor Team Arrangement guidance at https://www.gsa.gov/buying-selling/purchasing-programs/gsa-multiple-award-schedule/schedule-features/contractor-team-arrangements).

## SUBPART 8.7 – ACQUISITION FROM NONPROFIT AGENCIES EMPLOYING PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

*(Revised December 6, 2023 through PROCLTR 2023-12)*

### 8.701 Definitions.

*"A List"* means AbilityOne products with mandatory purchasing preference, widely available through GSA and commercial distribution channels. Delivery timeframes are consistent with industry best practices. A List products may also be referred to as "Total Government Requirement" (TGR) products.

*"AbilityOne liaison"* (AB1 liaison) means a DLA employee at a Major Subordinate Command (MSC) who supports the Major Subordinate Command AbilityOne Representative (MSC ABOR). This is an informal, optional role without designation.

"*Major Subordinate Command AbilityOne Representative*" (MSC ABOR) means a DLA employee designated at a DLA Major Subordinate Command (MSC) or DLA Contracting Services Office (DCSO) who advocates federal buying in accordance with mandatory source contracting procedures, engages with the workforce to build use of the AbilityOne Program, and offers feedback to the Defense Logistics Agency AbilityOne Representative to improve the value of the Program.

*"AbilityOne Representative"* (ABOR) means a designated individual who advocates federal buying in accordance with mandatory source contracting procedures, engages with the workforce to build use of the AbilityOne Program, and offers feedback to the U.S. AbilityOne Commission to improve the value of the Program. The ABOR Program was established as directed in Defense Pricing and Contracting (DPC) memorandum entitled, "National Disability Employment Awareness Month and the AbilityOne® Program," dated October 8, 2020 (access the memorandum at National Disability Employment Awareness Month and the AbilityOne® Program).

*"B List"* means AbilityOne products with demand across many federal agencies but less than universal; distributor support is market-driven by sales potential, delivery timeframes and comparable product offerings. B List products may also be referred to as "Broad Government Requirement" (BGR) products.

*"C List"* means AbilityOne products which are specialized or niche products (i.e., adapted to a specific function or demand) that are most often designed and manufactured to meet the needs of a single Federal agency, or a group of customers with a unique requirement. These products, when furnished under the AbilityOne Program, are sponsored by and have procurement preference for the specific Federal agency or agencies that defined the requirement. Examples include military uniforms and equipment.

**8.702 General.**

**8.702-90 Central Nonprofit Agencies.**

(1) The Javits-Wagner-O'Day Act (41 U.S.C. 8501-8506) directs the U. S. AbilityOne Commission (hereafter referred to as the Commission) to designate a central nonprofit agency or agencies (CNA or CNAs) to facilitate the distribution of government orders of Procurement List (PL) products and services among nonprofit agencies employing people who are blind or have significant disabilities. The Commission has designated National Industries for the Blind (NIB) and SourceAmerica® (serving people with a range of disabilities) as the national nonprofit organizations that perform this function and otherwise assist nonprofit agencies with participation in the AbilityOne Program. NIB and SourceAmerica, which are not government agencies, work closely with contracting activities and nonprofit agencies to match government requirements with nonprofit agency capabilities (the FAR includes the National Industries for the Severely Handicapped (NISH), the former name of SourceAmerica, as a CNA).

(2) NIB and SourceAmerica work with government contracting activities personnel to jointly explore products and services that may be suitable for provision by local nonprofit agencies. Once a potential PL addition is identified, NIB or SourceAmerica works with the contracting activity to obtain the data needed by the Commission to determine its suitability for the AbilityOne Program (see 41 CFR 51-2.4).

**8.702-91 Defense Logistics Agency AbilityOne Representative.**

(a) Defense Logistics Agency AbilityOne Representative (DLA ABOR) shall advocate federal buying in accordance with mandatory source contracting procedures (see FAR 8.7 and DFARS 208.7) and work to build use of the AbilityOne Program at DLA.

(b) The DLA ABOR shall—

(1) Be a DLA employee;

(2) Be designated in writing as the DLA ABOR;

(3) Act as the AbilityOne Program liaison for DLA;

(4) Establish a five-year strategic plan, updated annually, to achieve AbilityOne Program goals;

(5) Work with Major Subordinate Command AbilityOne Representatives (MSC ABORs) to identify potential requirements to be procured through the AbilityOne program (see 8.703-90);

(6) Team with the AbilityOne Commission staff to determine program support; and

(7) Support meetings with DoD and cross-agency ABORs.

**8.702-92 Major Subordinate Command AbilityOne Representative.**

(a) The Major Subordinate Command AbilityOne Representative (MSC ABOR) shall—

(1) Be designated in writing as the MSC ABOR by the Defense Logistics Agency AbilityOne Representative (DLA ABOR);

(2) Act as the AbilityOne Program lead for the MSC or DCSO;

(3) Assist the DLA ABOR with establishing a five-year strategic plan, updated annually, to achieve AbilityOne Program goals;

(4) Identify potential requirements to be procured through the AbilityOne program (see 8.703-90);

(5) Work with the AbilityOne Commission staff, Central Nonprofit Agencies, and AbilityOne Nonprofit Agencies as needed to support federal buying in accordance with mandatory source contracting procedures (see FAR 8.7 and DFARS 208.7); and

(6) Support meetings with the DLA ABOR.

(b) MSC ABOR Designation.

(1) Each MSC and DCSO shall select a DLA employee as the MSC ABOR and submit a nomination to the DLAABOR, DLA Acquisition Industry Engagement and Analysis division. The person selected:

(i) Shall not be designated as the Associate Director of Office of Small Business Programs for the MSC or DCSO.

(ii) May be a small business professional (see (b)(2)(ii) of this section).

(2) The DLA ABOR shall review the nomination and issue an MSC ABOR designation letter. For a selectee who will be a shared resource with the DLA Office of Small Business Programs (OSBP)—

(i) The DLA ABOR shall confer with the DLA OSBP for concurrence of the MSC ABOR designation; and

(ii) The DLA Director of OSBP shall issue a written waiver to the small business

professional performance requirement for full-time and exclusive duties in support of Small Business Programs in accordance with DLA Instruction 4205.01, Small Business Programs, at Enclosure 3 Procedures.

(3) The DLA ABOR will not conduct or contribute to performance evaluation of the MSC ABOR.

**8.703 Procurement List.**

**8.703-90 Policy for additions to the AbilityOne Procurement List.**

(a) A Central Nonprofit Agency (CNA), a contracting activity, such as DLA, or a Nonprofit Agency (NPA) may recommend addition of items to the Procurement List (PL) for consideration by the Commission. Recommendations from a contracting activity or NPA are coordinated with a CNA for presentation to the Commission. Refer to the AbilityOne webpage Procurement List Additions for general guidance.

(1) *DLA Recommendation*. When recommending addition of NSNs managed by DLA or services to the PL, the AB1 liaison and contracting officer will review requirements for potential procurement from AbilityOne NPAs by considering procurement history, demand forecast, pricing, necessary skills, drawings and specifications, and proposed delivery or performance schedules.

(2) *CNA or NPA Recommendation*. The CNA, in coordination with the NPA, will develop and submit to DLA a recommendation package or business case analysis (BCA) along with a request for DLA to collaborate on the review and recommendation of the product or service for potential addition to the PL. When the material does not match an NSN, DLA cannot create a new NSN.

(b) DLA will make every effort to review the recommendation package or BCA within the time limit specified by the CNA. See DLAD PGI 8.703-90(b) for assistance in completing the recommendation package or BCA.

(1) *Assignment*. The MSC ABOR shall request assignment of a contracting officer from the procuring organization and, if applicable, will assign the package to an AB1 liaison or obtain assistance, as appropriate.

(2) *Requirement*. The AB1 liaison and contracting officer shall review the CNA's recommendation package or BCA supporting documents, conduct market research, and review and revise the requirement terms and conditions as appropriate. The AB1 liaison shall coordinate with CNAs to obtain any information missing from or unclear in the recommendation packages or BCAs.

(3) *Negotiate*. Using methods in FAR subpart 15.4, Contract Pricing, the contracting officer will establish a recommended fair market price (FMP) that is fair and reasonable in relation to the marketplace and based on negotiation between DLA and the NPA, with support from the CNA (see webpage AbilityOne Program Procurement List Pricing Policy (51.600 series)).

(i) Negotiations in good faith should result in a non-obligating fair and reasonable price the contracting officer will use as the recommended FMP.

(ii) The parties will negotiate and mutually agree upon a method of adjustment for future prices.

(iii) If DLA and the NPA and CNA cannot reach an agreement on price, U.S. AbilityOne Commission Policy 51.640, Price and Price-related Impasse and Dispute Resolution Process, shall be followed.

(4) *Response*. The AB1 liaison and contracting officer will finalize the recommendation package or BCA, by –

(i) Obtaining approval of the DLA recommendation from one-level above the contracting officer, or designee;

(ii) Returning the recommendation package or BCA to the CNA; and

(iii) Providing to the DLA ABOR a copy of the completed recommendation package or BCA, and when received, a copy of the letter from the AbilityOne Commission announcing the addition of the product or service to the PL.

**8.703-91 New product on the AbilityOne Procurement List.**

See DLAD PGI 8.703-91 for guidance to apply new Procurement List products to DLA actions.

## SUBPART 8.90 – DOD FEDERAL MALL (FEDMALL)

(Added December 8, 2020 in accordance with PROCLTR 2021-02)

**8.9000 FedMall.**

(a) This subpart implements section 332 of the National Defense Authorization Act for Fiscal Year 1999 (Pub. L. 105-261), which requires a single, Defense-wide electronic mall system for supply purchases. "FedMall" has the same meaning as the term "electronic mall system," defined at 10 U.S.C. 2451 Note (a).

(b) *General*.

(1) FedMall is an eCommerce ordering system for DoD, Federal, State, and authorized local Agencies to search for and acquire products from government reserves and commercial sources. FedMall provides access to tens of millions of individual items of supply from centrally managed DoD and General Service Administration (GSA) assets to commercial off-the-shelf products. Access the FedMall Website (https://www.fedmall.mil/).

(2) Contracting eBusiness, Defense Pricing and Contracting (DPC) in the Office of the Under Secretary of Defense (Acquisition and Sustainment), is the DoD Executive Agent for FedMall.

(3) DLA Logistics Operations (J3) is responsible for the integrated material management of items placed on FedMall.

(4) DLA Information Operations is responsible for Information Technology (IT) operations, architecture, and information assurance for the FedMall program.

(5) The DLA Contracting Services Office (DCSO) is responsible for awarding and administering the DLA-managed Federal Supply Schedules for FedMall (see 38.9002).

(6) DLA may restrict items or types of items from placement on FedMall.

(i) FedMall catalogs will not include Qualified Product List (QPL) and critical safety items.

(ii) DLA-stocked NSNs will not be placed on FedMall unless the contract contains a unique ordering corridor available only to DLA personnel.

(c) *FedMall catalog and item management reviews*.

(1) Each procuring organization will appoint a FedMall point of contact—

(i) To review and approve FedMall items;

(ii) Address any FedMall-related issues of the procurement organization; and

(iii) Aid in FedMall issue resolution.

(2) DLA Logistics Operations (J3) and DLA procuring organizations will review and approve items for inclusion on DoD FedMall contracts.

(3) The DLA Information Operations FedMall Program Management Office will periodically conduct reviews of FedMall catalog items for information assurance after contract award and throughout the life of the contract.

(4) Prior to adding items to a DLA-Managed Federal Supply Schedule for FedMall (see 38.9002), DCSO will perform a review of the catalog to cross-reference part numbered items to NSNs.

(d) Ordering.

(1) Ordering against contracts on FedMall is subject to the ordering requirements applicable to the particular contract. Ordering activities are responsible for complying with ordering requirements, including competition requirements.

(2) Ordering from FedMall may be—

(i) Authorized for DoD contractors in accordance with Subpart 51.1; and

(ii) Conducted using the Government-wide commercial purchase card (see 13.301).

# PART 9 – CONTRACTOR QUALIFICATIONS

*(Revised August 16, 2022 in accordance with DEVIATION 22-09)*

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## SUBPART 9.1 – RESPONSIBLE PROSPECTIVE CONTRACTORS

*(Revised January 27, 2022 in accordance with DEVIATION 22-02)*

### 9.100 Scope of subpart.

The Defense Contractor Review List (DCRL) is an enterprise-wide tool for use by contracting officers to identify and communicate contractor performance, capability, and integrity issues for making determinations of responsibility and the effective administration of contracts. The DCRL has Special Attention Reason Codes that describe the basis for being on the list and Treatment Codes that provide recommended actions to contracting officers for mitigating risk. The DCRL

includes contractors identified in SAM as debarred, suspended, proposed for debarment, or otherwise ineligible for award. SAM data takes precedence over DCRL data.

**9.100-90 Business Decision Analytics (BDA) dashboard.**
(a) The BDA dashboard is a decision support capability tool. It is available for use on an optional basis by contracting officers, acquisition specialists, product specialists, fraud counsel, and other personnel involved in the acquisition process. It identifies potential item, price, and supplier risk areas prior to award and recommends mitigation strategies to minimize these risks. It consolidates data from multiple sources (e.g., DUN and Bradstreet, Supplier Performance Risk System SPRS (formally PPIRS-SR NG), SAM, etc.) into one dashboard.
(b) Using the BDA dashboard does not reduce the contracting officer's authorities or responsibilities. For example, contracting officers shall not (1) use BDA data as the sole basis for making determinations of responsibility or price reasonableness; or (2) use supplier risk data in place of the SPRS Delivery Score and Quality Classification. When evaluating acquisition risk, contracting officers should consider using the BDA dashboard as an additional source of information to help mitigate risks of suspect suppliers, potential overpayment, and procuring counterfeit and/or non-conforming spare parts. In the event of any data inconsistencies, the originating data source takes precedence over BDA data.
(c) Conditions when contracting officers should consider using the BDA dashboard include, but are not limited to—
(1) First time buys;
(2) Long time between procurements;
(3) Critical items;
(4) First article;
(5) Cases when prices have drastically increased;
(6) New suppliers; and/or
(7) Suspect suppliers.
(d) Contracting officers shall notify Office of Counsel (Procurement Fraud) and the DCRL Monitor of any suspect product or supplier activity for possible inclusion on the DCRL.
(e) Contracting officers shall document the contract file in Records Management.

**9.104 Standards.**

**9.104-2 Special Standards.**
Coordinate with the Food and Drug Administration (FDA) when developing special standards for drugs, biologics, and other medical supplies.

**9.105 Procedures.**

**9.105-1 Obtaining information.**
(S-90) When making determinations of responsibility, review the DCRL and comply with DCRL Special Attention Treatment Codes in Enterprise Central Component (SAP-ECC) and Supplier Relationship Management (SAP SRM/EProcurement).
(1) For the automated simplified purchasing process, the system checks the DCRL. An offeror debarred or suspended is deemed not qualified for award and not considered in automated

evaluation. Low evaluated offers from offerors on the DCRL (for other than debarred and suspended) are rejected from the automated system for manual determination of responsibility.

(2) Contractors on the DCRL shall be considered for solicitation (except when the Special Attention Reason Code is "A" or the Special Attention Treatment Code is "08").

(3) When the DCRL Special Attention Treatment Code description states "review Contractor Performance History," request a Contractor Performance History.

(4) Confirm the information in SAM not more than four business days prior to award and document the contract file; except that contracting officers at DLA Maritime at Mechanicsburg, DLA Aviation Philadelphia DLR, DLA Land Warren, DLA Land at Aberdeen, and DLA Maritime at Norfolk Naval Shipyard have authority to confirm information in SAM not more than seven business days prior to releasing award in the Integrated Technical, Item Management and Procurement (ITIMP) contract-writing system in accordance with permanent DEVIATION 22-03. Contracting officers shall document the vendor's SAM registration and exclusion status in the contract file by one of the following methods: Simplified Acquisition Award Document (SAAD) or Alternate SAAD, Price Negotiation Memorandum (PNM), a screenshot of the review, a PDF copy of the review, Memorandumfor Record (MFR), record of significant events, or the continuation page of the award.

(S-91) DCRL Monitors.

(1) Each Procurement Process Support Director shall designate a DCRL monitor. Referrals to the DCRL Monitor shall be for any of the reasons identified in the DCRL Special Attention Reason Code table below.

**(**2) DCRL Monitors shall review referrals for approval and execution of submission to add, amend, or remove a contractor to/from the DCRL in coordination with all DCRL Monitors. DCRL Monitors are responsible for maintaining the DCRL for their procuring organization and shall review the DCRL every month for currency.

(3) Contracting officers, product specialists or the Office of Counsel shall provide notification of contractor improvement and recommendation for DCRL removal to their DCRL Monitor if they become aware of circumstances that may warrant changes to the DCRL information.

(i) The contracting officer may discuss performance information included in the DCRL with prospective contractor(s). However, contracting officers must not discuss any information related to ongoing investigations of matters that potentially could result in Civil or Criminal False Claims Act litigation, or a suspension, notice of proposed debarment, or debarment action. "Investigations" would include those conducted by the Defense Criminal Investigation Service, the respective Military Services Investigation Agencies; the Federal Bureau of Investigation and any other Federal Investigative Agency. contracting officers should consult with their Office of Counsel's Procurement Fraud Attorney if they have any doubt whether the release of information could potentially compromise the Government's ability to conduct a confidential investigation.

(S-92) The DCRL Review Board. The DCRL Review Board is responsible for reviewing actions of the DCRL Monitors and ensuring the contractor listing is accurate and current.

(1) Membership consists of all DCRL Monitors, Fraud Counsel, DLA Logistics Operations Technical and Quality Division, and the DLA Acquisition Compliance, Policy and Pricing Division. The DLA Acquisition Programs Division will chair the board meetings. The Board shall–

(i) Meet quarterly.

(ii) Review the list of the current authorized DCRL contractor entries.

(iii) Resolve any concerns or questions pertaining to the DCRL purpose and processes for entry or removal of a contractor from the DCRL.

(iv) Publish and provide minutes from meetings to the DLA Acquisition Director and the HCAs not later than ten business days after the DCRL Review Board meeting.

(2) Contractors shall be removed from the DCRL when—

(i) The conditions that warranted their inclusion on the DCRL no longer exist or have substantially improved; and/or

(ii) The DCRL Monitor determines that information provided by acquisition personnel is not sufficient to justify retention of the contractor on the DCRL.

(S-93) The DCRL Special Attention Reason Codes and Treatment Codes.

(1) Recommendations/instructions are cited for each supplier/CAGE code listed and are to provide visibility of known/potential areas of concern and actions that shall be taken to address such issues. When a preaward survey (PAS) (see 9.106-2) results in a negative DCRL recommendation for a small business who is the apparent successful offeror resulting in a negative responsibility determination, then an SBA Certificate of Competency is required. The only instances of "do not award" involve cases of debarment, suspension, and proposed debarment except as otherwise directed by the Fraud Monitor or Business Integrity (Fraud) Counsel.

(2) Special Attention Reason Codes. For DCRL Special Attention Reason Code A, the EProcurement "Debarment Status" field will be coded as: "D" for Debarment, a "P" for proposed debarment/suspension, or "S" for suspended.

| DCRL Special Attention Reason Codes | Description | Help Text |
|---|---|---|
| A | Suspended or Debarred | Debarred, Suspended or Otherwise Ineligible<br><br>This category includes firms or individuals that are ineligible for federal procurements due to a suspension, proposal for debarment or debarment pursuant to FAR 9.4. |
| B | Recommended for Debarment | Recommended For Debarment or Suspension.<br><br>This category includes contractors that have been recommended for debarment or suspension. Although these contractors are not ineligible for award, follow the treatment code. |
| C | Responsibility Matters | Certification Regarding Responsibility Matters. This category includes contractors that have certified in accordance with FAR 52.209-5 that they have had a criminal conviction or civil judgment for fraud in the past three years or are currently indicted or otherwise criminally or civilly charged with fraud. |
| D | Termination for Default | Termination for Default. Contractors in this category have been terminated for default within the previous twelve months. |
| E | Financial Difficulties | Financial Difficulties (Including Chapter 11 Bankruptcy). Contractors are included in this category when information is received from DCMA or other sources that indicates the contractor is having financial difficulties. Such difficulties include contractor indebtedness that may jeopardize timely completion of the contract or contractor application for reorganization under bankruptcy laws (Chapter 11). Information may include formal bankruptcy notifications, or information informally obtained from credible sources. |

| DCRL Special Attention Reason Codes | Description | Help Text |
|---|---|---|
| F | Chapter 7 Bankruptcy | Business Closings (Including Chapter 7 Bankruptcy). This category includes contractors and individuals who have ceased business operations, are in the process of liquidating under bankruptcy laws (Chapter 7), or are otherwise going out of business. |
| G | Negative Preaward Survey | Negative Preaward Survey. Contractors are included in this category when a preaward survey (PAS) that recommends no award has been received within the last twelve months. |
| H | DCMA Imposed Corrective Action | DCMA Has Imposed Corrective Action. Contractors are included in this category when DCMA has found deficiencies in the contractors' quality system and has imposed a Corrective Action (CAR) Level III or IV Review. |
| I | In DCMA Delivery Schedule Manager | DCMA Delivery Schedule Manager. DCMA has relevant information concerning contractors in this category. |
| J | Delinquent Performance | Delinquent Performance. This category includes contractors that have exhibited a pattern of delinquencies. |
| K | “Buy-Ins” or “Bid Shopping” | "Buy-ins" and "Bid Shopping." This category includes contractors that have had excessive cancellations, price increases and requests for modification after award. These practices indicate a "buy-in", "bid shopping", or other unacceptable bidding practices. This code applies to contractors that: (1) "Bid shop after award" that result in frequent inability to furnish supplies in accordance with the quotation that led to the award. (2) Submit frequent requests for deviations or waivers, clarification, and substitution of part numbers, most of which lacks substance but prevents compliance with the original delivery date. (3) Frequently return purchase orders for price increase. (4) Frequently notify the contracting activity that it will not perform under purchase orders just prior to due date in an apparent effort to reduce its delinquency rate. (5) Frequently fail to accept bilateral or perform unilateral purchase orders. |
| L | Pricing Discrepancies | Pricing Discrepancies (Excessive prices). Contractors are in this category when information indicates prices may not be fair and reasonable. |
| M | Fast Pay Discrepancies | Fast Pay Discrepancies/Abuse Contractors are included in this category when there is evidence that a contractor is violating or has violated the Fast Pay procedure (e.g., contractor has invoiced the Government without shipping the supplies). |
| N | Potentially Defective Material | Potentially Defective Material. Any DoD component has issued notifications regarding potentially defective material supplied by contracts in this category. |
| O | Counterfeit Material and Unauthorized Substitution<br><br>**DO NOT DISCUSS** | Counterfeit Material and Unauthorized Product Substitution. Contractors in this category are under surveillance by the Counterfeit Material/Unauthorized Product Substitution (CM/UPS) Team.<br><br>**DO NOT DISCUSS** |
| P | Nonconforming Supplies<br><br>**DO NOT DISCUSS** | Nonconforming Supplies. This category includes contractors for which evidence has been provided that a contractor has supplied nonconforming material, has supplied surplus material without quoting surplus material, has supplied foreign material without identifying country of origin, or has other questionable quality practices.<br><br>**DO NOT DISCUSS** |

| DCRL Special Attention Reason Codes | Description | Help Text |
|---|---|---|
| Q | Failure to Provide Approved Part | Failure to Provide Approved Part. This category includes contractors that have a pattern of supplying unapproved parts or making an unauthorized substitution for CAGE code/part numbered items. |
| R | Miscellaneous | Miscellaneous (Other Information). This category serves as an informational category providing contracting personnel with current status of administrative changes, business closings, transfer of ownership, change of location, change of CAGE code, multiple contractors at the same location or any other information that may assist in the decision process. See the "Remarks" section of the DCRL for instructions. |
| S | Sensitive Information<br><br>**DO NOT DISCUSS** | Sensitive Information. Specific instructions apply to contractors listed in this category. These instructions are not necessarily related to responsibility and the reason for placement in this category shall not be stated in the DCRL due to sensitivity. The "Remarks" section of the DCRL may contain a point of contact for information regarding these contractors. Sensitive information regarding these contractors shall not be disclosed to unauthorized persons.<br><br>**DO NOT DISCUSS** |
| T | NIST SP 800-171 | Contractors in this category have failed to upload a NIST SP 800-171 basic self-assessment score in the Supplier Performance Risk System (SPRS) in accordance with DFARS clause 252.204–7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, DFARS Provision 252.204-7019, Notice of NIST SP 800-171 DoD Assessment Requirements, and DFARS Clause 252.204-7020, NIST SP 800-171 DoD Assessment Requirements. |
| V | Suspected Fraud or Collusion | Suspected Fraud or Collusion/Deceptive Business Practices. |
| W | Combined CAGE Codes<br><br>**DO NOT DISCUSS** | Combined CAGE Codes. Performance history for two or more CAGE codes have been combined for PPIRS purposes.<br><br>**DO NOT DISCUSS** |

(3) Special Attention Treatment codes.

| DCRL Special Attention Treatment Codes | Description | Help Text |
|---|---|---|
| 01 | Reserved | Reserved |
| 02 | Evidence of PID MFR Part Number | For Part Numbered items, get evidence item was acquired from Manufacturer (MFR) cited in the Product Item Description (PID). |
| 03 | Traceability requirements | For FSGs/FSCs/NSNs requiring additional risk mitigation and the offeror is not identified as an approved source, require the offeror to submit traceability documentation. |
| 04 | Withhold Fast Pay Recommended. | Withholding of Fast Pay recommended. |
| 05 | Recom PAS > SAT/ Verbal PAS or Vendor Capability Questionnaire (VCQ) < SAT. | Recommend Preaward Surveys for large buys/verbal preaward surveys and/or VCQ for simplified buys. |
| 06 | Fraud Monitor Coordination Required. | Forward any proposed awards through Fraud Monitor. |

| DCRL Special Attention Treatment Codes | Description | Help Text |
|---|---|---|
| 07 | Source Inspection Recommended. | Source Inspection recommended (use of source inspection evaluation factor authorized after formal notification to contractor). |
| 08 | Do not solicit or award. | Do not solicit or award. |
| 09 | Review Contractor Performance History. | Review Contractor Performance History (CPH). |
| 10 | Report Suspect Material to Fraud Monitor. | Report suspected material problems to Business Integrity (Fraud) Counsel. |
| 11 | Coordinate with DCMA. | Coordinate with DCMA. |
| 12 | Corrective Action Report Level IV approval required. | CAR Level IV, approval required for award. |
| 13 | Bilateral Award Email to Fraud Monitor. | Bilateral Award – email contractor's name and CAGE, contract/purchase order no., and NSN to Fraud Monitor. |
| 14 | Coordinate Mods with Fraud Monitor. | Post award – Coordinate all administrative actions (modifications) with Fraud Monitor or Fraud Counsel. |
| 15 | Deter Resp/Nonresp required. | Prepare formal determination of responsibility/nonresponsibility. |
| 16 | CAGE Combined for SPRS Info. | This CAGE Code has been combined with other CAGE codes for SPRS purposes (For Informational Purposes Only). |
| 17 | Coordinate Cost and Price Office | Coordinate with Cost and Price Office |
| 18 | Report to Fraud Counsel. | Report to Business Integrity (Fraud) Counsel. |
| 19 | Coordinate with Office of Counsel. | Coordinate with Office of Counsel. |
| 20 | Refer to DCRL Narrative Detail. | Refer to DCRL Narrative for details. |
| 26 | Recommend price reasonableness. | Recommend documentation of price reasonableness. |
| 27 | Suspend automated awards. | Suspend from automated systems (case by case basis). |

(S-94) Other Risk Indicators: Obtain additional information to make responsibility/nonresponsibility determination.

(1) Supplier Risk Indicators:

(i) No DLA history (new vendor);

(ii) Poor SPRS Score or no SPRS Score;

(iii) Poor Delivery Performance;

(iv) Poor Quality Performance (excessive PQDRs/SDRs);

(v) Negative Preaward Survey (PAS) within 12 months;

(vi) History of fraud or collusion;

(vii) History of providing non-conforming, defective products, or counterfeit items;

(viii) Terminated for Default for the same FSC/NIIN within 3 years;

(ix) Bankruptcy within last 3 years;

(x) DCMA Corrective Action Requests (CAR);

(xi) The offeror is on the SAM Excluded Parties List System (EPLS) within the last 3 years;

(xii) The offeror is currently showing signs of financial distress, or has a history of delinquent payments and /or financial difficulty;

(xiii) Manufacturer's CAGE identified in offer differs from CAGE code of the approved manufacturing source in solicitation;

(xiv) The offeror is reluctant or unable to provide traceability documentation;

(xv) The offeror's phone number, address, e-mail, or other vital information is missing, invalid, or suspicious;

(xvi) The offeror is a dealer but identifies itself as the manufacturer; and/or

(xvii) The offeror is a manufacturer, but its place of business is in a residential neighborhood.

(2) Price Risk Indicators:

(i) The price offered is lower than price of approved source or its authorized distributor;

(ii) The price offered is out of line with other offers or past pricing history; and/or

(iii) The price offered for new product is lower than price offered for surplus material.

(3) High Risk Item with technical data package (TDP) and no record of successful performance in the FSC (e.g., critical safety, ALRE, complex TDP, FAT).

(S-95) Consider contract risk mitigation when a contractor can be determined responsible but risk factors are present.

(1) No Fast Pay.

(2) Bilateral Purchase Order.

(3) Code and Part Number Buy: Request Traceability Preaward and Post-Award.

(4) Specification/Standard/Drawing buy: Require source inspection (if appropriate), no COC, require PVT.

(5) Super Key Item Drivers with FAT: Split award between proven (waived) and unproven sources.

(6) Request the product specialist to prepare a Quality Assurance Letter of Instruction (QALI) when additional instructions or guidance are required on source inspection.

(S-96)(1) Business decision analytics (BDA) job aids. The following job aids and training material can be viewed online:

BDA Item Model Job Aid

BDA Price Model Job Aid

BDA Supplier Model Job Aid

CAGE Compromised Job Aid (General Counsel and other designated users only)

(2) Select the following:

(i) DLA Enterprise Business Portal (https://pep1.bsm.dla.mil/irj/portal);

(ii) DLA Enterprise Business Portal (https://pep1.bsm.dla.mil/irj/portal);

(iii) (EBS Online Help),(https://dlamil.dps.mil/sites/P1/ebs/Pages/ONLINEHELP.aspx);

(iv) EProcurement (https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT&FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231);

(v) Business Decision Analytics (BDA) (https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT%2FBDA); and

(iv) BDA Supplier Risk Analysis by CAGE Code Model Job Aid (https://dlamil.dps.mil/:w:/r/sites/InfoOps/_layouts/15/Doc.aspx?sourcedoc=%7BAA99BEB2-862B-42F2-A7E5-

4DE86099455E%7D&file=BDA%20Supplier%20by%20CAGE%20Job%20Aid%20-%20Procurement.doc&action=default&mobileredirect=true).

**9.106 Preaward surveys.**

**9.106-2 Requests for preaward surveys (PAS).**
(a) Requests for a formal PAS shall be forwarded to the PAS monitor. Informal PAS may be requested by telephone or email to the DCMA PAS Manager/Quality Assurance Representative (QAR). Procuring organizations that use PAS will designate an organizational element to serve as the focal point for PAS and to be the principal point of contact with PAS monitors at surveying activities. The focal point will review formal PAS requests for completeness and accuracy before forwarding these requests to surveying activities. The PAS Monitor shall:

(1) Send the completed report to the contracting officer for placement in Records Management.

(2) Send all formal PAS documentation regarding a company's quality control (if information is included in the survey results) to the product specialist.

## SUBPART 9.2 – QUALIFICATIONS REQUIREMENTS

*(Revised June 16, 2023 through PROCLTR 2023-06)*

**9.202 Policy.**
(a)(1) The CCO is the designee.

(i) QPL and QML qualification requirement documentation and justification are included in the technical description.

(ii) QSLM and QSLD information is retained at the procuring organizations.

(2) Solicitation.

(i) Solicitations and awards shall include procurement note H01 when purchasing qualification items in Federal Supply Class (FSC) 5935.

*****
H01 Qualified Products List (QPL) for Federal Supply Class (FSC) 5935 Connector Assemblies and Contacts (SEP 2016)
When an offeror includes connectors and electrical contacts manufactured by different qualified sources, the offeror agrees to provide to the contracting officer or quality assurance representative, prior to delivery, documentation signed by an authorized contractor representative responsible for quality assurance, demonstrating that the connectors and electrical contacts in question were manufactured by/obtained from a current QPL source(s). The signed documentation must as a minimum include:
(1) Name of the quality assurance representative;
(2) Name of connector manufacturer(s);
(3) Manufacturer(s) part number(s) (P/N);
(4) Name of contact manufacturer(s); and
(5) The Commercial and Government Entity (CAGE) code of the manufacturer.
*****

(ii) Contracting officers shall include procurement note M01 in solicitations when purchasing qualification items in Federal Supply Classes (FSCs) 5961, Semiconductors and Hardware Devices, and 5962, Electronic Microcircuits.

*****

M01 Approved Suppliers for Federal Supply Class (FSC) 5961, Semiconductors and Hardware Devices, and FSC 5962, Electronic Microcircuits (JUN 2020)

(1) This material includes a sourcing restriction. The categories of sources of supply listed below, in order of precedence with Category One having the highest precedence, are eligible for award. Award, if made, will be within the highest category submitting an acceptable offer.

(a) Category One:

(i) The approved source (e.g., Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM)) for the item specified in the solicitation/contract;

(ii) The approved source on the applicable Qualified Products List (QPL)/Qualified Manufacturers List (QML); or

(iii) The authorized distributors of the OCM/OEM or QPL/QML.

(b) Category Two: When no acceptable offer is received from suppliers listed in Category One, distributors listed on the Qualified Suppliers List of Distributors (QSLD), with adequate supply chain traceability documentation to the approved source of the item, are eligible to receive an award.

(c) Category Three: When no acceptable offer is received from suppliers in Category One or Category Two, the Government may make an award based on offers received from suppliers listed on the Qualified Testing Suppliers List (QTSL), with adequate test documentation.

(2) The QSLD Program (Qualified Suppliers List of Distributors (https://landandmaritimeapps.dla.mil/offices/sourcing_and_qualification/offices.aspx?Section=QSL); and QTSL Program (Qualified Testing Suppliers List (https://landandmaritimeapps.dla.mil/offices/sourcing_and_qualification/offices.aspx?Section=QTS) include the full listings of QSLD and QTSL suppliers, along with the qualification criteria.

*****

(iii) Reserved.

(iv) Contracting officers shall include procurement note M03 in solicitations when purchasing Troop Support QSLM/QSLD qualification items. If a QPL requirement applies, the contracting officer shall advise potential offeror(s) they must provide a QPL item and advise contractors with QSLD status they must provide the product of contractors with QSLM status whether the item is governed by a QPL or not. Contracting officers shall review the Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) (https://www.dla.mil/TroopSupport/IndustrialHardware/Engineering-and-Technical-services/Qualified-Suppliers-List/) to validate Troop Support QSL sources.

*****

M03 Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) for Troop Support (JUN 2020)

(1) This is a qualified item. Only manufacturers listed on the Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) (https://www.dla.mil/TroopSupport/IndustrialHardware/Engineering-and-Technical-services/Qualified-Suppliers-List/) with adequate supply chain traceability of the item specified in the solicitation/contract back to the QSLM are eligible to receive an award.

(2) The Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) (https://www.dla.mil/TroopSupport/IndustrialHardware/Engineering-and-

Technical-services/Qualified-Suppliers-List/) provides the full listing of QSLM and QSLD suppliers, along with the qualification criteria.
*****

(v) Contracting officers shall include procurement note H02 in solicitations and awards when purchasing component qualification items. Contracting officers shall validate QPL sources on offers and consult with the product specialist, if needed.
*****

H02 Component Qualified Products List (QPL)/Qualified Manufacturers List (QML) (SEP 2016)
This item contains one or more components defined by a specification(s) with an associated Qualified Products List (QPL) or Qualified Manufacturers List (QML). By submission of an offer, the offeror will supply such component item(s) only from sources currently qualified on the applicable QPLs/QMLs.

**(**vi) As prescribed in DLAD 9.202(a)(2)(ii), use procurement note M11 in solicitations and awards for circuit card assemblies and printed circuit boards within Federal Supply Class (FSC) 5998 "Electrical, Electronic Assemblies, Boards, Cards and Associate Hardware." This procurement note applies to all procurements regardless of the dollar value.
M11 Approved Suppliers for Circuit Card Assemblies and Printed Circuit Boards within Federal Supply Class (FSC) 5998 Electrical and Electronic Assemblies, Boards, Cards, and Associated Hardware (MAR 2023)
(1) **Application**.
(a) Applies to procurements for circuit card assemblies and printed circuit boards within FSC 5998 regardless of the dollar value.
(2) **Definitions**: As used in this procurement note:
(a) Circuit card assembly means any flat board with electronic components placed on it.
(b) Printed circuit Board means any partially manufactured or complete bare printed circuit board or fully or partially assembled printed circuit board.
(3) **Restrictions**:
(a) Circuit card assemblies and printed circuit boards within this FSC are restricted to the sources of supply listed below.
(b) The Government cannot procure a circuit card assembly or printed circuit board that is manufactured, assembled, or delivered from a Covered Nation (see Covered Nation definition in DLAD 2.101) under this solicitation or any resulting contract.
(4) **Sources of Supply**:
(a) The approved source (e.g., Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM)) for the item specified in the solicitation and contract; or
(b) The approved source on the applicable Qualified Products List (QPL)/Qualified Manufacturers List (QML); or
(c) Franchised distributers to the OCM/OEM or QPL/QML for the item specified in the solicitation and contract that can provide supply chain traceability documentation of the item in accordance with DLAD Procurement Note *C03 Contractor Retention of Supply Chain Documentation (June 2023)*; or
(d) Independent distributors with a written authorized distribution agreement from the approved source of supply (i.e., OCM/OEM) of the item specified in the solicitation or contract that can provide supply chain traceability documentation of the item in accordance with the

DLAD Procurement Note: *C03 Contractor Retention of Supply Chain Documentation (June 2023).*
Examples of acceptable supply chain documentation can be found at *https://www.dla.mil/LandandMaritime/Business/Selling/Counterfeit-Detection-Avoidance-Program/*.
(5**) Requirements**:
(a) The awardee must also meet the following requirements:
(i) If requested by the contracting officer, provide post award traceability documentation. If the contracting officer is unable to obtain traceability accounting for 100% of the material, the contracting officer reserves the right to reject the material based on the above prohibition.
(ii) If traceability documentation was requested by the contracting officer, obtain written contracting officer approval prior to shipment.

*****

**9.203 QPL's, QML's, and QBL's.**
(a) In addition to QPLs, QMLs, and QBLs, DLA uses agency developed qualification lists: Qualified Suppliers List of Distributors (QSLDs), Qualified Testing Suppliers List (QTSLs), and Qualified Suppliers List of Manufacturers (QSLMs).
(1) QSLD – a list of pre-qualified sources for certain components that are purchased and managed by DLA and have met DLA's traceability and quality system requirements. QSLD products are provided by
distributors that combine accepted commercial practices, quality assurance procedures that are consistent with industry and international quality standards, and tailored when necessary to product-unique requirements that can take the place of provisions traditionally stated in DLA solicitations.
(2) QTSL – a list of pre-qualified sources who have met DLA's quality system and testing requirements for untraceable product in certain commodities and have agreed to the provisions of the program. QTSL products are provided by suppliers that combine accepted counterfeit mitigation practices and quality assurance procedures that are consistent with industry and international quality standards.
(3) QSLM – a list of pre-qualified sources for certain fully competitive products which are purchased and managed by DLA. QSL products are provided by manufacturers that combine accepted commercial practices, quality assurance procedures that are consistent with industry and international quality standards, and tailored when necessary to product-unique requirements that can take the place of provisions traditionally stated in DLA solicitations.
(b) Qualified items are not automated and therefore are referred for manual review. The contracting officer shall –
(1) Include FAR Clause 52.209-1. For QSLD/QTSL/QSLM, recognize it is a qualified item from the Product Item Description (PID).
(2) Check the applicable list(s) to ensure the potential offeror and/or its product is on the list.
(3) For offerors or products not on the applicable qualified list, request the offeror provide documentation that demonstrates supplier or its product meets the qualification standards prior to award.
(4) After qualification is verified, proceed with award.

**9.204 Responsibilities for establishment of a qualification requirement.**
(a)(1) Contracting officers shall periodically post notice seeking additional sources or products for qualification in Contract Opportunities (https://sam.gov/content/opportunities) at SAM.gov (https://sam.gov/content/home).

**9.270 Aviation and ship critical safety items.**

**9.270-3 Policy.**
(a) The product specialist (PS) shall coordinate with the design control activity and update the material master, ensuring the approved sources are current. Prior procurement history is not an indication of current source approval. The PS shall advise the contracting officer of changes to a supplier's status. When the PS removes an approved source, the PS shall identify all open purchase requests and open contracts and notify the assigned contracting officers and contract administrators. Contracting officers shall amend solicitations to reflect the updated approved sources. If a contract action will result in delivery of an item from a source that is no longer approved, the contracting officer or contract administrator shall coordinate with the product specialist to determine if the ESA will accept the material. In the event the ESA will not accept the material, the contract action shall be terminated. The PS shall draft a letter with the rationale for removal for the contracting officer. The contracting officer shall coordinate with the COMPAD and issue the letter to the supplier.
Origin inspection is required. Certificate of conformance (COC) is not authorized, unless approved by the ESA. Incorporate all quality requirements into the contract when specified (e.g., first article test, production lot testing). Do not waive any quality requirement without referring to the PS.
When automated solicitations are used to solicit CSIs, offers must be manually evaluated and awarded.
All solicitations and contracts for CSI shall list the items in DFARS 252.209-7010 and shall include procurement note H04.
*****
H04 Sourcing for Critical Safety Items (SEP 2016)
The contractor procuring, modifying, repairing, or overhauling a critical safety item shall only use a source approved by the head of the design control activity.
*****
When multiple approved sources are identified, consider using acquisition strategies to help maintain more than one source, such as split awards or multiple awards. This minimizes ESA revalidation referrals required for CSIs whenever a source has not received an award for over 3 years.
Refer all offers of used, reconditioned, or remanufactured supplies; or unused former Government surplus property that are under consideration to the product specialist for evaluation (see 11.302(b)).
Prior to making award for any CSI, Contracting officers (CO) shall obtain all approvals required on the DLA Form 13, Critical Safety Items and SPC Items Award Checklist, and retain in official contract file. The PS will determine if a Quality Assurance Letter of Instruction (QALI) is required for the proposed awardee (any manufacturer, dealer, or distributor) based upon the contractors historical quality performance. The PS must have conducted a preaward review of

traceability documentation in accordance with the approval/review requirements at 9.270-3(S-91).

When a contractor changes a business arrangement with an approved source for the item being acquired, or in a manufacturing process or facility, the contracting officer shall coordinate with the PS and take corrective action as needed.

(S-90) Critical Application Items (CAIs) are items where failure could affect mission, performance, readiness, or safety. The PS may need to coordinate with the ESA and shall follow any applicable performance based agreement and DLAI 3200.4.

(S-91) Contracting officers shall use the table below to determine when preaward referral to the PS is required to ensure that a prospective contractor is technically acceptable.

**REQUIREMENTS FOR PREAWARD REFERRAL TO PRODUCT SPECIALIST**

| Type Of Offer | Criticality Of Item | Contracting Officer (CO) Can Award? | Requires Referral To Technical/ Quality? | Requires Approval From ESA? | Award Requires Approval One Level above CO? |
|---|---|---|---|---|---|
| Approved source offering "exact product" | Noncritical or Critical Item Code (CIC) Blank | Yes | No | No | No |
| Approved source offering "exact product" | Critical Application Item (CAI) | Yes | No | No | No |
| Approved source offering "exact product" | Critical Safety Item (CSI) | Yes | No | No | Yes (Does not apply to fully automated awards if system only permits a fully automated award when an approved source is offering an exact product.) |
| Dealer/ Distributor (non-manufacturer) offering "exact product" | Noncritical or Critical Item Code (CIC) Blank | Yes (Contracting officer shall obtain traceability documentation prior to award; or shall require offeror to retain documentation in accordance with procurement note C03 and provide it for review at time of Government source inspection, if applicable in accordance with 9.270-3(a), or during random or directed postaward audits.) | No | No | No |

| Type Of Offer | Criticality Of Item | Contracting Officer (CO) Can Award? | Requires Referral To Technical/ Quality? | Requires Approval From ESA? | Award Requires Approval One Level above CO? |
|---|---|---|---|---|---|
| Dealer/ Distributor (non-manufacturer) offering "exact product" | Critical Application Item (CAI) | Yes (Contracting officer shall obtain traceability documentation prior to award; or shall require offeror to retain documentation in accordance with procurement note C03 and provide it for review at time of Government source inspection, if applicable in accordance with 9.270-3(a), or during random or directed postaward audits.) | No | No | No |
| Dealer/ Distributor (non-manufacturer) offering "exact product" | Critical Safety Item (CSI) | Yes (Contracting officer shall obtain traceability documentation prior to award.) | Yes (Product specialist will conduct preaward review of traceability documentation, on which quality assurance letter of instruction (QALI) will be based. Referral to product specialist is mandatory after award to finalize QALI. (See 9.270-3(a)). | No | Yes |
| Unapproved manufacturing source offering "exact product" | Noncritical or Critical Item Code (CIC) Blank | No (Contracting officer shall obtain traceability documentation and refer offer to product specialist prior to award.) | Yes | Product Specialist must follow DLA Logistics Operations Division Desk Book and local procedures to determine if ESA referral is required. | No |
| Unapproved manufacturing source offering "exact product" | Critical Application Item (CAI) | No (Contracting officer shall obtain traceability documentation and refer offer to product specialist prior to award.) | Yes | Yes | No |

| Type Of Offer | Criticality Of Item | Contracting Officer (CO) Can Award? | Requires Referral To Technical/ Quality? | Requires Approval From ESA? | Award Requires Approval One Level above CO? |
|---|---|---|---|---|---|
| Unapproved manufacturing source offering "exact product" | Critical Safety Item (CSI) | No (Contracting officer shall obtain traceability documentation and refer offer to product specialist prior to award.) | Yes | Yes | Yes |
| Any source offering "alternate product" | Noncritical or Critical Item Code (CIC) Blank | No | Yes | Product Specialist must follow DLA Logistics Operations Division Desk Book and local procedures to determine if ESA referral is required. | No |
| Any source offering "alternate product" | Critical Application Item (CAI) | No | Yes | Yes | No |
| Any source offering "alternate product" | Critical Safety Item (CSI) | No | Yes | Yes | Yes |

(S-92) The DLA Aviation technical oversight office (TOO) is authorized to maintain and disseminate all information regarding exemptions/waivers from CSI policies and clauses. Part 10 was deleted IAW PROCLTR 15-13.The TOO will maintain this information and provide electronic access on their website.

## SUBPART 9.3 – FIRST ARTICLE TESTING AND APPROVAL

*(Revised June 10, 2020 through PROCLTR 2020-09)*

**9.302 General.**

When placing a First Article Test (FAT) requirement in the Technical Data package (TDP), the activity imposing the requirement must provide justification for requiring a FAT in lieu of using less costly methods for ensuring the desired quality (e.g., DCMA inspections, Product Verification inspection, or Production Lot testing). Solicitations may be amended by the contracting officer to remove the requirement for FAT. The contracting officer is the final authority for imposing FAT and shall document the contract file when the requirement is removed or waived.

**9.304 Exceptions.**

FAT will not be applied for products identified to the following programs or assigned Acquisition Method Suffix Codes (AMSC):

(a) Reverse Engineering projects.

(b) Qualification with an AMSC Code T.

(c) Commercially available AMSC Code Z.

(d) Lack technical data AMSC Codes D, H, and P.

**9.306 Solicitation requirements.**

(S-90) The contracting officer shall include procurement note E08 in solicitations and awards when first article testing (FAT) applies. The contracting officer shall also include shipping and packaging instructions in awards. For manual solicitations, the contracting officer shall complete the fill-ins with information in the material master. For automated solicitations, the system prepopulates the information. If any information is unavailable, the contracting officer shall contact the product specialist. For awards, the contracting officer shall complete the fill-ins with information from the solicitation; or as otherwise negotiated with the offeror*****

E08 First Article Testing Requirements (MAY 2020)

(1) If there is not a separate contract line item number (CLIN) for FAT, the offeror shall include all costs and risk associated with completion of the FAT requirement in the production CLIN price.

(2) If there is a separate FAT CLIN, the offeror shall include all costs and risk associated with completion of the FAT requirement in the FAT CLIN price. The unit of issue for the FAT CLIN, EACH, is equal to one First Article Test (1EA=1FAT). To receive payment for any costs associated with FAT, the offeror shall propose costs associated with FAT on a separate CLIN. The offeror shall base the production CLIN price solely on all costs associated with completion of the production units and shall exclude all FAT-related costs.

(3) The contracting officer will use the total award price in selecting the best value offer from among all eligible offerors. However, for an offeror to be eligible for award, the contracting officer must determine that the FAT CLIN price (unless FAT is waived) and the production CLIN price are fair and reasonable; and, if set-aside under FAR Part 19, a fair market price. The offeror shall not propose a FAT CLIN price that is materially unbalanced in relation to the production CLIN price. In the event an offeror receives a waiver of the FAT requirement, the contracting officer will deduct the FAT CLIN price for the waived source in determining the total award price.

(4)(a) Notwithstanding the conditions for waiving first article, the contracting officer may order an additional first article sample, or portion thereof, in writing if there is a—

(i) Major change to the technical data;

(ii) Lapse in production for a period in excess of 90 days; or

(iii) Change in the place of performance (manufacturing facility), manufacturing process, material used, drawing, specification or source of supply.

(b) When conditions in paragraphs (4)(a)(i), (ii), or (iii) occur, the contractor shall notify the contracting officer; who will determine whether to order an additional first article sample or portion thereof and provide instructions concerning the submission, inspection, and notification of results. The contractor shall bear the costs of the additional first article testing resulting from any of the causes in paragraphs (4)(a)(i)-(iii) instituted by the contractor and not due to changes directed by the Government.

(5) Waivers. The offeror may submit a request for FAT waiver to the contracting officer, who may waive the FAT requirement when all of the following criteria apply:

(a) The offeror requesting waiver has manufactured and delivered the item or a similar item within the last three (3) years regardless of item criticality. The offeror shall provide the following information and be prepared to provide documentary evidence upon the contracting officer's request:

(i) Contract number(s), date(s), and issuing Government agency or agencies.

(ii) Description of item previously furnished, identified by part number, type, model number and/or other identifying information. If the item previously furnished is similar but not identical to the item being acquired under the current buy, the offeror shall explain why manufacture of the item previously furnished is sufficient to demonstrate its ability to manufacture the item being acquired under the current buy without need for a first article test.

(iii) Engineering control document/change number of item previously furnished.

(b) There have been no changes to manufacturing processes, tooling, or place of performance.

(c) There have been no changes to manufacturing data (e.g., drawing revisions that change materials, dimensions, processes, inspection or testing requirements; or subcontractors used to manufacture the items successfully in the past).

(d) The offeror shall supply an item of the same design and manufactured by the same method at the same facilities as the item or similar item previously furnished and accepted under subparagraph (5)(a).

(6) Contractor-Performed FAT.

(a) The contractor shall test the quantities as outlined in paragraph (a) of FAR clause 52.209-3 as specified in the contract. The contractor shall submit reports in accordance with paragraph (b) of FAR clause 52.209-3, as supplemented in this procurement note.

(b) For test report preparation and delivery of contractor FAT, the contractor shall—

(i) Use the data item description DI-NDTI-80809B report format.

(ii)] Mark the test report with the following: "First article test report – Contract number: [*insert contract number*] and lot/item number: [*insert lot/item number*].

(iii) Sign the FAT Report, accompanied by the system of record receiving report (i.e., WAWF or] DD Form 250) and contractor confirmation that the same process and facilities used to manufacture the first article units will be used to manufacture the production units, to the contracting officer at the applicable address shown below:

(A) For awards issued by DLA Aviation; or DLA Troop Support Clothing and Textile (C&T), Medical Materiel, or Subsistence, submit the report to the procuring activity in Block 6 of the DD Form 1155, Block 7 of Standard Form (SF) 33, Block 5 of SF 26, or Block 9 of SF 1449 award.

(B) For awards issued by DLA Land (SPE7L), submit the report to the following address: DLA Land – FLSEB, ATTN: FAT Monitor, P. O. Box 3990, Columbus, OH 43218-3990, or email to: Land.FAT.Monitor@dla.mil.

(C) For awards issued by DLA Maritime (SPE7M), submit the report to the following address: DLA Maritime – FMSE, ATTN: FAT Monitor, P. O. Box 3990, Columbus, OH 43218-3990, or email to: maritime.fat.monitor@dla.mil.

(D) For awards issued by DLA Troop Support Construction and Equipment (SPE8E), email the report to Construction and Equipment FAT Monitor at trpsptcandefatmonitor@dla.mil. If report file exceeds email limitations, submit to the following address: DLA Troop Support, Attention: First Article Testing Monitor, Building 3, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111.

(7) The contractor shall—

(a) Provide and maintain an inspection system acceptable to the Government in accordance with FAR Clause 52.246-2 or 52.246-3;

(b) Maintain and make available all records evidencing those details at the Government's request.

(c) At least fourteen (14) calendar days (or as otherwise specified in the contract) prior to shipment to the Government, provide written notice to the contracting officer and to the cognizant DCMA Functional Specialist when full administration or Quality Support administration is delegated to DCMA.

(8) Government-performed FAT. The contractor shall—

(a) For delivery of separately priced Government first article samples for Government performed FAT ship the units and system of record receiving report (i.e., WAWF or DD Form 250) to the test facility specified in paragraph (a) of FAR clause 52.209-4.

(b) For delivery of Government first article samples that are not separately priced, ship the units with a commercial shipping document to the test facility.

(c) Prepare the shipping container(s) by marking the external packages in bold letters, "First Article Exhibits – Do Not Post to Stock," adjacent to the MIL-STD-129 (latest revision) identification markings.

(d) Use a hard copy of the system of record receiving report (i.e., WAWF DD Form 250), or commercial shipping document as a packing list, in accordance with DFARS Appendix F.

(e) Mark the exterior of the shipping container in accordance with MIL-STD-129 (latest revision), paragraph 5.11.

(f) In the interior package, include hard copies of the contract, test reports, material certifications/process operation sheets, drawings used to manufacture the units, and a pre-paid return label or shipping account for payment.

(g) Send units by traceable means (e.g., certified or registered mail, United Parcel Service, Federal Express).

(h) Send an email with subject titled "Notification of Test Exhibits [*insert Government Lab DODAAC*]" to the corresponding address in (i) or (ii) below and to the contracting officer specified in the contract. In the email, provide the shipment date, contract/purchase order number, National Stock Number, means of transportation, tracking number, and summary of container contents. Attach a copy of the system of record receiving report (i.e., WAWF or DD Form 250) documenting the Government has performed the contract quality assurance within the system or record.

(i) DLA Land & Maritime – DSCCProdVerif@dla.mil

(ii) DLA Aviation – DSCR.Test&EvaluationOffice@dla.mil

(9) At its discretion, the Government may return FAT units to the contractor at no cost to the Government. The contractor shall submit the return address and pre-paid return label or shipping account for payment.

(10) If the Government disapproves or conditionally approves Government-performed FAT units, the Government will take action in accordance with FAR 52.209-4.

*****

(S-91) For all contract line items for FAT in awards, the contracting officer shall designate inspection at source and acceptance at destination. The contracting officer shall ensure the solicitation International Commerce Terminology Terms (Incoterms) match the production line item Incoterms, or DIBBS will not post the solicitation. Prior to award, the contracting officer shall confirm that FAT still applies; and if it does, change the FAT line items Incoterm to "F" in EBS, for inspection at source, acceptance at destination, FOB destination.

(S-92) The contracting officer shall include procurement note E09, Contractor First Article Test (FAT) Information, in solicitations and awards when contractor FAT applies; and procurement note E10, Government First Article Test (FAT) Information, in solicitations and awards when Government FAT applies.

(1) For manual solicitations, the contracting officer shall complete the FAT delivery schedule fill-ins with information in the material master.

(2) For automated solicitations, the system prepopulates the FAT delivery schedule information. If any information is unavailable, the contracting officer shall contact the product specialist.

(3) For awards, the contracting officer shall complete the fill-ins with information in the solicitation; or as otherwise negotiated with the offeror.

(4) Number of days for delivery of the final production quantity after approval of FAT report or FAT items is not applicable and not included in the calculated Total Delivery Days for FAT in procurement note E09 or E10 when—

(i) Production Lot Testing (PLT) applies (see section 46.291); and

(ii) Procurement note E03, Production Lot Testing – Contractor, or E04, Production Lot Testing – Government, is included in the solicitation and award.

(5) The contracting officer shall leave line (2)(c) blank in procurement note E09 or E10 in the solicitation and award when—

(i) PLT applies (see section 46.291), and

(ii) Procurement note E03 or E04 is included in the solicitation and award.

*****

E09 Contractor First Article Test (FAT) Information (JUL 2022)

(1) For FAT requirements, the Government will conduct inspection at source and acceptance at destination. The FOB point is destination. Due to known systems limitations, solicitations may contain erroneous inspection, acceptance, and FOB points. This procurement note takes precedence over any conflicting terms.

(2) CONTRACTOR FAT DELIVERY SCHEDULE

(a) _____ Days: To Deliver FAT Report to the Government

(b) _____ Days: Government FAT Report Evaluation and Notification to Contractor

(c) _____ Days: To Deliver Final Production Quantity After Approval of FAT Report. If PLT applies, this line will be blank; the number of delivery days for final production quantity will appear in procurement note E03, Production Lot Testing – Contractor, or E04, Production Lot Testing – Government, as applicable

(d) _____Total Delivery Days for FAT (Sum of Paragraphs (2)(a) through (2)(c))

*****

*****

E10 Government First Article Test (FAT) Information (JUL 2022)

(1) For FAT requirements, the Government will conduct inspection at source and acceptance at destination. The FOB point is destination. Due to known systems limitations, solicitations may contain erroneous inspection, acceptance, and FOB points. This procurement note takes precedence over any conflicting terms.

(2) GOVERNMENT FAT DELIVERY SCHEDULE

(a) ___ Days: To Deliver FAT Units to the Government

(b) ___ Days: Government FAT Evaluation and Notification to Contractor

(c) ___ Days: To Deliver Final Production Quantity After Approval of FAT. If PLT applies, this line will be blank; the number of delivery days for final production quantity will appear in procurement note E03, Production Lot Testing – Contractor, or E04, Production Lot Testing – Government, as applicable]

(d) ___ Total Delivery Days for FAT (Sum of Paragraphs (2)(a) through (2)(c))

*****

(S-93) RESERVED.

(S-94) RESERVED.

*****

(S-95) The contracting officer shall—

(1) Determine the exhibit disposition by reviewing the material master (under the Material Data Tab in EProcurement).

(2) Include procurement note E01 in solicitations and awards if the requirement indicates that the contractor shall hold the units.

*****

E01 Supplemental First Article Exhibit Disposition – Contractor Maintained (MAY 2020)

The Government will return approved first article units to the contractor. The contractor shall hold the approved first article units at the production facility until it has produced and the Government has accepted all production quantities. In the case of indefinite delivery contracts, the contractor shall hold the first article units until the Government has approved the final production run and accepted the first delivery order. The units shall serve as a production guide or manufacturing standard if the Government receives reports of defects on delivered material or problems encountered during production. When disposing of the first article units, the contractor shall follow DFARS 252.245-7004(d).

*****

(3) Include procurement note E02 in solicitations and awards if the requirement indicates that the Government will hold the units.

*****

E02 Supplemental First Article Exhibit Disposition – Government Maintained (MAY 2020)

The Government will hold the first article units, either destroyed in testing or maintained as a manufacturing standard. The contractor shall produce/deliver the full quantity indicated on the contract order. The first article units will not be part of the production quantity.

*****

(S-96) FAT Testing Costs – Price Evaluation factors. The contracting officer shall include procurement note M04 if the Government's laboratory cost will be a factor in evaluating offers. For manual acquisitions, the contracting officer shall complete the fill-ins with information in the material master (Classification section > Product Assurance tab). For automated solicitations, the system pre-populates the information.

*****

M04 Evaluation Factor for Government Testing of First Articles (MAY 2020)

The cost to the Government for first article testing is a factor in evaluating offers. The contracting officer will add the Government's testing cost to the offered price of the applicable item. Unless cited elsewhere in the solicitation, the testing cost is:

| Item | Government testing cost |
|---|---|
| | $ |
| | $ |

*****

(S-97) The contracting officer shall include H07 in solicitations and awards if the requirement includes first article testing, and the contracting officer anticipates a split award to more than one source of supply to facilitate supply availability. The contracting officer shall not use this procedure if establishing requirements contracts or multiple award task or delivery order indefinite quantity contracts, or if partial small business set-asides apply.
*****
H07 Supply Assurance through Multisource Contracting (SEP 2017)
(1) *"Proven source"* means a source that has successfully met first article testing (FAT) requirements in the past and has been identified by the Government as currently meeting the criteria for FAT waiver.
(2) The Government may make multiple awards to assure the availability of supplies when FAT is required. When the contracting officer determines it is in the Government's best interest to increase the likelihood of timely supply availability, the contracting officer may make awards to both an unproven and a proven source of supply for this item. If there are no sources currently waived for the FAT requirement, the contracting officer may make awards to more than one unproven source of supply.
(3) If multiple awards will be made pursuant to (2) above, the source that represents the best value to the Government based on the evaluation criteria in the solicitation shall receive not less than 60% of the total requirement.
(4) Unless an offeror otherwise qualifies its offer, unit prices submitted for the total requirement will apply to any partial awards.
(5) If multiple awards are made pursuant to (2) above and one of the awardees is an unproven source that fails to successfully complete FAT requirements, the Government may increase the quantity of supplies called for in the schedule of this contract to the second awardee, if it is a proven source or is a previously unproven source that has successfully completed the FAT requirements for this contract, at the unit prices specified by the second awardee, up to and including 100% of the quantity awarded to the unproven source that was subject to the failed FAT. This option is separate and distinct from any other option terms and conditions included in this contract.
*****
(S-98) The contracting officer shall include procurement note L22 in solicitations when the acquisition is restricted to material manufactured by the sources listed on the source control drawing, as indicated by AMSC B. (Refer to DFARS PGI 217.7506 2-201.2.)
*****
L22 Restriction of Alternate Offers for Source Controlled Items (SEP 2017)
(1) The manufacturers listed on the source control drawing applicable to the item in the procurement item description (PID) are the only approved sources. The item can be acquired from other suppliers, with adequate supply chain traceability documentation to demonstrate the item was produced by one of the approved manufacturers.
(2) DLA will not evaluate alternate offers for this item. Offerors who are interested in qualifying their product for purposes of future acquisitions must contact the design control activity specified on the source control drawing.
(3) Award of this solicitation will not be held pending qualification and approval of any product. If an offeror’s product was recently approved but has not been added to the list of approved

sources specified on the source control drawing, the offeror must submit a copy of the design control activity's letter of approval with its offer.
*****

**9.308 Contract clauses.**

**9.308-1 Testing performed by the contractor.**
(a)(1) For manual acquisitions, the contracting officer shall obtain information in the material master (Classification section > Product Assurance tab). For automated solicitations, the system pre-populates the information.

**9.308-2 Testing performed by the Government.**
(a)(1) For manual acquisitions, the contracting officer shall obtain information in the material master under FAT guidance. For automated solicitations, the system pre-populates the information.

## SUBPART 9.4 – DEBARMENT, SUSPENSION, AND INELIGIBILITY

*(Revised August 7, 2019 through PROCLTR 2019-16)*

**9.404 System for Award Management Exclusions.** The records required by FAR 9.404(b) are maintained by the Special Assistant for Contracting Integrity (SACI).

**9.405 Effect of listing.**
(a) In order to take one of the contract actions identified in FAR 9.405(a), 9.405-1(b), 9.405-2, 9.406(c), or 9.407-1(d), the procuring organization CCO shall forward a written request, including supporting rationale, following legal review by the procuring organization's Office of Counsel and approval to proceed by the HCA, to the Office of General Counsel via the procuring organization's Office of Counsel. The Office of General Counsel, following legal review, shall forward the request to the DLA Acquisition Operations Division, which will route it to the DLA Acquisition Director for coordination and then staff the action to the Agency Director for approval. Following approval, the DLA Acquisition Operations Division shall provide the written notice to GSA as required by DFARS 209.405(a) and provide notice to the procuring organization. The procuring organization shall not take action until it receives notice that the Agency Director has approved the determination.
(S-90) Upon notification, the DLA Acquisition Operations Division shall review current or past contractual relationships with the contractor or its affiliates, in coordination with General Counsel and contracting officers. The DLA Acquisition Operations Division shall coordinate with the contracting officers if there is a basis for recovery of damages from, or other claims against, the contractor. If there may be a basis for claims against the contractor, information stating the factual basis shall be forwarded to General Counsel. The information shall include a plan to recover damages in the event the contractor does not voluntarily provide restitution to the Government.
(S-91) To preclude contractors that are debarred, suspended, or proposed for debarment from receiving awards, the DCRL monitors shall be immediately notified to ensure the information is added to the System for Award Management (SAM) Exclusions and the DCRL.

**9.405-1 Continuation of current contracts.**
(S-90) Authorization for novation of a contract or change of name agreement held by a contractor debarred or suspended by any Federal executive agency or proposed for debarment by any DoD component shall be coordinated with the SACI through Office of Counsel prior to such authorization.

**9.406 Debarment.**

**9.406-3 Procedures.**
(a) Office of Counsel shall submit the report based upon an indictment, judgment or criminal information to the General Counsel within 2 weeks of the date of notification and include a copy of the indictment (signed, with docket number and date), judgment, conviction order, or other supporting documentation.
(S-90)(a) Office of Counsel shall notify contracting personnel of proposed debarment or suspension. The contracting officer will review the proposed debarment or suspension report and any other supporting data when the contractor is in line for an award. Coordination with the Office of Counsel for proposed award, option, subcontractor agreement or novation is required prior to action.

**9.406-90 Procedures for debarments based on poor performance.**
(a) Policy. Where poor performance is to be relied upon as a basis for debarment, the responsibility for ensuring that action is taken to initiate debarment proceedings lies primarily with the contracting officer.
(b) Referral. In accordance with the procedures contained in subparagraph (c) below, the contracting officer will refer to Office of Counsel those instances of contractor nonperformance that are so serious as to justify consideration of possible debarment action.
(c) Decision-making process.

(1) Before referring a contractor to the Office of Counsel for possible preparation of a debarment report, the contracting officer must be able to document the poor performance which will form the basis for a debarment recommendation. The contracting officer must also be able to demonstrate why debarment is appropriate under the circumstances, including any mitigating information known to the contracting officer. Referrals to the Office of Counsel should include all current information necessary to support the business decision that is to be recommended to the SACI. The contracting officer should be prepared to update the information provided once the debarment process is underway and to participate with Office of Counsel in presenting the case to the SACI.

(2) When recommending a contractor to Office of Counsel for consideration of a possible debarment recommendation on the basis of poor performance, provide:

(i) A clear identification of the contractor, including divisions, subsidiaries, and affiliates, and contractor employees, officers, and directors, specifically identifying the contractor personnel who have participated in the Government contracting process.

(ii) A detailed account of the contractor's current active contracts, recent, relevant performance history, and history of performance problems prompting the referral. While this detailed accounting of contracting performance will necessarily focus on contracts awarded by DLA, performance on other Government contracts must also be addressed. In this connection,

the assigned contract administration office should be asked to provide information, as well as comments, on the action being considered.

(iii) The reasons identified for the contractor's poor performance and the action taken by the Government to protect its business interests.

(iv) A discussion of whether a debarment action directed toward a specific division, organizational element, or commodity would adequately protect the Government's interests.

(v) A discussion of the period of debarment to be recommended to the SACI, supported by rationale that addresses the likelihood that the contractor will be able to take corrective actions necessary to successfully perform in the future.

(vi) When a report recommending debarment is forwarded to General Counsel, provide notice of this action to contracting personnel at the recommending procuring organization assigned to commodities for which solicitations are likely to result in offers from the contractor identified in the report and to other procuring organizations.

## SUBPART 9.6 – CONTRACTOR TEAM ARRANGEMENTS

*(Revised August 16, 2019 through PROCLTR 2022-09)*

9.603 Policy. 9.603

(S-90) The contracting officer shall include procurement notes L34 Contractor Team Arrangements – Solicitation and Award and L35 Contractor Team Arrangements – Task and Delivery Orders in solicitations and awards, as applicable, when the use of Contractor Team Arrangements is contemplated (see section 4.190 and FAR subpart 9.6).

# PART 11 – DESCRIBING AGENCY NEEDS

*(Revised June 12, 2020 through PROCLTR 2020-13)*

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## SUBPART 11.1 – SELECTING AND DEVELOPING REQUIREMENTS DOCUMENTS

*(Revised September 9, 2016 through PROCLTR 2016-09)*

### 11.103 Market acceptance.

(a) The contracting officer may require the demonstration in coordination with the product specialist, Office of Counsel, procuring organization COMPAD and other supply or technical experts as required.

## SUBPART 11.2 – USING AND MAINTAINING REQUIREMENTS DOCUMENTS

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**11.201 Identification and availability of specifications.**
(a) The product data specialist shall attach applicable GSA Index of Federal Specifications, Standards, and Commercial Item Descriptions to the Document Management System in EBS. The product data specialist shall attach the EBS document to the Material Master. ASSIST is linked to the Document Management System in EBS. The product specialist shall attach the EBS document to the Material Master. The procurement item description (PID) in the solicitation automatically references the technical documents.
(b) The product data specialist shall attach other non-index documents to the Document Management System in EBS. The product data specialist shall attach the EBS document to the Material Master.
(c) DLR sites shall follow the processes and systems, including references to ASSIST, at the military Services sites.

**11.274 Item identification and valuation requirements.**

**11.274-2 Policy for unique item identification.**
(b)(2) Submit the D&F to the DLA Acquisition Operations Division.

## SUBPART 11.3 – ACCEPTABLE MATERIAL

*(Revised December 16, 2016 through PROCLTR 2017-03)*

**11.302 Policy.**
(b) Acceptable material includes unused former Government surplus property unless restricted by the ESA. Offers for used, reconditioned, or remanufactured supplies must be coordinated with the product specialist. When the product specialist coordinates with the ESA, the ESA evaluation cost shall be included as an evaluation factor.

**11.390 Unused former Government surplus property.**
(a) Solicitations shall include procurement note C04 unless there is a documented restriction for unused former Government surplus property material. The procurement note is automatically included in automated solicitations.
*****
C04 Unused Former Government Surplus Property (SEP 2021)
To be considered for award, the offeror must complete and submit the following representation with their offer. Additional supporting documentation to demonstrate the surplus material offered was previously owned by the Government and meets solicitation requirements must be provided within 24 hours of request by the contracting officer.
(1) The material is new, unused, and not of such age or so deteriorated as to impair its usefulness or safety. Yes **[__]** No **[__]**
The material conforms to the technical requirements cited in the solicitation (e.g., Commercial and Government Entity (CAGE) Code and part number, specification, etc.). Yes [__] No [__]
The material conforms to the revision letter/number, if any is cited. Yes [__] No [__] Unknown [__]
If No, the revision does not affect form, fit, function, or interface. Yes [__] No [__] Unknown [__]
The material was manufactured by:
(Name): _____

(Address): _____
(2) The offeror currently possesses the material Yes [__] No [__]
If yes, the offeror purchased the material from a Government selling agency or other source**.**
Yes [__] No [__] If yes, complete the following:
Government Selling Agency: _____
Contract Number: _____
Contract Date: (Month, Year): _____
Other Source: _____
Address: _____
Date Acquired: (Month/Year) _____
(3) The material has been altered or modified. Yes [__] No [__]
If Yes, complete the following:
Name of the company that performed the alternation or modification:

_____
Address: _____
Complete description of the alterations or modifications:

_____

_____
(4) The material has been reconditioned. Yes [__] No [__]
If Yes, complete the following:
(i) The price offered includes the cost of reconditioning /refurbishment. Yes [__] No [__]
(ii) Name of the company that reconditioned the material.

_____
(iii) Description of any work done or to be done, including the components to be replaced and the applicable rebuild standard.

_____

_____
The material contains cure-dated components. Yes [__] No [__]
If Yes, complete the following:
(i) The price includes replacement of cure-dated components. Yes [__] No [__]
(ii) Cure date: _____
(5) The material has data plates attached. Yes [__] No [__]
If Yes, insert all information contained on the data plate.

_____

_____
(6) The offered material is in its original package. Yes [__] No [__]
If yes, complete the following:
Contract Number _____
NSN_____
CAGE Code_____
Part Number _____
Other Markings/Data_____
(7) The offeror has supplied this same material (National Stock Number) to the Government before.
Yes [__] No [__]

If Yes, complete the following:
(i) The material being offered is from the same original Government contract number as that provided previously. Yes [__] No [__]
(ii) State below the Government Agency and contract number under which the material was previously provided:
Agency _____
Contract Number_____
(8) The material is manufactured in accordance with a specification or drawing. Yes [__] No [__]
If Yes, complete the following:
(i) The specification/drawing is in the possession of the offeror. Yes [__] No [__]
(ii) The offeror has stated the applicable information below. Yes [__] No [__]
Specification/Drawing Number _____
Revision (if any) _____
Date_____
(9) The material has been inspected for correct part number and for absence of corrosion or any obvious defects. Yes [__] No [__]
If Yes, complete the following:
(i) Material has been re-preserved. Yes [__] No [__]
(ii) Material has been repackaged. Yes [__] No [__]
(iii) Percentage of material that has been inspected is ____%; and/or
(iv) Number of items inspected is _____
(v) A written report was prepared. Yes [__] No [__]
The offeror agrees that in the event of award and notwithstanding the provisions of the solicitation, inspection and acceptance of the surplus material will be performed at source or destination subject to all applicable provisions for source or destination inspection.
The offeror will forward one of the following, within 24 hours of request by the contracting officer, to demonstrate that the material being offered was previously owned by the Government (offeror check which one applies):
___ For national or local sales, conducted by sealed bid, spot bid or auction methods, a solicitation/Invitation For Bid and corresponding DLA Disposition Services Form 1427, Notice of Award, Statement and Release Document.
___ For DLA Disposition Services Commercial Venture (CV) Sales, the shipment receipt/delivery pass document and invoices/receipts used by the original purchaser to resell the material.
___ When the above documents are not available, or if they do not identify the specific NSN being acquired, a copy or facsimile of all original package markings and data, including NSN, commercial and Government entity (CAGE) code and part number, and original contract number. (This information has already been provided in paragraph (6) of this procurement note Yes [__] No [__])
___ When none of the above are available, other information to demonstrate that the offered material was previously owned by the Government. Describe:
_____
This procurement note only applies to offers of Government surplus material. Offers of commercial surplus, manufacturer's overruns, residual inventory resulting from terminated Government contracts, and any other material that meets the technical requirements in the

solicitation but was not previously owned by the Government will be evaluated in accordance with the DLAD procurement note L04, Offers for Part Numbered Items.
If requested by the contracting officer, the offeror shall furnish sample units, in the number specified, to the contracting officer or to another location specified by the contracting officer, within 10 days after the contracting officer's request. The samples will be furnished at no cost to the Government. All such samples not destroyed in evaluation will be returned at the offeror's expense. The samples will be evaluated for form, fit, and function with subassembly, assembly, or equipment with which the items are to be used. End items furnished under any contract award to the offeror furnishing the samples can include the returned samples, and all acceptable end items will have a configuration identical to the samples. If specific tests of the samples' performance are made by the Government, the offeror will be furnished the results of such tests prior to a contract being entered into. In addition to any other inspection examinations and tests required by the contract, the performance of the end items will be required to be as good as that of the samples submitted.
In the event of award, the contractor will be responsible for providing material that is in full compliance with all requirements in the contract or order. The surplus material to be furnished must meet the requirements of the current contract or order, whether or not the material met Government requirements in existence at the time the material was initially manufactured or sold to the Government. If higher-level contract quality requirements apply to the material being acquired, those requirements do not apply to surplus material furnished under this contract.
*****
(b)(1) All offers for unused former Government surplus property will be evaluated and a $200 evaluation factor shall be applied. Solicitations shall include procurement note M05 unless there is a documented restriction for unused former Government surplus property. The procurement note is automatically included in automated solicitations.
*****
M05 Evaluation Factor for Unused Former Government Surplus Property (SEP 2016)
(1) All offers for unused former Government surplus property shall have a $200 evaluation factor.
(2) All offers for CSI require evaluation by the ESA(s). An evaluation factor of $600 shall be applied for coordination with each ESA.
(3) If the contracting officer cannot determine acceptability and coordinates with the ESA(s) on other than CSI, an evaluation factor of $600 shall be applied for each ESA.
*****

(2) The contracting officer shall evaluate offers for unused former Government surplus property. If additional information is required to make a determination of acceptability, the contracting officer shall allow the offeror 24 hours to submit the additional documentation. If the offeror fails to respond in a 24-hour period, the offer will be deemed unacceptable and evaluation will proceed to the next in line offer, unless it is the only offer. If the contracting officer requires technical assistance or the item is a CSI, they shall send a pre-award referral to the product specialist.

**11.391 Part numbered items.**
(a) Offers for part numbered items may be other than exactly stated in the PID due to a variety of reasons such as administrative changes, engineering changes, reverse engineering, obsolescence

or manufacturing enhancements. Contracting officers shall coordinate with product specialists for the review of an offer other than exact product. The product specialist will update the Material Master in accordance with any change to part number. Solicitations and contracts shall include procurement note C01 when procuring part-numbered items.
*****
C01 Superseded Part Numbered Items (SEP 2016)
If an item part number is superseded during the term of this contract, the contractor shall advise the contracting officer immediately upon determination. The notice shall include complete information on the superseding item form, fit, function, configuration, application, or physical nature. The contracting officer will determine whether the item is acceptable to the Government, advise the contractor within seven days, and modify the contract accordingly.
*****
(b) Solicitations shall include procurement notes L04 and M06 when items are identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.
*****
L04 Offers for Part Numbered Items (SEP 2016)
(a) For part numbered items, identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.
Exact product ─applies to contract line-item(s) (CLIN(s)): _____
CAGE code _____ part number _____
Alternate product – applies to CLIN(s):
CAGE code _____ part number _____
Superseding part number – applies to CLIN(s):
CAGE code _____ part number _____
Identify reason for superseding part number:
Administrative P/N change only: Yes____ No____
Minor change/No change in configuration: Yes____ No____
Previously-approved product – applies to CLIN(s): _____
Contract or Solicitation Number: _____
CAGE code _____ part number _____
Correction to CAGE/Part Number – applies to CLIN(s) _____
CAGE code in error/same corporation, different division Yes ___ No___
CAGE code in error/sold to different corporation Yes ___ No___
Part number not recognized Yes ___ No___
Obsolete part number Yes ___ No___
Other Yes ___ No___
(b) Exact product means a product described by the name of an approved source and its corresponding part number cited in the item description; and manufactured by, or under the direction of, that approved source. An offeror of an exact product must meet one of the descriptions below.
(1) An approved source offering its part number cited in the item description;
(2) A dealer/distributor offering the product of an approved source and part number cited in the item description;

(3) A manufacturer who produces the offered item under the direction of an approved source; and has authorization from that approved source to manufacture the item, identify it as that approved source's name and part number, and sell the item directly to the Government.

(4) A dealer/distributor offering the product of a manufacturer that meets the description in subparagraph (3) above.

(c) Alternate product.

(1) The offeror must indicate that an alternate product is being offered if the offeror is any one of the following:

(i) An offeror who manufactures the item for an approved source cited in the item description, but does not have authorization from the approved source to identify it as the approved source part number, and sell the item directly to the Government;

(ii) A dealer/distributor offering the product of a manufacturer that meets the description in (i) above;

(iii) An offeror of a reverse-engineered product that is not cited in the item description; or

(iv) An offeror whose product does not meet the criteria of exact product, superseding product or previously approved product.

(2) An offer of an alternate product is an alternate offer.

(d) The offeror must indicate that a superseding part number is being offered if the offered item otherwise qualifies as an exact product, except that the part number cited in the item description has been superseded due to an administrative part number change with no change in configuration of the item.

(e) The offeror must indicate that a previously-approved product is being offered if the product offered has previously been delivered to the Government or otherwise previously evaluated and approved.

(f) Correction to CAGE/Part Number Cited in the Item Description

Submitted by offeror to notify the Government if there is a CAGE code error: same corporation/different division; sold to different corporation; part number not recognized; obsolete part number; other.

(g) Traceability documentation.

(1) The contracting officer may request evidence of the technical acceptability of the product offered. The evidence must be submitted within 2 days, or as otherwise specified, or the offer will not be considered.

(2) For offers of exact product, offerors other than the approved manufacturing source must retain evidence and provide the traceability evidence of the identity of the item and its manufacturing source when requested by the contracting officer.

(i) If offered item(s) are not in stock or not yet manufactured a copy of an original quotation from the approved source to the offeror identifying exact item cited in item description and a quantity sufficient to satisfy the solicitation requirement.

(ii) If offered item(s) are shipped or in stock, a copy of invoice on approved source's letterhead; or a copy of packing slip which accompanied shipment from approved source to offeror. The invoices and packing slips must identify exact item cited in item description and a quantity sufficient to satisfy the solicitation requirement.

(iii) If the offeror is an authorized dealer/distributor, or manufactures the item for an approved source, a copy of the contractual agreement with, or the express written authority of, the approved source to buy, stock, repackage, sell, or distribute the part. The agreement must

specifically identify the exact item, or otherwise ensure that the offeror is authorized by the approved source to manufacture or distribute the exact item being acquired. If the agreement covers a general product line or is otherwise not product-specific, the offeror must furnish additional documentation to address the exact item being acquired.

(iv) Other verifiable information.

(3) For superseding part number, the offeror may be requested to furnish evidence to establish that there are no changes in the configuration of the part.

(4) For previously approved products, upon request of the contracting officer, the offeror must furnish the contract, solicitation, source approval request (SAR) package, or letter of approval under which the product was previously furnished or approved.

(h) Alternate offer data.

(1) The contracting officer may request drawings, specifications, or other data necessary to clearly describe the characteristics and features of an alternate offer. Data submitted shall cover design, materials, performance, function, interchangeability, inspection or testing criteria, and other characteristics of the offered product. The contracting officer may also request drawings and other data covering the design, materials, etc., of the exact product cited in the item description if the Agency does not possess data sufficient to evaluate the alternate product. The data must be submitted within 10 days, or as otherwise specified, or the offer will not be considered.

(2) If the alternate product is a reverse-engineered product, the offeror shall provide: technical documentation to establish that the offered item represents the exact item specified in the item description (i.e., invoice from an approved source or submission of samples having markings of an approved source); number of samples that were examined; the process/logic used; raw data (measurements, lab reports, test results) used to prepare drawings or specifications for the offered item; any additional evidence that indicates the reverse-engineered item will function properly in the end item; and any evidence that life cycle/reliability considerations have been analyzed.

(j) Evaluation of Alternate Offers.

If the solicitation does not provide for evaluation of alternate offers for the current procurement, the offeror may submit a request for evaluation of the alternate product's technical acceptability for future procurements of the same item. The request for evaluation shall cite the national stock number (NSN) of the exact product and include the applicable level of technical data. The level of technical data that the Government has available for use to evaluate the acceptability of an alternate product offered, and the corresponding level of technical data that must be furnished with an offer of alternate product, will be identified in the item description and/or via correspondence with the appropriate location below.

(1) For solicitation numbers beginning with SPE7:

DLA Land and Maritime
Directorate of Procurement
Alternate Offer Monitor, BPP
Post Office (P.O.) Box 3990
Columbus, Ohio 43218-3990

(2) For solicitation numbers beginning with SPE4:

DLA Aviation
Office of the Competition Advocate
Attention: BPC

8000 Jefferson Davis Highway
Richmond, Virginia 23297-5100

(3) For solicitation numbers beginning with SPE1, SPE2, SPE3, SPE5, or SPE8:
DLA Troop Support
Attention: (see note below)
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5096

Note: The address (attention line) will change based on the 4th digit of the PIIN as follows:
SPE1 = Clothing and Textile (C&T)
SPE2 = Medical
SPE3 = Subsistence
SPE5 = Industrial Hardware (formerly Aviation or L&M detachments)
SPE8 = Construction and Equipment (C&E)

(4) For solicitation numbers beginning with SPRRA1 and SPRRA2:
Defense Logistics Agency – DLA Aviation
Office of the Competition Advocate
Building 5201
Redstone Arsenal, Alabama 35898

(5) For solicitation numbers beginning with SPRPA1:
DLA Philadelphia
Competition Advocate Office
700 Robbins Avenue Building 1
Philadelphia, Pennsylvania 19111-5098

(6) For Tank-Automotive and Armaments Command (TACOM) Depot Level Repairable (DLR) - DLA Land and Maritime solicitations beginning with SPRDL1:
Defense Logistics Agency
DLR Procurement Operations - ZG
6501 East Eleven Mile Road
Warren, Michigan 48397-5000

(7) For Communications-Electronics Command (CECOM) DLR-DLA Land and Maritime solicitations beginning with SPRBL1:
Defense Logistics Agency
DLR Procurement Operations - ZL
6001 Combat Dr., Rm. C1-301
Aberdeen Proving Ground, MD 21005-1846

*****

M06 Evaluation of Offers of Alternate Product for Part Numbered Items (SEP 2016)
Offers of alternate product will not be evaluated for the contract action if:
(1) The solicitation is automated;
(2) It does not meet the dollar threshold for savings, after an evaluation factor of $600 is applied for coordination with each ESA; or
(3) When the time proposed for award does not permit evaluation, and delay of award would adversely affect the Government.

*****

**11.392 Traceability documentation.**

It is critically important for contracting officers to be able to confirm a documentation trail from the supplier to the approved manufacturer. Contractors are required to make available and retain traceability documentation (see 4.703). Contracting officers shall request unredacted traceability documentation when there are potential indicators of risk such as:

Preaward traceability:

(i) The supplier has no past DLA history;

(ii) The price offered is lower than price of approved source or its authorized distributor;

(iii) The price offered is out of line with other quotes or past pricing history;

(iv) The price offered for new product is lower than price offered for surplus material;

(v) The manufacturer's Contractor and Government Entity (CAGE) code identified in offer differs from CAGE code of approved manufacturing source in solicitation;

(vi) The offeror/contractor is reluctant or unable to provide traceability documentation;

(vii) The offeror's/contractor's phone number, address, email, or other vital information is missing, invalid, or suspicious;

(viii) The contractor invoices without delivering the supplies;

(ix) Contractor is on the DCRL for traceability concerns.

Examples of acceptable preaward traceability documentation are found at the Counterfeit Detection and Avoidance Program (CDAP) website (http://www.dla.mil/LandandMaritime/Business/Selling/Counterfeit-Detection-Avoidance-Program/).

Postaward traceability.

(i) If preaward traceability was required or when other circumstances are warranted;

(ii) Independent distributors and brokers that do not keep inventory and procure the offered product after contract award. The postaward documentation demonstrates the complete line of ownership before the product is shipped.

(iii) Protest is received questioning awardee's ability or intention to supply exact product. The contracting officer shall immediately request traceability documentation.

(iv) The contractor requests a modification changing the part number or other information related to its exact product representation.

(v) The contractor is on the DCRL for traceability concerns.

If the awardee does not have full traceability information, the contracting officer shall contact the product specialist to recommend that product verification testing be invoked using procurement note E05 (see 46.292).

The contracting officer determines the acceptability of traceability documentation and may request additional documentation necessary to support acceptability. When reviewing traceability documentation, special attention should be given to:

(i) The letterhead is correct and/or unaltered;

(ii) Signatures are legible and provided by authorized personnel;

(iii) There is no evidence of alteration, such as cutting and pasting/white out/scanning;

(iv) There are no missing documents;

(v) Dates are current;

(vi) Phone numbers are accurate;

(vii) Font styles are consistent;
(viii) There are no handwritten annotations on a typed document;
(ix) Line items reflect correct part numbers and quantities;
(x) Documents do not appear to have been reproduced repeatedly;
(xi) Documents do not have shaded areas, which may indicate information was covered up and the document recopied;
(xii) Correct division of manufacturing source is cited; or
(xiii) There are no disclaimers in the document (e.g., stating parts cannot be traced to the actual manufacturer or to any specific revision of the part, etc.).

If the offeror fails to provide sufficient information preaward within the time frame requested, the contracting officer shall consider the offer technically unacceptable and proceed to the next acceptable offer.

If the contractor fails to provide sufficient information postaward within the time frame requested, the award may be cancelled. If it is not in the Government's best interest to cancel the award, the contracting officer may contact the product specialist to recommend that product verification testing be invoked using procurement note E05 (see 46.292).

The contracting officer shall reject redacted traceability documentation and notify the offeror or contractor. In all cases, any traceability documentation provided by offerors or contractors shall be treated as proprietary information and stamped accordingly.

## SUBPART 11.4 – DELIVERY OR PERFORMANCE SCHEDULES

*(Revised September 9, 2016 through PROCLTR 2016-09)*

### 11.401 General.

(a) Requirements are provided on the purchase request in EBS.

(b) Small purchase auto evaluation exclusions and rejections shall consider delivery in evaluation of quotes.

### 11.402-90 Time definite delivery (TDD) standards.

Customer direct requirements on planned direct vendor delivery (DVD) contracts shall meet the TDD standards. Contract delivery time frames shall align to one of the following supplier responsibility points.

**TIME DEFINITE DELIVERY (TDD) STANDARDS**

| Supplier Responsibility Point | Number of Days |
|---|---|
| Offer of Materiel to DCMA or Transporter - CAT 1 | 1 day |
| Offer of Materiel to DCMA or Transporter - CAT 2 | 2 days |
| Offer of Materiel to DCMA or Transporter - CAT 3 | 3 days |
| Transporter carrier drop-off (at CONUS location) - CAT 1 | 4 days |
| Transporter carrier drop-off (at CONUS location) - CAT 2 | 7 days |
| Transporter carrier drop-off (at CONUS location) - CAT 3 | 11 days |

Compliance with TDD standards shall be reviewed prior to option invocation and a waiver obtained prior to contract option invocation if supplier cannot meet the standards or cost to meet the standard is excessive.
Commercial industry standards exceeding TDD standards or excessive cost for TDD standards shall be discussed with and approved by customers and Planning. When the supplier's capability exceeds the standards, the contracting officer will coordinate with the requirements personnel and negotiate delivery standards to meet the needs of DLA customers at the best value to the government. A waiver to TDD standards is not required for the exceptions in 11.402-91.
A business decision must be documented by an economic analysis, business case analysis, or vendor stock retention model analysis.

**11.402-91 TDD standards exclusions.**
(a) Non-stocked (acquisition advice code (AAC) "J").
(b) Part numbered items or supplies with no NSN.
(c) Commercially available items. A maximum of three additional days may be added to the standards to support using commercially available delivery terms.
(d) Customer demand that exceeds the estimated annual quantity of the contract by 125%.
(e) Kitting items when the supplier must create a customized kit.

## SUBPART 11.5 – LIQUIDATED DAMAGES

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**11.501 Policy.**
(d) Request shall be submitted to DLA Acquisition Operations Division.

## SUBPART 11.6 – PRIORITIES AND ALLOCATIONS

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**11.603 Procedures.**
Defense Priorities and Allocation System (DPAS).pdf (dla.mil)contains the specific DLA procedures.

## SUBPART 11.7 – VARIATION IN QUANTITY

*(Revised September 9, 2016 through PROCLTR 2016-09)*

**11.701 Supply contracts.**
b) Variation in quantity shall be based on commodity, stock or non-stock, unit of issue, and advice code.

## SUBPART 11.90 – PRODUCT PHASE-OUT

*(Revised December 16, 2016 through PROCLTR 2017-03)*

**11.9001 Notification of product phase-out.**
(a) All solicitations and contracts shall include procurement note C02.
*****
C02 Manufacturing Phase-Out or Discontinuation of Production, Diminishing Sources, and Obsolete Materials or Components (DEC 2016)
The contractor shall notify the contracting officer immediately upon determining the unavailability of obsolete materials or components. The contractor may recommend a solution to

include the impact on the contract price and delivery. The contractor shall not initiate any item redesign or incur any additional costs without the express, written authorization of the contracting officer.
In the event that manufacturing phase-out or discontinuance of production of such items is contemplated, the contractor is required to notify the contracting officer and publish the discontinuance in the Government-Industry Data Exchange Program (GIDEP), where feasible; and to provide immediate advance notice of production phase-out to DLA DMSMS at dscc.dmsms@dla.mil.
*****

## SUBPART 11.91 – ADDITIVE MANUFACTURING

*(Revised August 10, 2018 through PROCLTR 2018-14)*

### 11.9101 Procurement note.

Contracting officers shall insert procurement note L31 in all solicitations and contracts for parts and supplies, except for DCSO, DLA Energy, DLA Troop Support – Subsistence, and DLA Troop Support C&T.
*****
L31 Additive Manufacturing (JUN 2018)
(1) Additive manufacturing (AM) is a process of joining materials to make objects from three-dimensional (3D) model data, usually layer upon layer, as opposed to subtractive manufacturing methodologies, which remove material from areas where it is not desired, or other traditional manufacturing technologies, such as molding or stamping.
(2) Unless AM is specifically authorized in the solicitation/contract, offers may not include parts or supplies made using the additive manufacturing process. The Government will not evaluate offers that include an item or items produced using AM, and such quotes/offers are not eligible for award for the current procurement. A quoter/offeror proposing to supply an AM-produced item may submit a request to the contracting officer for approval of the item for evaluation by the Engineering Support Activity (ESA) for acceptability for future procurements of the same items.
(3) If an item produced using AM is presented to the Government for inspection and acceptance that was not authorized in the solicitation/contract, the Government may reject the item as nonconforming.
*****

## SUBPART 11.92 – FEDERAL AVIATION ADMINISTRATION (FAA) CERTIFIED PARTS

*(Revised June 12, 2020 through PROCLTR 2020-13)*

### 11.9201 Acquisition of FAA certified parts for consumable items.

(a) When special procedure code "46" applies to a consumable item, contracting officers shall acquire only FAA certified parts.
(b) Contracting officers shall—
(1) For manufacturers, check the Enterprise Business System Approved Manufacturer's Parts List to confirm a manufacturer is FAA-approved, and document the contract file prior to award.

(2)(i) For dealers/distributors, check the FAA AC 00 56 List (https://www.aviationsuppliers.org/FAA-AC-00-56B) on the Aviation Suppliers Association (ASA) website (https://www.aviationsuppliers.org/) for the "Voluntary Industrial Distributor Accreditation Program Database" to confirm a dealer/distributor is FAA-approved. If so, contracting officers shall print a screenshot as evidence the offeror is eligible for award; or,
(ii) For dealers/distributors not currently FAA-approved, contracting officers shall require submission of traceability documentation meeting the requirements in procurement note L32, paragraph (2)(b). Contracting officers shall ensure dealers/distributors provide documentation for the organizations listed in procurement note L32, paragraph (2)(b)(ii) to demonstrate they have a satisfactory quality system.
(c) Contracting officers shall include procurement note L32 in all solicitations for items that require FAA certification.
*****
L32 Federal Aviation Administration (FAA) Certified Parts (JUN 2020)
(1) This item must be produced by an FAA-approved manufacturer. Material shall be new, unused, and not previously owned by the Government. To be considered for award, the offeror shall submit with its offer sufficient documentation, referencing the solicitation number in the title, to demonstrate it has one or more of the following FAA approvals/designations:
(a) Manufacturers: Production Certificate Holder; Part Manufacturer Approval; Technical Standard Order Approval; and/or Direct Ship Authority.
(b) Dealers/distributors: FAA Advisory Circular (AC) 00-56B accreditation; or FAA AC 00-56A accreditation until their accreditation expires, is superseded upon renewal, or is cancelled or removed by the accreditation organization.
(2) Dealers/distributors asserting compliance with FAA AC 00-56A or FAA AC 00-56B must—
(a) Be listed on the Voluntary Industrial Distributor Accreditation Program Database at Aviation Supplier Association (ASA) (http://www.aviationsuppliers.org/FAA-AC00-56), which the ASA maintains for the FAA; or
(b) Provide with their offer traceability and system quality documentation, referencing the solicitation number in the title, that demonstrates the following:
(i) Unbroken chain of traceability, by lot and batch number or by serial number, from the original FAA-approved manufacturer through all entities that either purchased, received, stored, and/or redistributed the item(s); and
(ii) Quality system, for distributors of civil aeronautical parts, accredited by one or more of the following organizations:

| Quality System Standards Organization | Acceptable Quality System Standard (Current Revision Required) | Title | Accreditation Organization |
|---|---|---|---|
| Aviation Suppliers Association (ASA) | ASA-100 | Quality System Standard | List maintained by Aviation Suppliers Association (ASA) (https://www.aviationsuppliers.org/default.aspx) |
| Transonic Aviation Consultants | TAC-2000 | Aeronautical Parts Distributor Quality Assurance Standard | List maintained by Transonic Aviation Consultants (http://transonicaviation.com/) |

| Quality System Standards Organization | Acceptable Quality System Standard (Current Revision Required) | Title | Accreditation Organization |
|---|---|---|---|
| | | | |
| International Organization for Standardization (ISO) | ISO-9001 | Quality Management Systems Requirements | Certification bodies accredited by International Accreditation Forum (IAF) accreditation body signatories (https://www.iaf.nu/) |
| International Aerospace Quality Group (IAQG) | AS9100, AS9110 AS9120 (EN9100 EN9110, and EN9120) | Quality Management Systems | List of organizations (certification bodies) is maintained on IAQG Aerospace Supplier Information System (OASIS) Database Website (https://www.iaqg.org/oasis/login) |

*****

(d) Contracting officers shall insert procurement note H13 in solicitations and awards for consumable items that require production by an FAA-approved manufacturer.

*****

H13 Federal Aviation Administration (FAA) Certified Parts – Shipment Documentation Requirements (JUN 2020)

(1) The contractor shall furnish acceptable documentation with each shipment demonstrating appropriate certification of the item. Acceptable documentation is one of the following:

(a) FAA Form 8130-3, Airworthiness Approval Tag;

(b) Certificate of Conformance with information equivalent to information on FAA Form 8130-3, and compliant with the Contract Deliverables Requirements List;

(c) European Aviation Safety Agency (EASA) Form 1, Authorized Release Certificate; or

(d) Transport Canada Civil Aviation (TCCA) Form One, Authorized Release Certificate Form One.

(2) The contractor shall provide with each shipment documentation that includes a statement confirming all items in the shipment are new, unused, and meet contract requirements.

(3) For each quantity unit pack (QUP) equal to each unit of issue, the contractor shall provide a copy of the documentation described in paragraph (1) of this procurement note. The contractor shall package the documentation with the material prior to shipment. If the material is manufactured in different lots, the contractor shall provide the documentation for each lot.

(4) The contractor shall indicate on the marking/labels that the appropriate documentation applies and is included inside the package. The contractor shall place marking/labels on the outside of the packaging.

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**11.9202 Acquisition of FAA certified parts for depot level repairable (DLR) items.**

(a) The contracting officer shall acquire FAA certified parts for DLR items based on the requiring activity's requirements and acceptable sources, as stated in documentation that accompanies the purchase request and in the following:

(1) Air Force Materiel Command (AFMC) Form 761, Acquisition Method Code (AMC)/ Acquisition Method Suffix Code (AMSC) Screening Analysis Worksheet (SAW); and the current version of the Purchase Request Process System generated Oracle Report entitled "AMC/AMSC SAW Report." They contain the basic item description and information; screening and/or evaluation remarks; AMC/AMSC codes; testing, inspection, and acceptance requirements; and miscellaneous spares information. The requirement for FAA certification is stated in the "Remarks" Subsection of the "Screening/Evaluation/Remarks" Section.

(2) AFMC Form 807, Recommended Quality Assurance Provisions and Special Inspection: Requirements, which contains special inspection requirements and/or instructions for the procurement of FAA certified parts.

(b) Offerors not listed on the AFMC forms must provide a Source Approval Request (SAR) to the contracting officer to be considered for future awards. The contracting officer shall submit the SAR to the product specialist. The product specialist will facilitate the processing of the SAR with the requiring activity.

(c) Government surplus material is not acceptable for FAA certified parts. The contractor shall furnish only new, unused material.

(d) Contracting officers shall include procurement note C22 in all solicitations and awards when procuring FAA certified parts for DLR items.

*****

C22 Federal Aviation Administration (FAA) Certified Parts – Depot Level Repairable (DLR) Items (DEC 2018)

Offerors not identified by the requiring activity as an acceptable source are ineligible for award. To be considered for future awards, ineligible offerors must submit to the contracting officer a Source Approval Request, which must be approved by the requiring activity.

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# PART 12 – ACQUISITION OF COMMERCIAL ITEMS

# PART 12 – ACQUISITION OF COMMERCIAL SERVICES

*(Revised January 11, 2023 through PROCLTR 2023-04)*

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## SUBPART 12.1 – ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES – GENERAL

*(Revised January 12, 2023 through PROCLTR 2023-04)*

### 12.102 Applicability.

(a)(S-90) Part 12 is mandatory for the acquisition of commercial products and commercial services, except for the exemptions at FAR 12.102(e). Part 12 cannot be used when—

(1) For EBS users, the material master indicates the item is not commercial.

(2) For EBS users, the material master does not indicate whether the item is commercial, but the item is clearly Government-unique.

(3) The acquisition is conducted using an automated procurement system that does not include FAR Part 12 terms and conditions.

(4) An order is issued against a pre-existing non-Part 12 contract.

(5) The following conditions apply:

(i) The material master does not indicate whether the item is commercial;

(ii) It is unclear whether the item is a type that is used by non-Government customers;

(iii) The acquisition is valued under the SAT; and

(iv) It is not cost-effective to conduct market research (reference FAR 10.001(a)(2)(iii)).

(S-91)Contracting officers shall use the Market Research for Commerciality Determination Memorandum (MRCDM) format at 53.9012(a) for acquisitions above the SAT to document the market research the procuring organization conducted to determine whether the product or service is or is not commercial. Contracting Officers may use a format substantially the same as that cited at 53.9012(a) for any CIDs made on acquisitions at or below the SAT. All CIDs must be uploaded to the DoD database in the PIEE per DFARS PGI 212.102(a)(iii)(C). Each procuring organization may add supplemental information only by appending it at the end of the MRCDM format, in order to foster uniform presentation across the Agency.
(S-92) The contracting officer – not the offeror or contractor – has the individual authority and responsibility to determine if a or product service meets the commercial definition in FAR 2.101.

(1) The contracting officer must ensure adequate market research was conducted and supporting documentation obtained to support a positive commercial determination.

(i) Inclusion of a product or service in a catalog or on a GSA schedule is insufficient rationale by itself to support a positive commercial item determination.
(ii) To support a representation that an item meets paragraph (3)(i) of the commercial product definition, the offeror or contractor is responsible for demonstrating a modification is of a type customarily available in the commercial marketplace. Modifications to meet Government-specific requirements are not "customarily available in the commercial marketplace."(iii) The offeror or contractor is responsible for providing documentation or information supporting a representation that a modification is minor and meets paragraph (3)(ii) of the commercial product definition. This paragraph of the definition is intended to address minor modifications such as Government-unique paint color, special packaging, and minor changes in length, diameter, or headstyle of fasteners.

(2) The contracting officer must provide the commerciality determination to the product specialist, who will update the material master. This excludes items not managed by DLA (e.g. items acquired by DLR activities). A statement on the PR trailer will alert the contracting officer that a commercial determination has been made.

(3) Contracts that utilize FAR Part 12 proceducres must require that items added to catalogs after award are subject to a determination of commerciality.
(S-93) For AbilityOne acquisitions (reference FAR Subpart 8.7), use of Part 12 is discretionary.
(S-94) When the Government application for an item is different than the commercial application, the contracting officer must minimize risk to the Government by retaining Government-specific requirements (such as quality assurance, configuration control, preservation, packing, packaging, or marking), unless changes have been coordinated with the product specialist and any other appropriate personnel.
(S-95) The contracting officer must be able to demonstrate that the determination is reasonable, and the determination must be documented consistent with the size and complexity of the acquisition.
(S-96) The contracting officer makes the final determination of commerciality but is required to request and consider the advice of appropriate specialists (see FAR 1.602-2(c)). DCMA personnel can also provide assistance in obtaining information to help support the contracting officer's determination. If a requirement includes NSNs managed by another buying activity, the contracting officer must request and consider the advice of technical specialists at the managing activity. If technical advice from the managing activity is inconsistent with technical advice from the buying activity, the contracting officer must determine the reasons for the discrepancy and

document how it was resolved. The contracting officer may make a determination of commerciality on the basis of that recommendation, unless there is some reason to question it. (S-97) To determine that an item is commercial pursuant to the definition, the contracting officer shall obtain appropriate documentation as necessary, such as commercial product literature, technical opinion as to the effect of a modification, etc. The following guidance may be used when applicable with regard to the noted subsections of each definition

(i) Subsection (2) of commercial product definition. For products that upgrade frequently, through product updates, model changes, and product improvements (for example, new versions of software), buying activities could demonstrate that the product will be available in time to satisfy the Government requirement by, for example, obtaining an announcement documenting when the new product will be available to the public.

(ii) Subsections (1) and (3) of commercial product definition. When making a determination that a product is commercial pursuant to the definition, risk to the Government is lowest if the contracting officer can obtain sufficient technical documentation to demonstrate direct traceability from the modified item. If that is not possible, the contracting officer may attempt to demonstrate commerciality by documenting that the offeror or contractor manufactures the Government-unique product on an integrated production line, with little differentiation between the commercial and Governmentproducts. Alternatively, the contracting officer may attempt to demonstrate commerciality by documenting that the Government-unique product and comparable commercial product have similar characteristics and are made with similar manufacturing processes.

(A) To support a representation that a product is commercial pursuant to the definition, the offeror or contractor must demonstrate that a modification is of a type customarily available in the commercial marketplace. A modification can be a "major" modification. If an offeror or contractor claims their product meets the definition, the contracting officer must conduct appropriate market research to confirm this. Modifications made for the purpose of meeting Federal Government requirements (i.e., Government-unique modifications) are not, by definition, "customarily available in the commercial marketplace."

(B) The offeror or contractor must demonstrate that a modification is a minor modification made for the Government. If an offeror or contractor claims a modification is minor, the contracting officer must ensure an engineering analysis is conducted and/or technical judgment is exercised to confirm this claim. This portion of the definition is intended to address modifications such as Government-unique paint color; special packaging; ruggedization; and minor changes in length, diameter, or headstyle of fasteners. In making a determination whether a modification is minor, the contracting officer should consider the technical complexity of the change and the degree of risk associated with it. Risk can be gauged by the extent to which a change affects the contractor's operation and the price impact of the change. If the price of a modified product is significantly more than the price of the commercial product, this may indicate that the modification involves a substantial amount of risk and may not be minor.

(iii) Subsections (1) and (2) of commercial service definition. Services acquired by the Government do not have to be identical to those provided to commercial customers, if there are sufficient common characteristics between the commercial services and those required by the agency/activity. The established market price does not have to be published or written so long as it can be ascertained and documented as required by the definition. It is a current price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain

and that can be substantiated by data from sources independent of the offeror. A price is based on a catalog or market price if the service being purchased is sufficiently similar to the catalog-priced or market-priced commercial service to ensure that any difference in prices can be identified and justified without using cost analysis.

(iv) Subsection (6) of commercial product definition. An item does not have to be developed at private expense to be commercial; except that nondevelopmental items must have been developed exclusively at private expense to be considered commercial. Even if the Government paid for development of a product, or if a product has a military origin, a commercial market can subsequently develop for that item. The issue of who paid for development should factor into the contract negotiations but is not part of the commercial item determination.

(S-98) *Potential indicators of commerciality*. The following guidance addresses some conditions that contracting officers may consider as indicators that a product or service is potentially commercial. In most cases, contracting officers will need to conduct additional market research to determine commerciality when these conditions exist.

(i) Commercial sales history.

(ii) Notices or brochures announcing new products or services.

(iii) Listing in catalogs or brochures.

(iv) *Distributors.* The existence of distributors may indicate a product or service is commercial. However, the contracting officer must determine the nature of the relationship between the manufacturer and the distributor, since some manufacturers use a distributor to handle Government sales. However, this does not necessarily mean the items or services are commercial.

(v) *Components of commercial end items.* If an end product has been determined to be commercial, many of the components of that end item are likely to be commercial. However, every component of a commercial end item cannot be presumed to be a commercial item. One way for the contracting officer to determine if all the components of a commercial end item can reasonably be considered commercial is to determine the basis for the commerciality determination of the end item. If an end item is a commercially available off-the-shelf (COTS) item, the contracting officer could reasonably make a determination that all the components of that end item are commercial. Generally, however, information on the end item alone will be insufficient to determine commerciality of the components, and information will be needed on the components themselves. This information could include sales and technical data.

(vi) *Prior agency or department determinations.* If the contracting officer cannot locate a prior determination in the DoD Commercial Item Database, other evidence may be utilized to document that FAR part 12 procedures were previously used to acquire the same product or service. Examples of other evidence may include a prior CID memorandum (e.g. MRCDM), a prior FAR part 12 contract, or a current PR trailer that contains a statement or code as support for a prior CID. Any prior contract that relied on DFARS 212.102(a)(i)(B) as the basis for utilizing FAR part 12 procedures cannot serve as a prior CID. The preference is to accept a prior CID , unless the contracting officer questions a prior determination to use FAR part 12 procedures per DFARS 212.102(a)(ii)(B)(2).

(vii) *Contractor/subcontractor determinations.* Only the Government has the authority to determine if a product or service meets the commercial definition at FAR 2.101. Contracting officers should consider contractor or subcontractor determinations as potential

indicators of commerciality and must conduct market research to an appropriate extent to determine if such a prior commerciality designation can be applied to a current buy.

(viii) *Predominantly commercial facilities.* When contracting officers have evidence that an item is produced in a facility that is predominantly engaged in producing similar items for the commercial market, this should be considered a potential indicator of commerciality. Contracting officers must conduct market research to an appropriate extent to determine if sufficient documentation can be obtained on which to base a commerciality determination. It cannot be presumed that all items in a predominantly commercial facility are commercial, because some facilities produce both commercial and Government-unique items that are manufactured independently. However, products manufactured on integrated production lines with little differentiation between the commercial and Government products can generally be considered commercial.

(S-99) If a prospective contractor offers any item other than the exact item cited in the item description, the alternate item must be evaluated for technical acceptability. Quoters or offerors must comply with the requirement in FAR 52.212-1 to provide a technical description of the items being offered in sufficient detail to evaluate compliance with solicitation requirements.

(S-100) The contracting officer may negotiate the Part 12 terms and conditions into the purchase order or contract when the conditions described below apply. (This is not a solicitation amendment, because all parties receiving the synopsis notice and/or the solicitation had the same opportunity to identify and offer an alternate item, including a commercial product.)

(i) The solicitation was not issued in accordance with Part 12, because the agency had not identified any commercial product that could meet the Government's need (see FAR 10.002(d)(2)); and

(ii) A product offered that is determined by the agency to meet the definition of a commercial product at FAR 2.101 and to be technically acceptable in time for award under the instant acquisition.

(f)(1) The HCA is delegated the authority to make the determination that items will be used to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. This determination should be placed in the contract file.

## SUBPART 12.2 – SPECIAL REQUIREMENTS FOR THE ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

*(Revised December 27, 2016 through PROCLTR 2017-08)*

### 12.208 Contract quality assurance.

Quality assurance practices, such as in-process, in-plant inspection for critical application or complex items, are considered consistent with customary commercial practice when market research indicates they are at least sometimes used in the industry for items that are the same as or similar to the ones being acquired**.** When Government inspection and testing before tender for acceptance are determined necessary and cannot be considered consistent with customary commercial practices, the contracting officer must request a waiver (reference FAR and DLAD 12.302(c)). When the Government needs to inspect before tender or deviate in any other way from FAR 52.212-4(a) with regard to quality assurance, tailor the solicitation/contract by attaching an addendum (reference FAR 12.302(d)). If the tailoring invokes contract terms and conditions that are consistent with customary commercial practice, a waiver is not required (reference FAR 12.302(c)); although an addendum is necessary to change the terms of the

solicitation/contract. If FAR 52.212-4 is incorporated in the solicitation or contract reference with no addendum, the Government has only the rights explicitly stated in FAR 52.212-4(a).

## SUBPART 12.3 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES FOR THE ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

*(Revised May 17, 2018 through PROCLTR 2018-07)*

**12.301 Solicitation provisions and contract clauses for acquisition(s) of commercial products and commercial services .**

(e) *Discretionary use of FAR provisions and clauses*. Pursuant to FAR 12.301 and 12.302, contracting officers must use their authority to tailor the standard FAR Part 12 terms and conditions as necessary to meet the Government's needs. (See 12.208 concerning how to tailor FAR 52.212-4(a), Inspection/ Acceptance.) Subject to the procedures in FAR and DLAD 12.302, the contracting officer may include other DLAD provisions, clauses and procurement notes; and if necessary, make accompanying changes to the provision FAR 52.212-1 and clause FAR 52.212-4.

(f) The DLA SPE has approved supplementation of the provisions and clauses in FAR Part 12 to require use of the following provisions, clauses, and procurement notes, when applicable:

(S-90) Reserved.

(S-91) Procurement notes C01, Superseded Part Numbered Items, as prescribed in 11.391(a); L04, Offers for Part Numbered Items, as prescribed in 11.391(b); and M06, Evaluation of Offers of Alternate Product for Part Numbered Items, as prescribed in 11.391(b).

(S-92) Provisions and clauses below, as prescribed in FAR 16.203-4(a), 16.506(a)-(f), and 17.208(c):

(i) FAR 52.216-2, Economic Price Adjustment – Standard Supplies;
(ii) FAR 52.216-18, Ordering;
(iii) FAR 52.216-19, Order Limitations;
(iv) FAR 52.216-20, Definite Quantity;
(v) FAR 52.216-21, Requirements;
(vi) FAR 52.216-22, Indefinite Quantity;
(vii) FAR 52.216-27, Single or Multiple Awards; and
(viii) FAR 52.217-5, Evaluation of Options.

(S-93) Provision FAR 52.215-20, Requirements for Certified Cost or Pricing Data and Data Other Than Cost or Pricing Data, as prescribed in FAR 15.408(l); and clause 52.215-21, Requirements for Certified Cost or Pricing Data and Data Other Than Cost or Pricing Data – Modifications, as prescribed in FAR 15.408(m).

(S-94) Procurement note C02, Manufacturing Phase Out or Discontinuation of Production, Diminishing Sources, and Obsolete Materials or Components, as prescribed in 11.9001(a).

(S-95) Procurement note C03, Contractor Retention of Supply Chain Traceability Documentation, as prescribed in 4.703(a).

(S-96) Provision DFARS 252.209-7002, Disclosure of Ownership or Control by a Foreign Government, as prescribed in DFARS 209.104-70.

(S-97) Procurement note H04, Sourcing for Critical Safety Items as prescribed in 9.270-3(a).

(S-98) Procurement note E05, Product Verification Testing, as prescribed in 46.292.

(S-99) Procurement note E06, Inspection and Acceptance at Source, as prescribed in 46.402.

(S-100) Clause FAR 52.211-5, Material Requirements, as prescribed in FAR 11.304; procurement note C04, Unused Former Government Surplus Property, as prescribed in 11.390(a); and procurement note M05, Evaluation Factor for Unused Former Government Surplus Property, as prescribed in 11.390(b)(1).

(S-101) Procurement notes H01, Qualified Products List (QPL) for Federal Supply Class (FSC) 5935 Connector Assemblies and Contacts, as prescribed in 9.202(a)(2)(i); H02, Component Qualified Products List (QPL)/Qualified Manufacturers List (QML), as prescribed in 9.202(a)(2)(v); M01, Qualified Suppliers for Federal Supply Class (FSC) 5961 Semiconductors and Hardware Devices and FSC 5962 Electronic Microcircuits, as prescribed in 9.202(a)(2)(ii); and M03, Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) for Troop Support, as prescribed in 9.202(a)(2)(iv).

(S-102) Procurement notes L01, Electronic Award Transmission; and L02, Electronic Order Transmission, as prescribed in 4.502(b).

(S-103) Procurement note C05, Changes to Key Personnel, as prescribed in 37.103(S-90).

(S-104) Reserved.

(S-105) Clause FAR 52.232-17, Interest, as prescribed in FAR 32.611.

(S-106) Clause FAR 52.242-13, Bankruptcy, as prescribed in FAR 42.903.

(S-107) Clause FAR 52.242-15, Stop Work Order, as prescribed in FAR 42.1305(b)(1).

(S-108) Provision 52.233-9001, Disputes – Agreement to Use Alternative Dispute Resolution (ADR), as prescribed in 33.214; and procurement note L06, Agency Protests, as prescribed in 33.103(d)(4).

(S-109) Procurement note L07, Site Visit Instructions, as prescribed in 37.110(a).

(S-110) Procurement notes E01, Supplemental First Article Exhibit Disposition – Contractor Maintained, and E02, Supplemental First Article Exhibit Disposition – Government Maintained, as prescribed in 9.306(h); procurement note E08, First Article Testing Requirements H03, Supplemental First Article Testing Requirements, as prescribed in 9.306(S-90); and procurement note M04, Evaluation Factor for Government Testing of First Articles, as prescribed in 9.306(i).

(S-112) Procurement notes L09, Reverse Auction, as prescribed in 15.407-90(c); and L10, Competing Individual Delivery Orders Through Reverse Auctions, as prescribed in 15.407-90(d).

(S-113) Clauses FAR 52.246-11, Higher-Level Contract Quality Requirement, as prescribed in 46.311; and 52.246-2, Inspection of Supplies – Fixed Price, as prescribed in 46.302.

(S-114) Procurement notes E03, Production Lot Testing – Contractor, as prescribed in 46.291(a); and E04, Production Lot Testing – Government, as prescribed in 46.291(b).

**12.302 Tailoring of provisions and clauses for the acquisition of commercial products and commercial services.**

(a) Terms and conditions that can reasonably be presumed to have application in both Government and commercial markets (e.g., shipping instructions for extreme climates) may be included in solicitations and contracts for commercial product and commercial services without conducting additional market research.

(b) *Tailoring 52.212-4, Contract Terms and Conditions – Commercial Products and Commeical Services.*

(3) When fast payment procedures are authorized (see Subpart 13.3), contracting officers may tailor the paragraph at FAR 52.212-4 (i), Payment, as necessary, to reflect fast payment

procedure, which are authorized when specified conditions are met pursuant to the Prompt Payment Act and OMB Circular A-125.
(c) *Tailoring inconsistent with customary commercial practice.* Approval authority for waivers under FAR 12.302(c) is delegated to one level above the contracting officer.
(S-90) Contracting officers may delete from solicitations and contracts the portions of the provision at FAR 52.212-3 and the clause at FAR 52.212-5 that do not apply and replace them with applicable language, if any.
(S-91) Contracting officers must use their authority to tailor the standard FAR Part 12 terms and conditions as necessary to meet the Government's needs (see 12.301(e)).

## SUBPART 12.4 – UNIQUE REQUIREMENTS REGARDING TERMS AND CONDITIONS FOR COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

*(Revised December 27, 2016 through PROCLTR 2017-08)*

### 12.403 Termination.

(c) *Termination for cause.* The FAPIIS point of contact shall report contract terminations via email to the DLA Procurement Process and Systems Division FAPIIS POC within three (3) business days after the termination is reported to FAPIIS. The email shall be sent to FAPIISInbox@dla.mil and include the contract number, date and type of termination, any change, and date data was reported to FAPIIS.

## SUBPART 12.5 – APPLICABILITY OF CERTAIN LAWS TO THE ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

*(Revised December 27, 2016 through PROCLTR 2017-08)*

### 12.504 Applicability of certain laws to subcontracts for the acquisition of commercial products and commercial services .

(S-90) For the purposes of flowdown requirements pursuant to Part 12, treat Distribution and Pricing Agreements (DAPA) as subcontracts (reference FAR 52.212-5(e) and 52.244-6(c)).

# PART 13 – SIMPLIFIED ACQUISITION PROCEDURES

*(Revised January 11, 2022 through PROCLTR 2021-16)*

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**13.003 Policy.**

(e)(1) All items are candidates for automated solicitation, except that acquisitions for services, for non-NSN items, and for requirements bought using delivery orders against indefinite-delivery contracts are excluded. The criteria for exclusion of items for automated evaluation or award are included in the functional specifications and managed through automated procurement system internal controls. The Procurement Process Owner is the approval authority for system changes to the automated procurement exclusion capabilities. The HCA is the approval authority for exclusions for individual purchase requests or materials from automated solicitation, evaluation, or award for each supply chain. Individual purchase request or material exclusions will be recorded with a reason for exclusion and reported monthly to DLA Acquisition Programs by each procuring organization. The HCA must provide the determination to the DLA Acquisition Procurement Process and Systems Division Chief for entry into the automated system.

(S-90) See 18.270 for thresholds associated with emergency acquisition flexibilities.

## SUBPART 13.1 – PROCEDURES

*(Revised June 9, 2021 through PROCLTR 2021-11)*

**13.106 Soliciting competition, evaluation of quotations or offers, award and documentation.**

**13.106-3 Award and documentation.**

(a) *Basis for award*.

(1)(S-90) Contracting officers shall use the PRC codes in 15.406-3(a)(11). Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall document the PRC in the Simplified Acquisition Award Documentation (SAAD) format at 53.9013(a). Contracting officers at DLA Distribution, DLA Disposition Services, DLA Contracting Services Office, DLA Strategic Materials, and DLA Energy shall document the PRC in the Alternate SAAD format at 53.9013(c).

(S-91) When evaluating the price of an item with a single manufacturing/approved source the contracting officer may determine the price is competitive for awards not exceeding the SAT when—

(A) There are offers from at least two distributors for the approved source; and

(B) The approved source did not submit an offer; except see 13.106-3(a)(1)(S-92)(c) and

(C) The contracting officer determines—

*(1)* The offered prices are independent (see 13.106-3(a)(1)(S-92); and

*(2)* The otherwise successful offeror's price is not unreasonable (see FAR 15.403-1(c)(1)(i)(C)). To determine whether dealer competition may be adequate to establish the fair and reasonable price objective, the contracting officer shall compare the proposed prices received in response to the solicitation. In addition, except for first time acquisitions, the contracting officer shall document in the contract file any difference between the current low evaluated price and the prior price paid. The contracting officer shall determine the difference between the current low evaluated price and the prior price paid after adjusting the prior price paid in accordance with FAR 15.404-1(b)(2)(ii). If the current low evaluated price is significantly higher than the prior price paid, the contracting officer shall utilize another price evaluation technique at FAR 13.106-3 or FAR 15.404-1 to establish the fair and reasonable price objective.

(S-92) Contracting officers shall consider the OEM strategy for selling or distributing products when determining whether prices are independent.

(A) The following OEM strategies indicate the pricing is not independent:

(*1*) Selling direct to all customers when the OEM competes directly with a dealer or distributor;

(*2*) Selling through its own financially-affiliated network of dealers or distributors; or

(*3*) Entering an exclusive dealer or distributor relationship.

(B) If the sole source manufacturer sells to multiple independent dealers or distributors that are not financially affiliated, this may indicate pricing is independent.

(C) If a sole source manufacturer offers current production material, and at least one non-manufacturer offers the same product as government surplus material, this may establish the independence necessary to produce adequate price competition given the sole source manufacturer can no longer control prices for government surplus material.

(S-93) The contracting officer shall use "B" in the second position of the PRC (see 15.406-3(a)(11)) for awards not exceeding the SAT when all evaluated competitive offers are from a single manufacturing/approved source, and the contracting officer based the determination of price reasonableness on independent price competition.

(b) File documentation and retention. Contracting officers shall document the basis for award for all simplified acquisitions. Contracting officers at DLA Aviation, DLA Land and Maritime, and

DLA Troop Support shall use the SAAD format at 53.9013(a). Contracting officers at DLA Distribution, DLA Disposition Services, DLA Contracting Services Office, DLA Strategic Materials, and DLA Energy shall use the Alternate SAAD format at 53.9013(c). The basis for award includes the best value trade-off determination required when awarding to other than the lowest price/highest SPRS rating (or to other than the lowest price/highest scored when using FAR 13.5 or when other evaluation factors apply); and the price reasonableness determination. Each procuring organization may add standardized supplemental information only by appending it at the end of the SAAD or the Alternate SAAD format, in order to foster uniform presentation across the Agency. Contracting officers shall also confirm the prospective awardee is not debarred, suspended, or proposed for suspension/debarment. Contracting officers shall retain the SAAD or the Alternate SAAD in the contract file.

## SUBPART 13.2 – ACTIONS AT OR BELOW THE MICRO-PURCHASE THRESHOLD

*(Revised August 14, 2019 through PROCLTR 2019-18)*

**13.201 General.**

(g)(1) For other than purchase card acquisitions, the DLA Acquisition Director has delegated this authority to the contracting officer (see 18.270). For purchase card acquisitions, the determination authority is the HCA.

## SUBPART 13.3 – SIMPLIFIED ACQUISITION METHODS

*(Revised January 13, 2022 through PROCLTR 2021-15)*

**13.301 Governmentwide commercial purchase card.**

(a) The DLA Director delegated Level 4 agency/organization program coordinator appointment authority to the HCAs. HCAs may delegate this authority no lower than the CCO.

(b) Governmentwide commercial purchase cardholders shall follow DLAM 5025.07, Government Purchase Card (GPC) Program (https://issuances.dla.mil/Published_Issuances/Government%20Purchase%20Card%20(GPC).pdf )

(c) The requirement to purchase AbilityOne items for all products on the AbilityOne procurement list may not be waived but can be satisfied by ordering from On-Base AbilityOne stores, AbilityOne.com, AbilityOne participating nonprofit agencies, or DoD FedMall.

(d) The requirement to use DoD FedMall may be waived when the use of DoD FedMall will not meet the delivery requirements or will result in unreasonable or excessive cost to the requiring activity.

(e) Use the following order of precedence to satisfy AbilityOne purchase requirements:

(1) On-Base AbilityOne stores, AbilityOne.com, or AbilityOne participating nonprofit agencies.

(2) DoD FedMall.

(3) Commercial sources.

**13.303 Blanket purchase agreements (BPAs).**

**13.303-2 Establishment of BPAs.**

(c)(3)(S-90) BPAs with federal supply schedule (FSS) contractors for non-FSS items shall state the BPA excludes all items on FSSs.

**13.303-3 Preparation of BPAs.**
(a)(1) HCAs shall establish the maximum aggregate amount, if any, of all calls to be issued against one BPA.

**13.390 Simplified indefinite-delivery contracts (SIDCs).**

(a)(1) *Application*. SIDCs use simplified acquisition procedures to acquire an indefinite quantity of supplies or services for the total period of performance of the SIDC in amounts not to exceed the SAT; or, for SIDCs using FAR subpart 13.5, the thresholds in FAR 13.500(a). There are two types of SIDCs, bilateral and unilateral. Procurement notes H05 and H06 establish when award occurs for each type. Following award, contracting officers may issue task orders for services or delivery orders for supplies against the SIDC, as applicable. SIDCs are useful when DLA makes repetitive low dollar value purchases for the same item or service, the price is expected to be stable, and the expected yearly or other long–term demands are not sufficient to establish an indefinite-delivery contract using FAR part 15 procedures.

(2) *Guaranteed minimum (GM) purchase requirements and obligations*.

(i) Contracting officers shall establish a GM quantity or GM dollar value of supplies or services for the SIDC and record an obligation in the amount of the GM at the time of award of the SIDC. Contracting officers shall follow the job aids referenced at 16.504(a)(1)(S-90)(A).

(ii) Failures to include a GM quantity or GM dollar value and/or record an obligation in the amount of the guaranteed minimum purchase requirement when awarding an SIDC are reflected in warrant proficiency scores and require creation of a contracting officer corrective action plan (see 16.504(a)(1)(S-90)(B) and Monthly Review and Reporting Requirements at mandatory PGI 16.504(a)(1)(S-90)(B)).

(iii) See 17.207(S-90) regarding GMs for option periods**.**

(iv) Contracting officers shall only issue a task or delivery order at the time of award of the basic SIDC if there is a requirement at that time.

(b) Contracting officers shall coordinate expected duration and frequency with the materiel planner for supplies or the originator of the requirement for services before deciding to use an SIDC.

(c) Contracting officers shall establish only one SIDC per item; except that contracting officers may award multiple SIDCs for the same item if each SIDC limits the awardee's performance to a separate and distinct region or physical location.

(d) If during contract performance, the contracting officer does not expect demand during the remaining performance period to fulfill the GM, see 16.504(a)(1)(S-90)(D).

(e) Contracting officers may award unilateral or bilateral SIDCs, depending on the risk associated with the item and contractor.

(f) Contracting officers shall include procurement notes H05 or procurement note H06, as applicable, in RFQs for SIDCs.

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H05 Bilateral Simplified Indefinite-Delivery Contract (SIDC) (SEP 2021)

(1) The Government will award a bilateral SIDC resulting from this request for quote (RFQ) to the responsible offeror whose quote conforms to the terms and conditions in the RFQ and will be most advantageous to the Government, after considering price and other factors. The awardee

shall sign the SIDC, which creates a binding contract. The contractor shall return the signed SIDC to the contracting officer.
(2) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination.
(3) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.
(4) Once the guaranteed minimum quantity stated in the SIDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the SIDC, effective from the award date of the SIDC. All additional orders will reference the SIDC, which documents the terms and conditions applicable to each order. The SIDC states the maximum value of each task or delivery orders under the SIDC. The maximum value of the SIDC will not exceed the SAT; or, for SIDCs using FAR Subpart 13.5, the thresholds in 13.500(a).
*****
H06 Unilateral Simplified Indefinite-Delivery Contract (SIDC) (SEP 2021)
(1) The Government will award a unilateral SIDC resulting from this request for quote (RFQ) to the responsible offeror whose quote conforms to the terms and conditions in the (RFQ) and will be most advantageous to the Government, after considering price and other factors. This initial unilateral SIDC is referred to hereafter as the "basic SIDC".
(2) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination.
(3) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.
(4) Acceptable contractor performance on the initial task or delivery order creates the SIDC and constitutes agreement by the contractor to accept additional orders under the same terms and conditions specified in the basic SIDC. The guaranteed minimum quantity stated in the basic SIDC becomes applicable at this point.
(5) Once the guaranteed minimum quantity stated in the basic SIDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic SIDC, effective from the award date of the basic SIDC. All additional orders will reference the basic SIDC, which documents the terms and conditions of the SIDC. The basic SIDC states the maximum value of each task or delivery orders under the SIDC. The maximum value of the SIDC will not exceed the SAT; or, for SIDCs using FAR subpart 13.5, the thresholds in 13.500(a).
*****

**13.391 Automated indefinite-delivery contracts (AIDCs).**
The AIDC process creates guaranteed minimums (GMs) automatically in the solicitation and records the obligation of the GM at time of award for the acquisitions generated by the Automated One-Time Buy (AOTB) system. The automatic GM and obligation processes also occur for AIDCs manually awarded using the buyer assist function.

## SUBPART 13.4 – FAST PAYMENT PROCEDURE

*(Revised April 2, 2021 through PROCLTR 2021-07)*

**13.402 Conditions for use.**

(a) DLA Troop Support Construction and Equipment Prime Vendor programs and DLA Aviation Chemicals and Packaged Petroleum, Oils, and Lubricants requirements for OCONUS are authorized to use fast payment procedures on individual orders up to $150,000. (Refer to PROCLTR 16-03.**)** DLA Troop Support Construction and Equipment is authorized to use fast payment procedures for its tailored logistics support of FSG 80 requirements on individual orders with a maximum threshold of $35,000 for CONUS and $150,000 for OCONUS. Tailored logistics support contracting initiatives (see 17.9500) are prime vendor programs for purposes of these authorities.
(f) Procuring organizations shall follow internal control procedures at PGI 13.402(f) to monitor contract actions using fast payment procedures. Contracting officers, contract compliance offices, and procurement policy offices shall ensure compliance with these controls.
(S-90) Contracting officers shall only use fast payment procedures for—

(1) OCONUS DLA Direct shipments supporting Forward Stock Locations (FSL) initiatives if the Government will conduct inspection and acceptance at destination.

(2) OCONUS Customer Direct shipments if the Government will conduct inspection and acceptance at destination.

(3) Customer Direct shipments to Consolidated Containerization Points (CCPs) if the Government will conduct inspection and acceptance at destination.

**13.404 Contract clause.**
(S-90) DEVIATION 20-05 waives the requirements in FAR 52.213-1(c)(2) for the FDT Program.

## SUBPART 13.5 – SIMPLIFIED PROCEDURES FOR CERTAIN COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

*(Revised January 11, 2022 through PROCLTR 2021-16)*

**13.500 General.**
(c)(1) The DLA Acquisition Director has delegated authority to the contracting officer to make the determination at FAR 13.500(c)(1).

**13.501 Special documentation requirements.**
(b) Contracting officers are encouraged, but are not required, to use the SAAD format at 53.9013(a) or Alternate SAAD format at 53.9013(c), as prescribed in 13.106-3(b) and 15.406-1(b)(1), in place of a PNM, to document the basis for award of actions valued within the thresholds at FAR 13.500(a).

**13.590 Simplified indefinite-delivery contracts (SIDCs).**
For SIDCs using FAR subpart 13.5, contracting officers shall comply with 13.390.

# PART 15 – CONTRACTING BY NEGOTIATION

*(Revised June 9, 2021 through PROCLTR 2021-11)*

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## SUBPART 15.3 – SOURCE SELECTION

*(Revised June 9, 2021 through PROCLTR 2021-11)*

**15.303 Responsibilities.**

(a) For acquisitions valued at $1 billion or greater, the SPE shall appoint the Source Selection Authority (SSA), who shall be at the Senior Executive Service/General Officer/Flag Officer (SES/GO/FO) level. For acquisitions greater than or equal to $100 million and less than $1 billion, the HCA is authorized to appoint the SSA. The HCA may delegate SSA appointment authority no lower than the CCO. For acquisitions estimated between $10 million and $100 million, the SSA will be the contracting officer unless the HCA or the HCA delegee appoints someone else.

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## SUBPART 15.4 – CONTRACT PRICING

*(Revised October 1, 2020 through PROCLTR 2020-18)*

**15.402 Pricing policy.**

(a)(3) When using a market basket or similar solicitation evaluation, contracting officers shall use one of the pricing models below. Ensure the items selected for the market basket represent the scope, extent, and complexity of the acquisition and all cost drivers. Cost drivers are high dollar value, high purchase frequency, and high volume items forecast for procurement. The contracting officer decides the cost driver population by analyzing historical demand data, expected future demand, and other relevant data. Final market baskets must represent the

various types of items in the solicitation and advise the contracting officer of the expected cost to the Government. Post-award pricing strategies shall ensure fair and reasonable prices paid for all items purchased under the contract. The pricing strategy shall address how new items added to the contract and price changes to existing items under the contract will be determined fair and reasonable. See Subpart 17.95 when the contracting officer relies on the contractor's purchasing system to corroborate the contractor competed items or services or to help in justifying the prices are fair and reasonable. Approved pricing models are below. New models or variations to these models must follow the requirements in this paragraph.

(i) Pricing Model: Fixed price using distribution and pricing agreement (DAPA) and Federal Supply Schedule (FSS) pricing.

(A) Program Example: Medical/Surgical and Pharmaceutical.

(B) Pre-Award Price Reasonableness Determination: Each item before award.

(C) Post-Award Price Reasonableness Determination: New items and price changes after award.

(ii) Pricing Model: Fixed price using market basket.

(A) Program Example: Subsistence CONUS and OCONUS.

(B) Pre-Award Price Reasonableness Determination: Each item in the market basket before award. The market basket must represent at least 40% of the estimated dollar value, with added items judgmentally selected to represent all distribution categories to the maximum extent possible. The market basket must contain a minimum of 75 items.

(C) Post-Award Price Reasonableness Determination: Each item before adding to the catalog.

(iii) Pricing Model: Fixed price using price evaluation list.

(A) Program Example: MRO Supplies.

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination:

(*1*) For line items below the micro- purchase threshold, a representative statistical sampling of lines meeting a 90% confidence level and a 10% error rate, determination is by 60 days after award.

(*2*) For line items with an extended value greater than or equal to the micro-purchase threshold and less than $10,000, at least 30% determined before award and the balance by 60 days after order.

(*3*) For line items with an extended value greater than or equal to $10,000, determination is for each item before order.

(*4*) Determination made for each item added or price change post award.

(*5*) Determination made for 100% of incidental services.

(iv) Pricing Model: Fixed price using price evaluation list.

(A) Program Example: Metals.

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added, incidental service or price change.

(v) Pricing Model: Multiple award, fixed price using price evaluation list and competition of each order.

(A) Program Example: Special Operations Equipment, MRO Supplies (CENTCOM), Fire Fighting and Emergency Services Equipment, Wood Products.

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service.
The contracting officer provides fair opportunity to compete for orders to all contract holders under FAR 16.505 (b).

(vi) Pricing Model: Fixed price using pre-priced core list.

(A) Program Example: MRO Supplies

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service or price change.

(vii) Pricing Model: Fixed price using pre-priced core list.

(A) Program Example: e.g. integrated prime vendor (IPV).

(B) Pre-Award Price Reasonableness Determination: Each item on the core list before award. The contracting officer places unpriced items representing the balance of total requirements in a Schedule. Competitively awarded core list using best value. Core list is a percentage of the total item requirements and must represent the scope, extent, and complexity of the acquisition, and includes all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service or price change. All requirements identified must be in the Core List. Only items on the Core List may be ordered.

## 15.403 Obtaining certified cost or pricing data.

### 15.403-1 Prohibition on obtaining certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35)

(c) *Standards for exceptions from certified cost or pricing data requirements.*

(3) Commercial products and commercial services .

(B) DLA Acquisition Compliance, Policy and Pricing Division prepares the annual report for approval by the Senior Procurement Executive.

(4) Waivers. HCAs submit exceptional case TINA waivers for procurements that exceed $100 million to the Compliance, Policy ~~Contract~~ and Pricing Division for SPE coordination.

(B) DLA Acquisition Compliance, Policy and Pricing Division prepares the annual report for approval by the Senior Procurement Executive.

(C) The contracting officer must initiate discussions with CCC to request confirmation of the price reasonableness determination when price analysis indicates a significantly different price from CCC. Provide price analysis results in request to CCC.

### 15.403-3 Requiring data other than cost or pricing data.

(a) General.

(4) The HCA's authority is not delegable.

**15.403-4 Requiring certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).**

(a)(1) The threshold applies to the contract value as defined in FAR 1.108(c).

(b)(1) Section 890 Pilot Program to Accelerate Contracting and Pricing Processes (Class Deviation 2020-O0020). The current deviation is (Class Deviation 2020-O0020, Section 890 Pilot Program to Accelerate Contracting and Processes (https://www.acq.osd.mil/dpap/policy/policyvault/USA001700-20-DPC.pdf), and is available for procurements over $50 million. To request approval for an acquisition to be included in the pilot program, procuring organizations shall complete the Application to Participate in Pilot Program Authorized Under Sec 890 of FY19 NDAA, As Amended by Sec 825 of FY20 NDAA, for Contract Actions Exceeding $50 Million (https://www.dla.mil/Portals/104/Documents/J7Acquisition/DPC_Application_Form_Sec-890_Pilot_Program.docx) and submit it to the DLA Acquisition Compliance, Policy and Pricing Division for review by the Pricing PM; who will review the application and, if found adequate, submit it to the Director, DPC/PCF. DPC will contact the contracting officer to schedule a meeting to discuss the details of the acquisition and determine if the action will be accepted into the pilot program.

**15.404 Proposal analysis.**

**15.404-1 Proposal analysis techniques.**

(a) General.

(5)(S-90) For non-competitive actions exceeding $1 million, the contracting officer shall query the Contractor Business Analysis Repository (CBAR) for:

(A) Indirect and Direct rates,

(B) Status of Business Systems and withholds,

(C) CAS Disclosure statements,

(D) CAS noncompliances,

(E) FPRA/FPRR,

(F) IR&D and B&P information, and

(G) Business Clearance Information.

(S-91) The contracting officer shall decide the scope of the analysis needed (evaluation of material costs only; evaluation of material and labor costs only; complete analysis or audit) and whether pricing office support is required. The pricing office works with product specialists and engineering analysts for technical support for negotiation and requests DCMA or DCAA support if external resources are needed. Contracting officers can ask for a price analysis or cost/price analysis in support of the following:

(A) Sealed bid acquisitions at the TINA threshold or more when the contracting officer receives a sole responsive bid;

(B) Negotiated acquisitions that exceed the TINA threshold when the contracting officer does not receive adequate price competition;

(C) Defective pricing;

(D) Reportable audits;

(E) Potential overpricing;
(F) Unbalanced pricing; or
(G) Business system reviews.
(H) Acquisitions from Federal Prison Industries (FPI) above the SAT.

(b) Price analysis for commercial and non-commercial products and services .

(2) The contracting officer shall document the relevant index used to compare the product or service proposed price to the historical price. Contracting officers should use an index that captures historical or actual price changes, for example an index from the U.S. Bureau of Labor Statistics (BLS). When projecting current prices into future periods, contracting officers shall rely on indexes that estimate future price changes; for example IHS Market (formerly Global Insight). The contracting officer shall consider the trend of the selected index.

(v) The contracting officer shall not use DLA standard prices, budgetary estimates, provisioning estimates, stocking models (VSRM), or material acquisition unit prices (MAUC) for comparative price analysis and price reasonableness determinations.

**15.405 Price negotiation.**

(a)(S-90) For every price reasonableness determination, the contracting officer shall accomplish price or cost analysis, as appropriate, to determine the price to be either reasonable or unreasonable. The offeror's refusal to provide and/or certify cost or pricing data or information other than cost or pricing data does not relieve the contracting officer from the requirement to perform a proposal analysis; and such refusal does not provide a sufficient basis for determining the price unfair or unreasonable.

(d)(S-90).When award is still necessary, even though the contracting officer determines a price, profit, or fee is unreasonable, or when the contracting officer cannot determine if a price, profit, or fee is reasonable, the contracting officer shall refer the contract action to a level above the contracting officer in accordance with FAR 15.405(d). The cognizant authority above the contracting officer shall document any actions they completed or directed others to take in response to the referral and include this documentation, if applicable, when they provide the approval to the contracting officer. The cognizant authority at a level above the contracting officer shall include a statement for the contract file that they have reviewed the circumstances and approve of the award by the contracting officer. The contracting officer shall not make award without documented approval at a level above the contracting officer. The contracting officer shall forward a detailed memorandum to the CCO documenting the results of the negotiations and the reason the award is necessary. The contracting officer shall append a copy of this memorandum to the Price Negotiation Memorandum (PNM) in the contract file, if a PNM is applicable. If the contracting officer uses the SAAD format, in accordance with 13.106-3(b), the contracting officer shall append the memorandum to the SAAD.

**15.406 Documentation.**

**15.406-1 Prenegotiation objectives.**

(b)(1) For acquisitions above the SAT, except for those noted within (b)(2) of this section, the contracting officer shall document the basis for the prenegotiation objectives using the appropriate Price Negotiation Memorandum (PNM) format (see 15.406-3(a)(S-90)-(S-91).

(2) For acquisitions above the SAT up to $10 million that do not use cost analysis, and for acquisitions conducted using FAR 13.5 procedures, the contracting officer shall document the

basis for the prenegotiation objectives but is not required to use the Price Negotiation Memorandum (PNM) format prescribed at 15.406-3(a)(S-90)-(S-91). The contracting officer may use another format (e.g., memorandum, briefing charts, or spreadsheets) to document the objectives.

(b)(ii) Adjudication Procedures. When the HCA cannot reach resolution with DCAA, the contracting officer provides the DLA Acquisition Contract and Pricing Compliance Division Chief documentation of the unresolved audit to inform the DLA Acquisition Director. The DLA Acquisition Director may discuss resolution with the DCAA Director before DCAA refers to the Director, Defense Procurement and Acquisition Policy.

**15.406-3 Documenting the negotiation.**

(a)(11) "Price reasonableness codes" (PRCs) are two-position codes in EBS. The first position identifies the support, if any, the contracting officer received. The second position identifies the price analysis technique, and cost analysis if performed. Contracting officers shall ensure the appropriate PRC is entered in EBS and provided in the SAAD, or PNM, as applicable.

First Position:

B Contracting officer analysis.
F DCAA or DCMA support.
P Price/Cost Analyst support.
V Value Engineering Office support.
X Contracting officer relied on automated purchase pricing logic.

Second Position:

A Adequate price competition from at least two manufacturers or providers of service(s) (FAR 13.106-3(a)(1) or FAR 15.403-1(c)(1), 15.404-1(b)(2)(i) and DFARS 215.371-3).
B Adequate price competition from at least two non-manufacturers (see 13.106-3(a)(1)(S-91), 13.106-3(a)(1)(S-92), and 13.106-3(a)(1)(S-93). The contracting officer shall only use this code for awards not exceeding the SAT when there is a single manufacturing source and that manufacturing source did not submit an offer. However, this code may be used when the sole manufacturing source submits an offer and at least one non-manufacturer offers government surplus material.
C Current price lists, catalogs, or advertisements (FAR 13.106-3(a)(2)(iii)). For simplified acquisition procedures only.
D Market research (FAR 13.106-3(a)(2)(i)) or comparison with similar items in a related industry (FAR 13.106-3(a)(2)(iv)). For simplified acquisition procedures only.
E Item price set by law or regulation (FAR 15.403-1(b)(2))
F Cost analysis of offeror's cost or pricing data combined with price analysis (FAR 15.404-1(c)).
G Comparison to historical prices paid, whether by the Government or other than the Government, for same or similar items and prior price is a valid basis for comparison as supported by prior file documents (FAR 13.106-3(a)(2)(ii), FAR 15.404-1(b)(2)(ii), and DFARS PGI 215.403-3(4).
H Comparison to independent government estimate (FAR 13.106-3(a)(2)(vi), or independent government cost estimate (FAR 15.404-1(b)(2)(v)).
I Data other than certified cost or pricing data, excluding cost data, submitted and no other analysis code applies (FAR 15.404-1(b)(2)).

J Any other reasonable basis (FAR 13.106-3(a)(2)(vii)). For simplified acquisition procedures only. Price determined fair and reasonable, and no other code applies. File documentation must describe the technique(s) utilized to establish the fair and reasonable price objective. Requires approval at a level above the contracting officer.

N Comparison with competitive published price lists, published market prices of commodities, similar indexes, and discount or rebate arrangements for the same or similar items (FAR 15.404-1(b)(2)(iv)).

O Parametric estimating methods or application of rough yardsticks after further analysis (FAR 15.404-1(b)(2)(iii)).

P Comparison of proposed prices with prices found through market research for the same or similar items (FAR 15.404-1(b)(2)(vi)).

R Value analysis (FAR 15.404-1(b)(4)), Contract Pricing Reference Guide Volume 1, 6.1.5) used with a price analysis technique, or techniques, in FAR 15.404-1(b)(2)(ii) through (vii), inclusive. File documentation must include description of price analysis technique (s) used and value analysis conclusion(s). For future acquisitions, the contracting officer shall not use actions coded with "R" for comparison unless there is a valid basis for comparison.

U Price determined unreasonable. The contracting officer was able to establish a fair and reasonable price objective, but negotiations were unsuccessful. Requires approval at a level above the contracting officer pursuant to FAR 15.405(d). For future acquisitions, the contracting officer shall not use any contract action for price comparison purposes when the second position in the PRC is "U". The contracting officer shall document in the contract file all actions the contracting officer took to obtain a fair and reasonable price, whether or not the actions were successful.

V Price could not be determined fair and reasonable. The contracting officer was unable to establish a fair and reasonable price objective due to a lack of relevant information. Requires approval at a level above the contracting officer pursuant to FAR 15.405(d). For future acquisitions, the contracting officer shall not use any contract action for price comparison purposes when the second position in the PRC is "V". The contracting officer shall document in the contract file all actions the contracting officer took to obtain necessary information to establish a fair and reasonable price objective.

W Award is an unpriced purchase order or undefinitized contract action (code first position "B").

X Quote meets automated pricing logic conditions for price reasonableness. EBS assigns "X" in the first position. Not used for manual awards. For future acquisitions, the contracting officer shall not use actions coded with "X" for comparison.

Y Contracting officer's determination that prices are fair and reasonable under FAR 13.106-3(a)(2)(v) or FAR 13.203(a)(3). Used only for manual awards at or below the simplified acquisition threshold. For future acquisitions, the contracting officer shall not use actions coded with "Y" for comparison.

Z When an offeror does not comply with a requirement to submit data for a contract, or subcontract (FAR 15.403-3(a)(1)) and the HCA approved the determination (FAR 15.403-3(a)(4)). For future acquisitions, the contracting officer shall not use actions coded with "Z" for comparison. Contracting officer may use with any commercial acquisition and non-commercial actions up to the TINA threshold.

(S-90) For acquisitions above the SAT, except when utilizing FAR 13.5 procedures, the contracting officer shall include—

(i) All applicable elements from one of the PNM formats (competitive or noncompetitive) at 53.9015 to ensure final negotiated agreements are documented in a consistent manner; and

(ii) Any additional relevant information not cited in either format.

(S-91) When conducting the acquisition using FAR 13.5 procedures, contracting officers are encouraged, but not required, to use the SAAD format at 53.9013(a) or Alternate SAAD format at 53.9013(c) as prescribed in 13.106-3(b) and 13.501(b)(3) in place of a PNM format.

**15.407-90 Reverse Auction.**

(a) Policy.

(1) The contracting officer must consider using reverse auctions in solicitations for competitive procurements valued above the micro-purchase threshold. The contracting officer must document the contract file when competitive procurements do not use reverse auction above the SAT.

(2) When reverse auction is used, the contracting officer must use the DLA reverse auction pricing tool and enable the "Lead/Not Lead" feature when price is the sole evaluation factor.

(3) The CCO shall send reverse auction reports to reverse auction program manager in the DLA Acquisition Contract and Pricing Compliance Division by the close of business each Friday. Reports must include historical, direct, and indefinite-delivery contract savings. Indefinite-delivery contract savings are reported for each contract period. Report format is provided by reverse auction program manager. Negative reports required.

(i) Last price paid - final auction price X quantity = historical savings

(ii) Lowest offered pre-auction price - lowest offered post-auction price X quantity = direct savings

(iii) Direct savings X estimated annual quantities = indefinite-delivery contract estimated savings

(iv) Direct savings X actual quantities ordered during contract period = indefinite-delivery contract adjusted savings

(b) General guidance for selecting reverse auction candidates.

(1) A reverse auction is an internet-based or electronic commerce acquisition tool following traditional auction principles. It allows the Government to buy goods and services from offerors in a dynamic environment where offerors successively bid prices down until the auction ends.

(2) A reverse auction works well when competing an order for items or services on General Services Administration (GSA) schedules and DOD multiple-award indefinite-delivery type contracts. Conditions best suited for a reverse auction include high volume, commodity type commercial items or commodity-like services that do not have exact or lengthy specifications, are available off the shelf, or competed solely using price.

(c) Solicitations shall include procurement note L09 when the contracting officer may use a reverse auction.

*****

L09 Reverse Auction (OCT 2016)

The Contracting Officer may utilize reverse auctioning to conduct price discussions. If the Contracting Officer does not conduct a reverse auction, award may be made on-initial offers or following discussions. If the Contracting Officer decides to use line reverse auctioning to

conduct price negotiations, the Contracting Officer will notify Offerors of this decision and the following applies:
(1) The contracting officer may use reverse auction as the pricing technique during discussions to receive the final offered prices from each offeror.
(2) During each round of reverse auction, the system displays the lowest offer price(s) unless the auction instructions are different. All offerors and authorized auction users see the displayed lowest price(s). This disclosure is anonymous and a generic identifier displays for the offeror. Generic identifiers include designators such as "offer A" or "lowest-priced offeror." By submitting a proposal in response to the solicitation, offerors agree to participate in the reverse auction and that their prices may be disclosed, including to other offerors, during the reverse auction.
(3) An offeror's final auction price at the close of the reverse auction is considered its final price proposal revision. No price revisions will be accepted after the close of the reverse auction, unless the contracting officer decides that further discussions are needed and final price proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307, or the contracting officer determines that it would be in the best interest of the Government to re-open the auction.
(4) The contracting officer identifies participants to the DLA commercial reverse auction service provider. To be eligible for award and participate, the offeror must agree with terms and conditions of the entire solicitation and the commercial reverse auction service. The reverse auction pricing tool system administrator sends auction information in an email. The reverse auction system designates offers as "lead," meaning the current low price in that auction, or "not lead," meaning not the current low price in that auction. In the event of a tie offer, the reverse auction provider's system designates the first offer of that price as "lead" and the second or subsequent offer of that price as "not lead." If a tie offer is submitted and no evaluation factors other than price were identified in the solicitation or a low-price technically acceptable source selection is being used, the "Not Lead" offeror that submitted the tie offer must offer a changed price; otherwise its offer will be ineligible for award. If evaluation factors in addition to price were listed in the solicitation and a tradeoff source selection is being used, tie offers that are "Not Lead" will be considered and evaluated.
(5) Offerors unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the offeror's inability to enter pricing is determined to be without fault on the part of the offeror and outside the offeror's control.
(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.
*****
(d) Competing individual delivery orders through reverse auctioning. Contracting officers must use procurement note L10 when reverse auction may be used for some or all delivery orders

issued against a multiple award contract with competitive ordering. Examples include FAR Subpart 8.4 requests for quotes and blanket purchase agreements (BPAs) when the BPA ordering process follows FAR 8.405-3(c)(2)(ii) or (iii).
*****
L10 Competing Individual Delivery Orders Through Reverse Auctions (OCT 2016)
(1) A reverse auction may be used as the price negotiation technique when competing delivery orders under this contract. The contracting officer issues a request for proposal. After receiving proposals, the contracting officer will then send written notice via email to contractors with specifics about the reverse auction.
(2) Each contractor identified by the contracting officer as a participant in the reverse auction will be contacted by the DLA commercial reverse auction service provider to advise the contractor of the event and to provide an explanation of the process.
(3) The reverse auction will be conducted using the commercial reverse auction service provider's website, as embedded in the email notification. Participants shall be responsible for providing their own computer and Internet connection.
(4) Prior to the reverse auction, the Government will determine whether all participants' prices, or just the lowest price(s), will be disclosed to other auction participants and to anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each participant's identity will be concealed from other participants (although it will be known to the Government). If the Government opts to disclose one or more participant's prices, only generic identifiers will be used for each participant's proposed pricing (e.g., "participant A or "lowest priced participant"). By submitting a proposal for a solicitation that includes this note, a contractor agrees to participate in the reverse auctions that will be conducted for award of specific delivery orders to be issued under the resulting multiple award contract, and that its quoted prices for a delivery order may be disclosed to other Contractors participating in the reverse auction.
(5) Any contractor unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the contractor's inability to enter pricing is determined to be without fault on the part of the participant and outside the contactor's control.
(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.
*****

**15.408 Solicitation provisions and contract clauses.**
(5) Insert DFARS 252.215-7009, Proposal Adequacy Checklist, in all solicitations that are sole source and exceed the TINA threshold.

## SUBPART 15.6 – UNSOLICITED PROPOSALS

*(Revised October 2, 2016 through PROCLTR 2017-01)*

**15.606 Agency procedures.**

(a)(S-90) Organizations receiving an unsolicited proposal (UP) must forward them to their unsolicited proposal coordinator and the DLA Acquisition Operations UP program manager. The DLA Acquisition Operations UP program manager decides the correct unsolicited proposal coordinator(s) when needing evaluation by multiple organizations. Unsolicited proposal coordinators must:

(i) Coordinate and manage UPs;

(ii) Protect UPs from unauthorized disclosure (FAR 15.608 and 15.609); use cover sheet provided in FAR 15.609 for all stages of the Government's handling of a UP;

(iii) Advise UP program manager when a UP needs wider consideration in DLA;

(iv) Preserve accurate and complete disposition record of all UP processed;

(v) Ensure all affected evaluation offices and personnel follow FAR 15.608 and 15.609;

(vi) Ensure evaluators provide supporting reason for conclusions and recommendations. When recommending the UP for acceptance, ensure evaluators specify available funds or programmed funds; and

(vii) Send to contractors expressing interest in sending a UP the information in FAR 15.604(a)(1) through (6).

(S-91) Detailed procedures.

(i) The UP coordinator reviews the submission and decides if it meets all UP factors and sends written notice to the UP offeror within 15 days (follow FAR 15.601-1(b) or (c) as applicable). When the UP coordinator needs extra evaluation time, provide an interim response to the offeror within 15 days stating that more review is required, and that the final response is expected to be completed within 30 days from receipt of the submission, but that a further interim response will be provided at that time if evaluation cannot be completed, giving the estimated time for completion. The-UP coordinator normally provides a final response within 30 days. When UP coordinator needs more than 30 days to evaluate, the coordinator or DLA Acquisition Operations UP program manager sends a notice to the offeror with the estimated completion date. The UP coordinator must complete the review in 90 days from UP receipt.

(ii) The coordinator forwards the UP submission to the correct technical or other personnel for evaluation. When evaluations need extra information, the coordinator contacts the UP offeror to request the information. The coordinator tells the offeror that it assumes all risk and expense for sending extra information, and that the request for extra information does not create a commitment by the government. The coordinator tells the DLA Acquisition Operations UP program manager they asked for added information.

(iii) Following the evaluation, the coordinator informs the offeror by letter of the final determination. If the submission is not a valid unsolicited proposal or is otherwise unacceptable, the letter states that determination and an explanation of the rationale in accordance with FAR 15.603(c) and 15.607(a), as applicable. If the submission is determined to be a valid UP, the coordinator informs the offeror and includes a caution, in accordance with FAR 15.607(a), that a favorable comprehensive evaluation of an unsolicited proposal does not, in itself, justify awarding a contract without providing for full and open competition and that the unsolicited proposal will be provided to an appropriate contracting officer for a determination of whether further action is appropriate in accordance with FAR 15.607(b).

(iv) On receiving a valid UP from the coordinator, the responsible contracting officer will decide the correct contract action, if any, following FAR 15.607(b) and coordinating with the

correct requiring activity. If the contracting officer determines that the UP represents a valid requirement and the conditions for proceeding with a procurement are met, the contracting officer must provide for full and open competition or justify limiting sources, as applicable. The contracting officer notifies offeror in writing if negotiations in accordance with FAR 15.607(b) will commence.

(b) Organization coordinators responsible for UPs.

(S-90) DLA Land and Maritime – Competition Advocate (primary) and Procurement Process Directorate (alternate)

(S-91) DLA Troop Support – Pricing and Strategy Division Chief

(S-92) DLA Aviation – Pricing Division Chief

(S-93) DLA Energy – Acquisition Policy and Oversight Associate Director

(S-94) DLA Disposition Services – Acquisition Procedures Division Chief

(S-95) DLA Distribution – Acquisition Policy Chief

(S-96) DLA Strategic Materials – Contracting Director

(S-97) DLA Contracting Services Office – Contract & Pricing Compliance Division Chief

# PART 16 – TYPES OF CONTRACTS

*(Revised January 11, 2022 through PROCLTR 2021-15)*

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## SUBPART 16.1 – SELECTING CONTRACT TYPES

*(Revised October 13, 2020 through PROCLTR 2021-01)*

### 16.190 Long-term contracting.

Contracting officers shall establish and process LTCs in accordance with the following:
Use LTCs for stock replenishment consumable items that have frequent, consistent, and predictable demands, as well as non-replenishment items having at least 12 demands per year. Renew items currently on LTC, provided they have had at least 4 demands in the previous year. Exclude items if they have 2 years DLA stock on hand, unless the PLT is 18 months or greater or there is no planned buy within 2 years. The DLR sites will follow the Military Service procedures for managing items on LTCs.

## SUBPART 16.2 – FIXED-PRICE CONTRACTS

*(Revised June 12, 2020 through PROCLTR 2020-13)*

### 16.203 Fixed-price contracts with economic price adjustment.

### 16.203-1 Description.

(a)(S-90) *Adjustment based on established prices.* Established prices may reflect industry-wide and/or geographically based market price fluctuations for commodity groups, specific supplies or services, or contract end items. (See DoD Class Deviation 1995-D0003, Economic Price Adjustment Clauses, issued October 5, 1995.)

(c)(S-90) *Adjustments based on cost indexes of labor or material.* These price adjustments may also be based on increases or decreases in indexes for commodity groups, specific supplies or services, or contract end items. (See DoD Class Deviation 1995-D0003, Economic Price Adjustment Clauses, issued October 5, 1995.)
(S-90) Although a specific item or element of cost may require EPA coverage, the contracting officer shall also determine whether an EPA clause should cover the entire end item in order to take advantage of competitive market forces or moderate price fluctuations. Base this decision, which may be an appropriate element of tradeoff in negotiations, on risk and price analyses of the alternatives.
(S-91) All FAR and DFARS EPA clauses and DLAD and procuring organization EPA procurement notes shall contain the contractor's warranty that the contract prices do not include allowance for any contingency to cover increased costs also considered by the EPA clause or procurement note. The contracting officer shall ensure that contractors comply with this warranty.

**16.203-2 Application.**
(S-92) If it becomes apparent that an EPA clause is clearly justified in a solicitation or contract but was not included, the contracting officer may include a FAR or DFARS EPA clause or DLAD or procuring organization EPA procurement note by solicitation amendment or bilateral contract modification.
(S-93) Send proposed DLAD and procuring organization EPA procurement notes to the DLA Acquisition Compliance, Policy and Pricing Division for approval. General Counsel shall review proposed DLAD and procuring organization EPA procurement notes.

**16.203-3 Limitations.**
(S-90) A fixed-price contract with economic price adjustment may also be used to provide for price adjustments as authorized in this section. (See DoD Class Deviation 1995-D0003, Economic Price Adjustment Clauses, issued October 5, 1995.)

**16.203-4 Contract clauses.**
(S-90) When the contracting officer determines an existing EPA clause is not appropriate, the contracting officer may develop and use another EPA clause in accordance with 16.203-1(a)(S-90) or (c)(S-90). Established prices and cost indexes need not reflect changes in the costs or established prices of a specific contractor. The established price or cost index may be derived from sales prices in the marketplace, quotes, or assessments as reported or made available in a consistent manner in a publication, electronic database, or other form, by an independent trade association, Governmental body, or other third party independent of the contractor. More than one established price or cost index may be combined in a formula for economic price adjustment purposes in the absence of an appropriate single price or cost index. (See DoD Class Deviation 1995-D0003, Economic Price Adjustment Clauses, issued October 5, 1995.)

**16.290 Procurement notes.**
(a) *Adjustments based on established prices – standard supplies.* If the contracting officer determines that no existing FAR or DFARS EPA clause, or DLAD or procuring organization EPA procurement note, is appropriate, the contracting officer may develop a procurement note for one-time use, subject to CCO approval in accordance with 1.301(a)(1)(S-92)(A).

(1) Contracting officers may use procurement note C13 in solicitations and contracts, when the contracting officer determines that the use of the clause at FAR 52.216-2 is inappropriate (reference FAR Deviation #2008-02).)

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C13 Economic Price Adjustment – Standard Supplies (AUG 2017)

(a) The contractor warrants that the unit price stated in the schedule for [*offeror insert schedule line item number*] is not in excess of the contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that –

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the contractor.

(b) The contractor shall promptly notify the contracting officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items ordered on and after the effective date of the decrease in the contractor's established price, and this contract shall be modified accordingly.

(c) If the contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the contractor's written request to the contracting officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this procurement note shall not exceed 10 percent of the contract unit price [at the outset of each performance/ordering period].

(2) The increased contract unit price shall be effective –

(i) On the effective date of the increase in the applicable established price if the contracting officer receives the contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the contracting officer receives the request.

(3) The increased contract unit price shall not apply to quantities ordered under the contract before the effective date of the increased contract unit price.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the contracting officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the contractor's written request, the contracting officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase.

(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this procurement note, and thereafter if there is no cancellation, the contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

*****

(2) Contracting officers may use procurement note M09 for fresh fruits and vegetables under the DLA Troop Support subsistence supply chain for long term contracts (reference FAR Deviation #2008-02).

(3) Contracting officers may use a procuring organization EPA procurement note in any DLA Multiple Award Schedule solicitation or contract instead of FAR 52.216-2.

(b) *Adjustments based on established prices – semi-standard supplies.* The contracting officer may use a procuring organization EPA procurement note with FAR clause 52.216-3.

(c) *Adjustments based on cost indexes of labor or material.*

(1) The contracting officer may include an index clause in solicitations and resulting contracts only if the contracting officer documents in the acquisition plan that the acquisition satisfies the requirements of FAR 16.203-4(d) and DFARS 216.203-4(d). The contracting officer shall select the most appropriate index published by the Bureau of Labor Statistics (BLS). The contracting officer may use another index if the contracting officer determines that no BLS index is suitable and documents in the acquisition plan the specific BLS indexes considered, why they were unsuitable, and rationale demonstrating the suitability of the index selected.

(2) If any applicable index is discontinued or its method of derivation is altered substantially, or the contracting officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall agree upon an appropriate substitute index for determining price adjustments. The contracting officer shall modify the contract to reflect such substitute index, effective on the date the index specified in the contract is no longer published or began to consistently and substantially fail to reflect market conditions.

(d) *Price adjustment for Department of Labor Index.*

(1) The contracting officer may use procurement note C09 in solicitations and contract awards when—

(i) Unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for a component or components of the end item, and the change in cost of production or component prices can be tracked via the Producers Price Index (PPI) published by the BLS; or unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for labor, and the change in cost of production can be tracked via the Employment Cost Index (ECI) published by the BLS.

(ii) The circumstances in FAR 16.203-4(d)(1) exist;

(iii) The contracting officer considers the use of this procurement note appropriate; and

(iv) The requirements of FAR 16.203-3 and DLAD Subpart 16.2 are met.

(2) The contracting officer shall coordinate with the procuring organization pricing office before selecting the index. For procuring organizations with no pricing office, the contracting officer shall coordinate the fill-in sections with the DLA Acquisition Contract & Pricing Compliance Division.

(3) Notes for fill-in text:

(i) Paragraph (b)(1): Enter the appropriate Price Index (ECI, PPI, etc.) code number identification and title in the fill-in. Normally, unadjusted indexes should be used (as opposed to seasonally adjusted indexes). Note: If it is determined that the index to be used will only measure part of the cost of production or material, then that percentage which is measured can be specified. For example, if the component is cotton and the Bureau of Labor Statistics (BLS) index is only judged to measure 50% of the contract price, then this should be specified such as 50% times the base price.

(ii) Paragraph (b)(2): Enter the number of months, or quarters for ECI, for the adjusting price index.

(iii) Paragraph (b)(3): One box must be selected. Enter the number of months, or quarters for ECI, in each fill-in. Note: If final indexes are used, adjust the number of months, or quarters, in the second fill-in to account for first published indexes.

(iv) Paragraph (c)(1): Enter the number of price adjustments per contract year.

(v) Paragraph (d): Enter the appropriate percentage price increase ceiling, considering the length of contract performance, index volatility, and ratio of the cost covered by this clause to the total contract price. Any percentage over 10 percent requires approval by the chief of the contracting office.

(vi) Paragraph (f)(2): Enter the minimal dollar amount for an adjustment to be made for retroactive price changes. The default is $500.

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C09 Economic Price Adjustment – Department of Labor Index (JUN2020)

(a) Warranties. The contractor warrants that—

(1) The base unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this procurement note; and

(2) Prices invoiced shall be computed in accordance with the terms of this procurement note.

(b) Definitions. As used throughout this procurement note—

(1) *"Index"*, for the purpose of price adjustment under this procurement note, means the Producer Price Index(es) reported in the monthly publication entitled, “Producer Price Indexes”, published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics (BLS) for the following code number(s) and title(s):_____(*contracting officer fill-in*)_____; or the Employment Cost Index(es) reported in the quarterly publication entitled, “Employment Cost Indexes,” published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics (BLS) for the following code number(s) and title(s): _____(*contracting officer fill-in*)_____.

(2) *"Base index"* means the arithmetic average of the final version of the indexes published for the ____ months, or ____ quarters for ECI, preceding the closing date for receipt of proposals or the date required for receipt of final proposal revisions, if discussions were held.

(3) *"Adjusting index"* means the ____ arithmetic average of the [ ] first published or [ ] final version of the index for the ____ months, or ____ quarters for ECI, prior to the month in which the adjusting contract modification is effective.

(4) *"Base unit price"* means the unit price applicable to a quantity of a contract line item established at contract award, exclusive of any price adjustment pursuant to this procurement note.

(5) *“Adjustment period”* means the period during which a particular adjustment to the unit price under this procurement note (calculated at the beginning of the adjustment period) will apply. The length of each adjustment period in months is the number of adjustments allowed per year in (c)(1) below divided by 12.

(c) Adjustments. Prior to the end of each adjustment period, the contracting officer will calculate the adjusting index and any adjusted contract unit price(s) for the new adjustment period, and modify the contract accordingly. The contracting officer will make price adjustments in accordance with this procurement note by issuing a contract modification showing the base

index, the adjusting index, the base unit price, the mathematical calculations, and the changed unit price(s). The price adjustment shall apply to orders issued after the effective date of the contract modification establishing the unit price for the adjustment period. The contracting officer will base the price adjustment(s) for each adjustment period on the percentage change between the base index and the adjusting index for the adjustment period, as applied to the base unit price.

(1) The contractor shall decrease its price in any particular adjustment period if the adjusting index is less than the base index. This contract allows _____ price adjustments per contract year.

(2) Example of adjustment calculation:

| | |
|---|---|
| Base Index= | 109.88* |
| Adjusting Index = | 112.72* |
| Less base index = | 109.88 |
| Change to index = | 2.84 |
| Divide change to index by base index = | 2.84 / 109.88 = .02585 (2.585%)** |
| Multiply by the base unit price = | $50.00 x .02585 = $1.29*** |
| | = Unit Price Adjustment |
| Adjusted unit price = | $51.29 |

*In computing the base and adjusting indexes, the contracting officer will round the resulting figure to the second decimal place.

**The contracting officer will round this number to the fifth decimal place.

***The contracting officer will round all dollar figures to the nearest cent.

(d) Upward ceiling on economic price adjustment. No upward ceiling shall apply under this economic price adjustment procurement note, unless the BLS series is based on indices below the six-digit level. (An index "below the six-digit level" in BLS usage means an index with an identifier exceeding six-digits). For any BLS series that is below the six-digit level, the following ceiling shall apply: The contractor agrees that the aggregate of the increases in any contract unit price under the terms of this procurement note shall not exceed ___% (percent) of the original base unit price, except as provided hereafter.

(1) If at any time the contractor has reason to believe that within the near future a price adjustment under the terms of this procurement note will be required that will exceed the adjustment ceiling for any item, the contractor shall promptly notify the contracting officer in writing of the expected increase. The notification shall include a revised ceiling the contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the contracting officer.

(2) If an increase in the index would raise a contract unit price for an item above the current ceiling, the contracting officer may issue a contract modification to raise the ceiling. If the contracting officer does not raise the contract ceiling, the contracting officer will promptly notify the contractor in writing.

(e) Invoices. The basis for prices payable under this contract is the latest adjusted unit price incorporated into the contract as of the date of order.

(f) Retroactive adjustment. This paragraph applies only if the contracting officer selected "first published index" in paragraph (b)(3). If the Government has already paid for orders delivered during an adjustment period, the contractor may request a retroactive adjustment. The contracting officer will, base the retroactive adjustment on the difference between a higher final

revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, subject to the adjustment ceiling in paragraph (d) and nder] the following conditions:

(1) The request for equitable adjustment clearly establishes that the unit price adjustment for the adjustment period would have been higher if the final revised index had been used;, and identifies all invoices and payments to which it applies cites the specific index differences relating to the requested adjustment, and provides a calculation of the total net price adjustment for items delivered during that adjustment period.

(2) The total dollar change for items delivered is $_____ ($500.00 unless otherwise stated) or more for the applicable adjustment period(s).

(3) The contracting officer received the contractor's written request within 45 days following publication of the final revised index.

The contractor shall adjust its prices downward based on the difference between a lower final revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, subject to the limitation in paragraph (f)(2).

(g) Revision of index. If any applicable index is discontinued or its method of derivation is altered substantially, or if the contracting officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute. The contracting officer will modify the contract to reflect such substitute effective on the date the index was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(h) Final invoice. The contractor shall include a statement on the final invoice confirming it has applied all decreases required by this procurement note to the amounts invoiced.

(i) Disputes. The "Disputes" clause of the contract applies to any dispute arising under this procurement note.

*****

(e) *Adjustments based on established market prices or indexes.*

(1) Contracting officers shall determine the most appropriate international, national, regional, or local area market. Contracting officers shall include in the solicitation or contract an EPA clause or procurement note that identifies the index or established market price, the document containing such index or price, and its effective date or period.

(2) If the contracting officer is unable to identify an established market price or index that satisfactorily reflects economic fluctuations, the contracting officer may include fill-ins in the EPA clause or procurement note in the solicitation for offerors to recommend the most appropriate established market price or index. If the offeror does not propose an established market price or index, the contracting officer will select the most appropriate established catalog price and amend the solicitation to include the selected catalog price.

(3) Contracting officers shall consider the length of contract performance when entering the appropriate percentage price increase ceiling in paragraph (c)(1) of procurement note C09. Any percentage over 10 percent requires approval by the CCO or designee, or not lower than one level above the contracting officer. Such approval may cover more than one contract and extend over a stated definite time period not to exceed two years, at which time the contracting officer shall review the adjustment ceiling again.

(4) Contracting officers may use procurement note L24 in solicitations and contracts if acquiring commercial items for which manufacturers or suppliers have established published prices meeting the definition of market price or catalog price.

*****

L24 Economic Price Adjustment (EPA) – Established Prices (AUG 2017)

(a) The contractor warrants that the unit price stated in the Schedule for _____ [offeror insert Schedule line item number] is not in excess of the contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that –

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the contractor.

(b) The contractor shall promptly notify the contracting officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items delivered on and after the effective date of the decrease in the contractor's established price, and this contract shall be modified accordingly.

(c) If the contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the contractor's written request to the contracting officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this clause shall not exceed ___ percent of the original contract unit price.

(2) The increased contract unit price shall be effective –

(i) On the effective date of the increase in the applicable established price if the contracting officer receives the contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the contracting officer receives the request.

(3) The increased contract unit price shall not apply to quantities scheduled under the contract for delivery before the effective date of the increased contract unit price, unless failure to deliver before that date results from causes beyond the control and without the fault or negligence of the contractor, within the meaning of the default clause.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the contracting officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the contractor's written request, the contracting officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase, except as follows.

(i) The contractor may, after that time, deliver any items that were completed or in the process of manufacture at the time of receipt of the cancellation notice, provided the contractor certifies and notifies the contracting officer of such items within 10 days after the contractor receives the cancellation notice.

(ii) The Government shall pay for those items at the contract unit price increased to the extent provided by paragraph (d) of this clause.

(iii) Any standard steel supply item shall be deemed to be in the process of manufacture when the steel for that item is in the state of processing after the beginning of the furnace melt.
(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this clause, and thereafter if there is no cancellation, the contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.
(e) The contractor shall certify on each invoice that each unit price stated therein reflects all decreases required by this clause and shall certify on the final invoice that all price decreases required by this clause have been applied in the manner required herein.
(f) Disputes. Any dispute arising under this clause shall be determined in accordance with the Disputes clause of the contract.
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(f) *Adjustments based on established catalog prices.* The contracting officer may include an established catalog price-type EPA clause (FAR 52.216-2 or 52.216-3, DFARS 252.216-7000 or 252.216-7001) in solicitations and resulting contracts for an item previously bought without such EPA clause only after the contracting officer determines that an index-type or an established market-priced EPA is unsuitable (i.e., does not meet the requirements of FAR 16.203-4(d) and DFARS 216.203-4(d), or does not describe the supplies with specificity) and documents in the acquisition plan the results of actions taken in reaching this determination.
(g) The contracting officer may only use these procurement notes when the requirements of FAR 16.203-2 are met, the contracting officer makes the determination required by FAR 16.203-3, and the contracting officer determines that none of the standard FAR EPA clauses are appropriate for use in the acquisition.
(h) The contracting officer shall include procurement note L25 in solicitations when using negotiation procedures that include economic price adjustments.
*****

L25 Evaluation of Offers – Economic Price Adjustment (AUG 2017)
(a) Offers in response to solicitations will be evaluated without adding any amount for economic price adjustment unless the economic price adjustment (EPA) clause included in the solicitation provides for offerors to specify the portion of the contract price subject to EPA. In this case, the offered price(s) subject to the EPA clause will be adjusted to the maximum possible extent under the EPA using the price ceiling limitation provision of such clause for the basic contract plus all options covered by the evaluation. The resulting price(s) will be used for evaluation of offers.
(b) If a successful offeror stipulates a lower maximum increase limitation then that included in the solicitation, it will be incorporated into the resulting contract.
(c) Offers which (1) increase the maximum ceiling percentage specified in the solicitation, (2) stipulate a maximum decrease limit, or (3) delete or otherwise alter the economic price adjustment clause, will not be considered for award, unless the contracting officer determines that award on such basis is in the best interests of the Government and all offerors are afforded an opportunity to offer on the same basis.
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(i) Contracting officers may insert procurement note H12 in solicitations and awards, including those subject to FAR Part 12, that meet the criteria in FAR 16.205 for fixed price prospective price redetermination, if the contracting officer determines economic price adjustment is unsuitable and requires contract pricing to be based on the date supplies are ordered rather than on date of delivery (reference FARS DEV 13-07).

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H12 Price Redetermination – Prospective (JUN 2020) (DEVIATION - PERMANENT)

(a) The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this procurement note, except that --

(1) The prices for supplies ordered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and

(2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) Definition. "Costs," as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Price redetermination periods. For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the date of the contract to _____, (see note (1)) and the second and each succeeding period shall extend for _____ [insert appropriate number] months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) Data submission.

(1) Not more than _____ nor less than _____ (see note (2)) days before the end of each redetermination period, except the last, the contractor shall submit --

(i) Proposed prices for supplies that may be ordered or services that may be performed in the next succeeding period, and –

(A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;

(B) Sufficient data to support the accuracy and reliability of this estimate; and

(C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and

(ii) A statement of all costs incurred in performing this contract through the end of the ___ month (see Note (3)) before the submission of proposed prices with sufficient supporting data to disclose unit costs and cost trends for --

(A) Supplies ordered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(2) The contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded –

(i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for --

(A) Supplies ordered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

(C) Any other relevant data that the contracting officer may reasonably require.

(3) If the contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the contracting officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the contractor, the contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall

bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the interest clause.
(e) Price redetermination. Upon the contracting officer's receipt of the data required by paragraph (d) of this section, the contracting officer and the contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be ordered or services that may be performed in the period following the effective date of price redetermination.
(f) Contract modifications. Each negotiated redetermination of prices shall be evidenced by a bilateral modification to this contract, stating the redetermined prices that apply during the redetermination period.
(g) Adjusting billing prices. Pending execution of the contract modification (see paragraph (f) of this section), the contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.
(h) Quarterly limitation on payments statement. This paragraph (h) applies only during periods for which firm prices have not been established.

(1) Within 45 days after the end of the quarter of the contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

(i) The total contract price of all supplies or services ordered and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies or services ordered and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies or services ordered and accepted by the Government and for which final prices have not been established; and

(iv) The total amount of all invoices or vouchers for supplies or services ordered and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the contractor's price-redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due

the contractor, as computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the contractor shall immediately refund or credit to the Government the amount of this excess. The contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the contractor and by the amount of previous refunds or credits affected under this procurement note. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the progress payments clause. The contractor shall provide complete details to support any claimed reductions in refunds.

(4) If the contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the contractor, the contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(i) Subcontracts. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(j) Disagreements. If the contractor and the contracting officer fail to agree upon redetermined prices for any price redetermination period within 60 days (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the contracting officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this procurement note.

(k) Termination. If this contract is terminated, prices shall continue to be established in accordance with this procurement note for:

(1) completed supplies and services accepted by the Government and;

(2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses or procurement notes of this contract.

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## SUBPART 16.5 – INDEFINITE DELIVERY CONTRACTS

*(Revised January 11, 2022 through PROCLTR 2021-15)*

**16.501-2 General.**

(c) Indefinite-delivery contracts providing for issuance of undefinitized delivery orders (UDOs) shall meet the requirements of DFARS Subpart 217.74 and DLAD 17.74.

**16.503 Requirements contracts.**

(a)(S-90) *Guaranteed minimum (GM) purchase requirements and obligations*. Contracting officers are not required to establish a GM for requirements contracts; however, if the contracting officer elects to include a GM in the solicitation and the award, the policies at 16.504(a)(1)(S-90 and 17.207(S-90) apply.

**16.504 Indefinite-quantity contracts.**

(a)(1)(S-90) Guaranteed minimum (GM) purchase requirements and obligations.

(A) Contracting officers shall establish a GM quantity or GM dollar value of supplies or services for the base period of performance of indefinite-quantity contracts (IQCs) and record an obligation in the amount of the GM at time of award. Recording the obligation is an internal financial action and is separate from issuing a task or delivery order against an IQC. Contracting officers shall follow the Guaranteed Minimum (GM) Job Aids (https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FinfoOps%2Fshared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT%2Fguaranteed%20Minimum%20%28GM%29). (From the EBS Home Page, see the EBS Online Help link, navigate to the eProcurement section, and select the Guaranteed Minimum (GM) folder.)

(*1*) For actions executed in ECC, see the job aid entitled "Creating and Maintaining a Guaranteed Minimum Purchase Order".

(*2*) For actions executed in SRM, see the job aid entitled "Creating and Updating a Guaranteed Minimum (GM) on a Long Term Contract (LTC)".

(B) Failures to establish a GM quantity or GM dollar value and/or record an obligation in the amount of the GM purchase requirement when awarding an IQC are reflected in warrant proficiency scores and require creation of a contracting officer corrective action plan in accordance with DLAM 5025.04, Contracting Officer (KO) Warrant Program (https://issuep.dla.mil/Published_Issuances/Contracting%20Officer%20(KO)%20Warrant%20Program%20with%20CAP%20changes.pdf). See Monthly Review and Reporting Requirements at mandatory PGI 16.504(a)(1)(S-90)(B).

(C) If during contract performance, the contracting officer does not expect demand during the remaining performance period to fulfill the GM, the contracting officer should consider whether a termination for convenience to reduce the GM is appropriate. Before executing any modification to effect a reduction in the GM, the contracting officer should consult with Office of Counsel to consider any legal impacts to the Agency stemming from the modification.

(a)(4)(viii) Use procurement note L26 in solicitations which will result in IDCs when it is anticipated that the contractor will offer a price break for high quantity delivery orders. Coordinate with the demand planner manager for establishment of the quantity most likely to be procured for each delivery order. The highest weight should then be assigned to this quantity. State the range of order quantities and the evaluation weight which will be placed on each quantity range in the buying section of Optional Form 336, Continuation Sheet. The contracting officer shall also provide the contractor with an estimate of the annual requirements.

*****

L26 Evaluation of Quantity Sensitive and Indefinite Delivery Contracts (AUG 2017)

(1) To be eligible for award for an item, the contractor shall offer prices for each quantity increment stated in the solicitation.

(2) The Government will—

(i) Evaluate prices on a weighted basis, as identified in the solicitation.

(ii) Assign the highest weights to incremental quantities, as identified in the solicitation, within which it anticipates orders are most likely to be issued.

(iii) Evaluate offers by multiplying the designated weight by the unit price for each order increment and adding the results.

(iv) Make only one award for each line item.

(v) Issue each delivery order at the price offered for that increment.

*****

(c) *Multiple award preference.* The contracting officer shall include the determination not to make multiple awards in the acquisition plan or otherwise document the determination in writing in the contract file.

(1)(ii)(D)(*1*)(S-90) "Awarded to a single source" means the task or delivery orders will not be competed between contract holders. "Task or delivery order contract" does not include orders against task or delivery order contracts.

(S-91) The HCA (or CCO if the HCA delegates approval authority to the CCO) shall approve award of task or delivery order contracts between $10 million and not exceeding the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) to a single source. This requirement does not apply to DLA Energy's energy program contracts, AbilityOne, and FPI contracts when they are a mandatory source in accordance with FAR 8.602(a)(3). This requirement does apply to DLA Energy non-energy task and delivery order contracts.

(S-92) Single awards over the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) ); excluding those subject to the exception in paragraph (c)(1)(ii)(D)(*3*)(*i*) at DFARS 16.504 (https://www.acq.osd.mil/dpap/dars/dfars/html/current/216_5.htm#216.504).

(*A*) Preferably within the early stages of the acquisition process, but no less than 21 days before contract award, the procuring organization shall submit a D&F to the DLA Acquisition Operations Division. If the D&F specifies the solicitation number, any resulting single award contract over the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) will be covered. The D&F shall include sufficient detail to fully support the application of one or more of the exceptions at FAR 16.504(c)(1)(ii)(D)(*1*) to the procurement.

(*B*) Fixed-price contracts utilizing an economic price adjustment or price redetermination clause qualify for the FAR 16.504(c)(1)(ii)(D)(*1*)(*ii*) exception for contracts providing only firm-fixed price task or delivery orders if the individual delivery or task orders under the contracts are firm-fixed priced using prices established in the contracts.

**16.505 Ordering.**

(a)(S-90) The contracting officer shall issue a delivery order for any quantity ordered, including a quantity ordered concurrently with award of a basic contract.

(b) *Orders under multiple-award contracts—*

(8) *Task-order and delivery-order ombudsman*. The competition advocate at each procuring organization shall act as the task and delivery order contract ombudsman. The ombudsman shall attempt to resolve contractor complaints relative to placement of individual task and delivery orders. When the ombudsman cannot resolve complaints at the procuring organization level, the ombudsman shall forward the complaint to the Program Manager for Competition, DLA Acquisition Operations Division. The DLA competition advocate shall resolve the complaint. Each procuring organization shall develop procedures for execution of ombudsman duties and responsibilities.

(c) Contracting officers may use procurement note C10 to indicate delivery order procedures in multiple award indefinite delivery contracts pursuant to FAR 16.504. Indicate in the procurement

note whether price evaluation for the task or delivery order is significantly more, less, or approximately equal in importance to all other evaluation factors combined.
*****
C10 Placement of Task or Delivery Orders Against Multiple Indefinite Delivery Contracts (AUG 2017)
(1) In accordance with FAR 52.216-27, Single or Multiple Awards, the Government may elect to award multiple contracts under this solicitation. The Government will evaluate proposals in accordance with evaluation provisions in Section M of this solicitation. In the event of multiple awards, the Government will use the same evaluation criteria to determine which proposals represent the best value to the Government. The contracting officer has the discretion to determine the exact number of awards, considering the cost to the Government to administer multiple awards, the recurring nature of the requirement, the need to increase the active production base, and the benefits that may be achieved through continued competition.
(2) Task or delivery order placement procedure.

(a) In the event of multiple awards, the contracting officer will consider each awardee for placement of individual task or delivery orders unless an exception at FAR 16.505(b)(2) applies. However, awardees subject to testing and approval requirements (e.g., first article testing) are not eligible to receive orders until testing requirements are satisfactorily completed. Failure to successfully complete required testing will constitute grounds for contract termination for default by the Government.

(b) Unless stated otherwise in the contract or in the request for quotes for task or delivery orders under this contract, the following evaluation process will be used in awarding task or delivery orders. The criteria used for evaluating offers for task or delivery orders under this contract are price, past performance, and delivery. Price is of _____ importance than or to the other factors combined. Past performance will include performance on orders previously placed under the contract and may include performance under other contracts. In evaluating performance under previous orders, the contracting officer will consider delivery, quality of supplies or services furnished, and success in implementing any socioeconomic support programs that may be applicable to the contract.
(3) Task and delivery order ombudsman. In accordance with FAR 16.505(b)(8), the competition advocate will address complaints or questions regarding the placement of individual task or delivery orders. Address correspondence to the appropriate supply chain listed below:
For DLA Aviation:
DLA Aviation
Competition Advocate, BPP
8000 Jefferson Davis Highway
Richmond, Virginia 23297-5124
For DLA Troop Support's construction and equipment, clothing and textile, subsistence, and medical supply chains:
DLA Troop Support
Competition Advocate, BPA
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5096
For DLA Land and Maritime:
DLA Land and Maritime

Competition Advocate
Post Office (P.O.) Box 3990
Columbus, Ohio 43218-3990
*****

**16.590 Procurement notes.**

(a) Contracting officers may use procurement note L27 in solicitations when a method is needed for making additions or deletions to items covered by the contract (e.g., corporate contracts, LTCs incorporating a manufacturer's price list, comprehensive weapon system spare parts support, a specific range of items).

(1) The contracting officer shall address competition requirements before new items may be added to a contract.

(2) The contracting officer shall prepare a scope of contract statement in the solicitation and resulting contract to clearly establish the Government's intentions and rights under the contract. The scope of contract statement should communicate a comprehensive objective for the acquisition (i.e., whether it is based on a specific stock class, weapon system, product line, manufacturer, or distributor). The contracting officer shall not include information in the scope of contract statement that conflicts with Section B or other terms of the solicitation. Contracting officers have flexibility in defining contract scope but must be careful to avoid ambiguities.
*****

L27 Addition and Deletion of Items (AUG 2017)

(1) The Government reserves the right to unilaterally delete items that were available from only one manufacturer at the time of award if an alternate source of supply becomes available or the Government's requirements are modified to provide for full and open competition. The Government will provide a 30-day advance notice to the contractor prior to deleting any item from the contract.

(2) The Government may add new items to the contract through bilateral modification with negotiated prices. All new requirements are subject to synopsis prior to addition to the contract.

(3) Discontinued items:

(a) The contractor agrees to provide the Government with immediate, written notification when the manufacturer will discontinue an item, including a recommendation for any potential substitute or replacement items. If the Government elects to include a substitute or replacement item in the contract, the contracting officer will modify the contract accordingly.

(b) If the manufacturer discontinues an item without replacement, the contractor shall include in the notice a recommendation concerning the availability of items that are comparable in form, fit, and function. The contractor shall not incur any costs related to alternate sources of supply without the express written approval of the contracting officer. The Government has the option to make a last time order, or series of orders, within 30 days after receiving written notification of the discontinued item, after which the item will be deleted from the contract. The contractor shall honor any last time order, unless it is returned to the ordering office within 10 days after issuance with written notice stating the full quantity is not available for shipment. The parties will negotiate the terms of such orders, including changes to the delivery schedule and maximum quantity available for shipment.
*****

(b) Contracting officers shall use procurement note C12 in solicitations and contract awards for LTCs that provide for shipment to more than one location and include quantity range pricing; when transportation costs will be relatively small compared to the cost of the item; and when the contract price will be f.o.b. origin.

*****

C12 Pricing of Delivery Orders with Quantity Increments (AUG 2017)

(a) In pricing delivery orders requiring delivery of one national stock number (NSN) to multiple destinations, the Government will determine the price for each destination as follows, depending on the box checked:

☐ (1) The quantity range price based on the total quantity of the NSN being procured under each delivery order regardless of destination; or

☐ (2) The total quantity being shipped to all destinations within each zone as defined elsewhere in this contract.

(b) If this solicitation or contract contains a provision for placement of orders through an electronic ordering system, the Government will determine unit prices for those orders as follows, depending on the box checked:

☐ (1) The total quantity of all requirements for each NSN issued via the electronic ordering system in a single day, regardless of the number of individual orders; or

☐ (2) The quantity of each individual order.

(c) The minimum quantity to be ordered, per destination, will be the minimum ordering range quantity if specified in section B of the solicitation or contract for each item.

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## SUBPART 16.6 – TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

### 16.601 Time-and-materials contracts.

(d) Limitations.

(S-90) The contracting officer shall include “not to exceed” price ceilings in each option and delivery order.

(S-91) Contracting officers shall migrate time-and-material and labor-hour (T&M/LH) vehicles to other contract types, preferably a fixed- price arrangement, when the service becomes repetitive and more predictable in nature.

(S-92) HCAs shall annually monitor their percentage of acquisition dollars being spent on T&M/LH contracts and orders. HCAs shall report to the CAE at the close of the calendar year any percentages of T&M/LH contract action dollars for the preceding fiscal year exceeding 8 percent of service dollars, including a discussion of the HCA’s strategy to decrease the use of T&M/LH contract type and the risk mitigation measures used in administering these contract types.

# PART 17 – SPECIAL CONTRACTING METHODS

*(Revised January 11, 2022 through PROCLTR 2021-15)*

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## SUBPART 17.1 – MULTIYEAR CONTRACTING

*(Revised February 17, 2017 through PROCLTR 2017-10)*

**17.170 General.**

(c) HCAs are delegated authority to enter into a multiyear contract for services and supplies; and may delegate this authority, without power of redelegation, to the CCO. The DLA Energy HCA is delegated authority to enter into a multiyear contract for services pursuant to DFARS 217.174, with redelegation permissible to the CCO only.

(d)(4) HCAs must submit notification to the DLA Acquisition Operations Division at least 60 days before awarding a multiyear contract.

## SUBPART 17.2 – OPTIONS

*(Revised January 11, 2022 through PROCLTR 2021-15)*

**17.204 Contracts.**

(e)(1) HCAs are authorized to approve use of contracts exceeding 5 years and up to 10 years (including base and options), provided no statutory restriction limits the term of the contract or specifically authorizes a longer duration. Include the HCA signed approval memorandum in the contract file.

(2) Submit requests for an ordering period in excess of 10 years to the DLA Acquisition Operations Division for SPE approval.

**17.206 Evaluation.**

(b) The determination not to evaluate an option prior to contract award (or definitization, if an undefinitized contract) must be in the contract file. Unevaluated options must not be used except in unusual circumstances.

**17.207 Exercise of options.**

(c)(7) The contracting officer must ensure the contractor's compliance with small business subcontract plan requirements are in the contract. Request DCMA small business office assistance for evaluation.

(d)(2) The contracting officer must include actual demands in informal option price analysis.

(S-90) Contracting officers may elect to issue solicitations with guaranteed minimum (GM) quantities for any option periods. GMs are not required for option periods. Contracting officers should only consider offering GMs for option periods if expected to increase competition, result in better price and/or there are special circumstances indicating it is in the best interest of the Government to do so. If option period GMs are used, contracting officers shall only record an obligation for a GM for the period of performance of an option at the time each option is exercised.

## SUBPART 17.5 –INTERAGENCY ACQUISITIONS

*(Revised February 17, 2017 through PROCLTR 2017-10)*

**17.500 Scope of subpart.**
Follow the procedures in DLAM 4010.01, Outbound Military Interdepartmental Purchase Request (MIPR) for Service Orders (https://hqc.dla.mil/stewardship/Documents/DLA_Manual_Outbound_MIPR_%20Procedures_Final.pdf).

**17.505 Contracting officer review.**
(a) DoD policy requires DoD warranted contracting officer review of all non-Economy Act orders over $500,000. DLA policy requires that a DLA warranted contracting officer review the assisted acquisition from a non-DoD entity of either supplies or services valued over the SAT. This review must be accomplished prior to sending the order to the funds certifier or issuing the military inter-departmental purchase request (MIPR) to the non-DoD activity. If the requesting official is different from the contracting officer, the requesting official must also review the acquisition package to ensure compliance with FAR, and DFARS. Contracting officers must not split requirements into smaller amounts in order to avoid contracting officer review.

**17.590 Follow-up procedures for non-Economy Act transactions.**
(a) The DLA contracting officer must ensure, in both assisted and direct acquisitions**,** that the requesting official has established a satisfactory quality surveillance plan for non-Economy Act orders in excess of $100,000 to facilitate the oversight of the goods provided or services performed by the performing agency. If DLA is making a direct or assisted acquisition on behalf of a customer activity, the DLA contracting officer must ensure that the requestor produces this plan. The plan must include:

(1) Contract administration oversight in accordance with the surveillance plan;

(2) A process for receipt and review of receiving reports and invoices from the performing agency/contractor;

(3) Reconciliation of receiving reports and invoices; and

(4) Requirements for documenting acceptance of the goods received or services performed.

(b) The requesting official (i.e. the customer or program manager, with the assistance of the DLA contracting officer or post-award contracting official, as appropriate) must—

(1) Monitor balances with the performing agency;

(2) Conduct tri-annual reviews of non-Economy Act orders in accordance with the Financial Management Regulation, Volume 3, Chapter 8, Section 0804, “Tri-Annual Review of Commitments and Obligations,” in conjunction with the Financial Management/J8 organization;

(3) Confirm open balances with the performing agency;

(4) Coordinate the return of funds from the non-DOD performing agency; and

(5) Coordinate with the accounting office to ensure timely deobligation of funds.

(c) In assisted acquisitions, payment must be made promptly upon the written request or billing of the performing agency/contractor. In assisted acquisitions and under specific conditions, payment to the performing agency may be made in advance or upon delivery of the supplies or services ordered, and must be for any part of the estimated or actual cost, as determined by the performing agency.

(1) The requesting official and supporting DLA contracting or program office must be cognizant of the performing agency’s payment method. Should the performing agency elect to receive advances or conduct advance billing prior to providing goods or services, the requesting official and/or DLA contracting or program office, as appropriate, must comply with the

requirements pertaining to advances of public money outlined in Volume 4, Chapter 5 of the "DOD Financial Management Regulation," which implements the general prohibition against advance payments contained in 31 U.S.C. 3324 and 10 U.S.C. 2307. When the conditions under which the advance was made are satisfied, the specific appropriation or law authorizing the advance must be cited on the order, and any unused amounts of the advance must be collected from the performing agency immediately and returned to the fund from which originally made.

(2) Payments made for services rendered or supplies furnished may be credited to the appropriation or fund of the agency performing the reimbursable work.

(d) All non-Economy Act orders must be reviewed by the requesting official to determine if they are complete. Completed orders must be fiscally closed out. The requesting official (or DLA contracting or program office, as appropriate) must reconcile funds and coordinate the return of excess or expired funds held by the performing agency. This review must include:

(1) Determination and identification, if applicable, of any outstanding invoices;

(2) Determination and identification of existence of excess or expired funds;

(3) Coordination of return of funds from the non-DOD performing agency; and

(4) Coordination with the accounting office to ensure the deobligation of funds.

## SUBPART 17.74 – UNDEFINITIZED CONTRACT ACTIONS

*(Revised August 14, 2019 through PROCLTR 2019-18)*

### 17.7404 Limitations.

(a) The CCO must—

(1) Monitor the procuring organization's usage of UCAs for conformance with the DLAD and higher-level regulatory requirements; and

(2) Ensure UCAs are correctly coded in FPDS-NG.

### 17.7405 Plans and reports.

(b) Procuring organizations shall submit monthly UCA reports to the DLA Compliance, Policy and Pricing Division by the 20th of each month. The DLA Compliance, Policy and Pricing Division will consolidate the monthly reports from each procuring organization and submit the semi-annual reports to the Office of the Director, Defense Pricing and Contracting.

## SUBPART 17.75 – ACQUISITION OF REPLENISHMENT PARTS

*(Revised October 13, 2020 through PROCLTR 2020-20)*

### 17.7505 Limitations on price increases.

(a)(1) The prior price may reflect a unit price paid or a price that has never been paid, because the item may have never been ordered on any contract vehicle. If the replenishment part was priced and placed on a long term contract (LTC), but no orders were issued for the item prior to any scheduled contract price adjustment, the contracting officer shall use the current effective LTC price as the basis for comparison to any proposed adjusted LTC price to determine if there has been an increase of 25% or more over the most recent 12-month period. (2) The threshold percentage increase for procurements valued under the micro-purchase threshold is 51 percent.

(b) The contracting officer shall notify the HCA by email and retain the message in the contract file. HCAs may delegate receipt of the email notification to the CCO, Director of Procurement

Process Support, Pricing Office, or other like designee in the HCA's support area; but shall not delegate receipt to any individual within the contracting officer's chain of command below the CCO.

## SUBPART 17.91 – USE OF PUBLIC MANUFACTURERS

*(Revised February 17, 2017 through PROCLTR 2017-10)*

**17.9100 Public (organic) manufacturing.**
Follow the procedures in DLAI 4140.18, Organic Manufacturing (OM) (https://issuances.dla.mil/Published_Issuances/Organic%20Manufacturing%20(OM).pdf).

## SUBPART 17.92 – REOPENER REQUIREMENTS

*(Revised February 17, 2017 through PROCLTR 2017-10)*

**17.9201 General.**
(a) A reopener requirement creates a right for an equitable adjustment in the contract price at a specified time or due to the occurrence or non-occurrence of an event or contingency of the type specified in FAR 31.205-7(c)(2).
(b) A reopener requirement provides a means of achieving an equitable resolution of the treatment of a significant contingent cost during both the initial pricing of a contract as well as at any time an equitable adjustment to such price is called for under the provisions of the requirement. Its use requires care to avoid a shift in risk from the contractor to the Government. It should be used only in extraordinary circumstances involving high dollar value procurements and rarely less than the TINA threshold where the uncertainty associated with particular cost element(s) substantially impacts the contract price.
(c) Circumstances in which its use may be appropriate include, but are not limited to, the following:
(1) A forward pricing rate agreement (FPRA) or forward pricing rate recommendation (FPRR) is not achievable, because of uncertainties having a significant impact such as:
(i) Supporting contractor budgetary data was not submitted;
(ii) A substantial portion of the business base has not yet materialized; or,
(iii) A potential for purchase, merger, or sale of part of a contractor's operations exists.
(2) The price impact of a change in a requirement, term, or condition made during negotiations is significant but cannot be reasonably quantified and resolved prior to award.
(3) The offeror's estimating system contains significant deficiencies (DFARS 215.811-70(g)(2)(vi) and (3)).

**17.9202 Policy.**
(a) The contracting officer must document that the use of a reopener requirement is the most appropriate means of overcoming a contingency that will significantly affect the contract price.
(b) The contracting officer must—
(1) Ask the ACO to provide a recommended reopener requirement, if applicable.
(2) Query CBAR and the ACO, regarding the adequacy of the contractor's accounting system to provide all necessary cost data in the form required to price adjustments. (Obtain a

review of the adequacy of the accounting system if necessary.

(3) Obtain cost or pricing data applicable to the cost element and markup factors, to establish the base level from which adjustment will be made.

(4) Prepare proposed schedule for each affected CLIN, which identifies each specific rate, factor, element of cost, profit, etc., to be covered by the reopener requirement; and explicitly describes or provides an example of the precise methodology to be used to calculate any resulting price adjustment. Consider whether it is appropriate to retroactively apply a price, as subsequently finalized, to items already delivered on time and to late deliveries.

(5) If the reopener provides for an upward adjustment, advise the budget office to commit funds over and above the contract price to the amount of the ceiling established. If the award is funded by a Military Inter-Departmental Purchase Request, obtain confirmation from the requiring activity that funds have been set aside to cover the potential increase.

(6) Obtain HCA approval of the reopener requirement prior to conclusion of negotiations. The approval includes basis and limitations for use.

(7) Incorporate amounts and methods reached through preaward discussions or negotiations with the contractor in a document executed by both parties and attached to the PNM; or incorporate calculations supporting the contracting officer's interpretation of negotiations in the PNM. Ensure confidential contractor information is not included in the contract.

(8) Indicate in a contract administration delegation letter if the award contains a reopener requirement. Advise the ACO of any awards retained for administration that will be affected by a prospective forward pricing rate agreement (FPRA) or forward pricing rate recommendation (FPRR).

**17.9204 Reopener requirements.**

The contracting officer must, at a minimum, include the following in a reopener requirement:

(a) Title that clearly identifies it as a reopener requirement.

(b) Statement of purpose.

(c) Identification of the items, amounts, and event triggering the reopener procedure.

(d) Requirement for certified cost or pricing data, and applicability of the Disputes clause.

(e) Adjustment pricing methodology in the following order of preference:

(1) Pre-established pricing formula;

(2) If the nature of the contingency is such that its price impact can only be anticipated to fall within a broad range of prices instead of one or several alternative price outcomes, identify the range within which the amount for that cost element may be revised through negotiations; or

(3) If the contingency is such that its price impact cannot be anticipated to fall within a broad range, or the original price negotiations did not involve cost or pricing data, the reopener may specify that the parties will enter into good faith negotiations and include an option for terminating performance within a specified number of days following receipt of written notice by either party in the event of a failure to agree.

(f) A provision for a downward or upward adjustment as appropriate. An exception is authorized only when necessary to achieve final agreement on price. For contracts allowing an upward adjustment above the contract price, establish a firm, not-to-exceed ceiling, on an aggregate basis (and per unit basis if applicable), above which no price adjustment must be made.

(g) The method of adjusting any option quantity or period prices, if any, which may result from operation of the reopener.
(h) If the contract is not subject to the Cost Accounting Standards (FAR Part 30), the treatment of accounting system changes that impact the price adjustment under the reopener.
(i) The contractor must confirm the award price does not include any amount for the specified contingency except as provided for in the reopener requirement.

## SUBPART 17.93 – SURGE AND SUSTAINMENT (S&S)

*(Revised June 11, 2020 through PROCLTR 2020-12)*

### 17.9300 Scope.

This subpart does not apply to DLA Energy. Surge and sustainment coverage for DLA Energy is in the DLA Energy annual surge capability plan (ASCP). DLA Energy will submit the ASCP to the DLA Acquisition Programs Division for review and approval by the DLA Acquisition Director no later than December 31 each year or more frequently as significant changes occur.

### 17.9301 Definitions.

*"D1-D6 schedule"* means surge requirements expressed in exact quantities with a 6-month sustainable accelerated delivery. The D1-D6 schedule is determined and obtained by using the support planning integrated data enterprise readiness system (SPIDERS) or industrial base management system (IBMS), or consulting the industrial specialist. The D1-D6 schedule is used when the monthly wartime rate (MWR) cannot be applied. D1-D6 identifies the surge requirement, including the Services' go-to-war requirements.
*"Industrial capability issue (ICI)"* means a procurement issue created by the lack of industrial capability, capacity, and/or raw or semi-finished materials with lead-time issues that impact the ability of the supplier to deliver at the wartime rate. Mitigation of the issue requires an investment by the Government to improve capability to deliver at the wartime rate. These investments are funded through the Warstopper program (refer to DLA Instruction 5025.03, Industrial Capabilities Program – Manage the Warstopper Program).
*"Industrial specialist"* means a Government employee within the industrial preparedness branch for DLA Aviation, the industrial support office for DLA Land and Maritime, the industrial base planning office in DLA Troop Support Clothing and Textiles (C&T), the industrial preparedness branch in DLA Troop Support Construction and Equipment (C&E), the strategic material sourcing group (SMSG) readiness division for DLA Troop Support Medical, and the industrial base planning branch for DLA Troop Support Subsistence who performs certain technical functions within their respective procuring organizations.
*"Monthly wartime rate (MWR)"* means the combined recurring requirements for all services after offsets for peacetime DLA direct (DD) procuring organization surge capability or DLA managed war reserve material (WRM) stocks are applied. MWR is a forecast of additional monthly demand during wartime and is expressed in units per month. MWR is used for items with National Stock Numbers (NSNs) and can be found in the industrial base management system (IBMS) or by consulting the supply chain industrial specialist.
*"Peacetime support issue"* means a situation when DLA is unable to meet the customer's required delivery date for a weapon system repair part that is coded not mission capable-supply

(NMCS), is a critical item that impacts mission capability (MICAP) or prevents the loss of life/property, or cannot be satisfied by routine fulfillment/replenishment procedures.
*"Surge and sustainment (S&S)"* means increased quantities and accelerated delivery rates required to meet Military Service requisitions across a broad spectrum of contingencies. The increased quantity and accelerated delivery rate are above and beyond the normal peacetime requirements, and are identified as MWR, D1-D6 schedule, or a surge quantity event.
*"Surge and sustainment coverage"* means a combination of DLA's ability to fill contingency requisitions through the MWR, D1-D6 schedule, or surge quantity option within the customer's required delivery date (RDD) and the supplier's ability to meet surge quantity and sustainable accelerated delivery.
*"S&S event"* means the relationship between the S&S planning requirement (SSPR), the S&S actual requirements, and S&S coverage. DLA Manual 5025.12, Industrial Capability Program – Surge and Sustainment (S&S), Enclosure 4 provides details on surge and sustainment events (Numbered I through VI). An event may have known surge planning requirements, may be covered for surge, and may be needed in surge quantities during an actual contingency.
*"Surge and sustainment planning requirements (S&SPR,)"* or "go-to-war requirements," are forecasted additive monthly wartime demand requirements derived from: (1) annual submissions of Other War Reserve Material Requirements (OWRMR) data from the Military Services; (2) analysis of supply chain risk assessment data and subsequent collaboration with appropriate DLA customers to define/validate additive demand during wartime; and (3) review and analysis of historical data focused on supply items with a weapon system essentiality code (WSEC) of 1, 5, 6 or 7 and Joint Chiefs of Staff (JCS) project coded requisitions. These requirements are the Services' go-to-war items for contingency operations, national emergencies, or other readiness needs, when immediate availability of materials and speed of delivery are essential to support national security interests. DoDI 3110.06, War Reserve Materiel Policy, and DLM 4000.25-2, Military Standard Transaction Reporting & Accountability Procedures (MILSTRAP), require identification of these go-to-war requirements to support national security interests of the United States.
*"Surge quantity option"* means an increased quantity above and beyond peacetime demands expressed as a percentage or exact number with a sustainable accelerated delivery. This quantity is other than the MWR or D1-D6 schedule, and used for market ready, commercial, supplier part-numbered items (e.g., cataloged commercial items under a prime supplier arrangement) to support increased demands during contingency operations, national emergencies, or other readiness needs. Surge quantity option is calculated using appropriate demand data through market research, or determined by consulting the industrial specialist.
*"Unsupported item issue (UII)"* means surge requirements that cannot be met through peacetime inventory, normal peacetime contracting, alternative contract strategies, or a successful resolution using investment to an industrial capability issue (ICI). DLA is required to report a UII to the services for inclusion into their war reserve planning, such as when an investment to resolve an ICI exceeds cost of a Government "buy and hold" solution, or when stocking the item is counter to DoD war reserve policy.

**17.9302 Policy.**
(a) The primary mission of DLA is to support the warfighter in peacetime and wartime, to include smaller contingencies. The ability to surge, or ramp up quickly, and to sustain

replenishment of wartime consumable items at an increased pace is critical to the execution of U.S. military strategy. The continuing emphasis by both DLA and suppliers to reduce inventory levels and DLA's plan to rely on industrial capability directly impacts surge and sustainment coverage. S&S capability is a primary consideration in all acquisition strategies and resource investments.
(b) Include surge and sustainment planning requirements (S&SPR) in solicitations for indefinite-delivery term contracts for wartime critical materials. Acquisition planning must identify the most effective contract vehicle to ensure surge and sustainment coverage for surge events identified. Contracting officers must ensure go-to-war items identified during acquisition planning are included in solicitations for indefinite-delivery contracts, modifications adding items to a contract, or during option exercise.
(c) Contracts and orders with mandatory sources under FAR 8.002(a), including General Services Administration Federal Supply Schedules and AbilityOne, must comply with this policy in solicitations and resulting contracts.

**17.9303 Procedures.**
(a) Contracting officers must include consideration of surge and sustainment in acquisition plans and state if it will be used as an evaluation factor. Detailed procedures on tasks and responsibilities for the contracting officer and industrial specialist can be found in DLAM 5025.12, Industrial Capability Program Surge and Sustainment (S&S).
(b) When S&S is determined applicable, the contracting officer must incorporate the approved CAP and exit strategy in the contract. As applicable, identify the amount of the approved Government investment and explicit language regarding limited use of the investment.
When Fragility and Criticality (FaC) is determined applicable for non-covered surge items, the contracting officer must include FaC in acquisition plans. Detailed procedures on tasks and responsibilities for the contracting officer and industrial specialist can be found in.
DLAI 5025.04, Industrial Capability Program - Industrial Base Health Fragility and Criticality Policy (https://issue-p.dla.mil/Published_Issuances/DLAI%205025.04,%20ICP%20-%20Fragility%20and%20Criticality%20(FaC)%20Policy.pdf).
(c) The contracting officer coordinates any adjustments or changes to the surge coverage with the industrial specialist.
(d) Contracting officers must use the applicable system and/or applications:
(1) Surge and Sustainment Database found within the Industrial Base Management System (IBMS) (https://www.jccs.gov/SSDB/IBMS/Home.aspx).
(2) Reserved.
(3) DLA Troop Support Medical Master (DMM) Online Catalog (https://www.medical.dla.mil/Portal/).

**17.9304 Description/specifications, instructions to offerors, and evaluation factors.**
(a) Solicitations and contracts must include procurement note C06 when MWR, D1-D6, or surge quantity option applies:
*****
C06 Surge and Sustainment (S&S) Requirements (FEB 2017)
(1) Definitions.
*"Surge and sustainment (S&S)"* means increased quantities and accelerated delivery rates required to meet Military Service requisitions across a broad spectrum of contingencies. The

increased quantity and accelerated delivery rate are above and beyond the normal peacetime requirements. S&S quantities are identified as MWR, D1-D6 schedule, or a surge quantity event.

*"Capability Assessment Plan (CAP)"* means the offeror's plan for covering S&S requirements, identification of competing priorities for the same resources, and date when the S&S capability can be attained. The offeror must provide the CAP as an attachment to its proposal when S&S items are identified in the solicitation. If the offeror cannot meet S&S quantity and delivery needs, the CAP must identify the shortfall and provide best value solutions, to include a proposed Government investment strategy to help offset the shortfall if needed.

*"Electronic CAP"or "eCAP"* means an electronic version of the CAP that the offeror can complete online. The web address and instructions for completing the eCAP are provided in the solicitation.

(2) The contractor must maintain its S&S capability to produce and deliver the S&S quantity identified in Section C in accordance with the approved capability assessment plan (CAP) throughout the contract performance period. The contractor must participate in any S&S testing and verification requested by the Government. The contractor agrees to support S&S requirements to the maximum extent practical prior to achieving full S&S capability required in Section C and the CAP; and for requirements exceeding those required in Section C and the CAP but not exceeding any applicable contract maximum quantity or contract value required in FAR 52.216-19. Changes that negatively impact S&S capability must be reported in writing to the contracting officer within ten (10) working days after the contractor becomes aware of the impact. The notification must include a revised S&S CAP containing proposed corrective actions and date when the S&S capability will be attained.

(3) The Government reserves the right to verify and test the S&S capability described in the CAP at any time during contract performance. The Government will prepare a test and verification plan and upon request the contractor must demonstrate its S&S capability.

(4) If requested by the Government, the contractor must be prepared to provide a plan to participate in S&S validation and testing to verify the S&S capability described in the CAP. Participation in S&S validation and testing will be at no additional expense to the Government, and does not justify an equitable adjustment to the contract price. The plan must include methodology, rating criteria, labor, materials, and time required to conduct validation and testing. S&S validation generally entails verifying if the contractor and subcontractors have (a) sufficient equipment, facilities, personnel, stock, pre-positioned raw materials, production capabilities, and base resources; (b) agreements, networks, and plans for distribution (receiving, storing, packaging, and issuing); (c) transportation services to accommodate the S&S requirements in the contract; (d) examination of any in-house work; (e) review of the stock rotation plan; and (f) other contracts that impact the production of added or accelerated delivery of contract quantities. The testing/verification plan is not required to be included in the offeror's proposal. Offerors are encouraged to consider the possibility of the Government requesting this participation when formulating the proposal.

*****

(b) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note L18 when surge requirements apply.

*****

L18 Surge and Sustainment (S&S) Requirements – Instructions to Offerors (FEB 2017)

(1) Each offeror must describe in its proposal its ability to meet the S&S accelerated delivery specified for items critical to support the Department of Defense in conducting contingency operations. These S&S items are identified in Section C with quantities expressed as a Monthly Wartime Rate (MWR) or in a D1-D6 schedule. The S&S quantity and delivery requirements are in addition to peacetime quantities. S&S requirements may be met through access to production capability as well as contractor-owned or contractor-managed inventory or safety stocks.
(2) Each offeror must include in its basic proposal a brief description of how it will ramp up to meet accelerated delivery and increased quantities (i.e., surge) and sustain an increased production and delivery pace throughout the contingency (i.e., sustainment). Additionally, each offeror must provide a separate capability assessment plan (CAP) to document its detailed technical approach for covering S&S requirements.
(3) If the CAP recommends some type of Government investment, offerors must include their plan for refreshing or replacing S&S material consumed to ensure a continued surge capability. The CAP must include an exit strategy that describes the transition and ramp-down of S&S assets and any remaining Government investment not consumed before contract expiration.
(4) Offerors must provide pricing within the electronic CAP submission for S&S requirements based on the schedule for delivering items in the offeror's CAP. When S&S pricing exceeds peacetime pricing, the offeror's proposal must include sufficient description to explain the rationale for the additional costs associated and provide a breakdown of costs to substantiate the pricing. This paragraph (4) does not apply to DLA Troop Support Subsistence.
*****

(c) Contracting officers will include peacetime and S&S requirements when inserting dollar figures or quantities in FAR 52.216-19, Order Limitations.
(d) Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) shall include procurement note L19 in solicitations if S&S requirements apply.
*****

L19 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) (JAN 2021)
Offerors shall complete the CAP electronically using the Worldwide Web Industrial Capabilities Program (WICAP) (https://ibms.dape.dla.mil/wicap) website.
*****

(e) Contracting officers at DLA Troop Support Medical shall include procurement note L20 if S&S requirements apply.
*****

L20 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Medical (JUN 2020)
Offerors shall complete the CAP electronically using the Industrial Preparedness System (IPSYS) Industrial Capability Survey Tool through the DLA Troop Support DMM Online Directorate of Medical Materiel, single sign-on application website at DLA Troop Support Medical Materiel DMM Online (https://www.medical.dla.mil/WAM/Account/LogOn).
*****

(f) Solicitations issued by DLA Troop Support Subsistence must include procurement note L21 when S&S requirements apply.
*****

L21 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Subsistence (FEB 2017)

Offerors must submit the CAP for items identified with surge requirements in Section C of the solicitation.
The CAP must—
(1) Outline the offeror's method of addressing the S&S requirements, whether defined as a percentage of annual demands or by individual line items. If the S&S quantity or delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed strategy to offset the shortfall.
(2) Describe how the offeror will reduce peacetime production lead times by 50% to meet S&S requirements.
(3) Provide letters of commitment or other agreements from suppliers and service providers (e.g., additional equipment or warehouse space) confirming they can meet S&S requirements.
(4) Provide a plan to continue operations from an alternate facility in the event the primary facility is damaged or otherwise unable to operate at full capacity.
(5) Identify competing priorities for the same resources, and ensure that meeting surge delivery requirements is independent of any other contracts or production requirements.
(6) Identify the lead time for providing required S&S capability.
(7) If applicable, include an exit strategy describing how to transition and ramp-down S&S assets and any Government investment.
*****
(g) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note M07 when S&S requirements apply.
*****
M07 Surge and Sustainment (S&S) Evaluation (FEB 2017)
(1) Capability Assessment Plan (CAP) Evaluation: The CAP will be reviewed and assessed for responsiveness, completeness, and technical merit. The CAP must demonstrate (i) the offeror's ability to provide the full S&S quantity and meet the delivery requirements as specified in the solicitation; (ii) the technical merits of the proposed solutions to any identified shortfalls in S&S quantity and/or delivery requirements; and (iii) the ability to achieve the solutions without Government investment. If the CAP includes Government investment, the evaluation includes plans to refresh or replace S&S material and related exit strategy to ensure the Government's continued surge capability.
(2) S&S Past Performance History: The quality and extent of the offeror's historical surge support performance will be considered as part of the overall past performance evaluation. In the absence of or in addition to historical S&S capability support, the contracting officer may consider other relevant performance history that demonstrates the offeror's ability to respond to and sustain higher than normal production rates or faster than normal delivery requirements, or both.
(3) The contracting officer will include the S&S price in the overall price evaluation.
*****
(h) The contracting officer, after coordination with the industrial specialist, submits requests for changes or exceptions to the above procurement notes to the DLA Acquisition Programs Division for approval.

**17.9305 Warstopper Program Material Buffer Availability.**

Contracting officers shall include procurement note C07 in solicitations and long-term supply contracts to notify suppliers that may be candidates to support industrial mobilization and/or material disruptions of the potential availability of key raw materials.

*****

C07 Warstopper Program Material Buffer Availability (JAN 2021)

(1) The Warstopper Program Material Buffer (Buffer) helps decrease lead times for raw material to support defense contracts relating to military systems with a wartime requirement. The Worldwide Web Industrial Capabilities Program (WICAP) website (https://ibms.dape.dla.mil/wicap) identifies current material buffer suppliers and materials. If buffer material is unavailable or the quantity of material is inadequate to complete the requirement, the contractor shall contact the contracting officer representative (COR) for guidance. When a buffer is established, the contractor shall use the following process to submit requests for buffer material. A defense contractor (or sub-tier contractor supporting a prime contractor) with a current, active U.S. Government contract shall submit a valid request to use buffer material to the COR for the respective buffer material. The COR will review the submittal and approve or disapprove the request. The contractor shall include the following information in the request:

(a) Requestor's name;
(b) U.S. Government contract number;
(c) Defense Priorities and Allocations System (DPAS) rating;
(d) Material specification;
(e) Quantity required;
(f) Required delivery date; and
(g) Whether there is a pre-existing supply contract with the material buffer contractor.

(2) If no prior contractual relationship exists between the contractor requesting access to the buffer material and the material buffer contractor, the material buffer contractor is authorized to enter into a contract to provide material from the buffer after the COR approves a valid request. The contractor shall include this action in the monthly report submitted to the COR. When requests exceed the buffer's maximum monthly material availability, the material supplier may negotiate phased delivery of material across the material monthly availability; or the Government COR may prioritize the release of the material at the Government's discretion.

(3) The material price for contractors accessing the material buffer is the material price identified in any pre-existing contract with the material buffer contractor. The material price for contractors with no pre-existing contract with the material buffer contractor is the standard (not spot market levels) pricing for the material. Contractors using the buffer are solely responsible for costs of using the buffer, and the Government has no liability either for these costs or for delays or other effects arising from the use of the buffer.

(4) The buffer material provided is not Government furnished material, but is a normal vendor-to-vendor transaction with all applicable warranties and guarantees provided through the commercial transaction.

*****

(a) Solicitations and contracts must include procurement note C06 when MWR, D1-D6, or surge quantity option applies:

*****

C06 Surge and Sustainment (S&S) Requirements (FEB 2017)

(1) Definitions.

*"Surge and sustainment (S&S)"* means increased quantities and accelerated delivery rates required to meet Military Service requisitions across a broad spectrum of contingencies. The

increased quantity and accelerated delivery rate are above and beyond the normal peacetime requirements. S&S quantities are identified as MWR, D1-D6 schedule, or a surge quantity event.

*"Capability Assessment Plan (CAP)"* means the offeror's plan for covering S&S requirements, identification of competing priorities for the same resources, and date when the S&S capability can be attained. The offeror must provide the CAP as an attachment to its proposal when S&S items are identified in the solicitation. If the offeror cannot meet S&S quantity and delivery needs, the CAP must identify the shortfall and provide best value solutions, to include a proposed Government investment strategy to help offset the shortfall if needed.

*"Electronic CAP"or "eCAP"* means an electronic version of the CAP that the offeror can complete online. The web address and instructions for completing the eCAP are provided in the solicitation.

(2) The contractor must maintain its S&S capability to produce and deliver the S&S quantity identified in Section C in accordance with the approved capability assessment plan (CAP) throughout the contract performance period. The contractor must participate in any S&S testing and verification requested by the Government. The contractor agrees to support S&S requirements to the maximum extent practical prior to achieving full S&S capability required in Section C and the CAP; and for requirements exceeding those required in Section C and the CAP but not exceeding any applicable contract maximum quantity or contract value required in FAR 52.216-19. Changes that negatively impact S&S capability must be reported in writing to the contracting officer within ten (10) working days after the contractor becomes aware of the impact. The notification must include a revised S&S CAP containing proposed corrective actions and date when the S&S capability will be attained.

(3) The Government reserves the right to verify and test the S&S capability described in the CAP at any time during contract performance. The Government will prepare a test and verification plan and upon request the contractor must demonstrate its S&S capability.

(4) If requested by the Government, the contractor must be prepared to provide a plan to participate in S&S validation and testing to verify the S&S capability described in the CAP. Participation in S&S validation and testing will be at no additional expense to the Government, and does not justify an equitable adjustment to the contract price. The plan must include methodology, rating criteria, labor, materials, and time required to conduct validation and testing. S&S validation generally entails verifying if the contractor and subcontractors have (a) sufficient equipment, facilities, personnel, stock, pre-positioned raw materials, production capabilities, and base resources; (b) agreements, networks, and plans for distribution (receiving, storing, packaging, and issuing); (c) transportation services to accommodate the S&S requirements in the contract; (d) examination of any in-house work; (e) review of the stock rotation plan; and (f) other contracts that impact the production of added or accelerated delivery of contract quantities. The testing/verification plan is not required to be included in the offeror's proposal. Offerors are encouraged to consider the possibility of the Government requesting this participation when formulating the proposal.

*****

(b) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note L18 when surge requirements apply.

*****

L18 Surge and Sustainment (S&S) Requirements – Instructions to Offerors (FEB 2017)

(1) Each offeror must describe in its proposal its ability to meet the S&S accelerated delivery specified for items critical to support the Department of Defense in conducting contingency operations. These S&S items are identified in Section C with quantities expressed as a Monthly Wartime Rate (MWR) or in a D1-D6 schedule. The S&S quantity and delivery requirements are in addition to peacetime quantities. S&S requirements may be met through access to production capability as well as contractor-owned or contractor-managed inventory or safety stocks.
(2) Each offeror must include in its basic proposal a brief description of how it will ramp up to meet accelerated delivery and increased quantities (i.e., surge) and sustain an increased production and delivery pace throughout the contingency (i.e., sustainment). Additionally, each offeror must provide a separate capability assessment plan (CAP) to document its detailed technical approach for covering S&S requirements.
(3) If the CAP recommends some type of Government investment, offerors must include their plan for refreshing or replacing S&S material consumed to ensure a continued surge capability. The CAP must include an exit strategy that describes the transition and ramp-down of S&S assets and any remaining Government investment not consumed before contract expiration.
(4) Offerors must provide pricing within the electronic CAP submission for S&S requirements based on the schedule for delivering items in the offeror's CAP. When S&S pricing exceeds peacetime pricing, the offeror's proposal must include sufficient description to explain the rationale for the additional costs associated and provide a breakdown of costs to substantiate the pricing. This paragraph (4) does not apply to DLA Troop Support Subsistence.
*****

(c) Contracting officers will include peacetime and S&S requirements when inserting dollar figures or quantities in FAR 52.216-19, Order Limitations.
(d) Reserved.
(e) Solicitations issued by DLA Troop Support Medical must include procurement note L20 when S&S requirements apply.
*****

L20 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Medical (FEB 2017)
Offerors must complete the CAP electronically using the industrial preparedness system (IPSYS) industrial capability survey tool through the DLA Troop Support DMM online Directorate of Medical Materiel, single sign-on application website at https://www.medical.dla.mil/registration/consent/default.aspx.
* * * * *

(f) Solicitations issued by DLA Troop Support Subsistence must include procurement note L21 when S&S requirements apply.
*****

L21 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Subsistence (FEB 2017)
Offerors must submit the CAP for items identified with surge requirements in Section C of the solicitation.
The CAP must—
(1) Outline the offeror's method of addressing the S&S requirements, whether defined as a percentage of annual demands or by individual line items. If the S&S quantity or delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed strategy to offset the shortfall.

(2) Describe how the offeror will reduce peacetime production lead times by 50% to meet S&S requirements.
(3) Provide letters of commitment or other agreements from suppliers and service providers (e.g., additional equipment or warehouse space) confirming they can meet S&S requirements.
(4) Provide a plan to continue operations from an alternate facility in the event the primary facility is damaged or otherwise unable to operate at full capacity.
(5) Identify competing priorities for the same resources, and ensure that meeting surge delivery requirements is independent of any other contracts or production requirements.
(6) Identify the lead time for providing required S&S capability.
(7) If applicable, include an exit strategy describing how to transition and ramp-down S&S assets and any Government investment.
*****

(g) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note M07 when S&S requirements apply.
*****

M07 Surge and Sustainment (S&S) Evaluation (FEB 2017)
(1) Capability Assessment Plan (CAP) Evaluation: The CAP will be reviewed and assessed for responsiveness, completeness, and technical merit. The CAP must demonstrate (i) the offeror's ability to provide the full S&S quantity and meet the delivery requirements as specified in the solicitation; (ii) the technical merits of the proposed solutions to any identified shortfalls in S&S quantity and/or delivery requirements; and (iii) the ability to achieve the solutions without Government investment. If the CAP includes Government investment, the evaluation includes plans to refresh or replace S&S material and related exit strategy to ensure the Government's continued surge capability.
(2) S&S Past Performance History: The quality and extent of the offeror's historical surge support performance will be considered as part of the overall past performance evaluation. In the absence of or in addition to historical S&S capability support, the contracting officer may consider other relevant performance history that demonstrates the offeror's ability to respond to and sustain higher than normal production rates or faster than normal delivery requirements, or both.
(3) The contracting officer will include the S&S price in the overall price evaluation.
*****

(h) The contracting officer, after coordination with the industrial specialist, submits requests for changes or exceptions to the above procurement notes to the DLA Acquisition Programs Division for approval.

**17.9305 Warstopper Program Material Buffer Availability.**
Solicitations and long-term supply contracts must include procurement note C07 to notify suppliers that may be candidates to support industrial mobilization and/or material disruptions of the potential availability of key raw materials.
*****

C07 Warstopper Program Material Buffer Availability (MAY 2017)
(1) The Warstopper program material buffer (Buffer) was created to decrease lead times for raw material to support defense contracts relating to military systems with a wartime requirement. The current material buffer suppliers and materials may be reviewed at

https://www.jccs.gov/wicap.
If the buffer material is not available or the material is inadequate to complete the requirement, the contractor must contact the contracting officer representative (COR) for guidance. When a buffer has been established, the following process must be used to submit requests for buffer material. A defense contractor (or sub-tier contractor supporting a prime contractor) with a current, active U.S. Government contract must submit a valid request to use a material buffer to the COR for the respective material buffer. The COR will review the submittal and approve or disapprove the request. -The request should include the following information:

(i) Requestor's name;
(ii) U.S. Government contract number;
(iii) Defense Priorities and Allocations System (DPAS) rating;
(iv) Material specification;
(v) Quantity required; and
(vi) Required delivery date.
(vii) Whether there is a pre-existing supply contract with the material buffer contractor.

(2) If no prior contractual relationship exists between the defense contractor requesting access to the material buffer and -the material buffer contractor, the material buffer contractor is authorized to enter into a contract – to provide material from the buffer – once a valid request has been approved by the COR. This action must be included in the monthly report submitted to the COR. When requests exceed the buffer's maximum monthly material availability, the material supplier may negotiate phased delivery of material across the material monthly availability; or the Government COR may prioritize the release of the material at the Government's discretion.
(3) Contractors accessing the material buffer will be charged the material price identified in any pre-existing contract with the material buffer contractor. For those defense contractors not having a pre-existing contract with the material buffer contractor, they must be charged the standard (not spot market levels) pricing for the material. Contractors using the buffer are solely responsible for costs of using the buffer, and the Government has no liability either for these costs or for delays or other effects arising from the use of the buffer.
(4) The buffer material provided is not Government furnished material, but is a normal vendor-to-vendor transaction with all applicable warranties and guarantees provided through the commercial transaction.
*****

## SUBPART 17.95 – TAILORED LOGISTICS SUPPORT CONTRACTING

*(Revised February 17, 2017 through PROCLTR 2017-10)*

**17.9500 Scope of subpart.**
This subpart prescribes policies and procedures for soliciting offers, awarding contracts, placing orders, and post award administration under DLA's tailored logistics support contracting initiatives. Included in this category are prime vendor (PV), similar existing support arrangements known as modified prime vendor initiatives (MPV), and future initiatives that have characteristics of PV arrangements but are not considered traditional PV. TLSC initiatives are prime vendor programs for purposes of the authorities at 13.402(a) to use fast payment procedures.
This subpart also discusses the management attention required throughout the life of a tailored logistics support contract. It includes a procurement note at 17.9504(c) to be used when the

Government relies on the contractor's purchasing system to verify that the contractor competed the items or services, or justify fair and reasonable pricing. Any deviation from this subpart must be requested in writing to the DLA Acquisition Operations Division and be approved by the SPE. Deviations may be requested on a program rather than an individual acquisition basis.

**17.9501 Definitions.**

*"Distribution and handling fee"* means the portion of the total item price listed in the catalog that is paid for stocking, handling, and delivering the item, as awarded under the contract. It does not include the cost of the actual item that the tailored logistics provider may have manufactured itself or procured from another supplier. It is expressed in fixed dollar amounts only, not in percentages, except for those prime vendor acquisitions that uses negative distribution fees to obtain discounts of off prices established under other contract vehicles (e.g. the Pharmaceutical PV program).

*"Distribution and pricing agreement (DAPA)"* means an agreement with a manufacturer or supplier that establishes both the selling price of a product and an affirmation from the DAPA-holder to allow contractors to distribute its products. A DAPA allows for delivery of selected products at specified prices.

*"Market basket"* means a representative sample of items that may be bought under the program used for price evaluation under a proposed contract action. Proposed pricing for items in the market basket is determined fair and reasonable prior to inclusion in any resulting contract. May also be referred to under other names such as "Price Evaluation List.

*"National allowance pricing agreement (NAPA)"* means an agreement with a manufacturer or supplier that provides discounts on a national basis. Tailored logistics support contracts require contractors to pass on these savings to the end customer.

**17.9502 General.**

(a) Contracting officers must consider using tailored logistics support (TLS) contracts whenever a viable commercial supply chain exists for the items and associated services being acquired.

(b) CCOs must ensure Government individuals assigned to work on or provide significant support for PV contracts complete a tailored logistics support program of instruction within one month of assuming their duties on a PV contract and complete annual refresher training.

(c) The following courses are suggested as part of a core curriculum. CCO's must tailor the suggested curriculum with training pertinent to the acquisition at hand, such as units of instruction reflective of the commodities or industries involved, standard operating procedures to be followed within a program, and specific examples of fraud schemes encountered within the contracting office.

(1) Price reasonableness and negotiation skills practicum
(2) Commercial item determination –on-line course (CLC 020)
(3) Commercial item pricing (CLC 131)
(4) Procurement fraud indicators (CLM 049)
(5) Contract pricing refresher
(6) Pricing catalogs for prime supplier programs
(7) Contract administration (including closeout, CORs and COTRs)
(8) Domestic content update and refresher (see also the DAU Course "Berry Amendment" (CLC 125)

(9) CQMPs and the acquisition review board process
(10) Contract documentation requirements

**17.9503 Pricing.**

(a) A PV contract or other tailored logistics support contract must comply with one of the established PV pricing models in Subpart 15.4.

(b) *Catalog pricing*. The initial catalog of DLA approved items available for ordering under the TLSC is created at time of contract award**.**

**17.9504 Post award actions and management oversight.**

(a) Tailored logistics support contracts are subject to continuous and rigorous management oversight as follows:

(1) The program manager or Integrated Support Team (IST) chief (i.e., one level above the contracting officer) for each tailored logistic support program (i.e., the team administering the program, for example, metals, MRO supplies, or special operations) must perform quarterly pricing reviews. Reviews will include a representative sample based on the total number of orders for that period. Upon completion of these reviews, the tailored logistics support program manager/IST chief must forward a report of the results, including any findings and corrective action plan, to the Director of Supplier Operations or designee for review and approval. A copy of the report must be kept as part of the contract file.

(2) Contract administration and compliance or contract review personnel at the procuring organization must perform contract audits of vendors' compliance with non-pricing contract terms on at least a semi-annual basis. A copy of the report shall be provided to the contracting officer for review and action, as necessary, and inclusion in the contract file.

(b) The DLA Acquisition Contract and Pricing Compliance Division assesses performance of selected vendors. Assessments must examine the vendor's adherence to the contract pricing methodology. Vendors are chosen for review based on risk assessment factors, including contract dollar value, previous annual audits, extent of competition, opportunities for refunds, reliance on the vendor's purchasing system, and outside agency reports. The DLA Acquisition Contract and Pricing Compliance Division must furnish a copy of the assessments to the DLA Acquisition Director.

(c) Solicitations and contracts must include procurement note C08 when a tailored logistics support contract relies on the contractor's purchasing system to verify that the contractor competed the items or services or to justify that prices are fair and reasonable.

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C08 Tailored Logistics Support Purchasing Reviews (FEB 2017)

(1) From the commencement of performance of this contract until 3 years after the final contract payment, the contractor must allow the contracting officer, ACO, Defense Contract Management Agency (DCMA), Defense Contract Audit Agency (DCAA), and any other duly authorized representative of the contracting officer access to all records and information pertaining to those items or services for which the Government is relying on the contractor's purchasing system to determine that competition was obtained or to justify that prices are fair and reasonable. The contractor must maintain records subject to this clause for not less than 3 years after the contract final payment.

(2) The contracting officer may conduct reviews of purchased items or services provided under this contract regardless of dollar value that meet the criteria in paragraph (1) to ascertain

whether the contractor has obtained the best value. The contractor must obtain competition to the maximum extent practicable for all purchases. Prior to purchasing any supplies or services, the contractor must solicit a competitive quotation from at least two independently-competing firms. For other than sole source items, the request for quotations must, to the maximum extent practical, solicit offers from different manufacturers or producers. If the contractor is unable to obtain quotes for competing items from two or more independently-competing firms, the contractor must retain documentation supporting its rationale for selection of the suppliers solicited and selected and its determination that the price was fair and reasonable. The contractor is responsible for maintaining this documentation for all sole source/non-competitive actions. The following price reasonableness and documentation requirements are applicable to all purchases, regardless of dollar value:

(i) A price is reasonable if it does not exceed a price incurred by a prudent person in the conduct of competitive business. The contracting officer will examine the prices with particular care in connection with buys that may not be subject to effective competition restraints. The contractor's price will not be presumed to be reasonable. If an initial review of the facts results in a challenge of a specific price by the contracting officer or the contracting officer's representative, the burden of proof must be upon the contractor to establish that the price is reasonable under the standards in FAR Subpart 15.4 and FAR 31.201-3.

(ii) The contractor must keep the documentation to a minimum, but must retain data supporting the purchases either by paper or electronically. At a minimum, price quotations and invoices must be retained. Should the contractor receive an oral price quotation, the contractor must document who the supplier or subcontractor is by complete name, address, telephone number, price, terms and other conditions quoted by each vendor. Price quotes for supplies must be broken down by individual items, shipping costs, and any other included expenses. Price quotes for incidental services which are not pre- priced in the contract must include labor hours and costs or prices, as applicable, including the total price of the job, individual pricing for the portions of the work if applicable, materials, and all other elements of cost, overhead, and profit. This price breakdown documentation must be made for each subcontractor performing work on this contract.

(3) When applicable, if the contractor is purchasing from subcontractors or other sources and receives a discount or rebates, the contractor must immediately pass these savings to the Government in the contract price and invoice for payment. The contractor is required to use diligence in the selection of the most economical method of delivery of the product or services by selecting a best value method of delivery based on the urgency and nature of the work or product required. When labor hours are involved in the work to be accomplished and the contractor has not already pre-priced the effort to use its own labor force, the contractor must provide the labor at rates required by the contract (for example, Service Contract Act or Davis-Bacon Act rates) or at rates based on competition if mandatory rates are not required by the contract.

(4) If the contracting officer determines that the purchased product or service is unreasonably priced, the contractor must refund to the Government the amount the contracting officer determines is in excess of a reasonable price. The contracting officer must notify the contractor in writing in accordance with FAR 32.604 Demand for Payment, giving the basis for the determination and the amount to be refunded. The contractor must make the refund payment in accordance with directions from the contracting officer, and must provide proof of the refund

payment to the contracting officer. The contracting officer may collect the amount due using all available means in accordance with FAR Subpart 32.6. FAR 52.232-17, Interest, is applicable to payments not made within 30 days of the demand for payment. Any disputes arising under this provision must be handled in accordance with the "Disputes" clause of this contract.
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## SUBPART 17.96 – BRIDGE ACTIONS

**17.9600 Scope of subpart.**
(a) This subpart prescribes policies and procedures for review, approval, and reporting of bridge actions.
(b) For purposes of this subpart, the terms "contract" and "contracts" include contract awards, task or delivery orders, and orders against GSA Schedule contracts.

17.9601 Applicability.
(a) This subpart applies to actions—
(1) Meeting the definition of a bridge action as defined in 2.101, including contracts awarded competitively or sole source;
(2) When the existing contract period of performance is expired or expiring, and all options have been executed; and
(3) When the estimated value exceeds the simplified acquisition threshold, as defined at FAR 2.101. The estimated value is determined as:
(i) For a bridge action by contract modification, the awarded contract value, including all modifications and options, plus the value of the bridge modification.
(ii) For a bridge action by new contract, the estimated value of the bridge contract, including all options.
(b) This subpart does not apply to Extension of Services (FAR 17.208(f) and 37.111). Extension of services executed in accordance with FAR 52.217-8, Option to Extend Services, is not considered a bridge action.
(c) Contracting officers shall use the requirements in this subpart in conjunction with the policies and procedures in the FAR, DFARS and DLAD. The requirements in this subpart do not supersede, waive, except or take precedence over other policy in the FAR, DFARS, or DLAD.

**17.9602 Policy.**
(a)(1) Contracting officers shall obtain—
(i) Approval to proceed with a bridge action in accordance with 17.9603; and
(ii) Approval of the justification for a non-competitive action in accordance with 17.9604.
(2) Contracting officers shall include all supporting documentation for the bridge action, to include requests and approvals, in the contract file.
(3) Before executing a bridge action by contract modification, the contracting officer shall conduct a review of all contract clauses and, at their discretion, include clause changes in the existing contract as appropriate (see FAR 1.108(d)(3)).
(b) Contracting officers shall only pursue a bridge action when it is not possible to meet the Government's requirements due to a delay in negotiation, award, or performance of a follow-on contract.

(1) A bridge action by contract modification—

(i) For an expiring competitive contract, may be executed more than once, but the total cumulative duration of all bridge actions by contract modification executed for the contract shall not exceed 12 months – further time needed to award the follow-on requires a bridge by new contract;

(ii) For an expiring sole source acquisition contract, may be used more than once and the duration of each bridge action by contract modification shall not exceed 12 months;and

(iii) Cannot be executed against an existing bridge by new contract.

(2) Contracting officers shall only pursue a bridge action by contract modification when one or more of the following applies—

(i) The competitive follow-on contract or solicitation is under protest (see (b)(3)(i) of this section);

(ii) The existing contract is a sole source acquisition, as defined at FAR 2.101;

(iii) The existing contract includes the use of the Synchronized Predeployment and Operational Tracker (SPOT) automated system (see DFARS 225.3);

(iv) The contract is subject to the Trade Agreements Act (19 U.S.C. 2501, *et seq*.) (see FAR 25.401(a)(5) and 25.402(a)(1)); or

(v) Other circumstances that the contracting officer can demonstrate are not due to a lack of advance planning or inadequate procurement execution resulting in delay of a solicitation or award (see FAR 6.301(c)).

(3) A bridge action by new contract may be appropriate when one or more of the following applies—

(i) The competitive follow-on contract or solicitation is under protest, and it is unlikely protest resolution and follow-on contract award or performance will occur in 12 months or less;

(ii) The approved acquisition strategy requires a necessary change that the HCA endorses;

(iii) A statutory or regulatory change necessitates a change prior to award of the follow-on contract;

(iv) A bridge by contract modification was executed against the expired or expiring contract and the follow-on contract is still delayed; or

(v) Other circumstances that the contracting officer can demonstrate are not due to a lack of advance planning or inadequate procurement execution resulting in delay of a solicitation or award (see FAR 6.301(c)).

(c) Bridge actions by new contract are independent acquisitions.

(1) Contracting officers shall issue a separate, stand-alone contract when awarding a bridge action by new contract.

(2) Execution of a bridge action by new contract does not relieve the contracting officer from any other regulatory requirements that the contracting officer must fulfill before making an award.

(3) Contracting officers shall not use documents from an existing contract as substitutes for documents required for the bridge contract or incorporate terms and conditions from an existing contract into the new bridge contract by reference.

(d) Contracting officers shall complete recording requirements in accordance with DFARS PGI 204.606, Reporting Data, and ensure appropriate coding of sole source awards.

**17.9603 Bridge action approval to proceed.**
Contracting officers shall obtain approval to proceed with a bridge action before issuing a solicitation or otherwise commencing negotiations. Prepare and submit for approval a Decision Memorandum requesting to proceed with a bridge action (see PGI 17.9603-1 and 17.9603-2). Contracting officers shall include the following in all requests for bridge action approvals:
(a) Supporting documentation in accordance with FAR 4.801(b); and
(b) The justification for a non-competitive action in accordance with 17.9604, unless FAR 6.302-2 or other provision of FAR subpart 6.3 not requiring preparation of a justification and approval prior to commencing negotiations applies. When the justification and Decision Memorandum require approval by the same person, they shall be submitted for approval together.

**17.9603-1 Bridge action by contract modification approval authorities.**
Authorities for recommendation and approval to proceed with a bridge action by contract modification shall not be the same person.
(a) Pursuant to 17.9602(b)(2)(i) through (iv), the HCA approves to proceed with the bridge action by contract modification. The approval authority in this paragraph is nondelegable.
(b) Pursuant to 17.9602(b)(2)(v), the HCA recommends, and the DLA Competition Advocate approves to proceed with the bridge action by contract modification, except for actions where the DLA Acquisition Deputy Director is also the HCA. For actions where the DLA Acquisition Deputy Director is the HCA, the DLA Acquisition Operations Division Chief makes the recommendation for bridge action by contract modification to the DLA Competition Advocate. The recommendation and approval authorities in this paragraph are nondelegable.

**17.9603-2 Bridge action by new contract approval authorities.**
Authorities for recommendation and approval to proceed with a bridge action by new contract shall not be the same person.
(a) *Initial bridge action*. The contracting officer recommends, and the HCA approves to proceed with the initial bridge action by new contract. The HCA may delegate approval authority to the CCO for contracts up to $1M.
(b) *Second bridge action*. The HCA recommends, and the DLA Competition Advocate approves to proceed with the second bridge action by new contract, except for actions where the DLA Acquisition Deputy Director is also the HCA. For contracts where the DLA Acquisition Deputy Director is also the HCA, the DLA Acquisition Operations Division Chief makes the recommendation to proceed with the second bridge action by new contract to the DLA Competition Advocate who remains the approval authority. The recommendation and approval authorities in this paragraph are nondelegable.
(c) *Third and subsequent bridge actions*. The HCA and the DLA Competition Advocate recommend for SPE approval to proceed with the third and subsequent bridge actions by new contract, except for contracts where the DLA Acquisition Deputy Director is also the HCA. For contracts where the DLA Acquisition Deputy Director is the HCA, the DLA Acquisition Operations Division Chief makes the recommendation for third and subsequent bridge actions by new contract through the DLA Competition Advocate. After receiving a recommendation from the DLA Acquisition Operations Division Chief, the DLA Competition Advocate will include their recommendation for SPE approval to proceed with the bridge action by new contract. The recommendation and approval authorities in this paragraph are nondelegable.

**17.9604 Bridge action justification and approval.**
(a) Contracting officers shall prepare the appropriate justification for a non-competitive action to support solicitation and award of a bridge action. Justifications include a formal justification and approval (FAR part 6 or subpart 13.5), limited sources justification (FAR subpart 8.4), and exception to fair opportunity (FAR subpart 16.5).
(b) Contracting officers shall include the following in all requests for bridge action justification approvals—

(1) A clear statement that the action is a bridge action in accordance with the definition at 2.101;

(2) A justification for the length of the bridge action;

(3) For second and subsequent justifications for bridge actions by new contract, see requirements at DFARS 206.303-2(b).

(c) Contracting officers shall obtain legal counsel review of the bridge action justification and approval in accordance with 1.691(e)(3)(i).
(d) DLA justifications for bridge actions shall be approved in writing in accordance with one of the following:

(1) FAR 6.304 and DFARS 206.304 for other than full and open competition.

(2) FAR 8.405-6(d) for limited sources on GSA Federal Supply Schedules.

(3) FAR 13.501(a)(2) for Simplified Procedures for Certain Commercial Products and Commercial Services.

(4) FAR 16.505(b)(2)(ii)(C) for exception to fair opportunity.

**17.9605 Bridge action reporting.**
(a) Within 30 days of issuing a bridge action by contract modification or awarding a bridge action by new contract, procuring organizations shall provide final signed versions of the bridge modification or contract, approved decision memorandum, and approved justification to the DLA Acquisition Operations Division.
(b) Each month by the 10th, procuring organizations shall submit the DLA Acquisition Bridge Actions Report to the DLA Acquisition Operations Division. The report shall include the status of all bridge actions with an active period of performance. See PGI 17.9605 for the DLA Acquisition Bridge Actions Report template.

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*(Revised December 1, 2021 by PROCLTR 2021-16)*

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## SUBPART 18.2 – EMERGENCY ACQUISITION FLEXIBILITIES

*(Revised December 1, 2021 by PROCLTR 2021-16)*

**18.270 Head of contracting activity determinations.**

The DLA Acquisition Director has delegated authority to the contracting officer to make the determinations at—

(a) FAR 18.201(b) and (c) (see 13.500(c)(1) for delegation of authority referenced at FAR 18.201(e));

(b) FAR 18.202(a)-(d); and

(c) FAR 18.204(b).

# PART 19 – SMALL BUSINESS PROGRAMS

*(Revised August 29, 2022 through PROCLTR 2022-10 & 17)*

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## SUBPART 19.2 – POLICIES

*(Revised August 29, 2022 through PROCLTR 2022-17)*

**19.201 General policy.**

(c)(10)(S-90) The contracting officer and the small business specialist shall—

(*1*) Conduct periodic reviews of automated awards to determine whether certain buys may be set aside for Historically Underutilized Business Zone (HUBZone), Service-Disabled Veteran-Owned Small Business (SDVOSB), Woman-Owned Small Business (WOSB), or 8(a) program participants.

(*2*) Jointly consider backing out individual or groups of transactions from the automated systems, based on a national stock number or federal supply class, with suppliers identified in the System for Award Management (SAM) and Small Business Administration (SBA) repository for HUBZone, SDVOSB, WOSB, or 8(a) program participants.

(d)(S-90) The Associate Director of Small Business Programs (Associate Director of SBP) is the senior small business specialist in charge of the Office of Small Business Programs at each of DLA's Major Subordinate Commands (MSC) and the DLA Contracting Services Office (DCSO). The Associate Director of SBP is a small business specialist (see FAR 19.201(d)) and is the small business technical advisor (see FAR 19.201(c)(8)) for the MSC or DCSO, unless the role is otherwise assigned. The Associate Director of SBP responsibilities are in accordance with stated FAR sections, DoD Instruction 4205.01, and DLA Instruction 4205.01 (see DFARS PGI 219.201(d)).

## SUBPART 19.5 – SMALL BUSINESS TOTAL SET-ASIDES, PARTIAL SET-ASIDES, AND RESERVES

*(Revised January 13, 2023 through PROCLTR 2023-03)*

### 19.502-7 Inclusion of Federal Prison Industries, Inc.

(S-90) The Defense Logistics Agency's automated simplified procurement system does not include items listed in the Federal Prison Industries, Inc. (FPI) Schedule (see FAR 8.601(d)). Contracting officers shall procure items listed in the FPI Schedule manually.

### 19.502-8 Rejecting Small Business Administration recommendations.

(b) If the CCO approves the action of the contracting officer, the next level of appeal shall be the HCA. If the HCA approves the action of the contracting officer, the procurement center representative shall be so advised and may proceed with the appeal actions prescribed in FAR 19.502-8.

### 19.502-9 Withdrawing or modifying small business set-asides.

(S-90) The contracting officer shall document on DD Form 2579, Small Business Coordination Record, or attach a memorandum for record to amend an existing DD Form 2579, the reasons for withdrawing an individual total or partial small business set-aside; and—

(i) Submit the DD Form 2579 and attached memorandum, if applicable, to the small business specialist and SBA PCR for review (see FAR 19.502-9); and

(ii) Include the DD Form 2579 and attached memorandum, if applicable, documenting the decision to withdraw an individual total or partial small business set-aside in the contract file.

### 19.506 Documentation requirements.

(S-90) For the documentation requirements at FAR 19.506(a) and (b), the contracting officer shall document on DD Form 2579, Small Business Coordination Record.

(i) The contracting officer shall submit the DD Form 2579 documenting the reasons the acquisition is not totally set aside for small business concerns in accordance with FAR 19.502-2 to the small business specialist for review (see DFARS 219.201-2(c)(10)).

(ii) The contracting officer shall include DD Form 2579, including the documentation requirements at FAR 19.506(a) and (b), in the contract file.

**19.590 Cascading set-aside procurement notes for DLA's automated simplified procurement system.**

(a) The Defense Logistics Agency's systems logic for automated simplified procurements considers the applicability of more than one type of set-aside using a cascading evaluation of offers (see DFARS 215.203-70).

(1) If the nonmanufacturer rule is waived (see FAR 19.505(c)(4)) and eligible offers are not received for a service-disabled veteran-owned small business (SDVOSB) set-aside or a HUBZone set-aside, the automated system will cascade to a small business set-aside.

(2) If the nonmanufacturer rule is waived and after cascading a SDVOSB set-aside or a HUBZone set-aside, no eligible offer is received from a small business concern at a fair market price, the automated systems will withdraw the set-aside and automatically resolicit on an unrestricted basis.

(3) If no eligible offers are received on a SDVOSB set-aside or a HUBZone set-aside and the nonmanufacturer rule is not waived, the automated system will cancel the solicitation and resolicit as a small business set-aside..

(b) Use procurement note L17 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when the nonmanufacturer rule (NMR) is waived and a set-aside to a servicedisabled veteran-owned small business concern is anticipated.

*****

L17 Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Cascade Instructions – NMR Waived (FEB 2023)

(1) This solicitation is restricted to service-disabled veteran-owned small business and small business concerns. The Government encourages all small business concerns to submit offers. The Government will make an award based on the following order of set-aside precedence:

(a) Service-disabled veteran-owned small business (SDVOSB) concerns (FAR 52.219-27 and 52.219-14 Limitations on Subcontracting (FEB 2023) (DEVIATION 2021- O0008)).

(b) If no eligible offer is received from a SDVOSB concern at a fair market price, then small business concerns (FAR 52.219-6). (2) The clauses contained in this procurement note (except paragraph (b) of FAR 52.219- 27) apply to the solicitation. Only the clauses matching the awardee's Small Business Program and Type representation at (1)(a) or (1)(b) apply to the award.

*****

(c) Use procurement note L36 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when the nonmanufacturer rule (NMR) is waived and a set-aside to a HUBZone small business concern is anticipated.

L36 HUBZone Small Business/Small Business Set-Aside Cascade Instructions – NMR Waived (FEB 2023)

(1) This solicitation is restricted to HUBZone small business and small business concerns. The Government encourages all small business concerns to submit offers. The Government will make an award based on the following order of set-aside precedence:

(a) HUBZone small business concerns (FAR 52.219-3 and 52.219-14 Limitations on Subcontracting (FEB 2023) (DEVIATION 2021-O0008)).

(b) If no eligible offer is received from a HUBZone small business concern at a fair market price, then small business concerns (FAR 52.219-6).

(2) The clauses contained in this procurement note (except paragraph (b) of FAR 52.219-3) apply to the solicitation. Only the clauses matching the awardee's Small Business Program and Type representation at (1)(a) or (1)(b) apply to the award.
*****
(d) Automated simplified procurement set-aside for women-owned small business (WOSB).

(1) If the nonmanufacturer rule is not waived (see FAR 19.505(c)(4)) and no eligible WOSB offers are received, the contracting officer shall resolicit as a small business set-aside if the requirement is still valid.

(2) If the nonmanufacturer rule is waived and no eligible WOSB offers are received, the contracting officer shall cascade to a small business set-aside.

(3) Use procurement note L37 in automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when a women-owned small business set-aside is anticipated and FAR clause 52.219-30, Notice of Set-Aside for, or Sole-Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program, is included.
*****
L37 Women-Owned Small Business Program/Small Business Set-Aside Cascade Instructions – NMR Waived (FEB 2023)

(1) This solicitation is restricted to women-owned small business and small business concerns. The Government encourages all small business concerns to submit offers.

(2) *Applicability*. This procurement note applies to automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT, when—

(a) Set-aside for women-owned small business (WOSB);

(b) The nonmanufacturer rule has been waived (see FAR 19.505(c)(4)); and

(c) FAR clause 52.219-30, Notice of Set-Aside for, or Sole-Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program, is included in the solicitation.

(3) *General*.

(a) FAR clause 52.219-30, except paragraph (b), applies to this solicitation.

(b) FAR 19.1503 requires WOSB concerns to be certified by the Small Business Administration to be eligible for set-asides under the WOSB Program (see 13 CFR 127.300). A certified economically disadvantaged women-owned small business (EDWOSB) is automatically eligible as a certified WOSB.

(c) The Government will make an award based on the following order of set-aside precedence—

(1) Certified WOSB; or

(2) If no eligible offer is received from a certified WOSB concern at a fair market price, a small business concern.

(d) The following clause(s) apply when award is made to—

(1) Certified WOSB, FAR 52.219-30 and 52.219-14 Limitations on Subcontracting (FEB 2023) (DEVIATION 2021-O0008)); or

(2) After cascade evaluation, small business concern, FAR 52.219-6.
*****
(e) Automated simplified procurement set-aside for economically disadvantaged women-owned small business (EDWOSB).

(1) If the nonmanufacturer rule is not waived (see FAR 19.505(c)(4)) and no eligible EDWOSB offers are received, the contracting officer shall resolicit as a small business set-aside if the requirement is still valid.

(2) If the nonmanufacturer rule is waived and eligible EDWOSB offers are not received, the contracting officer shall cascade to a small business set-aside.

(3) Use procurement note L38 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when an economically disadvantaged women-owned small business set-aside is anticipated and FAR clause 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, is included.

*****

L38 Economically Disadvantaged Women-Owned Small Business/Small Business Set-Aside Cascade Instructions – NMR Waived (FEB 2023)

(1) This solicitation is restricted to economically disadvantaged women-owned small business (EDWOSB) and small business concerns. The Government encourages all small business concerns to submit offers.

(2) *Applicability*. This procurement note applies to automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT, when—

(a) Set-aside for EDWOSB;

(b) The nonmanufacturer rule has been waived (see FAR 19.505(c)(4)); and

(c) FAR clause 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, is included in the solicitation.

(3) *General*.

(a) FAR clause 52.219-29, except paragraph (b), applies to this solicitation.

(b) FAR 19.1503 requires EDWOSB concerns to be certified by the Small Business Administration to be eligible for set-asides under the WOSB Program (see 13 CFR 127.300).

(c) The Government will make an award based on the following order of set-aside precedence—

(1) Certified EDWOSB; or

(2) If no eligible offer is received from a certified EDWOSB concern at a fair market price, a small business concern.

(d) The following clause(s) apply when award is made to—

(1) Certified EDWOSB, FAR 52.219-29 and 52.219-14 Limitations on Subcontracting (FEB 2023) (DEVIATION 2021-O0008)); or

(2) After cascade evaluation, small business concern, FAR 52.219-6.

*****

## SUBPART 19.6 – CERTIFICATES OF COMPETENCY

*(Revised August 3, 2017 through PROCLTR 2017-19)*

### 19.602 Procedures.

### 19.602-1 Referral.

(S-90) Procuring organizations may use DLA Form 1756, Referral of Small Business for Certificate of Competency (COC) Consideration.

### 19.602-3 Resolving differences between the Agency and the Small Business Administration.

(c)(S-90)(i) Within 3 working days after receiving the SBA headquarters notification of its intention to uphold the SBA area office decision to issue a COC, the contracting officer shall email a report to the DLA Acquisition Compliance, Policy and Pricing Division summarizing the

facts of the case. The contracting officer shall include in the report the name of the prospective contractor, the item, the quantity, the dollar value, the specific elements for which the prospective contractor was determined to be nonresponsible, a copy of the relevant portions of the preaward survey, SBA's rationale for issuing the CoC, and the proposed alternative means of satisfying the requirements. The contracting officer shall forward a copy of the report to the procuring organization small business specialist.

(ii) The DLA Acquisition Director shall review the report and determine whether to support the formal appeal or accept the COC. The DLA Acquisition Compliance, Policy and Pricing Division shall advise the contracting officer of the DLA Acquisition Director's decision within 5 working days and provide a copy of the decision to the Small Business Programs Director.

(iii) If the DLA Acquisition Director supports the contracting officer's intent to appeal, the DLA Acquisition Compliance, Policy and Pricing Division will advise the contracting officer to forward the formal appeal to the departmental director of the Office of Small Business Programs (reference DFARS PGI 219.602-3) within 5 working days and simultaneously provide a copy to the DLA Acquisition Director. The contracting officer shall include in the formal appeal the report provided to the DLA Acquisition Compliance, Policy and Pricing Division, an update on the contractor's progress toward becoming responsible, and a discussion of the attempts made to reconcile differences with the SBA. The contracting officer shall index and tab the formal appeal.

(S-91) Once the procuring organization submits the formal appeal to SBA headquarters, DLA contracting personnel are not authorized to waive the right to appeal or to forfeit an appeal without the concurrence of the DLA Acquisition Director. If the procuring organization requests such concurrence, the contracting officer shall provide substantially the same type of information submitted in the report notifying the DLA Acquisition Director of the contracting officer's intention to appeal.

(S-92) The contracting officer shall forward all reports submitted to the DLA Acquisition Director concerning COC appeals through the CCO.

(S-93) The requirements of 19.602-3(c)(S-90)-(S-92) do not apply to acquisitions valued at $100,000.00 or less in accordance with FAR 19.602-2(d)(iv).

**19.602-4 Awarding the contract.**

(c)(S-90) If the SBA area office has not responded to the procuring organization within 5 working days after referral, the procuring organization will contact the SBA area office to confirm if it is processing a COC. Contracting officers shall document the contract file to reflect they took this action.

(S-91) For simplified acquisitions, the contracting officer shall not agree to a period of time longer than 15 working days for the SBA to issue a COC before proceeding to award to another offeror, unless the extension is approved by the CCO.

## SUBPART 19.7 – THE SMALL BUSINESS SUBCONTRACTING PROGRAM

*(Revised June 16, 2023 through PROCLTR 2023-05)*

**19.705 Responsibilities of the contracting officer under the subcontracting assistance program.**

**19.705-4 Reviewing the subcontracting plan.**
(e) For all subcontracting plans required by FAR 19.702(a), the contracting officer shall coordinate the proposed small business subcontracting plan with the SBA procurement center representative (or, if a procurement center representative is not assigned, see FAR 19.402(a)) and the agency small business specialist (see FAR 19.201(c)(17)). A record of this coordination shall be retained in the contract file.

**19.705-5 Awards involving subcontracting plans.**
(S-90) The Subcontracting Program Checklist (https://www.dla.mil/Portals/104/Documents/SmallBusiness/Checklist.pdf) identifies contracting officer responsibilities. The DLA Office of Small Business Programs will be conducting surveillance reviews to monitor compliance.

## SUBPART 19.8 – CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(A) PROGRAM)

*(Revised August 29, 2022 through PROCLTR 2022-17)*

**19.803 Selecting acquisitions for the 8(a) program.**
(a)(4)(S-90) The contracting officer shall coordinate with the procuring organization small business specialist to ensure follow-on 8(a) contract support is provided for that period of time reflected in the SBA approved business plan.

## SUBPART 19.13 – HISTORICALLY UNDERUTILIZED BUSINESS ZONE (HUBZONE) PROGRAM

*(Revised August 29, 2022 through PROCLTR 2022-17)*

**19.1305 HUBZone set-aside procedures.**
(c)(S-90) If the contracting officer determines the HUBZone set-aside shall be withdrawn, the reasons supporting the decision shall be documented on DD Form 2579, Small Business Coordination Record, or in an attached and signed memorandum for record to amend an existing DD Form 2579. The DD Form 2579 shall be retained in the contract file.

## SUBPART 19.14 – SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PROCUREMENT PROGRAM

*(Revised August 29, 2022 through PROCLTR 2022-17)*

**19.1405 Service-disabled veteran-owned small business set-aside procedures.**
(c)(S-90) If the contracting officer determines the service-disabled veteran-owned small business (SDVOSB) program set-aside shall be withdrawn, the reasons supporting the decision shall be documented on DD Form 2579, Small Business Coordination Record, or in an attached and signed memorandum for record to amend an existing DD Form 2579. The DD Form 2579 shall be retained in the contract file.

## SUBPART 19.15 – WOMAN-OWNED SMALL BUSINESS PROGRAM 8

*(Revised August 29, 2022 through PROCLTR 2022-17)*

**19.1505 Set-aside procedures.**

(f)(S-90) If the contracting officer determines the woman-owned small business (WOSB) set-aside or the economically disadvantaged women-owned small business (EDWOSB) setaside under the WOSB program shall be withdrawn, the reasons supporting the decision shall be documented on DD Form 2579, Small Business Coordination Record, or in an attached and signed memorandum for record to amend an existing DD Form 2579. The DD Form 2579 shall be retained in the contract file.

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# PART 22 – APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

*(Revised July 26, 2016 through PROCLTR 16-08)*

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22.7404 Waiver.

**22.001 Definition.**

The designated Agency Labor Advisor for acquisition related issues is DLA Acquisition Compliance, Policy and Pricing Division Procurement Analyst identified on the List of Agency Labor Advisors at www.wdol.gov.

## SUBPART 22.1 – BASIC LABOR POLICIES

*(Revised July 26, 2016 through PROCLTR 16-08)*

**22.103-4 Approvals.**

(a) The approving official is the CCO.

## SUBPART 22.15 – PROHIBITION OF ACQUISITION OF PRODUCTS PRODUCED BY FORCED OR INDENTURED CHILD LABOR

*(Revised July 26, 2016 through PROCLTR 16-08)*

**22.1503 Procedures for acquiring end products on the list of products requiring contractor certification as to forced or indentured child labor.**

(e) Referrals shall be submitted to the Agency Labor Advisor for processing in accordance with DoDI 2200.01.

## SUBPART 22.74 – RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS

**22.7404 Waiver.**

(c) Requests for waivers shall be submitted to the Agency Labor Advisor.

# PART 23 – ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

PART 23 – ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

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## SUBPART 23.3 – HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA SHEETS

*(Revised September 19, 2016 through PROCLTR 16-09)*

**23.302 Policy.**

For shipments into foreign countries, the contracting officer shall comply with requirements applicable to each country.

## SUBPART 23.90 – ENSURING ADEQUATE COVID-19 SAFETY PROTOCOLS FOR FEDERAL CONTRACTORS

*(Added January 27, 2022 through PROCLTR 22-02)*

**23.9001 General.**

(a) See link to “Vaccination Deviation Flow Chart” at PGI 23.9001.

(b) DFARS 252.223-7999 does not apply to contract actions executed in the system for automated simplified acquisitions.

# PART 25 – FOREIGN ACQUISITION

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## SUBPART 25.1 – BUY AMERICAN ACT – SUPPLIES

*(Revised September 19, 2016 through PROCLTR 16-09)*

**25.103 Exceptions.**

(b)(1)(iii)(C) Submit supporting documentation to the DLA Acquisition Operations Division.

(b)(2)(ii) Submit the determination and supporting documentation to the DLA Acquisition Operations Division.

## SUBPART 25.8 – OTHER INTERNATIONAL AGREEMENTS AND COORDINATION

*(Revised August 9, 2018 through PROCLTR 18-10)*

**25.802-71 End use certificates.**

(S-90) *Exports from the U.S. Requiring an End Use Certificate.* The contracting officer shall use and process Department of State Form DSP-83, United States of America Nontransfer and End Use Certificate, and not the foreign country government end use certificate when exporting items from the United States. Only DLA Disposition shall use DLA Form 1822, End-Use Certificate (Statement Regarding Disposition and Use of Property) for selling or property disposal.

(S-91) *Approval and execution of foreign government end use certifications.* Submission of a foreign-government required end use certificate requires coordination with the MSC Office of Counsel. Provide the request for a Category I and II EUC, or the waiver for a Category III EUC, for DLA-managed items to the DLA Acquisition Operations Division, which will coordinate the request with the Office of General Counsel and the DLA Political Advisor (POLAD). Prior to anticipated award, allow at least 10 business days for processing of Category I EUC requests, 30 business days for Category II EUC requests, and 45 business days for Category III EUC waivers. For Military Service-managed items procured by Depot Level Repairable (DLR) and Supply

Storage and Distribution (SS&D) sites, the Secretary of the Military Department is responsible for approval and execution of the EUC. Governing policy is in DoD Directive 2040.3, End Use Certificates (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodd/204003p.pdf). (S-92) By memorandum dated March 19, 2018, the DLA Director delegated to the DLA Acquisition Director the authority to sign individual Category I and II EUCs once the DLA Director has authorized the execution of the EUC; this authority may be delegated to the responsible Commander or Deputy Commander of the applicable Major Subordinate Command on a case-by-case basis.

## SUBPART 25.9 – CUSTOMS AND DUTIES

*(Revised September 19, 2016 through PROCLTR 16-09)*

**25.903 Exempted supplies.**

(b)(ii) The contracting officer shall execute the certificate.

## SUBPART 25.70 – AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION

*(Revised September 19, 2016 through PROCLTR 16-09)*

**25.7002 Restrictions on food, clothing, fabrics, hand or measuring tools, and flags.**

**25.7002-2 Exceptions.**

(b)(3) Determination shall be forwarded to the DLA Acquisition Operations Division ten (10) working days prior to anticipated contract award.

## SUBPART 25.73 – ACQUISITIONS FOR FOREIGN MILITARY SALES

*(Revised September 19, 2016 through PROCLTR 16-09)*

**25.7301 General.**

(c)(iv) DEVIATION 2016-03 implements an exception granted to DLA by the Defense Security Cooperation Agency (DSCA) to allow FMS medical equipment and medical systems that the contracting officer has determined require manufacturer or distributor delivery and installation to be shipped as f.o.b. destination.

## SUBPART 25.79 – EXPORT CONTROL

*(Revised October 13, 2020 through PROCLTR 2020-24)*

**25.7901 Export-controlled items.**

**25.7901-1 Definitions.**

See 2.101 for definitions of "collaboration folders," "DLA Export Control Technical Data Access," "enhanced validation," and "JCP Certification." See DoDD 5230.25, Withholding of Unclassified Technical Data From Public Disclosure, section 3. Definitions, for definition of "qualified U.S. contractor," and Enclosure 2, Definitions, paragraph E2.1.2, for definition of "critical technology."

**25.7902-4 Procedures.**

(S-90) If DLA managed items require access to controlled technical information, the product specialist will update the Purchase Order Text (POT) to include Standard Text Objects (STOs) RD002, Covered Defense Information Applies, and RQ032, Export Control of Technical Data.
(S-91) For EBS manual acquisitions, the contracting officer shall—

(1) Confirm that the POT contains STOs RQ032 and RD002 to notify offerors the item requires DLA controlling authority approval to access export-controlled technical information contained within DLA Systems; and

(2) Unless one of the exceptions at PGI 25.7902-4(S-90) applies, verify that the offeror and any source(s) of supply it will use for contract performance have DLA controlling authority approval to access export-controlled technical data within the cFolders. To identify contractors with DLA controlling authority approval to access export-controlled technical data—

(i) See the Business Decision Analytics (BDA) Supplier Risk Analysis by CAGE Code Model in the BDA Job Aid Folder (https://dlamil.dps.mil/sites/InfoOps/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x012000D3D259D71343A94E992AA17310CB0231&viewid=bb1b25a6%2D56d8%2D4398%2Dac48%2D5f987c946cca&id=%2Fsites%2FInfoOps%2FShared%20Documents%2FEBS%20ONLINE%20HELP%2FePROCUREMENT%2FBDA); or

(ii) If the BDA Job Aid Folder is unavailable, contact the DLA controlling authority at email DLAJ344DataCustodian@dla.mil.

(S-92) For EBS Users:For manual acquisitions, the contracting officer does not need to verify that an offeror and any source(s) of supply it will use for contract performance have DLA controlling authority approval to access export-controlled technical data if an exception at PGI 25.7902-4(S-90) applies.
(S-93) For automated acquisitions, the Auto Evaluation logic module will follow the enhanced validation procedures and requirements identified in the DLA Master Solicitation for Automated Simplified Acquisitions. To be eligible for award in the automated system, the offeror and any source(s) of supply it will use for contract performance must have an active JCP certification and DLA controlling authority approval to access export-controlled data.

# PART 27 – PATENTS, DATA, AND COPYRIGHTS

*(Revised March 23, 2020 through PROCLTR 2020-01)*

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## SUBPART 27.1 – GENERAL

*(Revised September 19, 2016 through PROCLTR 2016-09)*

### 27.101 Applicability.

Refer all patent, copyright, rights in data, and trademark matters through the Office of Counsel to DLA General Counsel.

## SUBPART 27.2 – PATENTS

*(Revised September 19, 2016 through PROCLTR 2016-09)*

### 27.201 Patent and copyright infringement liability.

### 27.201-2 Contract clauses.

(e) Specific patents may be excluded in accordance with FAR 27.201-2(e) only with the prior approval of DLA General Counsel.

## SUBPART 27.71--RIGHTS IN TECHNICAL DATA

*(Added March 23, 2020 in accordance with PROCLTR 2020-01)*

### 27.7103-6 Contract clauses.

(c) Contracting officers shall insert the clause at DFARS 252.227-7025, Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends, in solicitations and contracts if the POT includes Standard Text Object (STO) RD002, Covered Defense Information Applies; STO RD003, Covered Defense Information Potentially Applies; or STO RQ032, Export Control of Technical Data. These STOs indicate the Government may need to provide controlled technical data to a contractor for performance of its contract. Such data could potentially be marked with another contractor's restrictive legend(s), which meets the conditions for use of the clause at DFARS 227.7103-6(c).

## SUBPART 27.90 – EXPORT CONTROL OF TECHNICAL DATA

*(Added March 23, 2020 in accordance with PROCLTR 2020-01)*

**27.9001 Policy.**

Distribution, transfer, or disclosure of export-controlled technology, technical information, or data to foreign persons or companies may constitute an export under applicable export control regulations, requiring either an export license or an authorization for such distribution, transfer, or disclosure. The contracting officer shall comply with 4.7303-1, General; 25.7902-4, Procedures; DFARS 227.71, Rights in Technical Data; and DFARS PGI 225.7901-2, Export Control, General, to ensure that only contractors that meet the qualifications in STO RQ032, Export Control of Technical Data, have access to controlled technical data.

**27.9002 Data subject to export control.**

For EBS users when export control applies, STO CS003, Identifying Export Control Technical Data, appears on the purchase request (PR) trailer, and STO RQ032 appears in the POT.

**27.9003 Contractor eligibility.**

Contractors must have DLA controlling authority approval to be eligible for award, unless one of the exceptions at PGI 25.7902-4(S-92) applies.

# PART 28 – BONDS AND INSURANCE

*(Revised March 29, 2016 through PROCLTR 2016-06)*

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## SUBPART 28.1 – BONDS AND OTHER FINANCIAL PROTECTIONS

*(Revised March 29, 2016 through PROCLTR 2016-06)*

### 28.106 Administration.

### 28.106-90 Review of bonds and consent of surety.

Contracting officers shall obtain legal sufficiency from Office of Counsel on all bonds and all consents of surety.

## SUBPART 28.3 – INSURANCE

*(Revised March 29, 2016 through PROCLTR 2016-06)*

### 28.305 Overseas workers' compensation and war-hazard insurance.

(d) Instructions for waiver of Defense Base Act requirements can be accessed at Waivers for Defense Base Act (DBA) Insurance (https://www.acq.osd.mil/dpap/cpic/cp/waivers_for_defense_base_act_insurance.html).Requests for waiver must be made in writing using Form BEC 565, Request for Waiver – Defense Base Act (https://www.acq.osd.mil/dpap/cpic/cp/docs/DBA_Waiver_Form.pdf). Prepare requests in accordance with DFARS PGI 228.305(d) in coordination with Office of Counsel. Submit request for waiver to the DLA Acquisition.Compliance, Policy and Pricing Division for signature by the DLA Acquisition Director. The DLA Acquisition Compliance, Policy and Pricing Division will submit the request to the Department of Labor.

### 28.307 Insurance under cost-reimbursement contracts.

### 28.307-1 Group insurance plans.

(a) Submit insurance policies under the Defense Department Group Term Insurance Plan to the cognizant Defense Contract Management Agency (DCMA) office for approval.

# PART 30 – COST ACCOUNTING STANDARDS ADMINISTRATION

*(Revised March 29, 2016, through PROCLTR 2016-06)*

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## SUBPART 30.2 – CAS PROGRAM REQUIREMENTS

*(Revised March 29, 2016, through PROCLTR 2016-06)*

**30.201-5 Waiver.**

(a)(1)(B) Waiver requests for individual procurements shall be submitted to the DLA Acquisition Contract and Pricing Compliance Division for coordination with the DLA Acquisition Director prior to submission to DPC for approval.

(e) The DLA Acquisition Compliance, Policy and Pricing Division prepares the annual report on CAS waivers for approval by the Senior Procurement Executive and submits the report to DPC.

# PART 32 – CONTRACT FINANCING

*(Revised January 15, 2021 through PROCLTR 2021-03)*

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32.904 Determining payment due dates.
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## 32.006 Reduction or suspension of contract payments upon finding of fraud.

### 32.006-3 Responsibilities.

(b) Instances of suspected fraud shall be promptly forwarded to Office of Counsel.

### 32.006-4 Procedures.

(a) The DLA Remedy Coordination Official is the lead Associate General Counsel for Business Integrity.

### 32.006-5 Reporting.

The DLA Remedy Coordination Official prepares the annual report that is submitted by the DLA Director to the Under Secretary of Defense for Acquisition and Sustainment (USD (A&S)) through the Director of Defense Pricing and Contracting (DPC).

# SUBPART 32.1 – NON-COMMERCIAL ITEM PURCHASE FINANCING

*(Revised March 29, 2016 through PROCLTR 16-06)*

## 32.114 Unusual contract financing.

The contracting officer shall submit the proposed alternate financing arrangement to the DLA Acquisition Contract and Pricing Compliance Division for DLA Acquisition Director approval and submission to DPC.

# SUBPART 32.4 – ADVANCE PAYMENTS FOR NON-COMMERCIAL ITEMS

*(Revised March 29, 2016 through PROCLTR 16-06)*

# PART 32 – CONTRACT FINANCING

## 32.402 General.

(e)(1) The approval authority is the DLA Acquisition Director.

(2) For DLA managed items the DLA Acquisition Director shall coordinate with the DLA Comptroller before advance payment authorization.

(3) DLRs shall coordinate with the respective financing and requirement offices and systems at the Military Services sites.

## 32.409 Contracting officer action.

Contracting officers shall transmit their recommendation for approval or disapproval to the DLA Acquisition Contract and Pricing Compliance Division for submission to the approval authority.

# SUBPART 32.5 – PROGRESS PAYMENTS BASED ON COSTS

*(Revised March 29, 2016 through PROCLTR 16-06)*

## 32.501 General.

### 32.501-2 Unusual progress payments.

(a) For DLA managed items, all unusual progress payments provisions along with supporting information, shall be submitted to the DLA Acquisition Contract and Pricing Compliance Division to obtain DLA Acquisition Director and DLA Finance coordination prior to submission to DPC for approval.

(b) DLRs shall follow the processes and systems at the military service sites to coordinate any unusual progress payments provisions.

# SUBPART 32.9 – PROMPT PAYMENT

*(Revised January 15, 2021 through PROCLTR 2021-03)*

## 32.904 Determining payment due dates.

(b)(1)(S-90) DLA is placing renewed emphasis on contract funding controls as a result of reduced cash reserves and audit readiness. Contracting officers shall not specify contract payment terms providing for payment earlier than the 30-day period specified in FAR 52.232-25, Prompt Payment, or the prompt payment regulations referenced in FAR 52.212-4, Contract Terms and Conditions – Commercial Items, as applicable; unless the contracting officer negotiates adequate consideration in exchange for more favorable contract payment terms.

(S-91) Consideration may include, but is not limited to, the following:

(A) Reduced pricing or discounts;

(B) Expedited delivery schedule;

(C) Warranty guarantees;

(D) Additional testing of a critical part; or

(E) Prioritization.

## 32.905 Payment documentation and process.

(a) General.

(S-90)(1) Transporter proof of delivery (TPD).

(i) TPD is a commercial document generated by the contractor and/or the transporter of supplies and signed by the Government customer at time of delivery. TPD, in

combination with adequate contractor documentation cross-referencing the TPD to the specific supplies provided, demonstrates customer receipt. Coupled with acceptance, this documentation allows the Government to initiate the payment process. The TPD process enables contractors to take advantage of existing wide area work flow (WAWF) functionality to execute the submission of proof of delivery documentation.

(ii) TPD is not a substitute for any other requested receipt and acceptance documentation, such as the material receipt acknowledgement (MRA) or the WAWF receiving report (RR), but is a supplement to such documentation.

(b) Content of invoices.

(S-90)(1) Transporter proof of delivery (TPD).

(i) DLA may accept supplies based on submission by the contractor of satisfactory documentation to demonstrate customer receipt of supplies under a specific contract or order in accordance with 32.905(a)(S-90)(1).

(ii) If the customer has submitted a supply discrepancy report (SDR) or MRA discrepancy indicator, payment shall not be made until the discrepancy is resolved.

(c) Authorization to pay.

(S-90)(1) Transporter proof of delivery (TPD).

(i) Application. Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall insert procurement note H15, Transporter Proof of Delivery (TPD), in solicitations and awards for supplies when all of the following conditions apply:

(A) Contract deliveries will be made directly to DLA customers;

(B) Award will be made on a fixed-price basis;

(C) Inspection or acceptance at source is not required;

(D) Use of fast payment procedures is not authorized;

(E) Shipments to overseas destinations or to containerization consolidation points are not required; and

(F) Acquisition is not being conducted under the subsistence total order and receipt electronic system (STORES), Defense Medical Logistics Standard Support (DMLSS), Industrial Prime Vendor (IPV), or Integrated Logistics Partner (ILP) programs.

(ii) Transporter proof of delivery procedural guidance.

(A) Contract terms are as follows:

*(1)* Designate “inspection” and “acceptance” as “other;” and

*(2)* Designate the “Acceptor at Other” Department of Defense activity address code (DoDAAC) as follows:

*(i)* If “issue by” DoDAAC is SPM1 or SPE1, use SP1001.

*(ii)* If “issue by” DoDAAC is SPM2 or SPE2, use SP2001.

*(iii)* If “issue by” DoDAAC is SPM3 or SPE3, use SP3001.

*(iv)* If “issue by” DoDAAC is SPM4A1 or SPE4A1, use SP4001.

*(v)* If “issue by” DoDAAC is SPM5 or SPE5, use SP5001.

*(vi)* If “issue by” DoDAAC is SPM7L1 or SPE7L1, use SP7001.

*(vii)* If “issue by” DoDAAC is SPM7M1 or SPE7M1, use SP7001.

*(viii)* If “issue by” DoDAAC is SPM8 or SPE8, use SP8001.

(B) Financial customer liaison (FCL) and supply chain responsibilities are as follows:

*(1)* The FCL will initiate a request to the contractor for proof of delivery as appropriate in accordance with procure to pay (P2P) process cycle memorandum (PCM) 11, blocked invoice. When a contractor resubmits the wide area work flow (WAWF) receiving report (RR) with TPD documentation attached, the FCL will review the documentation to determine if sufficient information is provided to adequately demonstrate customer receipt. If not, the FCL will respond to the contractor and identify the additional information that must be submitted. If the documentation is satisfactory, and no discrepancy notification has been submitted by the customer, the FCL will accept the supplies in WAWF. This will generate a transaction resulting in the posting of a goods receipt in the enterprise business system (EBS), which will allow the payment process to begin.

*(2)* The customer is still required to submit the material receipt acknowledgement (MRA), and supply chains shall continue to ensure that follow up action is taken by appropriate personnel to obtain the MRA from the customer when it is not provided.

**32.908 Contract clauses.**

**32.908-94 Transporter proof of delivery (TPD).**

Insert procurement note H15, Transporter Proof of Delivery, in solicitations and awards for supplies when applicable in accordance with 32.905(c)(S-90)(1)(i) and when either the clause at 52.232-25, Prompt Payment, or the clause at 52.212-4, Contract Terms and Conditions – Commercial Items, is used.

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H15 Transporter proof of delivery (TPD) (JAN 2021)

(a) Definition. As used in this procurement note, transporter proof of delivery (TPD) means a commercial document that is generated by the Contractor and/or the Contractor's transporter of supplies and that is signed by the Government customer in order to document delivery of supplies under this contract/order. Examples of TPD are United Parcel Service (UPS) or Federal Express (FEDEX) delivery tracking reports. TPD documentation must include a customer signature, or visibility of the name of the customer who signed.

(b) When this procurement note is included in the contract or order, the Government may use TPD, in combination with adequate Contractor documentation cross-referencing the TPD to the specific supplies provided, as a basis for accepting the supplies. TPD with adequate supporting documentation satisfies the receipt report requirement and, coupled with acceptance, allows the Government to initiate the payment process, if all other applicable payment conditions are satisfied.

(c) To facilitate the payment process, the Government will initiate a request for the Contractor to provide TPD when the customer has not provided receipt acknowledgement to the buying activity. If TPD is requested and the Contractor agrees to provide it, the documentation must include the customer signature, or visibility of the name of the customer who signed, and as much of the following information as possible:

(1) Contract number or order number;
(2) Contract line item number (CLIN);
(3) Unit price;
(4) Quantity of items;
(5) Extended price;
(6) National stock number (NSN);

(7) Delivery date;
(8) Recipient organization's name and address;
(9) Receiving activity Department of Defense activity address code (DoDAAC);
(10) Requisition document number (and suffix, when applicable);
(11) Shipment number;
(12) Invoice number; and
(13) Location where the carrier made delivery (activity name, building number, city, state).
(d) Process for submitting TPD documentation.
(1) Enter wide area workflow (WAWF) using the ``history folder," enter the appropriate contract data, and recall the receiving report (RR);
(2) Click on “attachment.” Browse and upload the TPD and any additional Contractor documentation required to provide the information identified in paragraph (c) of this procurement note. (Attachments created in any Microsoft Office product or in PDF format are acceptable.); and
(3) Click on “submit.”
(e) Responsibility for supplies.
(1) Title to the supplies passes to the Government after delivery to the point of first receipt by the Government and subsequent acceptance.
(2) Notwithstanding any other provision of the contract, order, or blanket purchase agreement, the Contractor shall:
(i) Assume all responsibility and risk of loss for supplies not received at destination, damaged in transit, or not conforming to purchase requirements; and
(ii) Replace, repair, or correct those supplies promptly at the Contractor’s expense, if instructed to do so by the Contracting Officer within 180 days from the date title to the supplies vests in the Government.
*****

# PART 33 – PROTESTS, DISPUTES, AND APPEALS

*(Revised December 16, 2016 through PROCLTR 2017-04)*

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## SUBPART 33.1 – PROTESTS

*(Revised December 16, 2016 through PROCLTR 2017-04)*

### 33.103 Protests to the agency.

(c) Procuring organizations shall consider using Alternative Dispute Resolution (ADR) techniques in resolving agency level protests.

(d)(4) Protesters may submit a protest to the contracting officer or may request an independent review by the CCO under the authority of Executive Order (EO) Number 12979, Agency Procurement Protests, as implemented by FAR 33.103(d). The CCO's authority may not be delegated. If the CCO had previous personal involvement with the procurement, the decision-maker shall be the HCA. All protest decisions require legal review. Solicitations must include procurement note L06 or language substantially as follows:

*****

L06 Agency Protests (DEC 2016)

Interested parties may file an agency level protest with the contracting officer or may request an independent review by the chief of the contracting office (CCO). Independent review by the CCO is an alternative to consideration by the contracting officer and is not available as an appellate review of a contracting officer decision on a protest previously filed with the contracting officer. Absent a clear indication of the intent to file an agency level protest with the CCO for independent review, protests will be presumed to be protests to the contracting officer.

*****

### 33.104 Protests to GAO.

(a) General procedures.

(2) GAO sends all protests involving DLA procurements to the Office of General Counsel. Immediately after receiving notice from GAO of a protest, the Office of General Counsel will notify the procuring organization's Office of Counsel. The Office of Counsel shall promptly notify GAO and the Office of General Counsel of the name, e-mail address, and phone number of the assigned attorney. The contracting officer, in coordination with the Office of Counsel, is responsible for ensuring that the notice of protest filed at GAO is provided to all interested parties.

(3)(i) The contracting officer and assigned attorney should review the protest for possible corrective action or disposition using Alternative Dispute Resolution (ADR). For protests not resolved through corrective action or ADR, the assigned attorney provides appropriate representation, including submission of the agency report and documents required by FAR 33.104(a)(3). The agency report is prepared by the assigned attorney with close coordination with the contracting officer and will be signed by both the contracting officer and the assigned attorney. Letters transmitting agency reports to GAO must be signed by the procuring organization's Chief Counsel.

(b) Protests before award.

(1) If the HCA determines it is necessary to award a contract after receipt of a notice from GAO that a protest has been filed, the HCA, with coordination by the procuring organization's Office of Counsel, shall make the written finding. The Office of Counsel must send a copy of the finding to the Office of General Counsel. Procuring organizations for which the Deputy Director, DLA Acquisition (J7) is the HCA, shall submit the proposed finding through their Chief Counsel to the Office of General Counsel for coordination, prior to submitting the proposed finding to the Deputy Director, DLA Acquisition (J7).

(2) Before award of the contract, the assigned attorney will notify GAO of the finding.

(c) Protests after award.

(2) If the HCA determines it is necessary to continue contract performance after receipt of a notice from GAO that a protest has been filed, the HCA, with coordination by the procuring organization's Office of Counsel, shall make the written finding. The Office of Counsel must send a copy of the finding to Office of General Counsel. Procuring organizations for which the Deputy Director, DLA Acquisition (J7) is the HCA, shall submit the proposed finding through their Chief Counsel to the Office of General Counsel for coordination, prior to submitting the proposed finding to the Deputy Director, DLA Acquisition (J7).

(3) Before the procuring organization lifts the stop work order or performance is otherwise continued, the assigned attorney will notify GAO of the finding.

(g) Notice to GAO.

In a sustained protest, a decision not to follow the GAO recommendation requires approval by the DLA Acquisition Director and coordination with the Office of General Counsel.

(h) Award of costs.

The authority and responsibility for resolving claims for protest costs is delegated to Chief Counsel at the procuring organizations DLA Energy, DLA Land and Maritime, DLA Aviation, DLA Troop Support, DLA Disposition Services, and DLA Distribution. This authority may not be redelegated. All decisions resolving claims for protest costs require concurrence of the contracting officer.

The authority to resolve protest claims applies not only when the GAO issues a decision recommending protest costs be paid, but also when the agency takes corrective action after determining the solicitation, proposed award, or award does not comply with applicable laws and/or regulations. The amount paid is limited by 31 U.S.C. § 3554(c)(2).

Offices of Counsel that have not been delegated the authority to settle claims for protest costs shall forward requests for protest costs, attorney fees, and bid or proposal preparation costs to the Office of General Counsel. The Office of General Counsel is responsible for disposition of these claims.

**33.209 Suspected fraudulent claims.**
Referrals shall be made to procuring organization Office of Counsel for appropriate action.

**33.211 Contracting officer's decision.**
(a)(4)(v) Contracting officers shall include ADR language in final decisions, unless the proper official has determined in writing that ADR is inappropriate (FAR 33.214). The contracting officer shall add a statement substantially as follows to the end of the paragraph regarding the contractor's appeal rights: "Subject to the appeal time frames specified above, you may request that this dispute be resolved using alternative dispute resolution procedures."

**33.212 Contracting officer's duties upon appeal.**
Notices of appeal to the Armed Services Board of Contract Appeals (ASBCA) that are submitted directly to the contracting officer shall be forwarded immediately to the procuring organization Office of Counsel for further re-transmission to the ASBCA.
The DLA Office of General Counsel assigns trial attorneys to represent DLA in appeals to the ASBCA. In coordination with the assigned trial attorney, the contracting officer prepares the "Rule 4 file" for any appeal to the ASBCA in accordance with Rule 4 of the ASBCA rules (see DFARS, Appendix A, Part 2), and provides other needed support and assistance to the trial attorney regarding the appeal.

**33.214 Alternative dispute resolution (ADR).**
The contracting officer shall insert the provision at 5452.233-9001 in all solicitations unless the conditions at FAR 33.203(b) apply.

# PART 34 – MAJOR SYSTEM ACQUISITION

*(Revised June 10, 2020 through PROCLTR 2020-05)*

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## SUBPART 34.71 – COST AND SOFTWARE DATA REPORTING

*(Revised June 10, 2020 through PROCLTR 2020-05)*

**34.7101 Solicitation provision and contract clause.**

(a)(S-90) Cost and Software Data Reporting (CSDR) requirements apply to sustainment solicitations and contracts/subcontracts that supports Major Defense Acquisition Programs and Major Automated Information Systems over $50 million, regardless of contract type, in accordance with DoD Manual 5000.04-M-1, Cost and Software Data Reporting (CSDR) Manual, and DoD Instruction 5000.73, Cost Analysis Guidance and Procedures. If CSDR requirements apply to a DLA acquisition, the contracting officer shall coordinate the Request for Proposal (RFP) CSDR plan content and negotiation with the responsible Program Management Office (PMO). Procuring organizations shall submit their proposed RFP plan, or a request for waiver (see 34.7101(a)(S-91), to DLA Acquisition Pricing at least 70 days prior to the estimated RFP release date. DLA Acquisition Pricing will review the proposed RFP plan or request for waiver and forward it to the Deputy Director, Cost Assessment (DDCA), Office of the Secretary of Defense (OSD) for final approval within 60 days of the RFP release date. After negotiations and award, procuring organizations shall forward final CSDR plans to DLA Acquisition Pricing within 30 days from date for award for submission to OSD. The Cost Assessment and Program Evaluation (OSD CAPE) Office maintains polices and guidance concerning CSDR requirements at Cost Assessment Data Enterprise (CADE) Cost and Sortware Data Reporting (CSDR) Policies (https://cade.osd.mil/policy/csdr-timeline).

(S-91) In accordance with DoD Manual 5000.04-M-1, DDCA has the authority to approve waivers for CSDR requirements. Procuring organizations shall forward requests for waivers to DLA Acquisition Pricing, accompanied by—

(i) For commercial acquisitions, a copy of the commercial item determination and a memorandum supporting the rationale for a waiver based on commerciality, both signed by the contracting officer; or

(ii) For competitive acquisitions, documentation supporting the basis for the contracting officer's determination that adequate competition will continue to exist.

# PART 37 – SERVICE CONTRACTING

*(Revised October 1, 2020 through PROCLTR 2020-15)*

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## SUBPART 37.1 – SERVICE CONTRACTS – GENERAL

*(Revised October 24, 2016 through PROCLTR 2016-10)*

**37.102 Policy.**

(f) The following management positions in addition to the CAE are designated following DoD Instruction 5000.74, Defense Acquisition of Services, Enclosure 4, dated January 5, 2016. The DLA Acquisition Deputy Director is the Senior Services Manager (SSM). The Component Level Leads (CLLs) by portfolio group are:

Electronics/Communications Services (ECS), DLA Information Operations Deputy Director

Facilities Related Services (FRS), DLA Chief of Staff (CoS)

Knowledge Based Services (KBS), DLA Information Operations Program Execution Officer (PEO)

Medical Services (MS), DLA CoS

Equipment Related Services, DLA Logistics Policy and Strategic Programs Executive Director

Transportation Related Services, DLA Logistics Policy and Strategic Programs Executive Director

Logistics Management Services, DLA Logistics Policy and Strategic Programs Executive Director

These portfolios comprise the vast majority of all DLA acquisitions of services. The SSM shall serve as the CLL for acquisition of services that fall outside the scope of the above designations. Acquisition strategy for service requirements shall maximize opportunity for small business.

**37.103 Contracting officer responsibility.**

(f) Ensure the MFT participates in a SAW when it is required, unless a waiver is obtained from the SSM. The requirements for multifunctional teams (MFTs) to participate in a Service Acquisition Workshop (SAW), or equivalent program are provided in DoD Instruction (DoDI) 5000.74, Defense Acquisition of Services, in Section 4: Procedures. See DoD Instructions (https://www.esd.whs.mil/Directives/issuances/dodi/) for a listing of DoDIs. A request for a waiver must be submitted through the DLA Acquisition Operations Division. Coordinate all acquisitions that meet the criteria for a SAW with the SSM.

(g) Refer to DLA Manual 5000.74, Subject: DLA Acquisition of Services, Enclosure 2, paragraph 13 for additional responsibilities.

(S-90) Solicitations and contracts shall include procurement note C05 when the services to be provided require professional employees, and evaluation of proposed key managerial personnel is required to assess the probability of successful performance.

*****

C05 Changes to Key Personnel (OCT 2016)
Certain skilled, experienced, professional and/or technical personnel are essential for successful accomplishment of the work to be performed under this contract. These are defined as "key personnel" and are those persons whose resumes are submitted as part of the technical/business proposal for evaluation. The contractor shall use key personnel as identified in its proposal during the performance of this contract and will request contracting officer approval prior to any changes. Requests for approval of any changes shall be in writing with a detailed explanation of the circumstances necessitating the change. The request must contain a complete resume for the new key personnel and any other pertinent information, such as degrees, certifications, and work history. New key personnel must have qualifications that are equal to or higher than those being replaced. The contracting officer will evaluate the request and notify the contractor whether the requested change is acceptable to the Government.
*****

**37.110 Solicitation provisions and contract clauses.**
(a) Solicitations shall include procurement note L07 to identify Government points of contact for offerors who wish to inspect the Government installation where services will be performed.
*****
L07 Site Visit Instructions (OCT 2016)

| | |
|---|---|
| Primary Name: | Phone Number |
| Alternate Name: | Phone Number |

*****

## SUBPART 37.2 – ADVISORY AND ASSISTANCE SERVICES
*(Revised October 1, 2020 through PROCLTR 2020-15)*

**37.270 Acquisition of audit services.**
(a) *General policy.*
(S-90) See 8.003(S-90) for acquisition of audit readiness and/or audit sustainment services.

# PART 38 – FEDERAL SUPPLY SCHEDULE CONTRACTING

*(Revised December 8, 2020 through PROCLTR 2021-02)*

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## SUBPART 38.90 DLA-MANAGED FEDERAL SUPPLY SCHEDULES

*(Revised December 8, 2020 through PROCLTR 2021-02)*

### 38.9000 Scope.

This subpart prescribes policy and procedures for awarding and administering DLA-managed Federal Supply Schedules, including those for placement on FedMall.

### 38.9001 General.

(a) Under the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(e)), the Administrator of General Services designates and authorizes the DoD to procure and supply personal property and non-personal services and perform related functions in support of the federal civil agencies within the terms of the Agreement between the Department of Defense and the General Services Administration Governing Supply Management Relationships Under the National Supply System (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2Fsites%2FAcquisition%2FShared%20Documents%2FJ%2D72%2FPROCLTR%2DFiles&FolderCTID=0x01200080FADA3E9BBF764593CF2E25DC6FA477), dated February 19, 1971, and the 1972 Supplement. Enter your email address to access documents.

(b) In accordance with the 1971 Agreement, both GSA and DoD agreed that "GSA and DSA (Defense Supply Agency, now DLA) will develop and maintain Federal Supply Schedule type contracts for Groups, Commodities, or items assigned under terms of this Agreement."

(c) In establishing and maintaining a uniform federal supply catalog system, GSA and DoD shall coordinate to avoid unnecessary duplication (40 U.S.C. 506).

### 38.9002 DLA-Managed Federal Supply Schedules for FedMall.

(a) DCSO contracting officers shall—

(1) Use delegated authority from GSA to establish Federal Supply Schedules in compliance with FAR Part 38 and the Agreement between the DoD and GSA Governing Supply Management Relationships Under the National Supply System, dated February 19, 1971.

(2) Consider GSA Acquisition Manual (GSAM) guidelines and GSA contracting practices when establishing Federal Supply Schedules. Contracting officers may use specific GSA clauses, procedures, and practices if determined to be in the best interest of the Government.

(3) Determine the prices of fixed-price supplies to be fair and reasonable for the purpose of establishing the Federal Supply Schedule.

(4) Determine in writing contract termination is appropriate prior to removing a contract from FedMall.

# PART 39 – ACQUISITION OF INFORMATION TECHNOLOGY (IT)

*(Revised January 18, 2022 through PROCLTR 2021-17)*

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## SUBPART 39.2 – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

*(Revised January 18, 2022 through PROCLTR 2021-17)*

**39.201 Scope of subpart.**

(b) Contracting officers can find ICT standards at GSA Government-wide IT Accessibility Program (https://www.section508.gov/). When Section 508 applies, contracting officers shall review the "Buy Accessible IT" section at GSA Government-wide IT Accessibility Program (https://www.section508.gov/); and use appropriate requirements language in the solicitation and, if applicable, in the performance work statement, statement of objective, or statement of work. The "Buy Accessible IT" section provides language for common ICT procurement requirements and a link to the current revision of the Voluntary Product Accessibility Template (VPAT) Rev 508.

**39.203 Applicability.**

(a)(S-90) Unless an exception applies (reference FAR 39.204), contracting officers shall insert procurement note L29 in solicitations when procuring ICT products and services.

*****

L29 Section 508 Requirements (OCT 2021)

Offerors shall comply with the Section 508 accessibility requirements. By submission of its offer, the offeror affirms that its Information and Communication Technology (ICT) supplies and services are accessible as outlined in the law, the standard, and FAR Subpart 39.2. Offerors shall complete the current revision of the Voluntary Product Accessible Template (VPAT) Rev 508 at https://www.itic.org/policy/accessibility/vpat (*copy website address into browser*). If applicable, offerors shall indicate where their Section 508 ICT compliance information is available for review (e.g., offeror's website or other location the contracting officer can access). The contracting officer may require a demonstration of Section 508 compliance prior to award.

*****

(S-91) Contracting officers shall insert procurement note H11 in solicitations and awards when procuring ICT products and services.

*****

H11 Section 508 Requirements (OCT 2020)

Contractors shall comply with the Section 508 Accessibility requirements in this contract and the current revision of the Voluntary Product Accessible Template (VPAT) Rev 508 at

https://www.itic.org/policy/accessibility/vpat (*copy website address into browser*) as stated in their proposal, for the duration of contract performance.
*****

**39.204 Exceptions.**
Contracting officers shall coordinate with Office of Counsel and DLA Information Operations, Section 508 office when seeking an exception to the requirement for an acquisition of ICT supplies or services to meet the applicable accessibility standards at 36 CFR Part 1194, ICT Accessibility Standards.

## SUBPART 39.74 – TELECOMMUNICATIONS SERVICES

*(Revised August 3, 2017 through PROCLTR 2017-16)*

**39.7402 Policy.**
(b)(4) Contracting officers shall submit recommendations to provide property (reference DFARS 239.7402(b)(4)) through the DLA Acquisition Operations Division, which will coordinate with the DLA Acquisition Director for authorization.

## SUBPART 39.90 – PROCEDURES, APPROVALS AND TOOLS

*(Revised August 3, 2017 through PROCLTR 2017-16)*

**39.9001 Procedures for IT procurement.**
(a) The requiring activity shall coordinate all mid-tier requirements with DLA Information Operations, and other organizations as needed, prior to submission to the contracting office. "Mid-tier" refers to equipment that is in the range between individual workstations and mainframe computers. Mid-tier uses include client servers, network controllers, process controllers, and dedicated single application processors.
(b) DLA Contracting Services Office (DCSO) is the single DLA procuring organization with authority to procure office document devices and associated maintenance support. These devices include network and stand-alone copiers, printers, multi-functional devices, scanners, fax machines, and related support services. The DCSO CCO has authority to approve requests for waivers to this mandate.
(c) DCSO is responsible for acquiring IT services, supplies, equipment, training, and subscriptions for DLA. Non-DCSO procuring organizations may award contracts or orders for IT if the total value of the contract or order (including options) does not exceed $500,000.
(d) DCSO shall procure requirements with a value exceeding $500,000, unless the DCSO CCO approves a request for procurement authority from a non-DCSO procuring organization. Non-DCSO procuring organizations shall submit requests in writing to the DCSO CCO.
(e) Unless submitted through DCSO and authorized in writing by the DLA CIO, all DLA IT procurements shall use Defense Information Systems Agency defense enterprise integration services contracts.
(f) The DLA CIO shall staff all requirements to be acquired using the GSA federal systems integration and management program through the DCSO for informational purposes and investment accountability.
(g) The contracting officer shall comply with 4.1302 when acquiring personal identity verification products and services.

(h) Prior to acquiring commercial software or software maintenance, the contracting officer shall review DFARS Subparts 208.74 and 227.72, the DLA Issuance, Smartbuy, and Enterprise Software Initiative (ESI) Enterprise Service Agreements (ESA), which is accessible through eWorkplace, and the DLA Information Technology Solutions Document. The contracting officer shall submit requests for waiver (reference DFARS PGI 208.7403 and DFARS 227.72) to DLA Information Operations.
(i) The contracting officer shall coordinate any requirements for contractors to develop, store, process, display, or transmit information that is used in any DLA business process with DLA Information Operations in the acquisition planning stage.
(j) The contracting officer shall consult the DLA Information Technology Solutions Document in DLA eWorkplace under DLA Information Operations to ensure that there are no existing IT solutions that can meet the acquisition requirement.

(1) The contracting officer shall ensure compliance with all procurement requirements when using sources listed in the DLA Information Technology Solutions Document. Contracting officers shall consider the competitive process (reference FAR 6.1), and sole source and limited source justifications (reference FAR Subpart 6.3 and FAR 8.405-6), including brand name situations, economies of scale, and scope of the listed sources.

(2) The contracting officer shall contact DLA Information Operations to request the addition of a new solution to the document.
(k) For telecommunications equipment and services:

(1) The contracting officer shall ensure capital investment funding is used for capital investment requirements valued $250,000 or greater. Contracting officers shall coordinate questions concerning the appropriate type of funding with DLA Finance and Office of Counsel.

(2) The contracting officer shall sign Communication Services Authorities or other communications services orders or agreements.
(l) Internal Use Software (IUS).

(1) As defined in Statement of Federal Financial Accounting Standards (SFFAS) Number 10, Accounting for IUS, IUS is software used to operate a federal entity's programs (e.g., financial, administrative, and project management software) and to produce the entity's goods and services. DLAM 5000.76, Accountability of Capital Internal Use Software (IUS) contains IUS procedures.

(2) Requiring activity program managers (PMs) shall—

(i) Determine whether to classify a software procurement as IUS.

(ii) Structure software requirement deliverables in accordance with the IUS number structure guidelines stated in the IUS SOP.

(iii) State in the SOO, SOW, or PWS the IUS item that corresponds to the tasks required, which will be confirmed by the offeror in its proposal.

(iv) Prepare the IUS acknowledgement form.

(3) Contracting officers shall—

(i) Acknowledge that the IUS information was inserted into the SOO, SOW, PWS in accordance with the IUS SOP.

(ii) Sign the IUS acknowledgement and place it in the contract file.

(iii) Ensure contractors submit invoices in accordance with the IUS number structure. The contracting officer may delegate this responsibility to the contracting officer representatives (COR).

(iv) Ensure that CORs accept contractor deliverables and invoices consistent with invoiced IUS number structure.

**39.9002 Documentation requirements for IT procurement.**

(a) The requiring activity shall include the following in the acquisition package sent to the contracting officer:

(1) A statement clearly describing why the IT is needed and the program, project, Automated Information System being supported by the IT procurement.

(2) A description of what is being acquired. Identify the product (including its intended purpose, if unclear from the product name), manufacturer, model number, version number, quantity, unit cost, and any other attributes, such as essential physical characteristics. For support services, include a SOO, SOW, or PWS, as applicable.

(3) The exact location where the IT items and services are needed and points of contact with commercial and DSN telephone numbers.

(4) A copy of the market survey for each recommended source (reference FAR Part 10).

(5) A copy of the funding documentation.

(6) For sole source (e.g., only one source, specific make or model, or compatibility-limited), documentation to support a justification for other than full and open competition or limited source justification (reference FAR 6.3 and 8.405-6) and brand name situations (reference FAR 11.105).

(7) Copies of any additional information and support documentation necessary.

(b) The requiring activity shall—

(1) Prepare additional documentation or Business Case Analysis (BCA) as part of the contract file for an acquisition as needed.

(2) Submit acquisitions valued below $50,000 in accordance with local procedures, or as appropriate for the complexity of the requirement.

(3) Outline and compare the status quo method of business with three alternatives for acquisitions greater than or equal to $50,000 and less than $250,000.

(4) In addition to the requirements of (b)(2) above, provide a comparison of expected costs, benefits, impacts, and risks that would result from implementing alternative IT investments for acquisitions greater than or equal to $250,000 and less than $1,000,000.

(5) In addition to the requirements of (b)(2) and (b)(3) above, conduct a more in-depth analysis for acquisitions greater than or equal to $1,000,000 or having a significant impact on DoD logistics operations. The analysis shall include a study of the impact on DLA as a whole, as well as the quantitative and qualitative ramifications of the alternatives described within the investment; and consider the broad implications of the implementation of each alternative, including local and global implications, as well as immediate and future costs and savings.

# PART 42 – CONTRACT ADMINISTRATION
*(Revised August 16,, 2022 through PROCLTR 2022-09)*

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## SUBPART 42.1 – CONTRACT AUDIT SERVICES
*(Revised September 20, 2016 through PROCLTR 2016-10)*

**42.101 Contract audit responsibilities.**
The Contract and Pricing Compliance Division Chief is the designee to oversee contract audit follow-up in accordance with DoDI 7640.02, Policy for Follow-Up on Contract Audit Reports (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/764002p.pdf).

## SUBPART 42.2 – CONTRACT ADMINISTRATION SERVICES
*(Revised May 15, 2019 through PROCLTR 2019-13)*

**42.202 Assignment of contract administration.**
(a) Delegating functions.

(3) Contracting officers shall manually attach or forward, as applicable, copies of all documentation incorporated into the contract by reference when providing a copy of the contract to the cognizant contract administration office.

(S-90) Delegate contract administration to DCMA for contracts and orders that require—

(i) Source inspection/acceptance (I/A) by DCMA (excludes drugs, biologics, and other medical supplies) when the Food and Drug Administration (FDA) is responsible for quality assurance, and items procured for the Wildland Fire Protection Program);

(ii) ACO support for cost-type, labor-hour, or time-and-material contracts;

(iii) ACO support for progress payment or performance-based payment financing terms.

(S-91) DLA procuring organizations shall not delegate administration to DCMA when the contract payment office is designated as SL4701, destination I/A applies, and no DCMA support is required.

(S-92) In addition to the conditions in 42.202(a)(S-90), the following contract requirements may justify DCMA administration, whether the contract provides for source or destination I/A:

(i) Government property;

(ii) Plant clearance;

(iii) Production surveillance of criticality designator A or B contracts when requesting DCMA delivery surveillance;
(iv) Classified data (DD Form 254, Contract Security Classification Specification);
(v) First article testing (FAT);
(vi) Foreign military sales (FMS);
(vii) Critical safety items (CSIs);
(viii) Higher-level contract quality requirements;
(ix) Economic price adjustments, unless administered by MOCAS and paid by DFAS;
(x) DCRL treatment code 07;
(xi) High-risk suppliers (e.g., surplus dealers, kitters);
(xii) High-risk items (e.g., those with PQDRs);
(xiii) Contracts administered by MOCAS and paid by DFAS;
(xiv) Hazardous Material;
(xv) Arms, Ammunition, or Explosives; and
(xvi) Safety of Flight.

(S-93) When DLA retains contract administration and the contract includes a duty free clause, contracting officers shall use the DCMA eTool. Contracting officers shall request registration through the DCMA External Web Access Management (EWAM) Application (https://eadf.dcma.mil/ewam2/registration/setup.do).

(S-94) DLA may retain administration of a basic LTC but require DCMA administration of specific orders on a case-by-case basis. In those instances when some LTC delivery orders require DCMA administration and some require DLA administration, the contracting officer shall identify DLA as the administration office and state which items require DCMA administration. The contracting officer shall notify DCMA by email when the LTC identifies certain orders for DCMA administration. To ensure acceptance of subsequent delivery orders, DCMA will retrieve the basic contract from EDA for input into MOCAS. If all orders on an LTC require DCMA administration, the contracting officer shall identify the cognizant contract administration office in the contract.

## SUBPART 42.3 – CONTRACT ADMINISTRATION OFFICE FUNCTIONS

*(Revised March 30, 2022 through PROCLTR 2022-06)*

### 42.302 Contract administration functions.

(a) The contracting officer shall follow the approved contract management plan (CMP) (reference 7.102-90).

(13)(B)(1) Contracting officers shall designate the payment office as DoD Activity Address Code (DoDAAC) SL4701 for Enterprise Business System (EBS) contracts, except for contracts with progress or performance based payments and cost type contracts, which shall be paid by MOCAS payment offices (Contract Management Team Search (https://pubmini.dcma.mil/CMT_View/CMT_View_Search.cfm)), or for contracts with the Canadian Commercial Corporation when DCMA will perform contract administration: use payment office HQ0337. DLR contracting officers shall use the applicable MOCAS payment code for the payment office specified in the Federal Directory of Contract Administration Services Components.

(S-90) Post award administrators shall complete all Post-Award Requests (PARs) within an average of 30 days from the date of submission. This policy applies only to MSC hardware items and the PAR reason codes listed below and in DLAI 5025.18, Enterprise Status Post-Award Request (PAR)

Instruction (https://issuances.dla.mil/Published_Issuances/Enterprise%20Status%20Post%20Award%20Request%20(PAR).pdf) for both internal requests and requests from suppliers. This policy supersedes the PAR processing times in Enclosure 2, paragraph 5.(a)(1) of DLAI 5025.18.

| PAR Reason Code | PAR Reason |
|---|---|
| ST06 | Delinquency |
| ST07 | Delivery Acceleration |
| ST08 | Request for Delivery Status |
| ST09 | Estimated Ship Date Change |
| ST11 | Other Status Request |
| ST12 | CRM Ticket |
| ST14 | 21N Expedite |
| ST15 | Nuclear Enterprise |
| ST17 | CPS Expedite |
| ST18 | CPS Delinquency |
| ST20 | Monthly Briefing and Readiness Updates |
| ST21 | Super KID |
| VR01 | Delivery Date Change |
| VR02 | Duty Free Entry Request |
| VR03 | Free Issues |
| VR04 | Price Change and Mistakes-in-Bid |
| VR05 | Request for Price Change in Accordance with Economic Price |
| VR06 | Variation in Quantity Change |
| VR07 | Quantity Change |
| VR08 | Vendor Requested Cancellation |
| VR09 | Modification |
| VR10 | Wage Determination |
| VR11 | Other Vendor Request |

| | |
|---|---|
| VR12 | Payment Issues |
| VR13 | Tooling Request |
| VR14 | COVID-19 |
| VR15 | Request for Variance (from NIIN Technical Data) |
| VR16 | First Article (Govt or Contractor) |
| VR17 | Production Lot Test Inquiry |

## SUBPART 42.11 – PRODUCTION SURVEILLANCE AND REPORTING

*(Revised September 20, 2016 through PROCLTR 2016-10)*

**42.1101 General.**

When the contracting officer retains administration functions, the contracting officer shall monitor contractor performance to ensure compliance with terms and conditions of the contract action. When it is determined that a need date may require a shorter delivery, the material planner or the customer account specialist will follow the policies and processes for expediting delivery in Cross-Process Policy Memorandum CP-12-001, Sales Order Expedite and Customer Inquiry Policy, dated December 11, 2012 (available on eWorkplace, Logistics Operations (J3), Shared Documents, J3 Policies and Procedures, Cross Process). The contracting officer shall negotiate revised delivery with the contractor.

Prior to taking action for contract action non-compliance, the contracting officer shall coordinate with the material planner, customer account specialist, or product specialist. Coordination with the Office of Counsel is required prior to taking cancellation or termination action.

**42.1104 Surveillance requirements.**

(a)(iii)(D) DCMA uses the Delivery Schedule Manager (DSM) eTool to communicate potential and existing delinquencies, respond to an acceleration request, or recommend delivery extension on a contract. To access this tool and respond to any communications from DCMA and review system generated reports, contracting officers shall be registered in DCMA's External Web Access Management (EWAM) application. Registration can be requested through the DCMA External Web Access Management (EWAM) Application (https://eadf.dcma.mil/ewam2/registration/setup.do).

## SUBPART 42.15 – CONTRACTOR PERFORMANCE INFORMATION

*(Revised September 20, 2016 through PROCLTR 2016-10*

**42.1503 Procedures.**

(a)(1) Contracting officers are responsible for coordination with the technical office, quality assurance, DCMA counterparts, and other end users of the product or service, as necessary, to complete their assessment and input past performance information into CPARS. The DLA Acquisition Procurement Process and Systems Division will track compliance on a monthly basis and report to the DLA Acquisition Director.

(h)(3) The DLA Acquisition Procurement Process and Systems Division is the CPARS focal point. Each procuring organization shall designate a FAPIIS point of contact (POC) to input

information provided by the contracting officer into FAPIIS. FAPIIS POCs shall notify the contracting officer when the record has been submitted. The contracting officer shall document the contract file to show that the action was reported to FAPIIS. The procuring organization FAPIIS POC shall report contract terminations to the DLA Acquisition Procurement Process and System Division FAPIIS POC via email to FAPIISInbox@dla.mil and include the contract number, date and type of termination, any change, and when data was reported to FAPIIS.

# PART 43 – CONTRACT MODIFICATIONS

*(Revised August 10, 2018 through PROCLTR 2018-16)*

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**SUBPART 43.1 – GENERAL**
43.102 Policy.
43.103 Types of contract modifications.

## SUBPART 43.1 – GENERAL

*(Revised August 10, 2018 through PROCLTR 2018-16)*

### 43.102 Policy.

(b)(S-90) *Administrative cost.* The administrative cost for contract modifications issued by DLA Aviation, DLA Contracting Services Office, DLA Disposition Services, DLA Distribution, DLA Energy, DLA Land and Maritime, DLA Strategic Materials, and DLA Troop Support Industrial Hardware is $250. The administrative cost for contract modifications issued by DLA Troop Support Construction and Equipment, Clothing and Textile, Subsistence, and Medical is $750. These fees are in addition to consideration cost (see 43.102(b)(S-91)); and costs for Government reinspection or retest, if necessary.

(S-91) *Consideration cost.* The contracting officer determines the most appropriate calculation method. The formula below is provided as a potential method for calculating consideration for issuing the modification.

Formula: (((((E-1)/(E+1))+1)/100)*M*V) + D

Key: E = # of Extensions: The number of extension request instances that contractor asks for at the time of the modification (i.e., 1 for 1st request, 2 for 2nd request, and 10 for 10th request).

M = Lateness (expressed in months): The number of months the contractor has requested an extension. For example, if the contractor requests an extension of 30 days for the "current" delivery time, M would be 1. For 120 days, M would be 4. If this is the contractor's second request, and they want another 120 days, M would still be 4.

V = Value of Extended Portion of Contract: The value of the material that is going to be delayed. If the total contract dollar value is for $50K and the whole contract is going to be late, V would be $50K. If the contractor is going to deliver half of the contract on time but needs more time on the other half, then V would be $25K.

D = Direct Cost: Fixed costs associated with writing the modification, re-inspecting material, and any other cost the Government incurs for making the change ($250 as the base).

Examples:

1. Contract is for $1.5M contractor needs a 30 day extension:(((((1-1)/(1+1))+1)/100)*1*1,500,000)+250 = $15,250

2. Same contract, but now they need an additional 90 days:(((((2-1)/(2+1))+1)/100)*3*1,500,000)+250 = $60,250.00

3. Same contract, they have delivered half of their order, but they need 120 days to finish: (((((3-1)/(3+1))+1)/100)*4*750,000)+250 = $45,250

### 43.103 Types of contract modifications.

(b) Unilateral.

(S-90) In cases when the contractor is unable to sign a bilateral modification deobligating an unliquidated obligation (ULO), the contracting officer may issue a unilateral deobligation modification with concurrence of Office of Counsel.

# PART 45 – GOVERNMENT PROPERTY

*(Revised September 19, 2016 through PROCLTR 16-09)*

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## SUBPART 45.1 – GENERAL

*(Revised September 19, 2016 through PROCLTR 16-09)*

**45.101 Definitions.**

*"Property Administrator"* See 1.670.

*"Stock Provided to Vendor (SPTV)"* is SAP terminology that identifies and tracks items or components issued to DLA Distribution or a contractor for assembly or modification to make an end-item. Examples include items or components required for kits, uniforms, MREs, and government furnished material.

*"Vendor Managed Inventory (VMI)"* is used to characterize various programs in which Government-owned property is managed by the contractor.

**45.103 General.**

**45.103-70 Furnishing Government Property to Contractors.**

(1) For DLA managed items, the product specialist makes the determination and documents the requirement in the Material Master. The requirement will be identified on the PR.

(2) DLR sites shall follow the processes and systems at the Military Services sites.

**45.105 Contractors' Property Management System Compliance.**

(a) Conduct an analysis of the contractor's property management policies, procedures, practices, and systems, as frequently as conditions warrant, in accordance with DoDI 4161.02, Accountability and Management of Government Contract Property, dated April 27, 2012 (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/416102p.pdf); and the DoD Guidebook for Contract Property Administration, dated December 2014 (https://www.dau.edu/guidebooks/Shared%20Documents%20HTML/Guidebook%20for%20Contract%20Property%20Administration.aspx).

**45.201 Solicitation and Evaluation Procedures**

(a) Procuring organizations shall follow internal control procedures at PGI 245.201(a) to solicit and monitor contract actions where the terms may require that the Government reimburse the contractor for actual freight costs incurred to ship Vendor Managed Inventory (VMI) or Government Furnished Property (GFP) from its facility to the contractually designated location. These situations exist where the contractor issues a separate freight invoice, typically monthly, for its incurred freight costs.

## SUBPART 45.6 – REPORTING, REUTILIZATION, AND DISPOSAL

*(Revised September 19, 2016 through PROCLTR 16-09)*

### 45.602 Reutilization of Government property.

### 45.602-2 Reutilization Priorities.

(d) Dispose of the property identified in FAR Subpart 45.602-2(d) in accordance with DOD Instruction 4161.02, Accountability and Management of Government Contract Property, dated April 27, 2012, and DOD Manual 4160.21, Volume 2, Defense Materiel Disposition: Property Disposal and Reclamation, dated October 22, 2015.

# PART 46 – QUALITY ASSURANCE

PART 46 – QUALITY ASSURANCE
*(Revised August 17, 2022 through PROCLTR 22-12)*

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**46.000 Scope of Part.**
The Military Departments provide Depot Level Repairable (DLR) quality requirements. The Military Departments report and track item deficiencies for DLR supplies. Any associated provisions and clauses shall follow the Military Departments procedures for DLR supplies.

## SUBPART 46.1 – GENERAL

*(Revised November 9, 2016 through PROCLTR 2017-02)*

**46.103 Contracting office responsibilities.**
(a) Requirements are provided on the purchase request in EBS.

**46.105 Contractor responsibilities.**
(b) The contractor is required to maintain calibrated measuring and test equipment used for test and verification of products offered. The product specialist shall insert the TQ STO RT001 Measuring and Test Equipment in the PID.

## SUBPART 46.2 – CONTRACT QUALITY REQUIREMENTS

## 46.202 Types of contract quality requirements.

### 46.202-4 Higher-level contract quality requirements.

(a) The product specialist determines when higher-level contract quality requirements are required based on a review of the technical data package, ESA requirement, criticality and complexity of the item, or history of quality deficiencies. The product specialist will enter the higher-level contract quality requirement into the Document Management System, if applicable. The higher-level contract quality requirement will be incorporated into the PID in solicitations and contract awards from the Material Master. The higher-level contract quality requirement will be pre-populated in the fill-in for FAR clause 52.246-11.

## 46.290 Certificate of quality compliance (COQC).

A COQC is a quality assurance requirement in the form of a Contract Data Requirements List (CDRL) (DD Form 1423-1) deliverable to provide objective quality evidence for materials submitted by the supplier. The DLA Logistics Operations Technical Programs and Quality Assurance Division maintains the CDRL in the Document Management System, and it is referenced in the Material Master. The CDRL is incorporated into the PID in solicitations and contract awards from the Material Master.

## 46.291 Production lot testing.

(a) The purpose of production lot testing (PLT) is to validate quality conformance of products prior to lot acceptance. The product specialist will review the ESA testing requirements for completeness, accuracy, and applicability; coordinate any changes with the ESA; and enter the testing requirements in the material master. The contracting officer shall include PLT requirements in all solicitations and contracts if indicated in the material master. The product specialist will specify whether the contractor or the Government will conduct the test; and whether the testing site will be a contractor or Government facility. The contracting officer shall ensure the solicitation International Commerce Terminology Terms (Incoterms) match the production line item Incoterms, or the DLA Internet Bid Board System (DIBBS) will not post the solicitation. Prior to award, the contracting officer shall confirm that PLT still applies; and if it does, change the PLT line item Incoterm to “F” in EBS, for inspection at source, acceptance at destination, and FOB destination.

(b) The contracting officer shall include procurement note E03 in solicitations and awards if contractor PLT applies; or include procurement note E04 in solicitations and awards if Government PLT applies. For manual acquisitions, the contracting officer shall complete the fillins with information in the material master. For automated solicitations, the system pre-populates the information. The contracting officer is the final authority for imposing PLT and shall document the contract file upon removal or waiver of the PLT requirement.

(c) The contracting officer shall follow the instructions in paragraphs (c)(1)-(5) to complete the delivery schedule information in E03 and E04:

(1) If FAT applies, complete the” Total Delivery Days for FAT” line with the number of days in the FAT Procurement Note section “Total Delivery Days.”

(2) If FAT does not apply, complete the "Completion of Production Units & Submission of PLT Report" line with the number of days negotiated or agreed upon between the contracting officer and the contractor.

(3) Complete the "Government PLT Report Evaluation and Notification to Contractor" line with the number of days in the "Report Evaluation Time" in the material master. If any information is missing, contact the product specialist.

(4) Complete the number of days for "Delivery of Final Production Quantity to Government" from the contractor's response on the solicitation for the supply CLIN of the item subject to PLT.

(5) Complete the "Total Delivery Days" line with the sum of lines (i)-(iv).

(d) PLT conducted by contractor. The contractor is responsible for producing the10 production lot(s) and conducting the test. The contractor shall price the PLT separately using a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.

*****

E03 Production Lot Testing – Contractor MAY 2020)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. The contractor shall complete PLT on the production lot(s) after first article approval, if the contract requires first article testing. The contractor shall price the PLT CLIN to cover the cost of the final test report and any approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The unit of issue for the PLT CLIN, EACH, is equal to one Production Lot Test (1EA=1PLT).

(2) For purposes of facilitating PLT, the engineering support activity and/or testing facility has authority to communicate and discuss clarifications directly with contractors. If the Government and/or the contractor identify changes to contract requirements, the contractor shall contact the post award contracting officer or contract administrator (see the "Issued By" blocks on the contract award or order) for written approval. The contractor shall not act on any revisions or other changes until the contracting officer issues a written modification approving the proposed revision(s)/change(s).

(3) The contractor shall provide and maintain an inspection system acceptable to the Government in accordance with FAR Clause 52.246-2 or 52.246-3, and maintain and make available all records evidencing those details if requested by the Government. At least fourteen (14) calendar days (or as otherwise specified in the contract) prior to conducting the production lot test, the contractor shall provide written notice of the time and location of the test to the contracting officer and the cognizant DCMA functional specialist when full administration or quality support administration is delegated to DCMA, so the Government may witness sample selection and the test.

(4) Unless otherwise stated, the contractor shall select [*contracting officer shall insert number of samples identified in material master*] samples at random from the production lot(s) produced. If the quantity stated in the previous sentence equals "ZZ," the contractor shall use the appropriate sample size identified in the technical data package or applicable sample plan provided by the Government. If the contractor cannot determine the sample quantity, the contractor shall obtain written confirmation of the sample size from the contracting officer.

(5) The contractor shall perform all tests on the PLT samples needed to verify/validate the items meet the contract technical/quality requirements.

(6) If a PLT sample fails, the entire production lot from which the contractor took the sample fails. The contractor shall notify the contracting officer and propose corrective action, if appropriate.
(7) The contractor shall prepare and disseminate the PLT report and applicable traceability documentation as follows:

(a) Prepare the test report in accordance with data item description DI-NDTI-80809B, and mark the test report, "Production Lot Test Report, Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*]."

(b) Present the PLT report to the contracting officer for review.

(c) Include the following documentation with all shipments of PLT Reports:

(i) DD Form 1222 and system of record receiving report (i.e., WAWF or DD Form 250);

(ii) Copy of the contract/order;

(iii) Copy of all applicable test reports, showing actual results and tolerances specified in the technical data package;

(iv) Material and process certifications;

(v) Process operations and inspection method sheets;

(vi) Copies of drawings used to manufacture the PLT sample, with proper marking to restrict public disclosure (if desired) and from Government use other than for evaluation to the extent consistent with the Government's data rights under the contract; and

(vii) Documents required under a contract deliverables requirements list, if applicable.

(d) Submit all required documentation to the Government activity specified in the contract in time to allow for at least [*contracting officer shall insert number of days as shown in material master*] calendar days for review of the PLT report, and for the contracting officer to provide written notification of approval/disapproval to the contractor.

(i) For awards issued by DLA Troop Support Construction and Equipment (SPE8E), email all required documentation to Construction and Equipment PLT Monitor at trpsptcandepltmonitor@dla.mil . If documentation files exceed email limitations, submit to the following address: DLA Troop Support, Attention: Production Lot Testing Monitor, Building 3, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111.

(e) For PLT, the Government will conduct inspection at source and acceptance at destination. The FOB point is destination.

(f) Delivery.

(i) Ship test report to [*contracting officer insert address of the Government activity to receive the report*].

(ii) Delivery Schedule Information:

(A) _____ Total Delivery Days for FAT (If Applicable)

(B) _____ Days: Completion of Production Units (to include PLT samples), PLT, and Submission of PLT Report

(C) _____ Days: Government PLT Report Evaluation and Notification to Contractor

(D) _____ Days: Delivery of final production quantity to Government

(E) _____ Total Delivery Days (Sum of paragraphs (ii)(A) through (D)) above.

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(e) PLT conducted by the Government. The contractor produces the production lot(s), and the Government conducts the test. The contractor shall price the PLT separately with a PLT CLIN to cover the cost of any approved samples that are consumed, destroyed, or otherwise rendered

unusable during testing. Upon completion of testing, the Government will return any useable samples to the contractor for delivery with the production quantity of the same lot. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.
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E04 Production Lot Testing – Government (MAY 2020)
(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. The Government conducts PLT on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of any approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The unit of issue for the PLT CLIN, EACH, is equal to one Production Lot Test (1EA=1PLT).
(2) For purposes of facilitating PLT, the engineering support activity and/or testing facility has authority to communicate and conduct clarifications directly with contractors. If this results in necessary changes to contract requirements, the contractor shall contact the post award contracting officer or contract administrator (see the "Issued By" blocks on the contract award or order) for written approval. The contractor shall not act on any revisions or other changes until the contracting officer issues a written modification approving the proposed revision(s)/change(s).
(3) The contractor shall provide and maintain an inspection system acceptable to the Government in accordance with FAR Clause 52.246-2 or 52.246-3, and maintain and make available all records evidencing those details if requested by the Government. At least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot for selection of PLT samples, the contractor shall provide written notice to the contracting officer (and the cognizant DCMA functional specialist when full administration or quality support administration is delegated to DCMA).
(4) Unless otherwise stated, the contractor shall select [*contracting officer shall insert the number of samples identified in the material master*] samples, at random from the production lot(s) produced. If the quantity stated in the previous sentence equals "ZZ," the contractor shall use the appropriate sample size identified in the technical data package or applicable sample plan provided by the Government. If the contractor cannot determine the sample quantity, the contractor shall obtain written confirmation of the sample size from the contracting officer.
(5) If a PLT sample fails, the entire production lot from which the contractor took the sample fails. The contractor shall propose corrective action, if appropriate.
(6) The Government will return PLT samples to the contractor, with a copy of the test report, at contractor expense.
(7) The contractor shall prepare and disseminate the samples as follows:
(a) Ship the selected PLT samples by traceable means. [Mark the shipment "Production Lot Samples – Do Not Post To Stock," Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*]". Place a copy of the system of record receiving report (i.e., WAWF or DD Form 250) on the exterior of the shipping container in accordance with DFARS Appendix F. Mark the exterior of the shipping container in accordance with MIL-STD-129 (latest revision), paragraph 5.11.
(b) Include the following interior documentation:
(i) DD Form 1222 and system of record receiving report (i.e., WAWF or DD Form 250);
(ii) Copy of contract/order;

(iii) Copy of test reports, showing actual results and tolerances specified in the technical data package;

(iv) Material and process certifications;

(v) Process operations and inspection method sheets;

(vi) Copies of drawings used to manufacture the PLT sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor's responsibility);

(vii) Documents required under contract deliverables requirements list; and

(viii) A prepaid shipping label or document with the information required to return the PLT samples to the contractor at no cost to the Government.

(8) At the time of shipment, the contractor shall sign and provide copies of the DD Form 1222, system of record receiving report (i.e., WAWF or DD Form 250), transportation tracking information, and information for return of the PLT samples to the contracting officer. The Government testing time will be [*contracting officer insert number of days for test, as shown in the[material master*] calendar days for the test results to be provided to the contractor.

(9) For PLT, the Government will conduct inspection at source and acceptance at destination. The FOB point is destination.

(10) Delivery.

(a) Ship samples to [*contracting officer insert address of the Government activity to receive the samples*].

(b) Delivery Schedule Information:

(i)___ Total Delivery Days for FAT (If Applicable)

(ii)___ Days: Completion of Production Units (to include PLT samples), and Submission of samples for Government Testing

(iii)___ Days: Government PLT Report Evaluation and Notification to Contractor

(iv)___ Days: Delivery of final production quantity to Government

(v)___ Total Delivery Days (Sum of paragraph (i) through (iv))

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**46.292 Product verification testing.**

(a) The contracting officer or the product specialist can invoke product verification testing (PVT). The contracting officer may decide to invoke PVT, after coordination with the product specialist, at contract award or after contract award when any of the following conditions apply: high-risk item, offeror is on the DCRL, first time buy items, high-risk suppliers, high risk quotes. Upon making the determination to invoke PVT, the contracting officer shall contact the product specialist to take the appropriate technical actions. The product specialist may also decide to invoke PVT and will contact the contracting officer with the appropriate justification.

(b) The product specialist will provide the contracting officer and DCMA with a quality assurance letter of instruction (QALI) to include justification for invoking PVT. The contracting officer shall notify the contractor that the Government is invoking PVT and refer the contractor to DCMA for additional information.

(c) The contracting officer can invoke PVT pursuant to FAR 52.246-2, Inspection of Supplies-Fixed-Price. The contracting officer shall include procurement note E05 in all solicitations and awards.

(d) When the contracting officer invokes PVT that is not separately priced, the contracting officer shall provide packaging instructions, method of shipping, and payment instruction/information for shipping.
*****
E05 Product Verification Testing (MAY 2020)
(1) Product verification testing (PVT) under this procurement note will only apply when the contracting officer specifically invokes it in writing. The contracting officer may invoke PVT at or after contract award. If the contracting officer invokes PVT at contract award, the contract will explicitly state this testing requirement. If the contracting officer invokes PVT after contract award, the contracting officer shall notify the contractor and the cognizant DCMA ACO. The Government will perform PVT testing at a Government-designated testing laboratory.
(2) The contractor shall not ship or deliver any material until it receives notification of the acceptable PVT results, unless the contracting officer directs it to do so in writing The Government will provide the PVT results to the contractor within 20 business days after receipt at the Government testing facility, unless the Government specifies otherwise in writing.
(3) The contractor shall provide and maintain an inspection system acceptable to the Government in accordance with FAR Clause 52.246-2 or 52.246-3; and maintain and make available all records evidencing those details if requested by the Government. When the Government finds evidence of risk associated with the contractor's sampling process, the Government may witness and evaluate the contractors sampling process. The contractor shall randomly select samples from the production lot(s), unless the contracting officer specifies otherwise in writing. The contractor shall ship the selected PVT samples with a copy of the system of record receiving report (i.e., WAWF, DD Form 250, or commercial shipping document) and the contractor's signed DD Form 1222. The contractor shall prepare the shipping container(s) by marking the external packages in bold letters, "Product Verification Test Samples – Do Not Post to Stock," Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*]" adjacent to the MIL-STD-129 (latest revision) identification markings. The contractor shall use a hard copy of the system of record receiving report as a packing list, in accordance with DFARS Appendix F. The contractor shall mark the exterior of the shipping container in accordance with MIL-STD-129 (latest revision), paragraph 5.11. The contractor shall send samples by traceable means (e.g., certified or registered mail, United Parcel Service, Federal Express). The contractor shall include the following in the interior package:
(a) Hard copies of the contract;
(b) Material certifications/process operation sheets; and
(c) Drawings used to manufacture the units and return shipping information.
(4) The Government will return samples that pass testing and are not destroyed during evaluation to the contractor at the Government's expense for the contractor to include as part of the total contract quantity to be delivered under the contract. The contractor and Government may agree to dispose of samples not destroyed when the cost of the item does not justify the shipping expense. If the Government does not return approved samples that pass testing to the contractor, the Government will consider those samples as part of the contract quantity for payment and delivery.
(5) If samples fail testing, the Government may reject the entire contract lot from which the contractor took the samples. The Government may, at its discretion, retain samples that fail testing without obligation to the contractor.

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(b) PLT conducted by the Government. The contractor is responsible to produce the production lot(s), and the Government is responsible to conduct the test. The PLT shall be separately priced with a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The Government shall return any useable samples to the contractor upon completion of testing for delivery with the production quantity of the same lot. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award. Solicitations and awards shall include the procurement note E04 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

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E04 Production Lot Testing – Government (AUG 2017)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot to the QAR for selection of PLT samples.

(3) The QAR will select [*contracting officer shall insert the number of samples identified in the Product Master*] samples, at random from the production lot(s) produced. If the quantity stated in the previous sentence equals "ZZ," the contractor should use the appropriate sample size identified within the Technical Data Package or applicable Sample Plan provided by the Government. The contractor will seek approval of the sample size with the QAR.

(4) The contractor shall ship the PLT samples to [*contracting officer shall insert name and location of testing facility as identified in Product Master*] by traceable means. Shipment shall be marked "Production lot samples – do not post to stock," contract and lot number. A copy of the DD250/iRAPT Receiving Report shall be placed on the exterior of the shipping container in accordance with MIL-STD-129. Include the following interior documentation: DD Form 1222 and DD250/iRAPT Receiving Report signed by the QAR; copy of contract/order; copies of test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor's responsibility); documents required under contract deliverables requirements list; and a prepaid shipping label or document with the information required to return the PLT samples to the contractor at no cost to the Government.

(5) At time of shipment, copies of the signed DD Form 1222, DD250/iRAPT Receiving Report, transportation tracking information, and information for return of the PLT samples shall be provided to the contracting officer. The Government testing time will be [*contracting officer insert number of days for test, as shown in the Product Master*] calendar days for the test results to be provided to the contractor.

(6) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall propose corrective action, if appropriate.

(7) PLT samples will be returned to the contractor, with a copy of the test report, at contractor expense.
*****

**46.292 Product verification testing.**
The contracting officer or the product specialist can invoke product verification testing (PVT). Contracting officers may decide to invoke PVT, after coordination with the product specialist, at contract award or after contract award when the following conditions apply: high-risk item, offeror is on the DCRL, first time buy item, high risk supplier, high risk quote. Upon making the determination to invoke PVT, contracting officers shall contact the product specialist to take the appropriate technical actions. The product specialist may also decide to invoke PVT and will contact the contracting officer with the appropriate justification.
The product specialist will issue a quality assurance letter of instruction (QALI) to DCMA when quality concerns relating to the item or the supplier are identified, with a copy of the QALI to the contracting officer for inclusion in Records Management. The QALI invokes the PVT requirement. DCMA will notify the contractor and initiate the testing process. When PVT is invoked, contracting officers use the authority under FAR 52.246-2, Inspection of Supplies-Fixed-Price. Contracting officers shall include procurement note E05 in all solicitations and awards.
*****
E05 Product Verification Testing (JUN 2018)
(1) Product verification testing (PVT) may be invoked at contract award or after contract award. If PVT is invoked at contract award, the contract will explicitly state this testing requirement and a QALI will be generated. If PVT is invoked after contract award, a QALI will be created and the DCMA quality assurance representative (QAR) will notify the contractor that testing will be performed. The PVT testing will be performed at a Government-designated testing laboratory.
(a) The contractor shall not ship or deliver any material unless directed to do so in writing by the contracting officer or until notified of acceptable PVT results.
(b) PVT results will be provided in 20 working days after receipt at the Government testing facility, unless otherwise specified in writing by the Government.
(2) The QAR will select a random sample from the contractor’s production lot. Selected PVT samples are to be shipped by the contractor with a copy of the Department of Defense DD Form 250 and the completed DD Form 1222. The packaging will be marked “Product Verification Test Samples, Contract number _____, lot/item number _____."
(3) Test results will indicate one of the following:
(a) Samples that pass testing and are not destroyed during evaluation will be returned to the contractor at the Government's expense and will be included as part of the total contract quantity. The contractor and Government may agree to dispose of samples not destroyed when the cost of the item does not justify the shipping expense. Samples that pass testing and are not returned to the contractor will be considered part of the contract quantity for payment and delivery. The contractor will deliver the remaining lot quantity minus sample units.
(b) If samples fail testing, such failure will result in rejection of the entire contract lot from which the samples were taken. At the Government’s discretion, parts failing any test criteria may be retained and not be returned to the contractor.

**46.293 Army Aviation Critical Safety Item Production Sample Test**

(a) The purpose of the Army Aviation Critical Safety Item (AACSI) Production Sample Test Pilot Program (AACSI pilot program) is to allow select contractors to ship the full contractual production quantity immediately upon completion of manufacturing and in advance of receiving sample test results from the engineering support activity (ESA). The pilot program is applicable to AACSIs having both First Article Test (FAT) and Production Lot Test (PLT) requirements; Government or Contractor. The contracting officer may only execute the pilot program if—

(1) after evaluation of offers, the intended awardee is an AACSI approved contractor. The AACSI approved contractor list is posted at DLA internal drive: S:\J-7\J7\AACSI Pilot Program, and

(2) the approved contractor has been waived for the FAT.

(b) The Product Item Description (PID) in solicitations and awards for each AACSI will include Standard Text Object (STO) RQ037, Army Aviation Critical Safety Item Production Sample Test Pilot Program. For manual acquisitions, the contracting officer shall confirm with the product specialist the PID contains STO RQ037 for each applicable AACSI.

(c) Contracting officer responsibilities for AACSI pilot program procurements.

(1) Pre-solicitation (applicable to manual solicitations only; automated solicitations will be pre-evaluated for AACSI Pilot Program qualifications and solicited as required). Contracting officers are to check the material master for the following requirements:

(i) Army Aviation Critical Safety Item, and

(ii) NIIN includes both a FAT and PLT requirement, Government or Contractor. If the NIIN is AACSI and includes a FAT and PLT (Government or Contractor), NIIN may qualify for the pilot program, to be determined at time of award.

(2) Solicitation (applicable to manual solicitations only; automated solicitations will be in accordance with the DLA Master Solicitation for Simplified Acquisitions).

(i) Issue solicitation with First Article Test (Government or Contractor) and Production Lot Test (Government or Contractor) requirements. Reference part 46, Quality Assurance, and local policy guidance for issuance of a solicitation having FAT and PLT requirements.

(ii) Include procurement notes E11, Army Critical Safety Item, Special Production Sample Test Pilot Program, and E12, Army Aviation Critical Safety Item Production Sample Test Pilot Program, Responsibilities of Parties, Quality Compliance/Warranty, in the solicitation.

(iv) Verify the solicitation International Commerce Terminology Terms (Incoterms) match the production line-item Incoterms; correct if necessary. If the solicitation and production line-item Incoterms do not match, the DLA Internet Bid Board System (DIBBS) will not post the solicitation.

(3) Evaluation (applicable to manual and automated solicitations)

(i) Evaluate all offers received in accordance with the solicitation, and all applicable laws, regulations, and policy.

(ii) If after evaluation of offers—

(A) The intended awardee is approved to participate in this pilot program (see list of approved contractors DLA internal drive: S:\J-7\J7\AACSI Pilot Program); and

(B) The contractor has been granted a waiver for the FAT requirement; and

(C) The approved contractor did not take exception to procurement notes E11 and E12, the contractor is eligible to participate in the AACSI pilot program and the contracting officer may execute the pilot program.

(4) Award.

(i) If after the evaluation of offers the intended awardee is not eligible for the AACSI pilot program, the contracting officer shall process the award in accordance with the solicitation, and all applicable laws, regulations and policy for the Production Lot Test (Government or Contractor) and, if applicable, the First Article Test (Government or Contractor). Procurement Notes E11 and E12 shall not be included in the award.

(ii) If after the evaluation of offers the intended awardee is eligible for the AACSI pilot program and did not take exception to inclusion of procurement notes E11 and E12, in the award the contracting officer shall—

(A) Not include clauses, procurement notes, DAANs, CLINs, or other statements relating to the First Article Test;

(B) Include the following statement on the Continuation Page Text, "Government FAT Requirements are waived for this procurement only;"

(C) Not include clauses, procurement notes, DAANs, CLINs, or other statements relating to the Production Lot Test (Government or Contractor);

(D) Include procurement notes E11 and E12 in the award;

(E) Include CLIN, S00000115, AACSI Production Sample Test, indicating the test quantity shall be one piece, unless otherwise determined. The unit price shall be the same as the production quantity unit price. The ship date accepted by the Contracting Officer for the production quantity is the ship date to be used for the Production Sample Test piece(s); and

(F) Include the Incoterm "F" for inspection at source, acceptance at destination with the FOB point at destination.

*****

E11 Army Aviation Critical Safety Item Production Sample Test Pilot Program (AUG 2022)

(1) The purpose of the AACSI pilot program is to allow select contractors to ship the full contractual production quantity immediately upon completion of manufacturing and in advance of receiving sample test results from the engineering support activity (ESA). The pilot program is applicable to AACSIs requiring both First Article Test (FAT) and Production Lot Test (PLT); Government or Contractor. Upon receipt of shipment from the contractor, DLA may use the production quantity to fulfill order requirements submitted by the Army in advance of receiving the sample test results.

(2) Contractors not willing to participate in the pilot program must provide in their offer to the Government a clear statement taking exception to Procurement Notes E11, Army Aviation Critical Safety Item Production Sample Test Pilot Program, and Procurement Note E12, Army Aviation Critical Safety Item Production Sample Test Pilot Program, Responsibilities of Parties for Quality Compliance/Warranty.

(3) Select contractors, having been approved for a FAT waiver, may be chosen to participate in the AACSI pilot program.
(4) If a contractor is chosen to participate in the pilot program, the resultant award—
(a) Will not include solicited procurement note E04, Production Lot Testing – Government or E03 Production Lot Testing – Contractor. This procurement note, E11, will be in effect; and
(b) Solicited PLT CLIN S00000061 (Government) or S00000062 (Contractor) will be replaced by AACSI Production Sample Test CLIN, S00000115; and
(c) Will include this procurement note, E11, Army Aviation Critical Safety Item (AACSI) Production Sample Test Pilot Program and E12, Army Aviation Critical Safety Item Production Sample Test Pilot Program, Responsibilities of Parties for Quality Compliance/Warranty.
(5) If a contractor is not selected to participate in the pilot program, the resultant award-
(a) Will include procurement note E03 or E04 as solicited; and
(b) Will include PLT CLIN S00000061 or S00000062 as solicited; and
(c) Will not include procurement note E11 and E12; and
(d) Will not include CLIN S00000115.
(6) The contractor's offered unit price for either PLT CLIN S00000061 or S00000062 shall be the same as the production quantity unit price. If the intended awardee is selected for the pilot program, the offered unit price for either PLT CLIN S00000061 or S00000062, shall be utilized for the AACSI Production Sample Test, CLIN S00000115. The contractor's ship date for the production lot quantities shall be the same ship date for the AACSI Production Sample Test, CLIN S00000115. The AACSI Production Sample Test is destructive, therefore the Government will not return sample(s) to the contractor.
(7) To facilitate the AACSI Production Sample Test, the engineering support activity (ESA) and/or testing facility has authority to communicate and conduct clarifications directly with contractors. If this results in necessary changes to contract requirements, the contractor shall contact the Post Award Contracting Officer or Contract Administrator (see the "Issued By" blocks on the contract award or order) for written approval. The contractor shall not act on any revisions or other changes until the Contracting Officer issues a written modification approving the proposed revision(s)/change(s).
(8) When provided by the ESA, DLA will incorporate test and/or inspection plans, to include test procedures, into its acquisition process in accordance with the Technical Data Package (TDP). In the event a test plan is developed and/or made accessible after award, DLA will forward to the contractor.
(9) At least 14 calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot for selection of the AACSI Production Sample, the contractor shall provide written notice to the cognizant DCMA Quality Assurance Representative (QAR) / DCMA office advising the date of availability and requesting their presence at the contractor's facility to facilitate the AACSI Production Sample selection. In the event DCMA fails to respond within 7 calendar days of notification, the contractor will request assistance by submitting an email to DLA Testing at email address DLATesting@dla.mil.
(10) Unless otherwise stated within the award, the DCMA QAR will select one sample, at random from the production lot(s) produced.

(11) The AACSI Production Sample destined for the testing facility must ship on the same day as the production quantity destined for a DLA depot or DLA customer. For partial shipments of the production quantity that are authorized by the DLA Contracting Officer and included in the contract, the AACSI Production Sample Test CLIN (S00000115) shall ship on the same day as the first partial shipment. For contracts that contain phased deliveries, the AACSI Production Sample Test CLIN (S00000115) shall ship on the same day as the first phased delivery shipment.
(12) DLA acceptance of the production quantities in advance of the AACSI Production Sample Test result is conditional; reference procurement note, E12, Army Aviation Critical Safety Item, Production Sample Test, Responsibilities of Parties, Quality Compliance/Warranty.
(13) Contractor responsibilities for preparing and shipping the AACSI Production Sample.

(a) The test sample must meet all requirements of the Technical Data Package (TDP) and all other contractual requirements.

(b) Ship the selected AACSI Production Sample by traceable means. On the exterior of the shipping container, by—

(i) Marking the shipment "Production Sample Test– Do Not Post To Stock," and including "Contract Number [contractor insert] and Lot/Item Number [contractor insert];"

(ii) Placing a copy of the system of record receiving report (i.e., WAWF or DD Form 250) in accordance with DFARS Appendix F; and

(iii) Marking in accordance with MIL-STD-129 (latest revision), paragraph 5.11.

(c) Include the following interior documentation:

(i) DD Form 1222 and system of record receiving report (i.e., WAWF or DD Form 250).

(ii) A copy of contract/order.

(iii) A copy of test reports, showing actual results and tolerances specified in the technical data package.

(iv) Material and process certifications.

(v) Process operations and inspection method sheets.

(vi) Copies of drawings used to manufacture the AACSI Production Sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor's responsibility).

(vii) Documents required under contract deliverables requirements list.

(14) At the time of shipment, the contractor shall sign and submit copies of the DD Form 1222, system of record receiving report (i.e., WAWF or DD Form 250), and transportation tracking information to—

(a) DLA Testing at email address:DLATesting@dla.mil; and

(b) The contract administrator identified on page 1, block 6, of the award document.

(15) For the AACSI Production Sample, the Government will conduct inspection at source and acceptance at destination. The FOB point is destination.
(16) Delivery. Ship samples to (unless otherwise noted in the award document):
(W31P0W) PR WOH9 US ARMY AVN CMD
Redstone Arsenal Technical Test Center
Cottonwood Road, Building 8022 MF 4500
Redstone Arsenal, Alabama 35898-8052

(17) The Army will notify DLA of the test results immediately upon completion by sending an email to—

(a) DLA Testing at email address DLATesting@dla.mil; and

(b) To the contract administrator listed on page 1 of the award document (block 6).

Upon DLA's receipt of testing results, the contractor shall be advised accordingly.

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E12 Army Aviation Critical Safety Item, Production Sample Test Pilot Program, Responsibilities of Parties Quality Compliance/Warranty (AUG 2022)

(1) The contractor agrees that the AACSI Production Sample item(s) shipped against this contract must successfully pass the post-production, Special Production Lot Test, or the contractor will take the actions and agree to the conditions in paragraphs (2), (3) and (4).

(2) The contractor will be notified by the DLA Contracting Officer or the DLA Post Award Administrator of an item failing the AACSI Production Sample Test. The contractor agrees to a full or partial return of the items, for either return, correction or replacement of potentially the total order quantity (regardless of the quantity returned) at the discretion of the Contracting Officer.

(3) The contractor agrees to pay all transportation charges and assume responsibility for the supplies while in transit when returned, corrected, or replaced pursuant to paragraph (2).

(4) All items corrected or furnished by the contractor in replacement are subject to the requirements of the contract, to include the warranty terms included therein and the terms of this clause, to the same extent as items initially delivered.

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## SUBPART 46.4 – GOVERNMENT CONTRACT QUALITY ASSURANCE

*(Revised September 27, 2021 through PROCLTR 2021-05)*

### 46.401 General.

(a) Product specialists determine the place of inspection and acceptance (I/A) based on the criteria in FAR Part 46 and the criticality of the item. Contracting officers shall award contracts identifying source or destination I/A as stated in the Material Master and abide by 46.402 when determining source I/A. If the Material Master states destination I/A and the contracting officer deviates from that requirement and 46.402(S-90)(x) applies the contracting officer shall execute an MFR, approved at one level above the contracting officer, to provide the rationale for that decision prior to contract award.

### 46.402 Government contract quality assurance at source.

(S-90) Additional requirements that may preclude destination I/A are those associated with—

(i) Critical safety items (CSIs);

(ii) Complex assemblies;

(iii) Items requiring first article testing (FAT);

(iv) Hazardous material (HAZMAT);

(v) Items acquired for foreign military sales (FMS);

(vi) Higher level quality requirements;

(vii) Arms, ammunition or explosives;

(viii) Safety of Flight;

(ix) Bulk fuel deliveries; or

(x) Suppliers with significant quality issues (e.g., Product Quality Deficiency Reports (PQDRs)). (Reference 42.202.) The product specialist will provide a quality assurance letter of instruction (QALI) to the DCMA contract administration office when a contractor has previous quality issues. If a contracting officer deviates from the Material Master due to quality issues, they shall notify the product specialist to issue a QALI.

(S-91) *Inspection and acceptance on contracts past the contract delivery date of contract line item (CLIN)*. The DLA Acquisition Director authorizes DCMA to continue performing surveillance and accepting materiel past the contract delivery date per CLIN for ALL contracts, including those with line items that are greater than 180 days past the delivery date, without requiring authorization from the PCO. DCMA is authorized to continue performing surveillance and accepting material past the delivery date unless otherwise notified by the PCO. The PCO shall generally engage and advise DCMA ACO of any contractual issues affecting timely performance, including identifying contracts under consideration for a termination for default/cause or termination for convenience. If the PCO issues a cure or show cause notice, the PCO shall forward a copy of the notice to DCMA ACO. Inspection and acceptance of late materiel does not relieve the contractor of its obligations under the contract.

(S-92) Contracting officers shall include procurement note E06 in solicitations and contracts that require source inspection and acceptance.

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E06 Inspection and Acceptance at Source (JUN 2018)

Inspection and acceptance are at source. The place of acceptance is the location where the Government conducts the last inspection before shipment, unless the contractor indicated a different physical location for acceptance below.

The contractor shall indicate the location where supplies will be inspected, if different from the production location:

Commercial and Government Entity (CAGE) code:_____

Address:_____

Applicable to contract line item numbers(s) (CLIN(s)):_____

The contractor shall indicate the location where packaging will be inspected, if different from the production location:

( ) Same as for supplies OR

CAGE code: _____

Address: _____

Applicable to CLIN(s): _____

The contractor shall indicate the location where supplies will be accepted, if different from the inspection location:

Commercial and Government Entity (CAGE) code:_____

Address:_____

Applicable to contract line item numbers(s) (CLIN(s)):_____

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(S-93) Contracting officers shall solicit in accordance with the material master. Contracting officers shall include procurement note E07 in solicitations that require destination inspection.

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E07 Evaluation Factor for Origin Inspection (JAN 2018)

This solicitation contemplates an award based on destination inspection. If an offeror proposes inspection and acceptance at origin, the Government will add an evaluation factor of $2,500 to the offeror's quoted/offered price for each origin inspection required. If phased deliveries are required or offered, the Government will consider each phase of delivery to result in one inspection for evaluation purposes.
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**46.407 Nonconforming supplies or services.**
(b)(S-90) DLA Distribution Centers shall correct nonconforming packaging or marking for receipts of DLA-owned materiel if the estimated costs of correction are $1,000 or less. For more information, refer to DLAR (JSR) 4145.04, DoD Stock Readiness Program,(https://issuances.dla.mil/Published_Issuances/Department%20of%20Defense%20(DoD)%20Stock%20Readiness%20Program.pdf).
The waiver does not apply to any materiel owned by the military services, for which the threshold remains $300. The DLA Distribution Center shall perform the corrections and send an informational SDR to the product specialist/packaging specialist, who will provide disposition instructions to the contracting officer. The contracting officer shall advise the contractor of the discrepancy and that the Government has corrected the packaging or marking. The contracting officer shall make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer shall send a notice to the contractor.
(S-91) If the estimated costs of correction for receipts of DLA-owned materiel are more than $1,000, the DLA Distribution Center shall send an actionable SDR to the product specialist/packaging specialist, who will provide disposition recommendations/instructions to the contracting officer. The contracting officer shall advise the contractor of the discrepancy and have the materiel returned to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. If the Government remediates the discrepancy, the contracting officer shall make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies.
(S-92) Contracting officers shall include procurement note C14 in solicitations and awards.
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C14 Correction of Nonconforming Packaging or Marking (MAY 2020)
(1) The Government may correct nonconforming packaging or marking for receipts of DLA-owned materiel if the estimated costs of correction are $1,000 or less. The contracting officer will advise the contractor of the discrepancy and that the Government has corrected the packaging or marking. The contracting officer will make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer will send a notice to the contractor. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.
(2) If the estimated costs of correction for receipts of DLA-owned materiel are more than $1,000, the contracting officer will advise the contractor of the discrepancy and have the materiel returned to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. If the Government remediates the discrepancy, the contracting officer will make a determination concerning appropriate reimbursement by the

contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer will send a notice to the contractor. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.
*****
If the Government corrects packaging or labeling discrepancies due to contractor noncompliance, the contracting officer shall request reimbursement of the associated corrective action costs. If a PQDR is due to contractor noncompliance, the contracting officer shall request repair, replacement, or a refund for the defective part, as determined most beneficial to the Government. If a contractor has repeated packaging or labeling discrepancies, contracting officers shall make appropriate determinations regarding whether the contractor should be considered for listing on the DCRL (see 9.100). The DLA Acquisition Operations Division will conduct a monthly data call on restitution status. On a quarterly basis, the DLA Acquisition Operations Division will give a compliance briefing to the Senior Procurement Executive.
(c) The contractor shall remedy supplies considered to be hazardous, as defined in FED-STD-313, that were damaged in transit or nonconforming to the preservation, packaging, packing, and marking. The product specialist/packaging specialist shall contact the contracting officer to have the contractor correct the damage or nonconforming packaging and, if appropriate, recoup the costs associated with the discrepancy, to include removal of hazardous material spills or leakage.

**46.490 Oversight of DoD supply chain integrity.**
Quality Notifications (QNs) for product quality deficiency reports (PQDRs), supply discrepancy reports (SDRs), Government Industry Data Exchange Program (GIDEP) documents, or testing requirements will be processed to the contracting officer in workflow. The QN coordinator may require the contracting officer to suspend the open procurement action(s) pending investigation and/or will require return of the material to the contractor.
QNs relating to suspect material shall be retained in the QN coordinator workflow for processing. If contracting officer support is required, a task will be submitted to them.
Any concern of suspect material entering the supply chain shall be referred to the Counterfeit Material/Unauthorized Product Substitution (CM/UPS) team.

## SUBPART 46.7 – WARRANTIES

*(Revised March 10, 2022 through PROCLTR 2022-05)*

**46.703 Criteria for use of warranties.**
The Department of Defense (DoD) Warranty Guide (https://www.dau.edu/cop/pm/_layouts/15/WopiFrame.aspx?sourcedoc=/cop/pm/DAU%20Sponsored%20Documents/Warranty_Guide_Version_2.0.pdf&action=default&DefaultItemOpen=1) provides guidance on warranty development and implementation.

**46.704 Authority for use of warranties.**
Contracting officers shall not include the clauses at FAR 52.246-17, 52.246-18, or 52.246-19 in manual solicitations and awards unless one or more of the conditions for use in DFARS 246.704 are met. Automated simplified acquisitions do not include these clauses.

# PART 47 – TRANSPORTATION

*(Revised January 31, 2023 through Deviation 2023-01)*

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## SUBPART 47.3 – TRANSPORTATION IN SUPPLY CONTRACTS

*(Revised June 16, 2023 through DEVIATION 2023-01)*

### 47.303-90 Export shipment of wood products.

For wood products requiring export shipment, the contracting officer shall insert procurement note L30 in solicitations over the SAT that include FAR 52.247-51.

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L30 Computation of Cube – Wood Products (AUG 2017)

For the purpose of applying the rates specified in paragraph (d) of Federal Acquisition Regulation (FAR) provision 52.247-51, use the following computations for the total cubic feet for each contract line-item number (CLIN):

(1) Softwood lumber: Compute the cube based on the minimum size specified by the issue of the American Softwood Lumber Standard PS20-70 in effect on the date of the solicitation for nominal size, degree of surfacing, and moisture content specified for each CLIN. When a CLIN specification permits any stage of seasoning and offers are submitted based on furnishing dry lumber for specified CLINs, base the cube of the CLIN on the minimum dry size for the stated nominal size and degree of surfacing.

(2) Hardwood lumber: Compute the cube based on the minimum size specified by the National Hardwood Lumber Association rules in effect on the date of the solicitation for the nominal size, degree of surfacing, and moisture content specified for each CLIN.

(3) Poles, piling and logs: Compute the cube in board foot measure using the Brereton scale and the minimum butt and tip circumferences and the length specified for each CLIN. Compute measurement tons using the conversion factor of 480 board foot measure equals one measurement ton or 40 cubic feet.

(4) Plywood: Compute the cube based on plywood being packaged as required by Product Standard PS-2 and PS-3.

(5) Other wood products: Compute the cube based on the dimensions specified for each CLIN.

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### 47.303-91 DLR item compliance.

The contracting officer shall include transportation requirements supporting DLR items in any solicitation and contractual action as required by the specific Military Department. Military Department DLR specifications determine requirements, including, but not limited to:

packaging, packing, marking, delivery locations, f.o.b. requirements, delivery variations, payment for shipment, and any associated contract clause. If appropriate, the contracting officer may specify DLAD requirements as applicable to DLR items.

**47.305-3-90 First Destination Transportation (FDT), Government-arranged transportation.** FDT is a program designed to reduce the cost of first destination transportation through the use of Government-arranged transportation utilizing Government contracts and rates. DEVIATION 23-01 authorizes use of f.o.b. origin and inspection/acceptance at destination under the FDT program. This deviation expires on May 14, 2026. FDT applies to solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support, unless one of the exclusions in 47.305-3-90(a)-(c) applies:

(a) Agency-wide:

(1) Inspection and acceptance at origin;

(2) Contracts with Classified, Controlled, or Sensitive Items;

(3) Hazardous material (HAZMAT) contracts;

(4) Foreign Military Sales (FMS) contracts; or

(5) Contracts being shipped to APO/FPO addresses.

(b) Procuring organization level:

(1) DLA Aviation, DLA Land and Maritime, and DLA Troop Support may exclude items on a case-by-case basis from the FDT program. Items may be eligible for exclusion in the following categories, if FDT is inappropriate:

(i) NIIN – specific item (e.g. due to the delicate nature of the material);

(ii) FSC – not consistent with commercial practices for a group of items (e.g. wood);

(iii) CIIC – security level of the item (e.g., explosives, guns, and ammunition, etc.);

(iv) Profit Center – commodity level (e.g., clothing, medical, and subsistence); or

(v) Method of Preservation HM – inappropriate due to packaging and markings required (e.g., batteries).

(2) The procuring organization can add items to the exclusions table by following the below process:

(i) The procuring organization shall develop and forward a request package to the HCA, or designee no lower than the CCO, for approval of the exclusion. The request package must include:

(A) Justification for removing the item from the FDT program;

(B) Details/data validating rationale for removal from the FDT program;

(C) Concurrence from Technical/Quality or Transportation for removal from the FDT program;

(D) Concurrence from DLA Transportation Policy; and

(E) Rationale to the procuring organization if DLA Transportation Policy non-concurs.

(ii) The procuring organization shall forward the rationale to the HCA, or designee no lower than the CCO, for final decision. If there is non-concurrence from DLA Transportation Policy, the HCA must be the final approving official.

(iii) The approved package is sent to the procuring organization policy office.

(iv) The procuring organization policy office will forward the exclusion to the position designated by the BPA TQ office designee who will add the exclusion to the FDT exclusion table in EBS.

(v) The BPA TQ office designee will forward a complete list of exclusions to all procuring organization policy offices included in the FDT program and to DLA Transportation Policy.

(c) A contracting officer may remove FDT from an award when a contractor's own transportation processes, controls, and costs, when evaluated, are in the best interest of the Government. The contracting officer shall include documentation in the contract file to justify removal from FDT.

(d) The contracting officer shall include procurement note C15 in solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support with f.o.b. origin and inspection/acceptance at destination for automated solicitations, except as specified in 47.305-3-90(a)-(c).

*****

C15 First Destination Transportation (FDT) Program, Government-Arranged Transportation for Automated Awards (AUG 2017)

(1) Definitions.

"*Government-arranged transportation*" means the Government is responsible for transportation costs, providing the carrier, and scheduling the shipment pickup contingent upon proper contractor notification in VSM (see procurement note C20).

(2) The contractor shall:

(a) Use the VSM to notify the Government that the materiel is ready to ship. The Government can take up to two (2) full business days to schedule the shipment. Pick-up should occur within five (5) business days of the contractor's notification. The contractor shall plan for sufficient time for scheduling the shipment and standard ground transportation for its material to arrive at the destination by the Contract Delivery Date (CDD).

(b) Address the following special accommodations:

(i) If an order specifies carrier equipment when requested by the Government; or

(ii) If an order does not specify carrier equipment, the order appropriate carrier equipment should not be in excess of capacity to accommodate shipment;

(c) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the contractor) on or in the carrier's conveyance as required by carrier rules and regulations.

(3) The contractor is responsible for any loss and/or damage to the goods occurring before delivery to the carrier as a result of improper loading, stowing, trimming, blocking, and/or bracing of the shipment if loaded by the contractor on or in the carrier's conveyance.

*****

(e) The contracting officer shall include procurement note C16 in solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support with f.o.b. origin and inspection/acceptance at destination for manual solicitations, except as specified in 47.305-3-90(a)-(c).

*****

C16 First Destination Transportation (FDT) Program, Government-Arranged Transportation for Manual Awards (AUG 2017)

(1) Definitions.

"*Government-arranged transportation*" means the Government is responsible for transportation costs, providing the carrier, and scheduling the shipment pickup contingent upon proper contractor notification in VSM (see procurement note C20).
(2) The contractor determines its transportation processes, controls, or costs. The contractor may submit an offer based on f.o.b. destination if it offers a better value to the Government.
(3) The contractor shall:
(a) Use the VSM to notify the Government that the materiel is ready to ship. The Government can take up to two (2) full business days to schedule the shipment. Pick-up should occur within five (5) business days of the contractor's notification. The contractor shall plan for sufficient time for scheduling the shipment and standard ground transportation for its material to arrive at the destination by the Contract Delivery Date (CDD).
(b) Address the following special accommodations:
(i) If an order specifies carrier equipment when requested by the Government; or
(ii) If an order does not specify carrier equipment, the order appropriate carrier equipment should not be in excess of capacity to accommodate shipment;
(c) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the contractor) on or in the carrier's conveyance as required by carrier rules and regulations.
(4) The contractor is responsible for any loss and/or damage to the goods occurring before delivery to the carrier as a result of improper loading, stowing, trimming, blocking, and/or bracing of the shipment if loaded by the contractor on or in the carrier's conveyance.
*****

**47.305-3-91 First Destination Transportation (FDT) program – shipments originating from outside the contiguous United States.**
Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support, shall—
(a) Include procurement note C17 in solicitations and contracts if the material master indicates f.o.b. origin and inspection/acceptance at destination; and the shipment originates from outside the contiguous United States with a contiguous United States location as the pick-up point in VSM; and
(b) Include procurement note C15, First Destination Transportation (FDT) Program, Government-Arranged Transportation for Automated Awards, in automated awards; or procurement note C16, First Destination Transportation (FDT) Program, Government-Arranged Transportation for Manual Awards in manual awards.
*****
C17 First Destination Transportation (FDT) Program – Shipments Originating from Outside the Contiguous United States (JUN 2020)
(1) The FDT Program applies to this acquisition. Delivery terms are f.o.b. origin. The Government will conduct inspection and acceptance at destination.
(2) If an offeror's shipments will originate from outside the contiguous United States, the offeror shall include in its f.o.b. origin price transportation to a contiguous United States location that the offeror selects based on cost-effectiveness or other variables at the offeror's discretion. The location the offeror selects becomes the point of origin for purposes of the f.o.b. origin terms and conditions of the solicitation or award. The offeror shall identify this contiguous United States location as the pick-up point in the **Vendor Shipment Module** (https://www.dau.edu/guidebooks/Shared%20Documents%20HTML/Guidebook%20for%20Contract%20Property%20Administration.aspx).

*****

**47.305-4-90 Additional Wide Area Workflow (WAWF) information.**
The contracting officer shall include Procurement Note G01 in solicitations and contracts that require f.o.b. destination and inspection/acceptance at destination.
*****
G01 Additional Wide Area Workflow (WAWF) Information (AUG 2017)
Contractors shall include the Transportation Control Number (TCN) and carrier shipment tracking information when submitting the DD250/iRAPT Receiving Report in Wide Area Workflow (WAWF) in order to assist with material inspection and acceptance.
*****

**47.305-10-90 Procurement notes for export shipping and U.S. Territories.**
(a) The contracting officer shall include procurement note C18 in solicitations and contracts including shipments to overseas customers including shipments direct to APO/FPO addresses, shipments to Alaska, Hawaii, and Puerto Rico, and shipments routed through the Container Consolidation Points (CCPs) at San Joaquin, California (W62N2A) and New Cumberland, Pennsylvania (W25N14). The contracting officer shall use FAR 52.247-52 when using procurement note C18. The contracting officer shall not include procurement note C18 in solicitations and contracts under the FDT Program (see 47.305-3-90).
*****
C18 Shipping Instructions for Export and U.S. Territories (AUG 2017)
(1) Mail instructions (Army Post Office (APO) or Fleet Post Office (FPO) addresses). Route shipments within mail limitations to the address cited with each contract line-item (CLIN) in the following manner, based on the TP (Transportation Priority) reflected in the "mark for" data with each CLIN:

(a) U.S. mail is the only mode authorized for shipments to APO or FPO addresses.

(b) Commercial small parcel carriers (e.g., UPS, RPS or Federal Express) and Commercial Motor Carriers are never an acceptable mode to any APO/FPO address. A small parcel carrier may not be used for any destination in Alaska, Hawaii, or Puerto Rico, unless the carrier guarantees delivery to that specific consignee.

(c) Address parcel post shipments to an APO/FPO address to the "Commander" or "Commanding Officer" if there is no title preceding the address. Annotate shipments under the return address as follows: "Contents for official use - exempt from customs requirements."

(d) Contact the cognizant office prior to shipment for TP1, TP2, (IPD 01-08), 999, NMCS, regardless of distance from origin to the APO/FPO address. Package shipments for transportation by Military Air (MILAIR).

(e) Use surface parcel post (fourth class) for TP3 (IPD 09-15).

(f) The cost of parcel post insurance will not be paid by the Government.

(2) Shipments to container consolidation points (CCPs):

(a) Contact the Government Transportation Office for the Contract Administration Office: either DCMA for DCMA administered awards or DLA Distribution for awards administered by the issuing office. See Block 7 of Department of Defense (DD) form 1155 (page 1 of an order) to obtain shipping instructions for release to the carrier.

(3) Shipments to container consolidation points (CCPs):

(a) Prepare shipments directed to a CCP shown with each individual CLIN on Schedule Continuation Sheet(s) in accordance with instructions provided within this contract for Preparation for Delivery.

(b) Contact the Transportation Officer for shipping instructions for the following CCP shipments:

(i) Cargo requiring refrigeration/temperature control.

(ii) Classified or sensitive items requiring signature control.

(iii) When dimensions of an item or package exceed 456 inches (38 feet) long by 89 inches wide by 88 inches high, or weight exceeds 10,000 pounds. Cargo cannot exceed any one of the dimensions or the weight.

(iv) When volume or weight constitutes a full SEAVAN load for each activity code.

(v) Hazardous material such as material which is flammable, corrosive, combustible, explosive, toxic, radioactive, unduly magnetic, or which contains oxidizing agents.

(vi) Type 1 shelf life items,

(vii) TP1 and 2 (IPD 01-08) with RDD of 999, 777, or 555.

(4) The contractor shall furnish the above data no later than five (5) days prior to the scheduled shipment date for shipments weighing less than 10,000 pounds which will not be tendered as a carload or truckload

(5) The contractor may not ship prior to furnishing required data, regardless of weight.

(6) The contractor must clearly identify in invoices when shipment is made by air.

(7) The carrier must research the Transportation Facilities Guide (TFG) on the consignee to get information on who to contact to make delivery appointments. The carrier should schedule appointments as soon as they are given the load via the Carrier Appointment System (CAS)/prelodge desk prior to delivery of freight shipments (other than small parcels). Bills of Lading must be annotated with pertinent TFG data and carrier appointment times.

(8) The contractor must include the mailing address of the ultimate Consignee and “Mark For” information required as part of the address for parcel post or freight shipments, as applicable, included with the data cited with each individual CLIN. The contractor will comply with the paragraph (7) and ship in accordance with instructions furnished by the Transportation office. The Transportation Officer will furnish the addresses of Aerial terminals, as required. (Parcel post shipments will not be made to water or air terminals).

*****

(b) Contracting officers shall include procurement note C19 in solicitations and long-term contracts supporting customers outside the contiguous United States if supplies will be shipped via surface freight; CCP appears in the shipping address;, or any time the requisition or TCN begins with “A,” “C,” or “W” for Army, or "E" or "F" for Air Force, and the customer is outside the contiguous United States. Contracting officers shall include FAR 52.247-52 if procurement note C19 applies. Contracting officers shall not include procurement note C19 in solicitations and contracts under the FDT Program (see 47.305-3-90).

*****

DLA Distribution
Attention: Transportation Division
Email: delivery@dla.mil
Phone: 1-800-456-5507

C19 Trans-Shipment of Material through DLA Containerization and Consolidation Points (CCP) (JUN 2020)

(1) Shipping information overview:

(a) To schedule shipment and obtain export clearance and/or air clearance for awards administered by DLA, the contractor shall contact DLA Distribution at:

DLA Distribution
Attention: Transportation Division
Email: delivery@dla.mil
Phone: 1-800-456-5507

(b) To schedule shipment and obtain export clearance and/or air clearance for awards administered by DCMA, the contractor shall contact DCMA at:

DCMA Attention: Transportation Division
Email: : dcma.stlouis-mo.central-rc.mbx.vsm-shipments-transportation@mail.mil.
Phone: 1-314-331-5573

(c) The contractor may obtain shipping addresses/labels and clearances via VSM.

(d) The contractor shall—

(i) Package shipments in accordance with military standard (MIL STD) 2073;

(ii) Mark shipments in accordance with MIL STD 129;

(iii) When authorized, use commercial packaging/packing provisions in accordance with (ASTM D3951); and

(iv) Package shipments of petroleum products, liquid substances, and materials, or any other product defined as hazardous in accordance with United Nations Economic Commission for Europe (UNECE) European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) (http://www.unece.org/trans/danger/publi/adr/adr2007/07ContentsE.html).

(2) Shipping documentation.

(a) The contractor shall insert the following information in the description of articles space on all shipping documents:

(i) Transportation control number (TCN);

(ii) Required delivery date (RDD), project (if any), transportation priority (TP); and

(iii) Ultimate consignee DODAAC and address (see "added marking for freight shipping").

(b) The contractor shall place one copy of the contract in a waterproof envelope and attach it to the shipping container**;**, or to the #1 shipment container marked # 1 of the total number of containers, if a multi-piece shipment.

(3) Eligible shipments: The CCPs provide a means to consolidate shipments from multiple shippers who do not regularly generate full 463L pallet or ISO container shipments to a single activity outside the contiguous United States. The CCPs consolidate all depot, contractor, and other DoD authorized shipments originating within the contiguous United States and destined for activities outside the contiguous United States identified by the sponsoring Services/Agencies. Only shipments identified for CCP movement in the individual activities' address record will route through the DLA CCPs at either DLA Distribution San Joaquin, CA ((DDJC), or DLA Distribution New Cumberland, PA (DDSP).

(a) DLA Distribution San Joaquin, CA (DDJC).

(i) DDJC accepts shipments included below. The carrier shall make a delivery appointment through the Carrier Appointment System (CAS) at least 72 hours in advance.

(A) Routine surface shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army, Air Force, Marine Corps, and DLA activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific.

(B) Air Eligible shipments for Army activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific; unless the material meets one of the exclusions listed in paragraph (4) of this procurement note.

(ii) Contact information for DLA DDJC (Tracy site):

General Phone: (209) 839-5028
General FAX: (209 982-3790
Receiving/delivery appointments: (209) 839-5543
Registration/system information: 1-800-462-2176, option 3

(b) Defense Distribution Depot Susquehanna, Pennsylvania (DDSP).

(i) DDSP accepts shipments included below. The carrier **shall** will call 24 hours in advance to schedule an appointment.

(A) Routine surface shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army, Air Force, and DLA activities located in northern and southern Europe, Africa, South America, and Central America; unless the material meets one of the exclusions listed in paragraph (4) of this procurement note.

(B) Air eligible shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army and DLA activities throughout Northern and Southern Europe, Africa, South America, and Central America and Marine Corps shipments in the CENTCOM AOR, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note.

(ii) Contact information for DDSP (New Cumberland site):

General Phone: (717) 770-6393
General FAX: (717) 770-8660
Receiving/delivery appointments: 1-800-307-8496

(c) The contractor shall route all high priority/air eligible material not listed above to the appropriate Air Mobility Command aerial terminal or other contiguous United States service designated activity as directed by the Transportation Office (see paragraph (1)(a) of this procurement note). Contractors shall contact the appropriate Transportation office to ensure these items are cleared through the Air Clearance Authority prior to shipping to the aerial port.

(4) Exclusions: Materiel not eligible for shipment to a DLA CCP because of exclusions listed below; or if the contractor is shipping directly to an appropriate aerial terminal, water port, or a contiguous United States designated activity as directed by the Transportation Office (see paragraph (1)(a) of this procurement note).

(a) Excluded material:

(i) Any material listed in Defense Transportation Regulation (DTR) DOD 4500.9-R, (Chapter 203) (https://www.ustranscom.mil/dtr/part-ii/dtr_part_ii_203.pdf), Tables 203-10, Mandatory CCP Exclusions); Table 203-11 (Additional CCP Exclusions for DDSP and DDJC);, and Table 203-12 (Additional Mandatory CCP Exclusions for DDSP). Note: All shipments destined for CENTCOM AOR require application of radio frequency identification tags (RFID) for in-transit visibility of the material.

(ii) Foreign military sales (FMS). FMS shipped via special consolidation locations for the Security Assistance Program (SAP) as listed in the Military Assistance Program Address Directory (MAPAD) in accordance with the Delivery Term Code (DTC) requirements. The contractor shall contact the DLA Distribution or DCMA transportation office (see paragraph (1)(a) of this procurement note) for proper shipping instructions.
*****

**47.305-90 Procurement notes.**
(a) Vendor shipment module (VSM). The VSM is a web-based system that enhances DLA's ability to plan and manage distribution. It is an information technology (IT) system that provides in-transit visibility (ITV), current shipping addresses, and may reduce transportation costs. For shipments of materiel that DLA buys from contractors, VSM provides ITV to consignees, consolidation and containerization points (CCPs), air and water ports, and various Government supply and transportation information systems.

(1) Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall include procurement note C20 in all solicitations and contracts; except for metals or wood products, or when DCMA administers the contract and any of the following apply:

(i) Contracts where ultimate destination is outside the contiguous United States;

(ii) Hazardous material (HAZMAT) contracts;

(iii) Foreign Military Sales (FMS) contracts; or

(iv) Contracts requiring Transportation Protective Service.
*****
C20 Vendor Shipment Module (VSM) (NOV 2022)
(1) The DLA Vendor Shipment Module (VSM) is a web-based system for DLA contractors to obtain current shipping addresses, two-dimensional bar coded shipping labels in accordance with MIL-STD-129, bills of lading, packing lists, and other shipping documentation. Contractors using VSM do not need to contact the transportation office prior to shipping items. Contractors shall use VSM to print labels for f.o.b. destination contracts ; and to print labels and arrange for shipping for f.o.b. origin contracts. All contractors will use VSM to obtain shipping labels no more than two (2) days prior to shipment to ensure the current destination address is used.
(2) To obtain information for contracts administered by DLA or to register as a VSM user, the contractor shall contact the DLA VSM Helpdesk at (800) 456-5507 or via email to delivery@dla.mil.

(a) Before contacting the Government to advise that material is ready to ship, the contractor shall complete its VSM profile, to include regular business hours and observed holidays. The Government may request reimbursement for occurrences when the Government sends carrier equipment but is unable to pick-up a shipment because the material was unavailable or the contractor facility was closed.
(3) To obtain information for contracts administered by DCMA, the contractor shall contact the DCMA VSM Helpdesk at at dcma.stlouis-mo.central-rc.mbx.vsm-shipments-transportation@mail.mil.
*****
(b) Shipping instruction request (SIR). The SIR is DCMA's contractor interface which automates the shipping process by reducing data entry and cycle time and facilitates data collection for management of the process. Suppliers use SIR to send requests for shipping instructions to the DCMA Transportation Office. The SIR is designed to improve DCMA's ability to track and

efficiently field requests in order to improve the timing and quality of shipments from contractors.

(1) Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall include procurement note C21 in solicitations and contracts if DCMA administers the contract and any of the following apply:

(i) Contracts where ultimate destination is outside the contiguous United States;
(ii) Hazardous material (HAZMAT) contracts;
(iii) Foreign Military Sales (FMS) contracts; or
(iv) Contracts requiring Transportation Protective Service.

*****

C21 Shipping Instruction Request (SIR) (JUN 2020)

(1) The DCMA Shipping Instruction Request (SIR) is a web-based system that contractors and transportation specialists use to provide transportation management for contracts administered by DCMA.

(2) The contractor shall use SIR for the following contracts:

(a) If the ultimate destination is outside the contiguous United States.
(b) Hazardous material (HAZMAT).
(c) Foreign Military Sales (FMS).
(d) If Transportation Protective Service requirements apply.

(3) Contractors shall submit information to DCMA via the DCMA Shipping Instruction Request (SIR) e-Tool (https://www.dcma.mil/WBT/sir/).

*****

# PART 50 – EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

*(Revised October 24, 2016 through PROCLTR 2016-10)*

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## SUBPART 50.1 – EXTRAORDINARY CONTRACTUAL ACTIONS

*(Revised October 24, 2016 through PROCLTR 2016-10)*

### 50.101 General.

### 50.101-3 Records.

(a) Records shall be maintained by the contracting officer in Records Management.
(b) Per DLAD 4.802, DLR sites shall follow the processes and systems at the Military Services sites.

### 50.103 Contract adjustments.

### 50.103-5 Processing cases.

(S-90) The procuring organization responsible for processing a contractor's request is responsible for processing cases in accordance with DFARS PGI 250.103-5 and, following legal review by Office of Counsel, will send the case with recommendation for disposition through the HCA to the DLA Acquisition Operations Division for processing to the Agency Director for decision. The procuring organization is also responsible for establishing liaison and joint action with other Military Departments and other departments and agencies of the Government, as appropriate.

### 50.103-6 Disposition.

In accordance with DFARS 250.103-6, the DLA Acquisition Operations Division will maintain records of disposition in accordance with DFARS PGI 250.103-6.

# PART 51 – USE OF GOVERNMENT SOURCES BY CONTRACTORS

*(Revised October 24, 2016 through PROCLTR 2016-10)*

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## SUBPART 51.1 – CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES

*(Revised October 24, 2016 through PROCLTR 2016-10)*

**51.100 Scope of subpart.**
Government sources of supply include items in DLA inventories and on existing DLA contracts. For DLA-managed items, this includes items coded AAC D (centrally-managed, stocked, and issued); H (customer direct delivery, non-stocked items); and Z (numeric stockage objective (NSO) items).

**51.101 Policy.**
(a)(1) DEVIATION 2020-04 is a class deviation that permits contracting officers to authorize contractors access to DLA-managed items under other than cost-reimbursement contracts. The deviation will remain in effect until March 30, 2025. This deviation shall not apply to commodities where contractor access to discounted or favorable pricing is prohibited by law, such as pharmaceuticals.

**51.102 Authorization to use Government supply sources.**
(e)(4) Contractor access to DLA sources of supply is limited to DLA-managed national stock numbered (NSN) or part numbered (P/N) items provided to DoD customers specifically authorized under a DLA contract that will use a DLA supply source. The contract should specify any ceiling quantities that may apply to an item. The rationale supporting the decision to authorize use of a DLA source of supply will be coordinated with the managing contracting activity, documented in writing for each NSN or P/N, signed by the contracting officer authorizing use of the DLA supply source, approved by the CCO, and included in the contract file.

**51.102-90 Special requirements.**
(a) To demonstrate the benefits of permitting contractor access to Government sources of supply, the price of each item obtained from a Government source of supply should be the Government price charged to the contractor plus a handling fee determined fair and reasonable by the contracting officer.
(b) The items the contractor orders must be reconciled against the items authorized in the contract. Periodic reconciliation of the quantities that DLA sold to the contractor with the quantities of the same items that the contractor supplied to DoD customers, or holds under surge

responsibilities, under the authorizing contract will provide the visibility needed to monitor contractor's usage and trigger appropriate action for improper use.
(c) The contract shall include language requiring the contractor to verify that, as the contract nears completion, no purchases are made that would result in Government supply source items remaining with the contractor after contract completion. Special provisions must be made for surge items.

**51.103-90 Ordering from Government supply sources.**
When contractor use of a DLA-managed supply source is determined to be the best value, considering price, delivery and other factors, the contracting officer shall include contract language to hold the contractor responsible to meet the delivery requirements whether or not Government supply sources are used. Failure to meet the contract delivery requirements is a contractor-caused delay.

# PART 52 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES

*(Revised January 15, 2021 through PROCLTR 2021-03)*

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## SUBPART 52.1 – INSTRUCTIONS FOR USING PROVISIONS AND CLAUSES

### 52.101 Using Part 52.

(b) Numbering.

(2) Provisions or clauses that supplement Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS).

(ii) Only those provisions and clauses in this directive that are codified are preceded by an assigned CFR chapter number.

(B) See 1.301-91(c).

## SUBPART 52.2 – TEXTS OF PROVISIONS AND CLAUSES

*(Revised January 15, 2021 through PROCLTR 2021-03)*

### 52.200 Scope of subpart.

This subpart sets forth the texts of all Defense Logistics Acquisition Directive (DLAD) provisions and clauses, and for each provision and clause, gives a cross-reference to the location in the DLAD that prescribes its use.

### 5452.233-9001 Disputes – Agreement to Use Alternative Dispute Resolution (ADR).

As prescribed in 33.214, insert the following provision:

DISPUTES – AGREEMENT TO USE ALTERNATIVE DISPUTE RESOLUTION (JUN 2020)

(a) The parties agree to negotiate with each other to try to resolve any disputes that may arise. If unassisted negotiations are unsuccessful, the parties will use alternative dispute resolution (ADR) techniques to try to resolve the dispute. Litigation will only be considered as a last resort when ADR is unsuccessful or has been documented by the party rejecting ADR to be inappropriate for resolving the dispute.

(b) Before either party determines ADR inappropriate, that party must discuss the use of ADR with the other party. The documentation rejecting ADR must be signed by an official authorized to bind the contractor (see FAR 52.233-1), or, for the Agency, by the contracting officer, and approved at a level above the contracting officer after consultation with the ADR Specialist and legal counsel. Contractor personnel are also encouraged to include the ADR Specialist in their discussions with the contracting officer before determining ADR to be inappropriate.

(c) If you wish to opt out of this clause, check here [ ]. Alternate wording may be negotiated with the contracting officer.

(End of Provision)

# PART 53 – FORMS

*(Revised January 11, 2022 through PROCLTR 2022-03)*

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## SUBPART 53.2 – PRESCRIPTION OF FORMS

*(Revised September 19, 2016 through PROCLTR 2016-09)*

### 53.213 Small purchase and other simplified purchase procedures.

### 53.213-90 Blanket purchase agreement delivery ticket (DLA Form 470).

This form may be used when supplies or services are acquired by means of a blanket purchase agreement (BPA).

(a) General. The Defense Logistics Agency (DLA) Form 470 is a cut sheet form and is designed to be used by the vendor as an acknowledgment of a call, notice of shipment, packing list, and invoice. This form eliminates the need for preparation, by the Contractor, of separate forms for these purposes. Also, Government personnel requiring information on these forms will receive it on a standard format.

(b) Procedure. A supply of the forms may be provided by the contracting office to each Contractor who has entered into a BPA with the center. Upon the placing of a call, the Contractor may be required to complete the BPA delivery ticket based on information contained in the written or oral call in accordance with detailed instructions to be provided by the contracting office.

(c) General instructions for preparation of DLA Form 470. After the placing of each call, complete the call, complete the form in accordance with the general instructions below, and any specific instructions received with the placing of the call.

(1) Block 11. This is the date the supplies are to reach destination, not the date of shipment. Convert the number of delivery days the Government offered to an actual date. For example, if the Government offered a 30-day delivery and received the oral or written call on 1 October, enter 10/31/YY as the required date.

(2) Block 12. This is the date the supplies are to be shipped, not delivered.

(3) Blocks 13 through 19. Information for these blocks will be furnished by the contracting office at the time of the call. Enter the name and address of the consignee in block 15.

(4) Blocks 21 through 23. Entries in these blocks will be made at the time of shipment. Enter actual date shipped or delivered. No partial shipments to a particular destination may be made. If more than one shipment is made against a call, prepare two copies of this form for shipment. Copies of the shipping documents may be attached as an alternative to completing blocks 21 and 22.

(5) When using the form as an acknowledgment of call. Place a check mark on "*" copies of the form in the box "Acknowledgment of call" (block 9).

(6) When using this form as a notice of shipment. Place a check mark in the box "Packing list" (block 9) on "*" copies of the form in the box "Notice of shipment" (block 9).

(7) When using the form as a packing list. Place a check mark in the box "packing list" (block 9) on "*" copies of the reproduced form for each consignee. Be sure blocks 21 through 23 have been completed, as applicable, on the forms used. Send "*" copies to each consignee by placing copies inside the container or in an envelope attached to the exterior of the container.

(8) When using this form as an invoice. At the end of the billing period, fill in "*" copies of the reproduced form which includes the shipment data for all destinations of that call as follows:

(i) Place a mark in the box marked invoice (block 9) of each copy of the form.

(ii) Sign and date blocks 24 and 25 of the top copy only of the form. If the BPA under which this call was issued does not provide for the fast payment procedure, the top copy must contain the signature and date (blocks 27A and 27B) of the authorized Government representative receiving and/or accepting for the Government.

"*" The number required shall be in accordance with the needs of the contracting office.

**53.213-91 Shipping Instruction (DLA Form 1224).**

This form is used against automated simplified acquisitions.

**53.213-92 Request for Quotation (DLA Form 1231).**

This form is used against automated simplified acquisitions.

**53.219 Small business and small disadvantaged business concerns.**

**53.219-90 Referral of Small Business for Certificate of Competency (CoC) Consideration (DLA Form 1756).**

(a) DLA Form 1756 may be used to provide information for CoC referrals as required by FAR 19.602-1 and DFARS 219.602-1.

(b) General instructions for preparation of DLA Form 1756:

(1) The name, size status, and total dollar value of the next low offeror should be identified, however, referrals shall not urge a conclusion based upon the size status of the second low offeror.

(2) The remaining blocks of the form are self-explanatory.

## SUBPART 53.3 – ILLUSTRATION OF FORMS

*(Revised August 14, 2019 through PROCLTR 2019-18)*

**53.300 General**.

DLA forms are electronically maintained at DLA Official Forms (https://www.dla.mil/Forms/).

**53.9001 Appointment of ordering officer.**
(a) As prescribed in 1.603-3-91(c)(2), use the following appointment letter for ordering officers:

CUI

Appointment of Ordering Officer
[*Contracting officer insert IDC or BPA number and name of procuring organization]*

1. Appointment. Under the authority of DLAD 1.603-3-91, you are hereby appointed as an Ordering Officer with authority as described in paragraph 2 below. Your appointment is effective on [*contracting officer insert date*]. This appointment automatically terminates when the Indefinite Delivery Contract (IDC) or Blanket Purchase Agreement (BPA) is completed. Your appointment may also be terminated in accordance with paragraph 4 below.
2. Authority, Limitations, and Requirements. Your ordering authority is only applicable to [*contracting officer insert IDC or BPA number*]. Your appointment is subject to the following limitations and requirements:

a. You are *not* authorized to—
(1) Delegate your ordering authority.
(2) Place an order for supplies or services not expressly within the scope of the IDC or BPA.
(3) Take any action that could be considered an alteration of the terms and conditions of the IDC or BPA in any way, either directly or by implication.
(4) Take any action that could be considered a termination of the IDC or BPA in any way, either directly or by implication.
(5) Issue modifications to the IDC, BPA, or individual orders.
(6) Issue instructions to the contractor to start or stop work.
(8) Additional limitations: [contracting officer insert if applicable.
b. You shall—
(1) Place orders for supplies or services only when expressly within the scope of the IDC or BPA.
(2) Promptly notify me if you recommend increasing the quantity or dollar value or extending the ordering period to meet emergency requirements, if the contract terms and conditions permit.
(3) Establish and maintain an official ordering officer file for each IDC and BPA for which you are authorized as an ordering officer. At a minimum, you shall include in each file the appointment letter and a spreadsheet listing all orders issued by you.
(4) Provide the list of orders to me by the [*contracting officer insert*] day of each month.
(5) Additional requirements: [contracting officer insert if applicable].

CUI Designation Indicator
Controlled by: [Name of Procuring Organization]
Controlled by: [Name of Office or Branch]
CUI Category: PROCURE (General Procurement)
Distribution/Dissemination Control: FED ONLY
POC: [Phone or email address]

3. Standards of Conduct and Contracting Action Reporting Requirements.

a. You shall comply with the standards of conduct prescribed in DoD Directive 5500.07, Standards of Conduct, and DoD 5000.07-R, The Joint Ethics Regulation (JER), and FAR Subparts 3.1 and 3.2.

b. You shall provide me information required for contracting action reporting purposes in the manner and the time specified. (Refer to DFARS 204.6.)

4. Termination of Appointment.

a. Your appointment may be terminated at any time and shall be terminated in writing; except that your appointment is automatically terminated when the contract is completed or when you leave Government employment.

b. If you are separated from Government service while this appointment is in effect, you shall promptly notify me in writing. Your appointment shall automatically be terminated on the date you are separated from Government service.

c. If you are reassigned from your present position while this appointment is in effect, you shall promptly notify me in writing. I will terminate your appointment in writing if you are reassigned to a location or position that is inconsistent with continuing as an ordering officer under this appointment.

d. Your appointment will be terminated if—

(1) You exceed or fail to perform within the appointment authority.

(2) You fail to complete assigned corrective actions noted during oversight reviews.

5. Disposition of completed ordering officer files. Upon completion of the IDC or BPA, you shall provide me any hard copy records you maintained. If your appointment is terminated before IDC or BPA completion, you shall provide the records to me and your successor.

6. Acknowledgement of Receipt. You are required to acknowledge receipt and understanding of this appointment by signing below. Return a copy of the signed appointment letter to me.

| | | |
|---|---|---|
| *(contracting officer insert)*<br>Contracting Officer Name | *(contractor officer insert)*<br>Contracting Officer Signature | *(contracting officer insert)*<br>Date |
| *(ordering officer insert)*<br>Ordering Officer Name | *(ordering officer insert)*<br>Ordering Officer Signature | *(ordering officer insert)*<br>Date |

**53.9007 Acquisition planning.**

(a) Template – Streamlined Acquisition Plan (SAP).

The following format may be used as prescribed in 7.103(d)(i)(B). *This Streamlined Acquisition Plan (SAP) format is for illustration purposes only. It mirrors the fillable version in the contract writing system.*

CUI
Source Selection Information – See FAR 2.101 and 3.104

Streamlined Acquisition Plan (SAP)
(Complete and select the box that is appropriate for the acquisition situation)

Date:

Contracting office: Contracting officer name:

Requiring activity: Voice (DSN):

Project title: Fax (DSN):

Supply criticality:

Contracting officer's e-mail address:

Purchase request (PR) or control number:

☐ Construction ☐ Service ☐ Supply ☐ Research and development (R&D)

a. Product Service Code: (Specify for services)

b. Services Portfolio Category: (Specify for services)

I. Brief description of requirement (FAR 7.105(a)(1))

a. Government estimate: $ (include all options and surge values)

b. Period of performance (include options)

c. Delivery schedule:

CUI Designation Indicator
Controlled by: [Name of Procuring Organization]
Controlled by: [Name of Office or Branch]
CUI Category: PROCURE (General Procurement)
Distribution/Dissemination Control: FED ONLY
POC: [Phone or email address]

CUI
Source Selection Information -- See FAR 2.101 and 3.104

CUI
Source Selection Information -- See FAR 2.101 and 3.104

II. Proposed acquisition approach

Extent of competition:

☐ Full and open competition
☐ Other than full and open competition* * FAR 6.3 authority (Specify):

☐ Full and open after exclusion of sources
☐ Competitive non-DoD
☐ Mandatory use policy, including waivers (e.g., under Part 8)
☐ Limited sources (e.g. under Part 8.405-6):

b. Small business set-aside: (See FAR Part 19)

☐ Competitive small business set-aside (SBSA)
☐ Competitive 8a ☐ Sole source 8a
☐ Service Disabled Veteran Owned Small Business (SDVOSB) Set-Aside
☐ SDVOSB sole source
☐ Historically underutilized business zone (HubZone) Sole Source
☐ HubZone set-aside
☐ Small disadvantaged women owned business (SDWOB)
☐ Economically disadvantaged women owned small business (EDWOSB)
☐ Historically Black colleges and universities / minority institutions (HBCU/MI)
☐ Not applicable (NA) (If acquisition is unrestricted)
☐ Other (Specify):

c. Procedures: (Check all that apply)

☐ FAR 8.404 (GSA/Non-DoD Competitive) ☐ FAR 12 Commercial Items
☐ FAR 13 Simplified Acquisition Procedures ☐ FAR 14 Sealed Bidding
☐ FAR 15 Negotiation ☐ FAR 36 Construction and Architect and Engineer (A&E) and design build

d. Contracting method

☐ Invitation for bid (IFB)
☐ Competitive request for proposal (RFP)
☐ Sole source RFP
☐ Other (fill-in)

CUI
Source Selection Information -- See FAR 2.101 and 3.104

CUI
Source Selection Information -- See FAR 2.101 and 3.104

e. Basis of award:

☐ Sealed bid – Part 14
☐ Negotiation – Part 15
☐ Lowest price technically acceptable
☐ Performance price trade-off without technical factors/proposal
☐ Performance price trade-off with technical factors/proposal
☐ Full trade off source selection (an acquisition plan is highly recommended)
☐ General Services Administration (GSA)/non-DoD competitive
☐ Other (explain):

Identify evaluation factors:

f. Contract type (Check all that apply):

☐ Fixed-price ☐ Time and material/labor hour agreements ☐ Economic price adjustment
☐ Incentive ☐ Award fee ☐ Cost-reimbursement ☐ Redetermination
☐ Indefinite delivery contract (IDC) ☐ Multiply Award
☐ Single Award (Provide rationale why single award)
☐ Other (Specify):

g. Sustainability:

☐ Contains sustainability requirements.
☐ Sustainability exception applies: (Specify)
☐ Sustainability requirements waived, approved by: (Specify)

h. Other considerations (Check all that apply):

☐ Progress payment ☐ Warranty ☐ First article test (FAT)
☐ Government furnished property(GFP) / Government furnished material (GFM) / Government furnished equipment (GFE) involved
☐ Other (specify). Other items/considerations may include, Non-Economy Act or Economy Act assisted acquisitions and use of reverse auction)

III. Prior procurement history: (If applicable)

IV. Market research: (Discuss the purpose, nature, extent, involved personnel/offices and results/status, commerciality, and estimated completion date of any market research initiated/to be initiated in support of the instant purchase request or anticipated future requirements (see also FAR, DFARS, and DLAD Parts 10, 11)

CUI
Source Selection Information -- See FAR 2.101 and 3.104

V. Problems /risk/vulnerabilities (See FAR 7.105 and DFARS PGI 207.105)

VI. Projected key milestone dates:

Receive purchase request (PR):
Issue solicitation:
Receive bids/offers:
Complete evaluations:
Award contract:
Contract start:

Contracting Officer Name and Signature Date

VII. Approvals:

**The following section is to be completed by reviewer/approving official.**

Reviewer's name: Reviewer's DSN/ phone number:
Reviewer's e-mail:

☐ Streamlined acquisition plan (SAP) approved as submitted
☐ SAP conditionally approved subject to comments below
☐ SAP disapproved (reviewers are required to include comments below)
☐ Requirement has been reviewed and validated by (specify):

Reviewer's comments:

Reviewer's signature: _____

** The following section is to be completed by the small business specialist when required**

☐ Small business specialist coordination _____
Small business specialist's comments:

** The following section is to be completed by the competition advocate when required**

☐ Competition Advocate coordination _____

Competition advocate's comments:

**53.9012 Acquisition of Commercial Products and Commercial Services**

(a) *Market Research for Commerciality Determination Memorandum (MRCDM).* The contracting officer shall use the MRCDM format as prescribed in 12.102(a)(S-91). If a prior CID cannot be located in the DoD Commercial Item Database, the current contracting officer must ensure a CID (e.g. MRCDM) is uploaded to the database. The uploaded memorandum cannot contain any CUI (see DFARS PGI 212.102(a)(iii)(C)). The contracting officer who creates a document is responsible for determining if it contains CUI, and whether any redactions may be necessary (see DLAD PGI 53.9000). *This Market Research for Commerciality Determination Memorandum (MRCDM) format is for illustration purposes only. It mirrors the fillable version in the contract writing system*.

**MEMORANDUM FOR RECORD**

SUBJECT: *Market Research for Commerciality Determination Memorandum (MRCDM).*

(FAR 10.002, FAR 2.101, FAR 12.101, DFARS 212.102, DFARS PGI 212.102, and DLAD 12.102

Market research has been conducted prior to solicitation:

Solicitation #: *(contracting officer insert).* NSN(s)[/P/N(s)] (if applicable): *(contracting officer insert).*

Item/Requirement Description: *(contracting officer insert).*

PR#: *(contracting officer insert).]*

( ) Current CID was made by a DCMA or Military Service contracting officer; memorandum provided to DLA contracting officer is attached *(proceed to Part III if checked).* The DCMA or Military Service contracting officer making the determination is responsible for uploading the memorandum to the DoD Commercial Item Database.

( ) Queried DoD Commercial Item Database for same product or service:

( ) No prior CID was located

( ) A prior CID was located *(fill-in below information*); proceed to Part III if checked.

Date of CID: _____

Name of Contracting Officer: _____

Contracting Officer email: _____

( ) Identified other evidence that FAR part 12 procedures were previously used to acquire the same product or service. Check relevant box below and proceed to Part III.

( ) MRCD memorandum (*provide contracting officer and date of CID.)*

( ) Prior FAR part 12 contract *(provide contract #, award date and contracting officer.)* Any prior contract that relied on DFARS 212.102(a)(i)(B) as basis for utilizing FAR part 12 procedures cannot serve as a prior CID.

( ) Current PR trailer contains a statement or code as evidence of a prior CID.]

PART I

In accordance with FAR 10.002(b) and FAR 2.101, Definitions, the cognizant functional element of the procuring organization has conducted a review of the item description(s) to determine if commercial products or commercial services or non-developmental items are available to meet the government's needs or could be modified to meet the government's needs. The reviewer(s) considered the following:

a. Whether products or services are of a type customarily available in the commercial marketplace; annotate evidence of actual sale, lease, or license to the general public, or evidence of products or services being offered for sale, lease or license to the general public: (contracting officer insert

response)
b. Whether products are of a type customarily available in the commercial marketplace with modifications; annotate evidence of actual sale, lease, or license to the general public and type of modification: (contracting officer insert response)
c. Whether products are used exclusively for governmental purposes; annotate evidence that the products were (1) developed exclusively at private expense, and (2) sold competitively in substantial quantities to multiple state and local governments: (contracting officer insert response)
d. Customary practices regarding customizing, modifying or tailoring of products to meet customers' needs and associated costs; annotate evidence of customary availability of the modification in the commercial marketplace or the technical relationship between the modified products: (contracting officer insert response)
CUI
e. Customary practices, including warranty, buyer financing, discounts, contract type considering the nature and risk associated with the requirement, etc., under which commercial sales of the products or services are made: (contracting officer insert response)
f. The applicability of any laws and/or regulations unique to the products or services being acquired: (contracting officer insert response)
g. The availability of products that contain recovered materials and products that are energy efficient: (contracting officer insert response)
h. The distribution and support capabilities of potential suppliers, including alternative arrangements and cost estimates: (contracting officer insert response)
i. The size and status of potential sources: (contracting officer insert response)
j. Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed or specific outcomes to be achieved and under standard commercial terms and conditions: (contracting officer insert response)
k. Whether existing contract solutions (including Best-In-Class (BIC) can be used to satisfy the requirement (IAW with Office of Management and Budget (OMB) Memorandum M-17-29): (contracting officer insert response)
PART II
Check one or more of the following, as applicable, to identify techniques the reviewer(s) used to conduct market research and determine commerciality:
a. ( ) Commercial-Off-the-Shelf field is coded "Y";
b. ( ) If product or service has been coded in SAP as commercial but other than commercial practices are required (e.g., QCCs, packaging, etc.), the justification for the use of these practices has been entered in SAP in the internal comments field;
c. ( ) Contacted knowledgeable individuals in government and industry regarding market capabilities to meet requirements;
d. ( ) Published formal requests for information in appropriate technical or scientific journals or business publications;
CUI
CUI
e. ( ) Queried the Government-wide database of contracts and other procurement instruments intended for use by multiple agencies available at https://www.fpds.gov and other government and commercial databases that provide information relevant to agency acquisitions;
f. ( ) Participated in interactive, on-line communication among industry, acquisition personnel, and customers;

g. ( ) Obtained source lists of similar products or services from other contracting activities, agencies, trade associations, or sources;
h. ( ) Reviewed the results of recent market research undertaken to meet similar or identical requirements;
i. ( ) Reviewed catalogs and other available product literature published, or provided on-line, by manufacturers, distributors, and dealers;
j. ( ) Conducted interchange meetings or held presolicitation conferences to involve potential offerors;
k. ( ) Queried the Central Contractor Registration (CCR) via the System for Award Management (SAM) for small business sources, as applicable. (See FAR/DFARS Part 4 for information on SAM)
l. ( ) Other

Provide supporting documentation (to include a review of the Material Master in SAP for applicable items) for any of the blocks above in *c* through *l* that have been checked in this part of the form.

( ) Documentation is located in the official contract file.
SUMMARY OF MARKET RESEARCH:
Contacted product specialist or other technical representative on: (contracting officer insert response)
OR
Product specialist/technical representative provided market research with the requirement on:(contracting officer insert response)

Name of Product Specialist/Technical Representative: (contracting officer insert response)
Date: (contracting officer insert response)

Product specialist/technical representative provided concurrence:

( ) Yes. If "Yes," has the Material Master been updated: (contracting officer insert response)

( ) No. If "No," state reason for nonconcurrence and how resolved: (contracting officer insert response)

PART III
Check one of the following to indicate the type of contract:

( ) Firm Fixed Price (FFP)
( ) Fixed Price with Economic Price Adjustment (FP w/EPA)
( ) Time-and-Materials or Labor-Hour (see FAR 12.207 and DFARS 212.207)
NOTE: For acquisitions of commercial products or commercial services, the contracting officer may only award FFP or FP w/EPA type contracts, with limited exceptions.

PART IV
Check one of the following to indicate if consolidation or bundling applies:
( ) Consolidation (see attached report/determination)
( ) Bundling (see attached report/determination)

CONCLUSION:
Based on the market research conducted, product(s) or service(s) to be solicited against subject solicitation have been determined to be (check one of the following):
( ) Commercial

( ) Other than commercial

APPROVALS:
Name of Contracting Officer: *(contracting officer insert response)*

Signature: *(contracting officer insert signature)*

Date: *(contracting officer insert date)]*

[*]Name of Approving Official (One Level Above Contracting Officer): *(contracting officer insert response)*

Title: *(contracting officer insert response)*

Signature: *(approving official insert signature)*

Date: *(approving official insert date)*

[*](Applies when commercial ~~product~~ determination was based on subsections (1)(ii), (3), or (4) of the "commercial product" definition, or on subsection (2) of the commercial service definition at FAR 2.101

******

53.9013 **Simplified acquisition procedures.**
(a) *Simplified Acquisition Award Documentation (SAAD).*
Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall use the following format as prescribed in 13.106-3(b), 13.501(b)(3), and 15.406-1(b)(1). *This Simplified Acquisition Award Documentation (SAAD) format is for illustration purposes only. It mirrors the fillable version in the contract writing system.*

CUI

Simplified Acquisition Award Documentation (SAAD)

The SAAD documents Best Value, Price Reasonableness, and Responsibility determinations for this procurement.

**Particulars Regarding This Procurement:**

Buyer:

PR#:

NSN (if applicable):

Item/Requirement Description:

Awardee CAGE Code:

Check all that apply and insert narrative when required:

☐ Procurement is a First Time Buy

☐ Commercial

☐ For non-competitive actions over $1M Contract Business Analysis Repository (CBAR) was checked IAW DLAD 15.404-1(a)(5)(S-90)

☐ Fast Pay (FAR 13.402(a)-(f))

☐ Special Emergency Procurement Authority (SEPA) Acquisition (FAR 18.001)

**CUI Designation Indicator**

**Controlled by**: Name of Procuring Organization

**Controlled by**: Name of Office or Branch

**CUI Category**: PROCURE (General Procurement)

**Distribution/Dissemination Control**: FED ONLY

**POC**: Phone or email address

☐ Simplified Indefinite-Delivery Contract (SIDC). The contracting officer established a guaranteed minimum (GM) quantity for the period of performance of the basic SIDC, recorded an obligation in the amount of the GM purchase requirement ($ ) at time of award, and placed the EBS

screen shot documenting the obligation in the contract file IAW DLAD 13.390(a)(2)(i).

**Narrative:**

**<u>Best Value Tradeoff Determination:</u> Required when awarding to other than the lowest price/highest SPRS rating (or to other than the lowest price/highest scored when using FAR 13.5 or when other evaluation factors apply).**

☐ Based on the evaluation factors stated within the solicitation, the proposed awardee's quote is the best value for the Government as set forth in the narrative below.

**Narrative:**

**<u>Supplier Performance Risk System (SPRS) Considerations (DFARS 252.204-7024):</u>**

☐ Procurement is at or below Micro-Purchase threshold therefore, this requirement does not apply (N/A).

***1. Item Risk:***

Check an option below:

☐ N/A – End product/service not identified by a material identifier described at DFARS PGI 204.7603.

☐ N/A – Exempted by DoDI 5000.79.

☐ N/A – SPRS item risk search performed prior to solicitation.

☐ Y – Not exempt and described by a material identifier described at DFARS PGI 204.7603

☐ Contracting officer considered SPRS item risk report (DFARS 204.7603).
Date Checked: _____

Choose Item Risk Outcome (Describe in narrative block)

☐ Item not identified as high risk.

☐ SPRS item risk report returned no results.

☐ High risk item. (Contracting officer shall consider strategies at DFARS 204.7603(a)(2)(i-iii).

***2. Price Risk:***

Check an option below:

☐ N/A – End product/service not identified by a material identifier described at DFARS PGI 204.7603.

☐ N/A – Exempted by DoDI 5000.79.

☐ Y – Not exempt and described by a material identifier described at DFARS PGI 204.7603.

☐ Contracting officer considered SPRS price risk report (DFARS 204.7603).
Date Checked: _____

Choose Price Risk Outcome (Describe in narrative block)

☐ Price not identified as high risk.

☐ SPRS price risk report returned no results.

☐ High risk item. (Contracting officer shall consider strategies at DFARS 204.7603(b)(2)(i-iii).

***3. Supplier Risk:***

☐ Contracting officer considered SPRS supplier risk report (DFARS 204.7603).
Date Checked: _____

Choose Supplier Risk Outcome (Describe in narrative block)

☐ Supplier not identified as high risk.

☐ SPRS supplier risk report returned no results.

☐ High risk supplier (If risk assessment is NOT considered in award situation, document reason(s) in the file).

***Narrative Block: (Must address all risk assessments (item, price, and supplier) outcomes. Attach or provide the location within the contract file for all supporting documentation):***

**Price Reasonableness Determination**

**Limitation on Price Increases (DFARS 217.7505/DLAD 17.7505):**

For Micro-Purchases:

☐ Unit Price has not increased 51% or more within the past 12 months.

☐ Unit Price has increased 51% or more within the past 12 months. Contracting officer has evaluated price and will notify HCA (or HCA's designee) prior to award.

For actions above the micro-purchase threshold documented using simplified acquisition procedures:

☐ Unit Price has not increased 25% or more within the past 12 months.

☐ Unit Price has increased 25% or more within the past 12 months. Contracting officer has evaluated price and will notify HCA (or HCA's designee) prior to award.

**Price Reasonableness Code (PRC):** ☐

**Basis for Award- FAR 13.106-3(a), DLAD 13.106-3(a) & DLAD 15.406-3(a)(11):**

Price is Fair and Reasonable in accordance with (**check blocks below as applicable AND complete Narrative at end of this section);**

☐ Adequate Price Competition – Manufacturer Competition

☐ Adequate Price Competition – Among Providers of Services

☐ Adequate Price Competition – Dealer Competition (only use below SAT). Offered prices are independent, and otherwise successful offeror's price is not unreasonable. (***Provide documentation in Narrative block)***.

☐ No Competition (single quote or noncompetitive price range).

Select one of the following:

☐ Market Research **(*Describe in Narrative block; or attach and reference in Narrative block*)**

☐ Item price set by law or regulation

☐ Independent Government Estimate (IGE). Attach the IGE, if Contracting Officer determines IGE required adjustment, address in Narrative block.

☐ Comparison of the proposed price to prices found reasonable on previous purchases: Provide analysis in Narrative block.

☐ Same Item: ☐ Similar Item (NSN or Item Description):

Contract(s): ☐

Unit Price(s):

Quantity: ☐

PRC applicable previous purchase: ☐

Prior award determined fair and reasonab ☐

☐ Current price list, catalog, or advertised unit price: ***Describe in Narrative block.***

☐ Analysis of data other than certified cost or pricing data provided by the offeror. ***Describe in Narrative block.***

☐ Contracting officer's knowledge of the item. ***Describe in Narrative block.***

☐ Any other reasonable basis (e.g., informal cost breakdown) ***Describe in Narrative block.***

Price is other than Fair and Reasonable and proceeding after proper elevation IAW DLAD 15.405(d)(S-90) (check blocks below as applicable AND complete Narrative at end of this section);

☐ Price is *unfair* and *unreasonable*. ***Complete Narrative block.***

☐ Price could *not* be determined fair and reasonable. ***Complete Narrative block.***

***Narrative: (Must address any price increase since last purchase along with any negotiations that were conducted. Attach or provide the location within the contract file for all supporting documentation):***

**Determination of Responsibility:**

Check all applicable blocks and complete Narrative when required:

☐ Confirmed whether contractor is on the Defense Contract Review List (DCRL) and followed applicable Treatment Codes.

☐ Contracting officer checked SAM.gov (FAR 9.405(d)(4)). Awardee is not debarred, suspended, or proposed for suspension/debarment. Awardee is currently in SAM.

Date SAM Checked

☐ Contracting officer considered the awardee's Supplier Performance Risk System (SPRS) Supplier Risk Assessment when determining responsibility IAW with DFARS 209.105-1(2)(iii).

Date Checked:

☐ Supplier Risk information not available.

Date checked:

***Narrative:***

**The contracting officer's signature on the award document constitutes evidence that the contracting officer has considered the issues listed and described above and arrived at the findings, determinations, and conclusions also enumerated above for the above-identified procurement.**

CUI

(b) *Alternate Simplified Acquisition Award Documentation (SAAD).*
Contracting officers at DLA Distribution, DLA Disposition Services, DLA Contracting Services Office, and DLA Energy shall use the Acquisition - J7 - SAAD (Alternate)_ 6.16.23.pdf - All Documents (dps.mil) as prescribed in 13.106-3(b), 13.501(b)(3), and 15.406-1(b)(1). DLA Distribution maintains the Alternate SAAD online. The contracting officer must sign the format.

**53.9015 Contracting by negotiation.**
(a) Price Negotiation Memorandum Format – Competitive.
Contracting officers shall use the PNM Format – Competitive as prescribed in 15.406-3(a)(S-90) and 15.406-3(a)(S-91). *This Price Negotiation Format – Competitive is for illustration purposes only. It mirrors the fillable version in the contract writing system.*

CUI
Source Selection Information – See FAR 2.101 and 3.104

PRICE NEGOTIATION MEMORANDUM FORMAT – COMPETITIVE

| PNM Contents | Yes | No | N/A |
|---|---|---|---|
| The contracting officer shall include a "Source Selection Information" legend when applicable pursuant to FAR 2.101 and 3.104. Refer to DFARS PGI 215.406-3(11)(A) for documents uploaded into CBAR. Mark "CONTROLLED UNCLASSIFIED INFORMATION (CUI)" pursuant to DoD Instruction 5200.48, Controlled Unclassified Information (CUI) (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/520048p.PDF?ver=2020-03-06-100640-800) and DLA Instruction 5200.48, Controlled Unclassified Information (CUI) (https://issuances.dla.mil/Published_Issuances/Controlled%20Unclassified%20Information%20(CUI).pdf?ver=2020-03-06-100640-800). | | | |
| **1. Subject** | | | |
| a. Contractor name, division or group and location | | | |
| b. Contract or RFP number | | | |
| c. Item or service acquired | | | |
| **2. Introductory summary** | | | |
| a. Contractor and proposal selected for award and date | | | |
| b. Offerors | | | |
| c. Tabular Summary of: proposed price, government estimate, and final proposal revision | | | |
| Major Price Items or CLINS | | | |
| Total | | | |
| Profit/fee % | | | |
| CPAF (base and award fee) ($ and %) | | | |
| Contract type | | | |
| d. Clearance authority | | | |
| (1) Approval authority | | | |
| (2) Approval date, meeting dates, and participants | | | |
| **3. Details** | | | |
| a. Description of item or services | | | |
| b. Explain method used for line item or unit prices | | | |
| c. Personnel: List names, title, organization and telephone number of participants in price analysis and as applicable, cost realism discussions | | | |
| d. Significant dates: | | | |
| (1) Proposal date | | | |
| (2) Discussion (s)/date (s) | | | |
| (3) Final proposal revision date | | | |
| (4) Other significant date (s) (acquisition review board dates, competitive range determination, solicitation amendments, etc.) | | | |
| **4. Acquisition situation** | | | |
| a. Acquisition background | | | |
| b. Discuss period of performance and delivery schedule | | | |
| c. Outside influences or unusual time constraints (i.e., Funding limitations, higher level, Congressional influences) | | | |
| d. Unique features or special pricing provisions (economic price adjustment, incentives, warranties, special progress payments, etc.) | | | |

| | | | |
|---|---|---|---|
| e. Fast Payment Procedures – Discuss the authority for using fast payment procedures and whether they will apply to delivery orders issued under the contract. If using fast payment procedures, cite the applicable threshold from 13.402(a) or FAR 13.402(a). If DFARS 213.402(a)(ii) applies, state that individual orders may exceed the SAT. Ensure compliance with all FAR and DLAD fast payment procedures for contracts that will authorize use of these procedures. | | | |
| f. Indefinite-Quantity Contract (IQC). The contracting officer established a guaranteed minimum (GM) quantity or GM dollar value for the period of performance of the basic IQC, recorded an obligation in the amount of the GM purchase requirement ($_____) at time of award, and placed the EBS screen shot documenting the obligation in the contract file IAW DLAD 16.504(a)(1)(S-90). | | | |
| g. Requirements contract. If the award includes a GM, paragraph f. applies. | | | |
| **5. Evaluation summary** | | | |
| a. Reasonableness, completeness, cost realism if applicable, and balance | | | |
| (1) Description of price analysis technique (s) used, results, and appropriateness in determining price reasonableness and completeness | | | |
| (a) Description of the basis of any escalation rates used for adjusting historical prices or for forecasting option year prices. See DoD Contract Pricing Reference Guide, Volume 2 Quantitative Techniques, Chapter 1 Using Price Index Numbers for potential sources of information, calculating adjustments, and other relevant topics. . | | | |
| (b) Description of GSA Schedule prices, if any. Contracting officer must check GSA for any relevant price information and document the results | | | |
| (2) Description of the cost realism analysis technique (s) and their result (s) (if performed) | | | |
| (3) Description of assessment of unbalanced pricing and any associated risks | | | |
| (4) Document decision to conduct discussions and date (s). Document decision to award without discussions. | | | |
| (5) Description and listing of major differences between the proposal and the final proposal revision prices | | | |
| b. Adequate price competition determination description | | | |
| (1) Basis of determination statement of adequate price competition | | | |
| (a) Best value to the Government and the significance of cost or price to all evaluation factors combined; | | | |
| (b) Lowest evaluated price; or | | | |
| (c) Adequate price competition | | | |
| (2) Definitive statement the offered price selected is fair and reasonable based on adequate price competition. | | | |
| **6. ADVISORY REPORTS/KEY DOCUMENTS** | | | |
| Listing of Government advisory reports (pricing, technical, should-cost, etc.) | | | |
| **7. SIGNATURES** | | | |
| **8. Attachments** | | | |
| Attachments as identified in the document | | | |

CUI
Source Selection Information – See FAR 2.101 and 3.104

(b) Price Negotiation Memorandum Format – Non-Competitive.
Contracting officers shall use the PNM Format – Non-Competitive as prescribed in 15.406-3(a)(S-90) and 15.406-3(a)(S-91). *This Price Negotiation Memorandum Format –Non-Competitive is for illustration purposes only. It mirrors the fillable version in the contract writing system.*

CUI
Source Selection Information – See FAR 2.101 and 3.104

**PRICE NEGOTIATION MEMORANDUM FORMAT – NON-COMPETITIVE**

| PNM Contents | Yes | No | N/A |
|---|---|---|---|
| Mark "CONTROLLED UNCLASSIFIED INFORMATION (CUI)" pursuant to DoD Instruction 5200.48, Controlled Unclassified Information (CUI) (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/520048p.PDF?ver=2020-03-06-100640-800) and DLA Instruction 5200.48, Controlled Unclassified Information (CUI) (https://issuances.dla.mil/Published_Issuances/Controlled%20Unclassified%20Information%20(CUI).pdf?ver=2020-03-06-100640-800).<br>The contracting officer shall include a "Source Selection Information" legend when applicable pursuant to FAR 2.101 and 3.104. Refer to DFARS PGI 215.406-3(11)(A) for documents uploaded into CBAR. | | | |
| **1. Subject** | | | |
| a. Contractor name, division or group and location | | | |
| b. Contract or RFP Number (as applicable include modification number) | | | |
| c. Item or service acquired | | | |
| d. Delivery and/or Period of Performance | | | |
| **2. Introductory summary** | | | |
| a. Date (s) of Negotiation and Agreement | | | |
| b. Contract action type (new contract, supplemental agreement, etc.) | | | |
| c. Tabular summary of cost, FCCOM, profit or fee and price: | | | |
| (1) Proposed and objective positions | | | |
| (2) Proposed, objective and considered negotiated positions | | | |
| (3) Separate summaries for options, etc. | | | |
| (4) Fee or profit rate for each position | | | |
| (5) Award fee pool for each position (as applicable) Ceiling price and percentage for each position (as applicable for cost contracts) | | | |
| (6) Contract type for each position (FFP, FP/EPA, CPFF, CPAF, etc.) | | | |
| d. Approval authority | | | |
| (1) Approval authority | | | |
| (2) Approval date, meeting date (s), and participants | | | |
| (3) Limitations and specific approving authority conditions | | | |
| **3. Details** | | | |
| a. Item or service identification: | | | |
| (1) Quantity and type | | | |
| (2) Previous buys for the same or similar items | | | |
| (A) Date (s) of recent buys | | | |

| | | | |
|---|---|---|---|
| (B) Quantity | | | |
| (C) Contract type | | | |
| (D) Prior unit or total prices (target and finals if applicable and available: document separately recurring and nonrecurring costs) | | | |
| (E) Current unit or CLIN prices (may attach) with name of item, NSN, part number, quantities, etc., as applicable (document separately recurring nonrecurring costs) | | | |
| (F) Summary explanation of significant differences between the instant buy and most recent historical price (s) | | | |
| (G) Stock Position of Items (include date stock position, current unfilled orders, inventory consumption rate, due-in quantities, etc. Discuss any over or under position) | | | |
| b. Explain method for line item or unit prices | | | |
| c. Fact-finding and negotiation dates, places, names, titles, and office symbols for the government and the contractor | | | |
| d. Principal government and contractor negotiator identified | | | |
| **4. Acquisition situation** | | | |
| a. Acquisition background (contract type, pricing, etc.) indefinite-delivery contract and why it does or does not apply, surge and sustainment, etc. | | | |
| b. Period of performance and delivery schedule (address resolution of differences between required, proposed and negotiated) | | | |
| c. Outside influences and unusual time constraints | | | |
| d. Government furnished facilities, equipment or other support unique to this acquisition | | | |
| e. Unique features such as should cost, design-to-cost, life cycle cost, special payment procedures, and special provisions (clauses: savings, EPA, progress payments, performance based payments, validation of critical safety item and date , incentives, etc.) | | | |
| f. Fast Payment Procedures. Discuss the authority for using fast payment procedures and whether they will apply to delivery orders issued under the contract. If using fast payment procedures, cite the applicable threshold from 13.402(a) or FAR 13.402(a). If DFARS 213.402(a)(ii) applies, state that individual orders may exceed the SAT. Ensure compliance with all FAR and DLAD fast payment procedures for contracts that will authorize use of these procedures. . | | | |
| g. Indefinite-Quantity Contract (IQC). The contracting officer established a guaranteed minimum (GM) quantity or GM dollar value for the period of performance of the basic IQC, recorded an obligation in the amount of the GM purchase requirement ($_____) at time of award, and placed the EBS screen shot documenting the obligation in the contract file IAW DLAD 16.504(a)(1)(S-90). | | | |
| h. Requirements Contract. If award includes a GM, paragraph g. applies. | | | |
| **5. Negotiation summary** | | | |
| a. Discussion of contractor price analysis, government price analysis, or no analysis performed | | | |
| (1) Price element summary for proposed, objective, and considered negotiated amount. Discuss the position for proposed, objective and considered negotiated positions by topic. | | | |
| (2) Price reasonableness basis or estimating technique (attach exemption or waiver if used instead of certified cost or pricing data). If using GSA schedule, the contracting officer must include a GSA contract for any relevant price information and document the results | | | |
| (3) Identify submission of data other than cost or pricing data necessary to determine a reasonable price. Discuss rationale and required updates (attach sales data, catalogues, competitive price list, independent market prices, other data, etc.) | | | |
| (4) Identifies submission of subcontractor cost or pricing data necessary to determine a reasonable price. (Even if HCA waived the submission for prime contractor) | | | |

| | | | |
|---|---|---|---|
| (5) Price analysis and objective adjustments resulting from requirement changes | | | |
| (6) Significant differences between objective and negotiated amounts | | | |
| (7) Use of advisory information and report (s) to support the objective, including significant differences, objective, and final negotiated agreement. | | | |
| b. Discuss analysis and support for proposed, objective and (PNM) negotiated positions | | | |
| c. Identify proposal of record used to baseline the objective. | | | |
| d. When receiving certified cost and pricing data, a statement of the extent to which the contracting officer relied on contractor provided data except where specifically identified (including agreed to cut-off dates) | | | |
| e. For noncompetitive actions exceeding $1M, the contracting officer must search the Contract Business Analysis Repository (CBAR) and document the results of CBAR search. | | | |
| f. When performing cost analysis, major cost element summary with subparagraph index for proposed, objective and considered negotiated amounts (including direct and indirect costs for labor, materials,) | | | |
| g. Discussions of cost analysis performed for each major cost element for contractor proposed, government objective and considered negotiated positions in the following areas: | | | |
| (1) Summary breakout of major cost items | | | |
| (A) Labor hours by rate category | | | |
| (B) Identify and discuss indirect rate (s) | | | |
| (C) Materials and other costs by category | | | |
| (D) Subcontractor cost or pricing data | | | |
| 1. Requirement, availability, adequacy of and reliance on subcontractor cost or pricing data | | | |
| 2. Sole source or competitive | | | |
| 3. Extent and adequacy of the prime's review | | | |
| 4. Why the contracting officer did not receive certified cost or pricing data when required (attach waiver or describe exemption) | | | |
| 5. Why the contracting officer received certified cost or pricing data when not required | | | |
| (E) Basis or estimating method used | | | |
| (F) Explanation of contractor data not relied on and reason for using other than contractor's data, identify data used to develop the government's position | | | |
| (G) Rationale, sources, and currency of the data used to set the objective (include modification change determined to be noncommercial where originally determined commercial) | | | |
| (H) Significant differences between the objective and negotiated amounts | | | |
| (I) Use of advisory reports supporting the objective, including significant differences between them, the objective, and the final negotiated agreement | | | |
| (J) For undefinitized contract actions: actual costs to date, % of completion, trends and, as applicable, the contractor's estimate to complete | | | |
| (2) With incentive arrangements, describe the basis for share ratio (s) and ceiling price (s) | | | |
| (3) Profit (Fee). Explain how the contracting officer developed the objective | | | |
| (A) If using WGM, state assigned weights and provide reasoning when weights are below or above normal. (DD 1547 Attached to the PNM) | | | |
| (B) If not using WGM, explain why and how the contracting officer developed the profit objective | | | |
| (C) List profit or fee rate (s) negotiated. If the contracting officer did not achieve WGM profit objectives during negotiations, explain why and support profit or fee rate negotiated | | | |

| | | | |
|---|---|---|---|
| h. Summarize and include a definitive statement on why the negotiated price is fair and reasonable. (Address the 25% limitation on price increases (DFARS 217.7505) | | | |
| i. Description of the basis of any escalation rates used for adjusting historical prices and for forecasting option year prices. See DoD Contract Pricing Reference Guide, Volume 2 Quantitative Techniques, Chapter 1 Using Price Index Numbers for potential sources of information, calculating adjustments, and other relevant topics. | | | |
| **6. ADVISORY REPORTS/KEY DOCUMENTS** | | | |
| Listing of Government advisory reports (pricing, technical, should cost, etc.) | | | |
| **7. Signatures** | | | |
| Include signatures of the author of the PNM, contracting officer and (as applicable) approval authority | | | |
| **8. Attachments** | | | |
| a. DD Form 1547 - Weighted Guidelines | | | |
| b. DD Form 1861 - Facilities Capital Cost of Money (objective only) | | | |
| c. Other attachments identified in the PNM | | | |

**DEFENSE LOGISTICS ACQUISITION DIRECTIVE**

**PGI PART 1 – FEDERAL ACQUISITION REGULATIONS SYSTEM**

CUI
Source Selection Information – See FAR 2.101 and 3.104

**PROCEDURES, GUIDANCE, AND INFORMATION (PGI)**
*(Revised January 14, 2022 through PROCLTR 2022-03)*

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.PGI PART 1 – FEDERAL ACQUISITION REGULATIONS SYSTEM
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## PGI SUBPART 1.6 – CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES

*(Revised August 17,2022 through PROCLTR 2022-13)*

**PGI 1.601 General.**

(a)(S-90) The DLA Acquisition Director designates DLA HCAs, subject to the following limitations:

(i) Designations authorizing exercise of all HCA contracting authority require that the designee is—

(A) A member of the Senior Executive Service (SES);

(B) Contracting Professional Certification; and,

(C) Current in completion of Continuous Learning Points (CLPs)

(ii) Designations authorizing exercise of restricted HCA contracting authority require that the designees is—

(A) A GS-15;

(B) Contracting Professional Certification; and

(C) Current in completion of CLPs.

(iii) This type of designation is for MSCs that do not have an SES in the HCA role. The DLA Acquisition Director will clearly define the restrictions in the designation memorandum. The restrictions include, but are not limited to, actions not delegable below the HCA level, such as ratifications above the SAT (FAR 1.602-3(b)(2)); or actions delegable only to the GO/FO/SES level, such as those related to Procurement Integrity Act violations (FAR 3.104-7(b) and (g)). See the Signature Matrix at the DLA Acquisition – J7 SharePoint site (https://dlamil.dps.mil/Sites/Acquisition/Pages/default.aspx) for a complete list of required approval levels and delegation limitations.

(a)(S-91) When a designated HCA for an MSC is not available to act, the order of elevation is as follows:

(i) The Deputy Commander of the MSC will act as the HCA if the Deputy Commander is—

(A) An SES;

(B) Contracting Professional Certification; and

(C) Current in completion of CLPs.

(ii) When the Deputy Commander of the MSC does not meet the qualifications at (a)(S-91)(i) of this section, or meets the qualifications but is not available to act, the Commander of the MSC will act as the HCA if the Commander is—

(A) A General Officer/Flag Officer or an SES;

(B) Contracting Professional Certification; and

(C) Current in completion of CLPs.

(iii) The DLA Acquisition Deputy Director will act as the HCA—

(A) If neither the Deputy Commander nor the Commander of the MSC meets the qualifications at (a)(S-91)(i) or (ii) of this section, or meets the qualifications but is not available to act; or

(B) In the absence of the SPE for authorities retained by the SPE under a designation of restricted HCA contracting authority (see (a)(S-90)(ii) of this section).

(iv) The DLA SPE (including the DLA Vice Director when acting as SPE in the absence of the DLA SPE) will act as the HCA in the absence of—

(A) An MSC HCA and any qualified acting MSC HCA as listed above; or

(B) The HCA for procuring organizations for which the DLA Acquisition Deputy Director is HCA.

**PGI 1.602-3 Ratification of unauthorized commitments.**

(c) Use the following checklist as prescribed at 1.602-3(c)(S-90):

**Ratification of Unauthorized Commitments Checklist**

I. Responsibilities of the contracting office that made the unauthorized commitment:

1. [ ] Provide a signed statement addressing the following:

a. [ ] Circumstances that led to the unauthorized commitment;

b. [ ] Name of the employee who made the commitment;

c. [ ] Date of commitment;

d. [ ] Government requirement that necessitated the commitment;

e. [ ] Reason(s) employee did not follow normal procurement procedures;

f. [ ] Whether the Government derived any benefit from the goods or services received;

g. [ ] Cost of the goods or services; and

h. [ ] Any other pertinent facts.

2. [ ] Provide all orders, original invoices, and other documentary evidence of the transaction.

II. Responsibilities of the supervisor of the employee who made the unauthorized commitment:

1. [ ] Provide an endorsement to the contracting officer concurring with the recommendation to ratify. Include the following:

a. [ ] Verification the documentation is accurate and complete.

b. [ ] Documentation of corrective action(s) taken or proposed to prevent a recurrence.

2. [ ] Provide complete purchase request and appropriate funding, with documentation—

a. [ ] Supporting the funding decision; and

b. [ ] Consultation with Office of Counsel, if applicable.

The obligation is generally chargeable to the fiscal year when the unauthorized commitment occurred; or, if such funds are unavailable, from currently available funds.

III. Responsibilities of the contracting officer:

1. Prepare a determination and findings (D&F). Include the following:

a. [ ] Summary statement of facts;

b. [ ] Office of Counsel coordination;

c. [ ] Recommendation for approval of ratification action or other disposition (see 1.602-3(d) if requesting relief on a quantum meruit basis);

d. [ ] Documentation of corrective action(s) taken or proposed to prevent a recurrence; and

e. [ ] Documentation affirming the circumstances meet the following limitations in FAR 1.602-3(c):

(i) [ ] The contractor provided supplies or services to the Government, and the Government accepted those supplies or services; or the Government otherwise obtained or will obtain a benefit resulting from performance of the unauthorized commitment.

(ii) [ ] The ratifying official has the authority to enter into a contractual commitment.

(iii) [ ] The resulting contract would otherwise have been proper if made by an appropriate contracting officer. The Government was not otherwise precluded by law from procuring the supplies or services.

(iv) [ ] The contracting officer reviewing the unauthorized commitment determines the price to be fair and reasonable.

(v) [ ] Payment is not for unallowable costs.

(vi) [ ] The contracting officer recommends payment.

(vii) [ ] Proper type of funds are available and were available at the time the unauthorized commitment was made.

(viii) [ ] The ratification is in accordance with any other limitations prescribed under local/regional procedures.

(d) Nonratifiable claims.
Use the following checklist as prescribed at 1.602-3(d)(S-92):

**Quantum Meruit Checklist.**

I. The contracting officer shall—

1. Obtain the following from the office that received the voluntary goods or services:

a. [ ] A written statement detailing the circumstances that led to contractor performance without a contract and/or a lapse in contract coverage; and

b. The following documentation:

(i) [ ] Contractor claim;

(ii) [ ] Contractor invoices; and

(iii) [ ] Correspondence related to the claim.

2. Obtain a statement from the contractor addressing—

a. [ ] The contractor's knowledge or understanding regarding a lack of contract;

b. [ ] Why the contractor performed or allowed performance without a contract;

c. [ ] Why the contractor believes it is entitled to relief;

d. [ ] Why the contractor's performance meets the good faith test; and

e. [ ] Address and contact information of contractor and, if applicable, legal counsel.

3. [ ] Consult Office of Counsel to help determine whether the circumstances warrant requesting relief on a quantum meruit basis, and obtain documentation of discussion.

II. Justification. The contracting officer shall prepare the justification. Include the following:

1. [ ] Introductory paragraph providing an overview of the claim.

2. Background paragraph that includes—

a. [ ] A detailed explanation of how and when the contractor performance without a contract and/or a lapse in contract coverage occurred.

b. [ ] Information regarding knowledge of Government employee(s) involved; and

c. [ ] Dates of events.

3. [ ] Analysis paragraph explaining how the circumstances warrant requesting relief on a quantum meruit basis. Include documentation of the following:

a. [ ] The goods or services would have been a permissible procurement had correct procedures been followed;

b. [ ] The Government received and accepted a benefit;

c. [ ] The contractor acted in good faith; and

d. [ ] The amount to be paid represents a reasonable value of the benefit received.

4. [ ] Recommendation paragraph with request for relief.

5. [ ] Description and documentation of individual and systemic corrective action(s) the supervisor or other authority have taken or have proposed to take to prevent recurrence.

**DO NOT INCLUDE ANY PERSONNEL DISCIPLINARY ACTION, WHICH IS PRIVACY ACT PROTECTED.**

6. Attach the following:

a. [ ] Documentation obtained from the office that received the voluntary goods or services and from the contractor (see Section I); and

b. [ ] Letter for CAE signature issuing initial notice and determination to the claimant.

# PGI PART 3 IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

*(Added March 23, 2020 in accordance with PROCLTR 2020-04)*

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**PGI PART 3 IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**
PGI 3.104-4 Statutory and related prohibitions, restrictions, and requirements.

## PGI SUBPART 3.1 – SAFEGUARDS

**PGI 3.104-4 Statutory and related prohibitions, restrictions, and requirements.**

(a) Use the following NDA templates as applicable:
Acquisition - J7 - Non-Disclousure Agreement_NDA_Templates - All Documents (dps.mil) (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2Fsites%2FAcquisition%2FShared%20Documents%2FJ%2D71%2FPROCLTR%20Archive%2FNon%2DDisclousure%20Agreement%5FNDA%5FTemplates&FolderCTID=0x01200080FADA3E9BBF764593CF2E25DC6FA477).

(1) *Blanket Non-Disclosure Agreement and Conflict of Interest Statement for Performance of Assigned Duties.* Government employees who regularly perform duties related to Government contracts and will have access to, CUI, shall sign the Blanket Non-Disclosure Agreement and Conflict of Interest Statement for Performance of Assigned Duties. The agreement shall be completed upon assignment to their position and provided to the Blanket NDA Repository Manager designated in accordance with PGI 3.104-4(b). The NDA will remain in effect until there is a change in the employee's position or assigned duties.

(2) *Blanket Non-Disclosure Agreement and Conflict of Interest Statement for Source Selection Participation.* Government employees who frequently participate in source selections and who will have access to CUI shall sign the Blanket Non-Disclosure Agreement and Conflict of Interest Statement for Source Selection Participation; except that Government employees may elect to sign the Non-Disclosure Agreement and Conflict of Interest Statement for One-Time Source Selection Participation and follow the policies at paragraph (a)(3) in this section. The employee shall provide a copy of the NDA to the Blanket NDA Repository Manager designated in accordance with PGI 3.104-4(b). Upon notification from a contracting officer that the employee will be participating in a specific source selection, the employee shall obtain a copy of their blanket NDA from the Blanket NDA Repository Manager and provide it to the contracting officer. The contracting officer shall sign the NDA and include it in the contract file. NDAs for source selection participation pertain to the contracting process only; therefore, they are not part of, and the contracting officer shall not include them, in the contract itself.]

(3) *Non-Disclosure Agreement and Conflict of Interest Statement for One-Time Source Selection Participation.* Government employees and non-government personnel who are participating in a specific source selection and who will have access to CUI shall sign the Non-Disclosure Agreement and Conflict of Interest Statement for One-Time Source Selection Participation and provide it to the contracting officer; except that Government employees may elect to sign the Blanket Non-Disclosure Agreement and Conflict of Interest Statement for Source Selection Participation and follow the policies at paragraph (a)(2) in this section. The contracting officer shall sign the NDA and include it in the contract file. NDAs for source selection participation pertain to the contracting process only; therefore, they are not part of, and the contracting officer shall not include them, in the contract itself.

(b) The DLA Acquisition Directorate, each DLA Acquisition Division, and each procuring organization shall designate a Blanket NDA Repository Manager, who will be responsible for maintaining the blanket NDAs in the DLA Repository for Blanket Non-Disclosure Agreements (NDAs) - Home (dps.mil)

(https://dlamil.dps.mil/sites/NDAs?e=1%3A1fd646fbec674d0d949dc7cd093911e4). Government employees who do not work for DLA Acquisition or procuring organizations shall maintain their own NDAs.

# PGI PART 8 – REQUIRED SOURCES OF SUPPLIES AND SERVICES

*(Updated December 6, 2023 in accordance with PROCLTR 2023-12)*

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**PGI 8.703-90 Policy for additions to the AbilityOne Procurement List.**
**PGI 8.703-91 New product on the AbilityOne Procurement List.**

## PGI SUBPART 8.7 – ACQUISITION FROM NONPROFIT AGENCIES EMPLOYING PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

### PGI 8.703-90 Policy for additions to the AbilityOne Procurement List.

(b)(2) *Requirement*. When reviewing the requirement, the contracting officer and AB1 liaison will consider assistance and advice from product specialists, supply planners, price analysts, or small business professionals, and will—

(i) Consider the demand history and forecast of the requirement;

(ii) Review the performance history of the current contractor and possible impact should the Commission add the product to the PL (See 41 CFR 51-2.4(a)(4));

(iii) Conduct market research for comparison of similar service requirements or product specifications, procurement terms, and pricing; and

(iv) Define the requirement specifications, quality standards, quantity, delivery or performance schedule, and as applicable, means of ordering (direct, allocation, base store, supply center, etc.), packaging, marking, and shipping instructions, etc.

(3) *Negotiate*.

(i)(A) DLA does not expect an AbilityOne Nonprofit Agency (NPA) to offer the lowest price or to offer prices matching out-of-date prices, loss leaders, salvage prices, or sale prices, especially when using raw materials that have high market volatility.

(B) The contracting officer may request proposed pricing from the NPA as f.o.b. origin, f.o.b. destination, or pricing for both, if applicable. As directed in U.S. AbilityOne Commission Policy 51.600, Fair Market Price, there can be only one FMP per specific AbilityOne product (normally identified by an NSN), except where differences exist in packaging, delivery terms, or purchase volumes.

(ii) For products, the contracting officer will review indices published by the Bureau of Labor and Statistics (BLS) to identify and recommend a Series ID, Base Index, and Base Price to be used in calculating the Producer Price Index (PPI) price adjustments. See U.S. AbilityOne Commission Policy 51.610-01.1000, Price Change Mechanism: Producer Price Index.

### PGI 8.703-91 New product on the AbilityOne Procurement List.

(a) When DLA receives notice from a Central Nonprofit Agency (CNA) that a new item is added to the AbilityOne Procurement List (PL), the applicable AbilityOne liaison will process a request to add or update the NSN in the material master as an AbilityOne product.

(b) After a new item is added to the AbilityOne PL, Contracting Officer will consider:

(1) The impact of the new AbilityOne product to current contracts to determine appropriate action.

(2) For NSNs on a LTC, whether to have the contractor buy the product from AbilityOne or remove the NSN from the contract. If the product is removed from the contract, DLA then purchases directly from AbilityOne. If a purchase exception is needed, contact the AB1 liaison for assistance.

# PGI PART 13 – SIMPLIFIED ACQUISITION PROCEDURES

*(Updated January 11, 2022 in accordance with PROCLTR 2021-15)*

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## PGI SUBPART 13.3 – SIMPLIFIED ACQUISITION METHODS

*(Updated January 11, 2022 in accordance with PROCLTR 2021-15)*

### PGI 13.390 Simplified indefinite-delivery contracts (SIDCs).

(a)(1)(S-90)(A) *Establishment of guaranteed minimum purchase requirements and obligations*. Procuring organizations shall review SIDC awards and report the results in accordance with mandatory PGI 16.504(a)(1)(S-90)(B).

## PGI SUBPART 13.4 – FAST PAYMENT PROCEDURE

### PGI 13.402 Conditions for use.

(f)(1) *Monthly reports*: The DLA Information Operations Analytics Center for Excellence (ACE) shall provide monthly reports to the DLA Acquisition Compliance, Policy and Pricing Division and the procuring organizations identifying fast payment threshold violations. In addition, ACE shall provide monthly reports to the DLA Acquisition Compliance, Policy and Pricing Division and the procuring organizations identifying orders that violate the requirements of 13.402(f) with regard to Customer Direct Shipment, DLA Direct shipment, or inspection and acceptance. ACE shall provide the prior month's report by approximately the 20th of each month. Each procuring organization shall receive a raw score based on the number of viol103ations for each of the three categories (threshold, inspection and acceptance at other than destination, and Customer Direct or DLA Direct locations that do not meet the requirements of 13.402(S-90)). The violation score shall be green for no violations, yellow for one violation, and red for two or more violations.

(i) For each procuring organization with a raw violation score of yellow or red in any of the three categories, its compliance office shall—

(A) Review the threshold and other identified violations for accuracy and identify any errors; and

(B) Develop an adjudicated violation score reflecting the removal of errors from the violations list within 30 calendar days after calculation of the raw violation score and report the results of the adjudication to the DLA Acquisition Compliance, Policy and Pricing Division.

(ii) The DLA Acquisition Compliance, Policy and Pricing Division shall track the final adjudicated score.

(iii)The HCA shall report the corrective actions for the adjudicated violations to the SPE through the DLA Acquisition Compliance, Policy and Pricing Division within 10 calendar days after completing the adjudication. The HCA may designate an individual or office to be responsible for preparing the

corrective action report, as long as the designated individual or office routes the report through the HCA for approval prior to submission.

(2) *Receipt validation*. DLA Operations Order Management shall identify missing material receipt acknowledgements (MRAs) and request that the responsible party provide them.

(3) *Shipment discrepancies*. DLA Inventory Management shall take action on discrepant orders as identified by Supply Discrepancy Reports (SF 364).

(4) *Quarterly reports.* Procuring organizations shall provide quarterly reports to the SPE, through the DLA Acquisition Compliance, Policy and Pricing Division. The purpose of the quarterly reporting requirement is to track customer receipt of material for each organization that uses fast payment procedures. The DLA Acquisition Compliance, Policy and Pricing Division shall consolidate the reports prior to reporting to the SPE. The quarterly reporting periods are October through December, January through March, April through June, and July through September for each fiscal year. Reporting organizations shall use reports generated by ACE to develop the quarterly reports to the SPE. The reports generated by ACE are a statistical sample of fast payment transactions. The DLA Acquisition Compliance, Policy and Pricing Division and each procuring organization's compliance division shall have access to all reports that ACE generates for the procuring organizations. ACE shall provide reports to procuring organizations by the 20th day of the 4th month following each quarter (for example, the report for the period of January-March will be provided by July 20th). Each procuring organization shall provide reports within 60 calendar days after receipt of the ACE reports. Each procuring organization's compliance division and CCO (or equivalent) shall review the report before submission to the DLA Acquisition Compliance, Policy and Pricing Division. Procuring organizations with no use of fast payment procedures may provide a negative response directly to the DLA Acquisition Compliance, Policy and Pricing Division without reporting to the HCA. In those cases, no Fast Pay Validation Report is required. Use the following format for the quarterly reports:

*(Beginning of report format)*

FAST PAY VALIDATION REPORT

1. Procuring Organization (include Supply Chain, if applicable): [*procuring organization insert*]
2. Time Frame: [*procuring organization insert*]
3. Confidence Level/Confidence Interval: [*procuring organization insert*]
4. Total number of lines in the population: [*procuring organization insert*]
5. Total number of lines in the sample: [*procuring organization insert*]
6. Total number of FMS lines in sample (do not require receipt): [*procuring organization insert*]
7. Total number of sampled lines with non-discrepant MRAs (FMS not included): [*procuring organization insert*]
8. Percentage of non-FMS lines validated by system MRAs: [*procuring organization insert*]
9. Contract/order type and counts: [*procuring organization insert*]
    a. Manual purchase order ("P"): [*procuring organization insert*]
    b. Automated purchase orders ("V"): [*procuring organization insert*]
    c. Delivery orders against IDIQs ("F"): [*procuring organization insert*]
    d. Other "G": [*procuring organization insert*]
10. Total number of sampled lines with no MRA (FMS not included): [*procuring organization insert*]
11. Total number of samples lines with MRAs but with discrepant quantities (FMS not included): [*procuring organization insert*]
12. Total number of lines requiring manual validation: [*procuring organization insert*]
    a. Total number validated and method of validation: [*procuring organization insert*]

(i) System-generated non-discrepant MRA: [*procuring organization insert*]
(ii) Proof of Delivery: [*procuring organization insert*]
(iii) Email confirmation: [*procuring organization insert*]
(iv) Certified Invoice: [*procuring organization insert*]
(v) Other: [*procuring organization insert*]

b. Contract/order type and counts: [*procuring organization insert*]
(i) Manual purchase orders ("M" & "P"): [*procuring organization insert*]
(ii) Automated purchase orders ("V"): [*procuring organization insert*]
(iii) Delivery orders against IDIQs ("F"): [*procuring organization insert*]

*(End of report format)*

(5) Contracting officers shall use the SAAD at 53.9013(a) or the alternate SAAD at 53.9013(c), as applicable, to document the use of fast payment procedures for purchase orders, when applicable, and verify compliance with the applicable fast payment threshold. If the authority for a threshold at 13.402 flows from an exception at 13.402(a), the contracting officer shall document the higher threshold in the narrative. If a threshold does not apply for medical supplies for direct shipment overseas based on DFARS 13.402(a)(ii), the contracting officer shall document this in the narrative. For delivery orders that require a PNM, the contracting officer shall use the PNM checklist to verify that the PNM addresses use of fast payment procedures, and the contracting officer shall address the use of fast payment procedures in the contract award.

(6) Contracting officers shall follow the job aids identified below when creating and maintaining contracts using fast payment procedures.

(i) Enterprise Core Component (ECC) Job Aids. See EBS ONLINE HELP (https://dlamil.dps.mil/sites/P1/ebs/Pages/ONLINEHELP.aspx), select "eProcurement", and select "LTCs (Outline Agreements) in ECC" to access—

(A) Long-Term Contracting: Creating an Outline Agreement
(B) ECC 778 OA Upload Spreadsheet Data Dictionary

(ii) Supplier Relationship Management (SRM) Job Aids. See EBS ONLINE HELP (https://dlamil.dps.mil/sites/P1/ebs/Pages/ONLINEHELP.aspx), select "eProcurement", and select "LTCs in SRM" to access—

(A) Long-Term Contracts (LTCs): Creating and Maintaining Contracts via Spreadsheet Upload
(B) Long-Term Contracts (LTCs): Manually Create a Long-Term Contract from an RFx Bid Response
(C) Long-Term Contracts (LTCs): Upload Spreadsheet Fields Guidance
(D) SRM LTC Contract Upload Spreadsheet Reference Only
(E) Creating a PO in SRM

# PGI PART 15 – CONTRACTING BY NEGOTIATION

*(Added October 13, 2020 in accordance with PROCLTR 20-21)*

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**PGI SUBPART 15.4 – CONTRACT PRICING**
PGI 15.403-3 Requiring data other than certified cost or pricing data.

## PGI SUBPART 15.4 – CONTRACT PRICING

**PGI 15.403-3 Requiring data other than certified cost or pricing data.**

(6)(ii) Instead of forwarding information directly to Defense Pricing and Contracting **(**DPC), HCAs shall submit consolidated, validated reports to the DLA Acquisition Compliance, Policy and Pricing Division Pricing Program Manager (PM) within 20 days after the end of each quarter. Negative replies are required. The DLA Acquisition Compliance, Policy and Pricing Division Pricing PM will consolidate all submitted reports and forward the DLA report to DPC. When the DLA Acquisition Deputy Director is the HCA, contracting officers shall submit reports through the contracting chain of command, in accordance with procedures established by the contracting office, to the DLA Acquisition Compliance, Policy and Pricing Division Pricing PM, who will brief the DLA Acquisition Deputy Director. Submit reports using the spreadsheet at Denials of Requests for Data Other than Certified Cost or Pricing Data) https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/J-72/4_%20Attachment_A-2_Denied_Data_Requests_Template_with_2-Added_Columns.xlsx).

## PGI PART 16 – TYPES OF CONTRACTS

*(Revised January 11, 2022 through PROCLTR 2021-15)*

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## PGI SUBPART 16.5 – INDEFINITE-DELIVERY CONTRACTS

(*Revised January 11, 2022 through PROCLTR 2021-15)*

**PGI 16.504 Indefinite-quantity contracts.**

(a)(1)(S-90) *Establishing guaranteed minimum quantities and recording obligations*.

(B) *Monthly review and reporting.* Procuring organizations shall access Guaranteed Minimum (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/Forms/AllItems.aspx?viewid=e9b41126%2Dd28f%2D4f87%2Da9f7%2Dddf914a82406&id=%2Fsites%2FAcquisition%2FShared%20Documents%2FGuaranteed%20Minimum); and

(i) Use instructions to query guaranteed minimums in ECC and SRM; and

(ii) Complete the Procuring Org Monthly Reporting Template and submit to the DLA Acquisition Procurement Process & Systems Division on a monthly basis (by the 10th of the month for the preceding month).

## PGI PART 17 – SPECIAL CONTRACTING METHODS

*(Revised June 16, 2023 through PROCLTR 2023-08*

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**PGI 17.9603-2 Bridge action by new contract approval to proceed.**
**PGI 17.9605 Bridge action reporting.**

## PGI SUBPART 17.96 – BRIDGE ACTIONS

**PGI 17.9603-1 Bridge action by contract modification approval to proceed.**

(a) Request for approval to proceed with a bridge action by contract modification.

Decision Memorandum Elements:

(1) Background.

(i) MSC and business unit.

(ii) Existing contract number.

(iii) Incumbent name.

(iv) Existing contract period of performance.

(v) Existing contract awarded competitive/sole source (if sole offer, so state).

(vi) Description of requirement.

(2) Bridge action – contract modification.

(i) Estimated period of performance of bridge action, with supporting rationale (see 17.9602(b)(1)).

(ii) Estimated value of bridge action.

(iii) Total estimated value of the contract, to include all options and bridge action modification.

(iv) Reason bridge action is needed, support with attributing actions, mitigation actions already taken and planned, milestones, dates, etc.

(v) Actions planned to eliminate future need of bridge actions.

(3) Certification, Recommendation and Approval.

(i) Include printed names, titles, signatures (as defined at FAR 2.101), and date signed.

(ii) *Contracting officer*. Include statement, "I certify that the facts and representations for this request for approval to proceed in pursuing a bridge action by contract modification are accurate and complete to the best of my knowledge and belief."

(iii) *Head of the Contracting Activity*.

(A) Pursuant to 17.9603-1(a), include statement, "Upon the basis of the information contained in this request, as the Head of the Contracting Activity, I hereby give my approval to proceed with solicitation and negotiation of a bridge action by contract modification as described herein."

(B) Pursuant to 17.9603-1(b), include statement, "Upon the basis of the information contained in this request, as the [Head of the Contracting Activity or DLA Acquisition Operations Division Chief], I hereby recommend approval to proceed with solicitation and negotiation of a bridge action by contract modification as described herein."

(iv) *DLA Competition Advocate*. Include statement, "Upon the basis of the information contained in this request, as the DLA Competition Advocate, I hereby give my approval to proceed with solicitation and negotiation of a bridge action by contract modification as described herein."

**PGI 17.9603-2 Bridge action by new contract approval to proceed.**

(a) Request for approval to proceed with a bridge action by new contract.

Decision Memorandum Elements:

(1) Background.

(i) MSC and business unit.

(ii) Existing contract number.

(iii) Incumbent name.

(iv) Existing contract period of performance.

(v) Existing contract awarded competitive/sole source (if sole offer, so state).

(vi) Description of requirement.

(2) Bridge Action by New Contract.

(i) Estimated period of performance of bridge contract, with supporting rationale.

(ii) Estimated value of bridge action by new contract, to include all options.

(iii) Reason bridge action by new contract is needed, support with attributing actions, mitigation actions already taken and planned, milestones, dates, etc.

(iv) Is this request for the first use of a bridge action by new contract to provide continuation of the requires services or supplies? If this is a second or subsequent request, provide all previous contract numbers, award values, and periods of performance.

(3) Certification, Recommendation and Approval.

(i) Include printed names, titles, signatures (as defined at FAR 2.101), and date signed.

(ii) *Contracting officer*. Include statement, "I certify that the facts and representations for this request for approval to proceed in pursuing a bridge action by new contract are accurate and complete to the best of my knowledge and belief."

(iii) *Head of the Contracting Activity*.

(A) Pursuant to 17.9603-2(a), include statement, "Upon the basis of the information

contained in this request, as the [Head of the Contracting Activity or Chief of the Contracting Office], I hereby give my approval to proceed with solicitation and negotiation of a bridge action by new contract as described herein."

(B) Pursuant to 17.9603-2(b) and (c), include statement, "Upon the basis of the information contained in this request, as the [Head of the Contracting Activity or DLA Acquisition Operations Division Chief], I hereby recommend approval to proceed with solicitation and negotiation of a bridge action by new contract as described herein."

(iv) *DLA Competition Advocate*.

(A) Pursuant to 17.9603-2(b), include statement, "Upon the basis of the information contained in this request, as the DLA Competition Advocate, I hereby give my approval to proceed with solicitation and negotiation of a bridge action by new contract as described herein."

(B) Pursuant to 17.9603-2(c), include statement, "Upon the basis of the information contained in this request, as the DLA Competition Advocate, I hereby recommend approval to proceed with solicitation and negotiation of a bridge action by new contract as described herein."

(v) *Senior Procurement Executive*. Include statement, "Upon the basis of the information contained in this request, as the Senior Procurement Executive, I hereby give my approval to proceed with solicitation and negotiation of a bridge action by new contract as described herein."

**PGI 17.9605 Bridge action reporting.**

(b) DLA Acquisition Bridge Actions Report template is accessed at Monthly Bridge Report Template (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/J-73/J-73%20Webpage%20Material/Monthly%20Bridge%20Report%20Template.xlsx).

* * * * *

# PGI PART 23 – ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

PGI PART 23 – ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

PGI 23.9001 General.

## PGI SUBPART 23.90 – ENSURING ADEQUATE COVID-19 SAFETY PROTOCOLS FOR FEDERAL CONTRACTORS

**PGI 23.9001 General.**

(c) See Vaccination Deviation Flow Chart (https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/J-72/Vaccination%20Deviation%20Flow%20Chart_Updated_29OCT2021.pdf) on the Acquisition SharePoint Page. The flow chart includes Frequently Asked Questions (FAQs).

# PGI PART 25 – FOREIGN ACQUISITION

*(Added March 23, 2020 in accordance with PROCLTR 2020-01)*

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PGI 25.7902-4 Procedures.

**PGI SUBPART 25.79 – EXPORT CONTROL**

**PGI 25.7902-4 Procedures.**

(S-90) The contracting officer shall follow the guidance in PGI 25.7902-4(S-90)(1), (2), or (3), as applicable, to determine if an offeror meets the conditions for an exception to the requirement to verify DLA controlling authority approval to access export-controlled data.

(1) If the offeror is a manufacturer or an OEM offering its manufactured item and does not require access to DLA controlled technical data or information to complete contract performance, the offeror must have asserted within its offer or must otherwise confirm in writing to the contracting officer prior to award that it does not require access to DLA controlled technical data or information, and it will provide items that conform to the current revision of applicable technical data. The contracting officer shall document the offeror's assertion in the contract file and insert procurement note H10, Awardee Requires No Access to DLA Controlled Technical Data or Information for Contract Performance, in the award.

*****

H10 Awardee Requires No Access to DLA Controlled Technical Data or Information for Contract Performance (FEB 2020)

Awardee has confirmed it will not require access to DLA controlled technical data or information for contract performance, and it will provide items that conform to the current revision of applicable technical data.

*****

(2) If the offeror is a dealer or a distributor offering an item produced by another source of supply and does not require access to technical data or information to complete performance, the offeror must have asserted in its offer or must otherwise confirm in writing to the contracting officer prior to award that it does not require access to controlled technical data or information and that it is offering items that conform to the current revision of applicable technical data. The contracting officer shall include the offeror's assertion in the contract file and insert procurement note H10 in the award.

(3)(i) If the offeror is a dealer offering unused former Government surplus property designated as a Trade Security Controlled (TSC) item and does not require access to technical data or information to complete performance, the contracting officer shall not award the requirement until—

(A) The product specialist has validated the item meets all current revision requirements based on the offeror's responses in procurement note C04, Unused Former Government Surplus Property (see 11.390(a)); and

(B) The offeror has asserted in its offer or otherwise confirmed in writing to the contracting officer prior to award that it does not require access to controlled technical data or information and that it is offering items that conform to the current revision of applicable technical data.

(ii) The contracting officer shall include the offeror's assertion and product specialist's recommendation in the contract file, and insert procurement note H10 in the award.

(S-91) The contracting officer generally should not delay award solely because the offeror does not have DLA controlling authority approval to access export control technical data. The contracting officer shall not make blanket determinations to delay awards pending DLA controlling authority approval. The

contracting officer shall review each procurement independently, document any decision to delay the award pending DLA controlling authority approval, and include the documentation in the contract file. (S-92) If the awardee confirmed prior to award that it did not require access to controlled technical data or information to perform and after award notifies the contracting officer that it does require access, the contracting officer shall not grant a delivery extension for the awardee to obtain DLA controlling authority approval to access export control technical data. For unilateral purchase orders, if an awardee states after award that it requires access to technical data or information, the contracting officer may withdraw the purchase order in accordance with FAR 13.004(c), as the awardee is unable to accept DLA's offer through performance.

# PGI PART 45 – GOVERNMENT PROPERY

*(Added December 6, 2023 in accordance with through PROCLTR 2023-11*

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PGI PART 45 GOVERNMENT PROPERTY
PGI Subpart 45.201 Solicitation and Evaluation.

## PGI SUBPART 45.201 – SOLICITATION AND EVALUATION

**(a) Solicitation and Evaluation.**
When issuing requirements that will require contractors to ship Vendor Managed Inventory (VMI) or Government Furnished Property (GFP) to a contractually designated destination, where the Government will reimburse the contractor for the actual freight costs incurred, the solicitation shall require:

(1) Prior to solicitation the requiring activity, with assistance from the contracting officer, shall calculate the estimated annual freight cost that will be incurred by the contractor to ship, via common carrier, the item(s) from the contractor's facility(s) to the anticipated DLA contractual destination(s). The estimated annual freight cost is an independent government cost estimate (IGCE) of the total individual shipments that are likely to occur during each performance period. The IGCE will be utilized by the contracting officer to not only fund the CLIN(s) (DLA E-Procurement job aids refer to as an 'additive' or a 'service material' CLIN) at time of award, but also to determine cost reasonableness when analyzing the contractor's freight invoice for payment.

(i) An IGCE calculation is required for the entire performance period of the contract, including for each option period if applicable. **CUI**

(2) Use of CLIN, S00000200, VMI / GFP Government Reimbursed Freight, that will facilitate funding and payment to the contractor of the actual freight costs incurred for shipment of the supplies from their facility to a contractually designated location(s).

(i) CLIN S00000200 shall be included in the solicitation, one for each performance period, utilizing the estimated annual freight cost calculated on the IGCE.

(3) The contracting officer shall include instructions on the 'comments page' of the solicitation informing the contractor of the following requirements:

(i) contractor must submit a monthly invoice to DLA for the total amount of the actual freight costs charged to the contractor by the common carrier(s) during the month,

(ii) the contractor's invoice must be supported by:

(A) a copy of each common carrier's invoice, the total of which shall match the contractor's monthly invoice,

(B) a detailed report, utilizing an excel spreadsheet or alternate document, comprised of the following data elements,

i. Date of shipment to DLA (or alternate location),
ii. Shipment Destination (name and address),
iii. DLA delivery or task order number items were shipped against (as applicable),
iv. Contractor's invoice number to DLA for the VMI or GFP that was shipped,
v. Quantity of cartons shipped,
vi. Name of common carrier (i.e., UPS, FEDEX, etc.),
vii. Common carrier's invoice number,
viii. Common carrier's invoice date,
ix. Total dollar amount of common carrier's invoice,
x. Contractor's date of payment to common carrier.

(iii) the invoice and report must be submitted no later than 30 days after the last day of the preceding month.

(4) Upon submission of the contractor's invoice for freight reimbursement, to include the detailed report, contracting officers shall review the report and each of the common carrier's invoices prior to approval of the contractor's invoice for payment. Approval of the contractor's freight invoice within Wide Area Workflow (WAWF) will indicate, at a minimum, the contracting officer has reviewed the following elements and determined there to be no errors, duplicate payments, and the charges are complete, proper, and accurate. Contracting officers should review the report to ensure:

(i) DLA delivery/task order number(s) are valid.

(ii) DLA delivery/task order number(s) have not been duplicated on prior reports, unless justified (e.g., split shipments).

(iii) Common carrier shipment dates align with contractually required shipment dates,

(iv) Reasonableness of the common carrier's freight charge (i.e., contracting officers may elect to utilize the estimated IGCE freight costs, or a comparison to previous shipments of similar size and destination).

(v) No duplicate common carrier invoice / invoice numbers in this report and prior reports.

(vi) Total dollar value of report matches total dollar value of contractor's freight reimbursement invoice.

(A) Any accuracy discrepancies or concerns shall result in rejection of the invoice and return to the contractor for correction and resubmission.

(B) Upon approval of the contractor's invoice for payment, contracting officers shall upload a copy of the invoice, supporting report, common carriers' invoice(s), and any alternate documents into the contract file located within Records Management, or alternate electronic contract file. If an alternate electronic contract file is used, an MFR documenting the location of the records must be loaded into Records Management.

(5) To ensure the above process is properly executed, DLA Procurement Process and Systems Division (J76) will create a monthly list of VMI contracts with separate VMI / GFP Government Reimbursed Freight Services contract line-item number (CLIN) by the 10th of each month for the preceding month.

(i) J76 will validate the list by comparing to existing VMI tracking reports at Major Subordinate Command (MSC) level for completeness and accuracy prior to use. The report will be sent to each applicable MSC Procurement Process Support Directorate (PPSD) or GS-15 Chief of Contracting (CoC) for delegation to the Contracting Officer (KO) assigned to the contract. The KO will perform a complete review and validation of the transportation invoices.

(ii) Each applicable MSC Head of Contracting (HCA)shall report and attest to the results to the DLA Procurement Process and Systems Division (J76) within 10 business days of report receipt.

(iii) MSCs will work with contractors to resolve any invoice deficiencies. If DLA's payment to the contractor was issued for an invoice subsequently determined to be deficient, the contracting officer must work with the contractor to resolve the deficiency and document details of the deficiency and correction in a Memorandum for Record (MFR). The MFR must include documents to support the correction. If payment has not been made, the contracting officer must obtain adequate and accurate documentation from the contractor and recertify the deficient invoice. All documentation shall be retained within the contract file.

(iv). Failures to properly review the contractor invoice and supporting documentation for completeness and accuracy prior to invoice approval are reflected in warrant proficiency scores and require creation of a contracting officer corrective action plan. See Warrant Defense Logistics Agency Manual (DLAM) 5025.04, Contracting Officer (KO) Warrant Program, for warrant proficiency score details.

(v) Results and trends will be reported by DLA Procurement Process and Systems Division (J76) to the Senior Procurement Expert (SPE) by the end of the month for the preceding month.

## PGI PART 53 – FORMS

*(Added January 11, 2022 in accordance with through PROCLTR 2022-03)*

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**PGI SUBPART 53.90 – FORMATS AND TEMPLATES**
53.9000 Controlled Unclassified Information (CUI) Marking.

## PGI SUBPART 53.90 – FORMATS AND TEMPLATES

*(Added January 11, 2022 in accordance with through PROCLTR 2022-03)*

### 53.9000 Controlled Unclassified Information (CUI) Marking.

(a) The originator of a communication or documentation is responsible for determining, at the time of creation, whether information in a communication or documentation falls into a CUI category.

> Controlled by: [Name of DoD Component determining that the information is CUI]
> *(This should normally be DLA and MSC name. Omit this if using memo with DLA or DLA procuring organization letterhead.)*
> Controlled by: [Name of Office making the CUI determination]
> *(This is typically the procuring organization sublevel/branch name or code.)*
> CUI Category: [List category or categories of CUI]
> *(The most common categories are General Procurement, Source Selection, and Privacy; however, others may apply (e.g., General Proprietary Business Information, Legal Privilege.). Documents marked for the CUI Category - Source Selection still require markings IAW FAR 3.104-4(c). The top and bottom of each page must also be marked "Source Selection Information - See FAR 2.101 and 3.104".)*
> Distribution/Dissemination Control: [Include Limited Dissemination Control of who can view the document]
> *(In most cases use "FED ONLY" for internal documents and emails. Use "FEDCON" for emails and other correspondence with contractors. The CUI Limited Dissemination Controls list in DLAI 5200.48 includes all available options.)*
> POC: [Email address or phone number of document originator]

(b) Contracting Officers may access the following resources and training material for additional guidance:

(1) DoDI 5200.48 Controlled Unclassified Information (CUI) (https://dlamil.dps.mil/sites/Intelligence/PublishingImages/cui/DoDI%205200.48%20-%20Controlled%20Unclassified%20Information%20%28CUI%29%20%28002%29.pdf).

(2) DLAI 5200.48, Controlled Unclassified Information (CUI) (https://dlamil.dps.mil/sites/Intelligence/Shared%20Documents/DLAI%205200.48%20CUI.pdf).

(3) DLA Intelligence CUI Resources (https://dlamil.dps.mil/sites/Intelligence/cui).

(4) CUI Categories | National Archives (https://www.bing.com/search?q=categories%3A+https%3A%2F%2Fwww.archives.gov%2Fcui%2Fregistry%2Fcategorylist&src=IE-SearchBox&FORM=IESR3N).

(5) DoD CUI Training (PowerPoint) (https://www.dodcui.mil/Portals/109/Documents/Training%20Docs/21-S-

0588%20cleared%20CUI%20Awareness%20Training%20Nov%202020.pdf?ver=eOMZuMPrdLXcnhS6egUe2w%3d%3d) (see pages 21 through 24 for examples of markings).