

Contracting Policy Bulletin

January 2004

HQ AFSPC/PK Peterson AFB CO

Comments or suggestions regarding this Bulletin may be directed to HQ AFSPC/PK, DSN 692-5250. Current and past policy bulletins are posted on the HQ AFSPC/PK Home Page (<http://www.peterson.af.mil/hqafspc/contracting/>, just click on the 'AFSPC Toolkit/Policy Bulletins' button).

Deputy's Desk - How's Your Balance?

One of the things that makes government contracting so interesting is also the source of one of our biggest continual challenges: we don't serve just one customer or constituency. We all know that the warfighter is the ultimate customer for the products and services we acquire. If we're not supporting that customer, our jobs are unnecessary. But we all know also that there are lots of other "customers" with a vested interest in how we carry out our business. Small and disadvantaged businesses depend on our initiatives to make sure they get the opportunity to provide a fair share of our requirements. Congress expects us to follow the laws and rules they establish to control how, where, and sometimes, what we buy. And taxpayers certainly expect us to remember that it's their money, not ours, and to spend it wisely.

Part of the art of contracting is learning how to maintain that proper balance of responsive warfighter support with all the other customers' expectations. It's easy to point to times when we let rigid adherence to rules and procedures unnecessarily impact our responsiveness to warfighter needs. There are also times, however, when we let our desire for short term responsiveness to those needs overwhelm our business judgment, common sense, and in some cases, even our integrity. While such actions may appear to serve the warfighter, the eventual impact is almost certainly the opposite.

As I read the GSA IG's audit of their FTS contracts recently, it was apparent that short-term accommodation of customer desires had overcome all other values necessary to maintain solid long-term support. Competition, fair pricing, small business rules, basic scope determinations, and ensuring contract performance were all routinely sacrificed to customer desires and expediency in order to grow the FTS business base. There is no indication in the report of any GSA employee benefiting personally from these actions. They were all apparently just trying to satisfy their customer. By failing to recognize the proper balance of other competing "customers' interests," however, they lost sight of the public trust responsibility we all share. It's too early to know the final outcome of the on-going investigations and Congressional interest. But if the past is any indication, we can expect more direction from Congress, more cynicism from the public and more restriction in our future flexibility to respond to our warfighter customer.

Our challenge is clear. We must continue to look for ways to be even more responsive to our warfighter customers, but we can never lose sight of what we know is right. A tough challenge? Yeah, but as an old friend, now a retired PCO, used to remind me, "If it was easy, everyone would be doing it!"

AFSPC Policy Notes

I. Conflict Between WAWF Info Ltr 2004-1, Rev.1 and DFAR 252.232-7003

In December 2003, DoD finally released the new DFARS clause dealing with the use of Wide-Area Work Flow (WAWF) and electronic payments of contracts. The language in the clause is very similar to the language included in AFSPC Info Ltr 2004-1, Rev.1; however, not all of our

bases have done their transition to WAWF. Currently, the last schedule AFSPC base for WAWF rollout is Malmstrom in March. Therefore, the Info Ltr. will not be rescinded until all of the AFSPC bases have made the full transition to WAWF. In the meantime, if your base has transitioned to use WAWF, you need to be using the DFARS clause, as opposed to the instructions in the Info Ltr. in all contracts, to include Purchase Orders, Agreements and GSA Task/Delivery Orders, if the terms and conditions of the GSA contract allow the flexibility of adding separate or different payment instructions (see the October 2003 Policy Bulletin for a more detailed discussion of this issue).

II. Update on AFSPC Management and Oversight of Acquisition of Service Process (MOASP)

Tim Beyland, AF PEO/SV, approved the AFSPC MOASP on 9 Jan 04. As we have stated to you several times in the past 4 – 6 months, the next step in this process is to task the Wing's to develop their own MOASP, which will be sent to AFSPC/PK for final review and approval. The tasker letter is currently being drafted and will be coming out to the Wings through your Wing chain of command. We will be sending everyone a heads-up on the due date of the document as soon as the tasker letter has been signed.

Another issue relative to the USAF MOASP, the AFSPC MOASP, and recent changes reflected in DFARS and AFFARS Part 37 resulting from language in the National Defense Authorization Act (NDAA) for FY2002, is when the Wing designated official(s) need to certify that a services requirement is expressed in outcome or performance-based language.

a. For any acquisition or contract action for which the Wing CONS is providing the contracting support, including any DoD tenant units; the answer is the Wing designated official(s), AFSPC/PK or the AF PEO/SV, depending upon the total dollar value of the acquisition or contract action.

b. The story gets a little bit more confusing when the Wing is sending money somewhere else for another organization or agency to do an acquisition or contract action.

(1) If the organization providing the contract support is another DoD organization (e.g. Army, Navy, DLA, etc.), then the AF designated official, be they local or at a higher HQ level, *DOES NOT* have to certify the requirements are written in performance-based language. Since the requirement for certification of performance-based requirements is applicable across the DoD, then it will be up to the designated official for the buying organization to insure that the certification is done.

(2) If the organization providing the contract support is outside the DoD (e.g. GSA Federal Technology Service, Dept. of Energy, Dept. of the Interior, Dept. of Commerce, NASA, etc.), the appropriate AF designated official *DOES* have to certify that the requirements are written in outcome or performance-based language. Some Wings have started involving CONS in the MIPR review and approval process in order to insure that the CONS looks at or reviews the requirements document before it goes somewhere else to be acquired.

Bottom Line: Since the designated official approval of the performance-based language is a statutory requirement, no matter the source of the support, it is imperative that the Wing MOASP be a Wing document and not just a Contracting requirement.

(NOTE: The AF, including both SAF/AQC and SAF/FM, are currently working on a standard approach or process to involve the CONS in the review and approval of MIPRS for the sake of determining whether the local CONS can provide better and more affordable support versus going somewhere else. While this AF process is imminent and will probably roll in the

designated official review, this something that is different than the designated official certification requirement that is required now.)

III. Update on \$1M/\$10M Report and Reporting to AFSPC/CC/CV

Gen. Lord has finally given formal direction that both he and Gen. Leaf would like to see the \$1M/\$10M report quarterly to stay up-to-date on what contract actions are happening which might be of interest to them or come up during his visits with contractors. As a result, it is imperative that the reports be kept current, accurate, complete and be readable. This means that you need to spell out all words and not rely on acronyms only. While Gen. Lord has only asked for the reports on a quarterly basis, AFSPC/PK will still be requiring the reports monthly.

Also, we will begin sending Gen Lord and Lt Gen Leaf copies of the 1279 Reports. The expectation is that this will be sent simultaneous to the submission of the actual report to SAF/LLP. Copies of the report will probably have to be sent to CC, CV, MS and PK. This is not officially required yet; however, be expecting a policy letter to be coming out on this soon.

IV. Procurement Management Review (PMR) Schedule for the Upcoming Year

We will be starting our next round of PMRs very shortly. Again, this review is something that should be used by the CONS as a tool to make improvements to the organization. This is not like an audit or an IG inspection. The CONS does not get graded and the report goes directly from AFSPC/PK to the CONS/CC. Nothing gets reported to the Wing chain of command. While the dates still have yet to be finalized, the current tentative schedule is:

<u>Base</u>	<u>Date</u>	<u>Base</u>	<u>Date</u>
Peterson	Feb 04	Los Angeles	Oct 04
Schriever	Apr 04	Vandenberg	Oct 04
Patrick	May 04	Buckley	Feb 05
F.E. Warren	Jul 04		
Malmstrom	Aug 04		

V. Update on “Installation Access” Clause

Recently (at the end of December), the CONS were all asked to provide SAF/AQC with some feedback/comments on proposed language for a standard Air Force language regarding access to Air Force installations and anti-terrorism screening. SAF/AQC received about 30 pages of comments from across the Air Force. They are in the process of addressing those comments and revising the language. Something should be coming out shortly with the final language. In the mean time, continue to work with your security folks to insure that their requirements are address with language in the SOWs.

VI. Update on AFSPC Checklist 64-4

We have been working very hard on revising the checklist and have actually reduced the number of pages from 19 to approximately 11 or 12. AFSPC/IG has a draft copy of the checklist and are currently reviewing it. We anticipate releasing a draft of the checklist out to the field in the first part of February, allowing about 3 weeks for review comments. Then we will work as quickly as possible to get the changes made and process the checklist for final publication.

Featured Training

This month's featured training is the AF Fiscal Law Tutorial. The training is available through the Assistant Secretary of the Air Force (Financial Management and Comptroller) SAF/FM website. To access the course, go to <http://www.saffm.hq.af.mil/fiscallaw/index.htm>. This tutorial was developed to assist with initial training in fiscal law and to provide continuation training for persons with responsibility for the proper use of appropriated funds.

The course is organized into five modules with self-testing at the end of each module, based on the learning objectives. Estimated time to complete is between 4 and 6 hours depending on your familiarity with the subject and the time it takes you to become familiar with this tutorial. Time per module is estimated at 45 minutes to 1 hour, again, depending on your familiarity with the subject. The tutorial sections include an introduction, foundations of fiscal law, purpose, time, amount, obligation, and other issues in fiscal law.

There are no registration requirements for this course. Simply access the website and begin the tutorial. If you have questions, please feel free to call the featured training point of contact, Tamara Martin at 554-5251, DSN 692-5251, or e-mail <mailto:Tamara.Martin@Peterson.af.mil>.

Spotlight on 61st Contracting Squadron, Los Angeles AFB CA

Placing Decentralized Orders Against AFCEE Environmental Contracts

by 2Lt Dave Kindt

Issuing task orders against contracts awarded by the Air Force Center for Environmental Excellence is one way to satisfy various types of environmental requirements for your base. Since the labor rates are set in the basic contract, and the contractors are already in place to do the work, this can be a good route to use, especially if time is critical. The following is a breakdown of the tasks involved in awarding a delivery order through AFCEE:

(1) Go to the AFCEE website at <http://www.afcee.brooks.af.mil/pkv/contracts.asp?screen=viewall> and choose which contract best meets your needs.

(2) Submit a decentralized order request worksheet with POC names and a description of the work to be done.

(3) When AFCEE approves the scope of work, the Contracting Officer and CE will sign a Memorandum of Agreement to allow them to place the decentralized order.

(4) Finally, the contracting office will have full authority to award, administer, terminate, and close out the task order.

Miscellaneous

I. Farewell

It is with sadness that we bid farewell to Lt Col Dan Kerbs. His retirement ceremony was held on 16 Jan 04. Lt Col Kerbs provided outstanding leadership and policy guidance during his 4 year tenure as Chief, Policy and Clearance Branch. We wish Cheryl and Dan the very best as they transition into the next phase of their lives.

II. Welcome!

We would like to welcome our newest staff member, Ms. Dianne Holmes. She replaced Mr. Tony Lander as Chief, Program Support Branch as well as Director, Small and Disadvantaged Business Program. We are extremely fortunate to have Ms. Holmes join our team. She has a very diverse background and was previously assigned to SAF/AQC. Welcome Dianne and Butch!

III. Updated Checklists/Guide and FAR/DFARS Notification Updates

a. The Price Negotiation Memorandum (PNM) Checklist (FINAL VERSION -- effective 28 January) is now available on our web site.

<https://www.peterson.af.mil/hqafspc/contracting/checklistindex.htm>

b. FAC 2001-19. There were numerous changes in this FAC and there were two effective dates (January 1, 2004 and January 7, 2004). Suggest if you have not subscribed to the FAR News that you register to receive the latest changes to the FAR as they occur. The following web site will allow you to enter your e-mail address and register for these changes (just click on "Subscribe to FAR News"). <http://www.arnet.gov/far/>

Below is a web link for a synopsis of the changes that were depicted in FAC 2001-19, Item II, effective January 1, 2004 and Item I effective January 7, 2004.

<http://www.arnet.gov/far/FAC/fac01019.pdf>

c. The Contract Pricing and Unsolicited Proposal Guide in Part 15 of our toolkit has a new "Instructional Guide" for completing the PNM Checklist. We here at HQ AFSPC/PK want to thank Mr. Larry Hanes at Patrick AFB who created this guide. This new guide will assist the contracting officer in writing a PNM. It can be found at the following web site under the heading "GUIDANCE": <https://www.peterson.af.mil/hqafspc/contracting/part15.htm>

IV. Economy Act Determination and Findings (D&F)

There has been a recent approval of a blanket Economy Act Determination and Findings (D&F) of which you all should be aware. This D&F covers Federal Stock Group 65 commodities, their repair, professional services as defined by DFARS 237.104(b)(ii), specialized repair services for medical facilities and their unique building systems, physical plant operations, services on Federal Supply Schedule (FSS), services for use by more than one Air Force Medical Treatment Facility (MTF), or any other medical unit associated with the Air Force Surgeon General's office that may be placed with the Department of Veterans Affairs Special Services (VASS) contracting office located at Fort Detrick. The D&F is valid for all such purchases made between 1 Jan 04 and 30 Sep 04. Also, attached are the procedures to process a MIPR for services subject to the blanket D&F. It is expected that the D&F will be posted to the Air Force Contracting Toolkit in the near future.

Please be sure to forward this information to those folks within you squadrons who acquire these types of services in support of the local MTF.



Econ Act D&F



VASS

IV. Information Letter Update

There are two new policy letters out. One affects all SPS users which mandates using meaningful descriptions in the document at the document level. This is essential because it will allow us to evaluate the types of purchases that are occurring in the Command and will be very important in doing future spend analysis on certain commodity types. The second policy letter affects the systems area and mandates specific back-up times for the SPS and requires a disaster recovery plan be developed. If you have any questions feel free to contact Rick Myers at DSN 692-5782.



InfoLtr 2004-03



Info Ltr 2004-04

Websites

Policy, to include: OFPP Memos, DDP Memos, AF Acq Excellence, Prin Dep Asst Sec (Acq&Mgmt) Memos, Prin Dep Asst Sec (Contracting) Policy/Info Memos, Contracting Related Memos, Source Selection Policy, Supp to DDP & OFPP Memos, AF Class Deviations, and Enduring Freedom Memos:

<http://www.safaq.hq.af.mil/contracting/policy/index.cfm>

Defense Procurement and Acquisition Policy: <http://www.acq.osd.mil/dpap>

DFARS Change Notices: <http://www.acq.osd.mil/dp/dars/dfars/changes.htm>)

DFARS News (subscribe/unsubscribe): <http://www.acq.osd.mil/dp/dars/dfarmail.htm>

DoD Class Deviations: <http://www.acq.osd.mil/dp/dars/classdev.html>)

What's New in Defense Procurement: <http://www.acq.osd.mil/dp/>

SAF/AQ What's New Site Summary: <http://www.safaq.hq.af.mil/contracting/newevents/>

FAR FACs: <http://farsite.hill.af.mil/regst1.htm#FAC>) or <http://www.arnet.gov/far>

FAR News (subscribe/unsubscribe): <http://www.arnet.gov/far/mailframe.html>

AFFARS AFACS: <http://farsite.hill.af.mil/regst1.htm#AFAC>

AFSPCFARS: <http://www.spacecom.af.mil/hqafspc/contracting/toolkitmenu.htm>

AFSPC Information (Policy) Letters: <http://www.spacecom.af.mil/hqafspc/contracting/policyletters.htm>

Protest Guide: <http://www.safaq.hq.af.mil/contracting/toolkit/part33/>

Protest Summaries: <http://www.gao.gov/decisions/bidpro/bidpro.htm>

Contract Financing: <http://www.safaq.hq.af.mil/contracting/toolkit/part32/>

DPAS: <http://www.bxa.doc.gov/defenseindustrialbaseprograms/OSIES/DPAS/Default.htm>

Where in Federal Contracting?: <http://www.wifcon.com/quickit.htm>

ACQNOW Continuous Learning Tracking System: <https://www.atrrs.army.mil/channels/acqnowcl/>

DAU continuous learning modules: http://clc.dau.mil/kc/no_login/portal.asp?strRedirect=LC_CIA