

DEPARTMENT OF THE NAVY  
BUREAU OF NAVAL PERSONNEL  
WASHINGTON, D.C. 20370-5000

IN REPLY REFER TO

BUPERSINST 4235.3  
Pers-021  
17 JUL 1995

BUPERS INSTRUCTION 4235.3

From: Chief of Naval Personnel

Subj: PROCUREMENT GUIDELINES

Ref: (a) NAVSUPINST 4330.7A  
(b) Federal Acquisition Regulations (FAR)  
(c) NDWINST 4235.6B  
(d) SECNAVINST 5231.1C  
(e) SECNAVINST 4200.31C  
(f) DOD Directive 5500.7D

1. Purpose: To issue procurement procedures for supplies and services purchased by the Bureau of Naval Personnel (BUPERS). This instruction is a complete revision and should be reviewed in its entirety.

2. Cancellation. NAVMILPERSCOMINST 4235.1A.

3. Discussion. By references (a) through (f), this instruction provides procurement guidance to BUPERS personnel. Adherence to these procedures, augmented by consultation with the Contract Liaison Officer (Pers-021C), will result in timely processing of procurement requirements. Contracting lead-time will be reduced since a significant part of overall lead-time is spent obtaining clarification of technical requirements, supplemental approvals and justifications, from requesting activities. The requisitioner, contracting center, contractor, contract administrators, and the ultimate users of the goods or services will benefit if procurement functions are planned, processed, and administered properly.

4. Action. All procurement functions are to be performed in accordance with this instruction.

5. Forms Availability: See page iii.

Distribution: (See next page)

BUPERSINST 4235.3

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Distribution:

BUPERS LIST

1A

1B

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## FORMS

The forms listed below are available from the Bureau of Naval Personnel (Pers-021):

NAVCOMPT 2276 (8-81), Request for Contractual Procurement, S/N 0104-LF-702-2761, see appendix E.

DD 1423 (6-90), Contract Data Requirements List, S/N 0102-LF-010-5400, see appendix F.

The following forms are available in the Navy supply system using requisitioning procedures contained in NAVSUP P-2002, Navy Stock List of Publications and Forms:

DD 250 (11-92), Material Inspection and Receiving Report, S/N 0102-LF-014-1300.

DD 1149 (1-93), Requisition and Invoice/Shipping Document, S/N 0102-LF-015-8500.

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## CHAPTER I

INTRODUCTION

1. General. The most important step in the acquisition process is the preparation of the contract request. It must clearly and thoroughly describe the material or services required and include all supplementary information necessary for the contracting office to proceed with the acquisition. All too frequently, when the necessity for materials or services becomes apparent to a BUPERS division, it is determined to be critical or is disregarded until it becomes critical. Consequently, the individual responsible for preparing a requisition is pressured to process the documentation expediently. In most cases when this occurs, the requisition lacks preciseness and/or the required supporting documentation. To avoid entanglement with a contractor such as changes, disputes, claims, and uneasy relationships between government and contractor personnel, it is to everyone's benefit for the initial preparation to be done correctly.

2. The contract request consists of a variety of documents, depending upon the procurement action. At BUPERS, most requirements fall within two broad categories: supplies and services.

a. Supply contracts include all items except land or interest in land. A supply contract procures a specific end product which is the primary purpose of the contract.

b. Both service contracts and Consulting Service (CS) contracts directly engage time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to supply an end item. For purposes of this definition, a report is not considered a specific end product if the primary purpose of the contract is to obtain a contractor's time and effort and the report is merely incidental to this purpose.

c. The service contract request is more complicated due to the restrictions governing personal services contracting and provisions made to ensure that the Department of the Navy (DON) retains its ability to control its own programs and policies. Further information about the administration of service contracts is contained in reference (a).

3. This instruction sets forth the basic policies and procedures for the submission of contract requests. Adherence to this instruction by all requesting offices and departments will enable the appropriate contracting agency to provide better and more timely service.

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## CHAPTER II

ADMINISTRATION PROCEDURES201. Communications with Contractors

1. By reference (b), correspondence and oral communications with contractors concerning DON contractual matters shall be conducted without obligating the government or altering an existing contract.
2. No person, other than a duly designated contracting officer acting within the scope of his/her authority, is authorized to enter into or modify a contract.
3. While immediate action may be necessary in some cases to obtain supplies, services, and/or correct equipment deficiencies, the need to provide prompt notice to a contractor does not justify entering a contractual commitment by other than authorized personnel. Timely contractual coverage can be provided within the framework of present procedures with proper initiative and follow-through.
4. Under certain circumstances, criminal and administrative penalties are provided for unauthorized commitment of appropriations.

202. Policies Governing Communications with Industry1. Written Communication

a. All written communications intended for a contractor or prospective contractor which

- (1) Contractually commit the government;
- (2) Interpret, waive, or change the provisions of any contract or solicitation document;
- (3) Exercise any right under a contract, such as right of termination or right to implement an option;
- (4) Propose or affect any other contractual term or provision; or
- (5) Purport to amend a contract shall be issued only by the appropriate contracting officer or his duly authorized representative acting within the scope of his authority.

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b. The counsel of Fleet and Industrial Supply Center (FISC) Norfolk Detachment is authorized to communicate directly with contractors and prospective contractors concerning matters of form and legality of contracts, legal aspects of claims, litigation, etc. A copy of each communication between FISC and the contractor shall be provided for the official contract file of each contract affected by the particular communication.

c. Written communications involving contractual matters which affect contract administration shall be sent via Pers-021, the contracting officer, and the field contract administration office of the contracting center. Correspondence relating to matters not within the responsibility of the contract administrators (i.e., general information) may be exchanged directly with the contractor, but a copy shall be furnished to all the above parties.

## 2. Oral Communications

a. Whenever possible, communications concerning contractual matters with contractors or prospective contractors shall be in writing. Oral discussions, when essential, shall be conducted following paragraphs (b) and (c) below.

b. Whenever oral communications between DON and contractor personnel may affect the scope or provisions of a contract, the field contract administrator and contracting officer, if possible, shall be parties to the discussion. If they can not be present, they shall be advised immediately of the matters discussed and any probable consequence of the discussions. Where legal aspects of a contract are to be discussed, counsel shall be present. Such discussions will be documented and filed with the appropriate contract.

c. Oral discussions with commercial concerns that involve substantive matters in connection with pending or prospective procurement actions shall be conducted through the appropriate contracting officer. This includes the oral solicitation of prices and technical or management information or engineering data in connection with a contemplated procurement.

## 203. Action

1. All persons involved in the administration of government procurement programs and contracts shall comply with the foregoing policies.

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2. Actions that commit the government to obtain supplies or services from commercial concerns or actions that modify the terms of contracts shall be processed only through proper administrative channels and executed only by duly designated contracting officers.

3. Government representatives (other than contracting officers) participating in meetings, conferences, plant visits or any other communications with contractor representatives should advise the contractor:

a. That they have neither the authority nor the intention to change the contract terms.

b. That if the government does desire to issue changes, only the contracting officer will do so (and in writing) in the manner prescribed in the contract.

204. Statement of Limitation of Authority. An example of a statement which may be used by a DON representative for this purpose is:

YOU ARE HEREBY NOTIFIED THAT I DO NOT HAVE THE AUTHORITY TO DIRECT YOU IN ANY WAY TO ALTER YOUR OBLIGATIONS OR CHANGE THE STATEMENT OF WORK IN YOUR CONTRACT. FURTHER, IF THE DEPARTMENT OF THE NAVY, AS A RESULT OF THE INFORMATION OBTAINED FROM TODAY'S DISCUSSION, DOES DESIRE TO ALTER YOUR CONTRACT OBLIGATIONS OR TO CHANGE THE CONTRACT STATEMENT OF WORK, CHANGES WILL BE ISSUED IN WRITING AND SIGNED BY THE CONTRACTING OFFICER. YOU SHOULD TAKE NO ACTION ON ANY CHANGE UNLESS AND UNTIL YOU RECEIVE SUCH A CHANGE ORDER.

205. Unsolicited Proposals

1. An unsolicited proposal is a written offer to perform a proposed task or effort that is initiated and submitted to the government by an offeror without a prior request for bids by the government. Advertising material, commercial product offers, contributions and technical correspondence as defined below are not unsolicited proposals within the intent of reference (c).

a. Advertising material designed to acquaint the government with a prospective contractor's present off-the-shelf products or potential capabilities, or to determine the government's interest in buying such products.

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b. Commercial product offers of standard commercial products usually sold to the general public that the vendor wishes to see introduced into the government's supply system as an alternate or replacement for an existing supply item.

c. Contributions - concepts, suggestions or ideas presented to the government for its use with no indication that the offeror will devote any further effort to them on behalf of the government.

d. Technical correspondence - written requests for information regarding government interest in research areas, pre-proposal explorations, technical inquiries and research descriptions.

2. It is the government's policy to foster and encourage the submission of unsolicited proposals. An unsolicited proposal must be independently originated and developed by the offeror and should be prepared independent of government supervision. It should represent a substantial investment of time and effort by the offeror. It should also present the proposed work in sufficient detail to allow a determination that government support could be worthwhile and that the proposed work could enhance, benefit, and/or provide valuable input to some area of command responsibility.

3. Advance guidance from command technical personnel is permissible and encouraged but only to answer preliminary inquiries as to the general need for the type of effort contemplated and to convey an understanding of the command mission. Offices shall make free written information available to serious potential offerors regarding policies and procedures for unsolicited proposals. This information is available through the BUPERS Contract Liaison Officer, Pers-021C. Any personal contacts with offerors shall be conducted in a manner that will preclude command commitments regarding the acceptance of unsolicited proposals. Only a duly designated contracting officer has this authority.

4. Unsolicited proposals shall be acknowledged as soon as possible. The office receiving the unsolicited proposal shall draft a response for the BUPERS Comptroller's signature which advises that the proposal has been received and is under review.

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5. Prior to making a comprehensive evaluation of an unsolicited proposal, the coordinating (receiving) office shall determine that the document:

a. Contains sufficient technical and cost information to permit a meaningful evaluation.

b. Has been approved by a responsible official or authorized representative of the organization submitting the proposal or a person authorized to contractually obligate the organization.

6. If the document does not meet the above requirements, the offeror shall be given the opportunity to provide the required data. If the proposal is not within the purview of BUPERS's mission, a comprehensive evaluation need not be made. Instead, the submitter shall be furnished a prompt reply (written by the receiving office and signed by the BUPERS Comptroller) stating how the document is being interpreted by the division, the reason(s) for not evaluating it, and the disposition of the material submitted. A revised proposal which is responsive to the command's initial determination will be reconsidered.

7. In evaluating an unsolicited proposal, command personnel shall consider the following factors in addition to any others appropriate for the particular proposal:

a. Unique, innovative or meritorious methods, approaches or ideas which have originated with or are assembled by the offeror;

b. Overall, scientific, technical or socio-economic merits;

c. Potential contribution of the effort to the command's specific mission; and

d. Capabilities, related experience, facilities, techniques or unique combinations of these which the offeror possesses and offers and which are considered to be integral factors for achieving the proposal's objectives.

8. A favorable comprehensive evaluation of an unsolicited proposal does not, in itself, necessarily justify negotiating on a sole source basis. Agency contact points shall return an unsolicited proposal to the offeror, citing reasons, when its substance:

a. Is available to the government without restrictions from another source;

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b. Closely resembles a pending competitive solicitation; or

c. Is otherwise not sufficiently innovative or unique to justify acceptance.

9. If the receiving office decides to pursue a contract based on the unsolicited proposal, sole source procedures listed in paragraph 305 must be followed.

10. The contracting officer may award a negotiated noncompetitive contract when:

a. It is not of the character described in paragraph 8a above; and

b. The agency technical office sponsoring the contract supports its recommendation with facts and circumstances that preclude competition and furnishes the necessary funds.

11. If the unsolicited proposal is acceptable for award without competition, the agency and offeror shall use the proposal as the basis for negotiation.

12. The command shall not use any data, concept, idea or other part of an unsolicited proposal as the basis, or portion of, a solicitation or in negotiations with other firms unless the offeror is notified of and agrees to the intended use in writing. However, nothing precludes the use of any data, concept or idea available to the command from other sources without restriction. The disclosure of any information concerning trade secrets, processes, operations, style of work, apparatus and other matters, except as authorized by law, may result in criminal penalties under the provisions of 18 U.S.C. 1905.

## 206. Unauthorized Commitments

1. Policy. Only contracting officers as defined in reference (b), acting within the scope of their authority, may enter into contracts on behalf of the government. Subject to the limitations and per the procedures prescribed below, certain contracting officers may ratify (approve after the fact) actions initiated or approved by DON officials or employees who did not have authority to enter into contracts on behalf of the government but which resulted in supplies being delivered or services being rendered to the government.

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## 2. Limitations

a. Unauthorized commitments (UCs) made to circumvent or evade the procurement statutes and regulations may not be ratified. The ratifying official must determine that the commitment resulted from an urgent or emergency requirement or from a mistake of fact on the part of government personnel. The ratifying official must also find that the contractor relied on the apparent authority of the official or employee making the UC.

b. These procedures shall not be used when the contractor has an adequate remedy of law under the Contract Disputes Act (see FAR 33).

c. These procedures shall not be used if the resulting contract would not otherwise be proper (for example, when the government was otherwise precluded by law from procuring the supplies delivered or services rendered).

d. These procedures shall not be used unless the ratifying official determines that the price to be paid is fair and reasonable (taking into account such factors as the price if normal procurement procedures had been followed).

e. These procedures shall not be used to authorize the payment of unallowable costs.

f. The ratifying official must be a contracting officer who had authority to enter into the contract at the time the UC was made and who still has that authority at the time of ratification.

g. Unauthorized commitments may not be ratified when there is a genuine doubt concerning a question of law or fact.

3. Authority. The authority to ratify UCs up to \$50,000 is delegated to the head of the contracting activity (for example, Naval Supply Systems Command) with authority to redelegate to a level no lower than chief of the contracting office provided that the authority to ratify UCs in excess of \$5,000 may not be redelegated and provided further that all proposed ratification are reviewed by the appropriate lawyer(s) of the Office of General Counsel and all contracts are approved as to form and legality.

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4. Procedure

a. The person making the UC shall forward to his or her department head documentation concerning the transaction, which shall include as a minimum:

(1) A signed statement describing the circumstances, why normal procurement procedures were not followed, what bona fide government requirement necessitated the commitment, whether any benefit was received, its value, and other pertinent facts; and

(2) All orders, invoices or other documentary evidence of the transaction. Originals must be provided.

b. If the department head concurs that the commitment should be ratified, he/she shall forward the documentation described in paragraph 4a above to the contracting officer via the BUPERS Comptroller and DCNP with an endorsement that:

(1) Verifies the accuracy and completeness of the documentation;

(2) Describes the measures taken to prevent a recurrence of the UC; and

(3) Provides a completed NAVCOMPT 2276, Request for Contractual Procurement, citing a purchase description and funding for the UC. The accounting data will be inserted by Pers-021.

c. After the Comptroller has endorsed the ratification request, it will be sent to DCNP for review and approval. DCNP will sign the final endorsement. DCNP's endorsement must address the steps taken to prevent recurrence of the unauthorized commitment.

d. If DCNP favorably endorses the ratification request, it will be forwarded to the cognizant contracting agency for preparation of the DD 1155, Order for Supplies or Services/Request for Quotations. The unsigned purchase order will then be forwarded to the contracting center.

e. The contracting center will:

(1) Review the documentation and endorsements provided;

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(2) Ascertain whether there are any questions of fact;

(3) Prepare the findings and determinations required by paragraph 2a above;

(4) Prepare a recommendation to the ratifying official; and,

(5) Submit the contract and supporting documents to Counsel for an opinion as to form and legality and for any other pertinent comments.

f. The ratifying official (the Commanding Officer of the contracting center) will examine the statement of the individual who made the UC, the endorsements, invoices and contract. If ratification is proper, he/she shall:

(1) Make the appropriate findings and determinations; and

(2) Execute (sign) the contractual document.

g. The signed contract and invoices will be returned to Pers-021C for certification and submission to the paying office.

h. At any point in the review cycle, the request for ratification may be disapproved. In that event, no government funds will be used to pay for the UC unless the contractor files a claim with the General Accounting Office (GAO) and GAO requires the government to pay the claim. It may instead find that the person who made the UC is liable for the costs incurred.

## 207. Contract Administration Plan (CAP)

1. The CAP lists the administration functions specifically designated as the responsibility of each specified administrator involved in the contract (i.e., the requiring activity, the Procuring Contracting Office (PCO), the Contract Administration Office (CAO), and the Contracting Officer's Technical Representative (COTR). See reference (a) for more information on the preparation of the CAP.

2. Documentation. The Documentation Form for the Contract Administration Plan (Appendix A, Part I), provides the format to assist with submission of information required below. Concurrent with submitting the Request for Contractual Procurement, the requiring division shall:

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a. Identify those specific areas of the proposed contract effort where specific technical expertise is required to ensure quality, satisfactory performance, and successful contract completion.

b. Nominate by separate correspondence to Pers-021C an individual by name, title, code and phone number who will be available to be appointed by the PCO as principal COTR (see section 208).

c. Arrange for COTRs to attend Navy approved COTR training (a three day course) prior to contract award.

d. Briefly explain procedures established or actions being taken that will ensure satisfactory performance of personnel at the requiring activity, in order to assist the PCO in developing the CAP.

e. Provide a description of required reports by submission of a DD 1423, Contract Data Requirements List (CDRL) and accompanying Data Item Description Specification (DIDS). See section 404.

f. Identify any repetitive requirements applicable to one activity so that a Master Contract Administration Plan may be developed by the PCO and subsequently submitted with a Request for Contractual Procurement (RCP) as documentation.

208. Contracting Officer's Technical Representative (COTR)

1. The COTR is the Quality Assurance monitor and technical advisor to the contract administrator and is specifically nominated and appointed for each contract. An alternate may be appointed to act in the absence of the COTR and assistants may be needed to provide additional expertise. The principal COTR shall be the lead and be accountable for the actions of the alternate and all assistants. A COTR may not obligate the government, issue delivery orders, or modify any existing contracts.

2. Nominations shall be made via memo to Pers-021C. The memo shall be in the format shown in Appendix B. The approved nomination will be signed only by DCNP or his designee (the Comptroller). A copy of the signed nomination letter shall be provided to the PCO. The formal appointment of the COTR shall be made in the contract award document.

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3. The COTR shall:

a. Perform the duties designated in the CAP.

b. Inspect and/or accept the services and/or deliverable(s) as the official government representative. Notify the PCO/CAO that the services have been accepted to ensure prompt certification of the contractor's invoices.

c. Submit a written report on the performance of the contractor to the PCO for all contracts exceeding \$100,000. The report shall address the timeliness and acceptability of the deliverables, the use made of those deliverables/reports, and the effectiveness of the contractor's performance. Appendix C provides a sample format for these reports. For indefinite delivery/indefinite quantity contracts for which the aggregate value of the orders exceed \$100,000 and the report covers more than one order, identify the order that required the deliverable/report. The report period shall be no more than 6 months, but may be less as designated by the PCO.

d. Maintain appropriate file documentation to support the COTR's actions for paragraphs a through c above.

e. Confer with the Contract Liaison Officer (Pers-021C) to enable him or her to:

(1) Alert the contracting officer to any potential problems.

(2) Determine reasons for any slippage in the performance schedule (the COTR is not authorized to change delivery schedules, even at no additional cost), report these to the contracting officers, and make recommendations to him/her for corrective action and recovery of the slippage.

f. Be thoroughly familiar with the contract, its provisions, and all the clauses.

4. Above all, the COTR's relationship with the contractor must be beyond reproach. Even the appearance of collusion with the contractor must be avoided. Accordingly, strict compliance with SECNAVINST 5370.2G regarding standards of conduct and conflicts of interest is required. The COTR must be alert to avoid transforming the contract into personal services and to avoid obligating the government to anything that is not required in the contract.

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5. The duties and responsibilities set forth above are not intended to be all inclusive. As specific situations arise that have not been covered or that create a question, the COTR must bring these to the attention of Pers-021C and obtain advice on how to proceed in the best interest of the government.

6. If an appointed COTR resigns or is transferred, a new COTR must be appointed following the procedures shown above.

209. Government Furnished Space. Furnishing office space to employees of contractors is contrary to command policy unless it is impractical to perform the work elsewhere. If it is considered essential that contractor personnel occupy BUPERS space, a signed request will be forwarded from the department director to the Director of Administration (Pers-01). The request will contain the following information at a minimum:

1. Name of requestor
2. Company
3. Physical location of contract personnel
4. Work being performed
5. Justification for onboard location
6. Procurement plan number
7. Contract/requisition number(s)
8. The expiration date of the contract (estimate, if not sure)
9. An approximate cost savings analysis

The written approval is then forwarded with the current request to Pers-021 for processing. Contractor personnel will be allocated BUPERS parking space at the discretion of the Pers code in which they are working. Be advised that space for contractor personnel will be taken from the department's current space allocation. The fact that the government will furnish space (or any other equipment or supplies) must be explicitly cited in the NAVCOMPT 2276, Request for Contractual Procurement, as it should influence the contractor's costs. Additional furniture, telephones, or similar office equipment will not be ordered specifically for contractor use.

210. Subscriptions. Each subscription request must include a certification by Pers-01 that the magazine/periodical is mission essential and an explanation why the subscription is necessary. Furnish the name of the publication, beginning and ending dates of service, and the publisher's name, phone number, and address. For renewals, provide a current mailing label. In all cases,

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submit the requisition 4 months prior to the start date. Subscriptions will be in the name of the command (not the ordering individual) and will be funded by the requestor.

211. Equipment Maintenance/Service Contracts. For annual maintenance contracts of fixed amounts, provide full details of equipment coverage, time of performance, response time, etc. Provide the name and telephone number of a technical point of contact. For renewals, provide the same information as above. The term "maintenance renewal" without a full statement of work is not sufficient. Submit the requisition 4 months prior to start date. Also submit the names, telephone numbers and a point of contact of three vendors who can provide the required service. See reference (e) for more details.

212. Equipment Repairs. For all one-time repairs of general equipment not under warranty or an existing maintenance contract, Provide the type of equipment, manufacturer/brand name, serial number(s), equipment location (including building and room number), the nature of the problem and a point of contact. List only one repair per requisition. See reference (e) for more details.

## CHAPTER III

INSTRUCTIONS FOR COMPLETION OF CONTRACT REQUESTS301. Basic Requirements for the Contract Request

1. The following chart details the documents and information necessary to complete the varied types of contract requests and the appendix which shows a sample of the form.

THE BASIC CONTRACT--SUPPLIESCOMPETITIVE

NAVCOMPT 2276 (E)  
Specifications/Item Description

SOLE SOURCE

NAVCOMPT 2276 (E)  
Specifications/Item  
Description  
Sole Source  
Justification (J&A)  
(I)

THE BASIC CONTRACT--SERVICESCOMPETITIVE

NAVCOMPT 2276 (E)  
DD 1423 (F)  
Statement of Work  
Level of Effort  
Technical Evaluation  
Plan

SOLE SOURCE

NAVCOMPT 2276 (E)  
DD 1423 (F)  
Statement of Work  
Sole Source  
Justification (J&A)  
(I)  
Level of Effort  
Technical Evaluation  
Plan

CEILING INCREASE/EXTENSION (Sole Source, Services)

NAVCOMPT 2276 (E)  
Justification for Extension  
Statement of Work  
DD 1423 (F)  
Sole Source Justification (J&A)

DELIVERY ORDER

SUPPLIES

NAVCOMPT 2276 (E)  
DD 1423 (F)  
Item Description

SERVICES

NAVCOMPT 2276 (E)  
DD 1423 (F)  
Statement of Work  
Itemized Support  
Costs  
Independent  
Government  
Cost Estimate

TO EXERCISE AN OPTION

SUPPLIES

NAVCOMPT 2276 (E)  
Option Description

SERVICES

NAVCOMPT 2276 (E)  
Option Description  
Statement of Work  
DD 1423 (F)  
Sole Source  
Justification (J&A)

MODIFICATIONS

(To Basic Contractual Documents)

SUPPLIES

NAVCOMPT 2276 (E)  
Sole Source Justification (J&A)  
Modification Description

SERVICES

NAVCOMPT 2276 (E)  
Sole Source  
Justification (J&A)  
  
Modification  
Description

2. Basic Requirements Discussion. The enclosures to a contract request vary with the type and amount of the request. Some documents are always required. Samples of all forms are located in the appendices of this instruction. The appendix designation is shown beside the form numbers. Please adhere to these instructions to prevent needless work and to expedite the processing of contract requests.

a. The NAVCOMPT 2276, Request for Contractual Procurement, Appendix E is the basic contractual document and must always be included.

b. The DD 1423, Contract Data Requirements List, Appendix F is used to list deliverables required by a service contract. It should be identical to the deliverables section of the statement of work. It is the ONLY document in the contract request that legally binds the contractor to deliver the required items.

c. All contract requests must contain either a specification (item description) or a statement of work, depending upon what is being procured.

d. An independent government cost estimate is required for all delivery orders processed by the contracting center. Upon determination of a specific delivery order requirement, the division shall draft a statement of work. An independent government cost estimate shall be prepared delineating the specific labor categories to be utilized, expected hour usage and any travel/material costs expected to be incurred. The NAVCOMPT 2276 shall be prepared enclosing the previous two items and any other required documentation and submitted to the contracting center for processing. Simultaneously with submission of the requirements package to the contracting center, a copy of the statement of work shall be sent by the division to the contractor requesting his proposal to perform this task and instructions that said proposal is to be sent to the contracting center. Upon receipt of the requirements package and contractor proposal, the contracting center will compare the two estimates and request comments from the division as to differences in quantity of hours, labor categories proposed and types of material/amounts of travel proposed. The contracting center will utilize the comments provided and negotiate an equitable settlement and subsequently issue the delivery order.

e. Requirements for information systems (computer resources, automatic data processing (ADP) equipment, text (word) processing equipment, data communications and other automation resources) require authorization before they may be procured. The cover letter to the contracting center, to be signed by the BUPERS Comptroller, must cite reference (d).

f. For all sole source procurements, a signed Justification and Approval for Other than Full and Open Competition (J&A) must be submitted as a separate enclosure. It must contain the information described in Section 307 of this instruction.

### 302. Instructions for Using NAVCOMPT 2276, Request for Contractual Procurement

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1. General. The NAVCOMPT 2276, Request for Contractual Procurement (RCP), is to be used by all DON activities whenever their primary requirement involves material or services which will be satisfied by contracts placed with commercial enterprises. The RCP will be used for requesting contractual procurement from any activity or organization of the U.S. government. The DD 1149, Requisition and Invoice/Shipping Document, will not be used for requesting contractual procurement. A sample NAVCOMPT 2276 is provided in appendix E.

2. Uses and Authority. The NAVCOMPT 2276 will be used in the following situations:

a. To request one-time procurements which normally involve one or a very few fund citations and which result in only one contract being awarded to completely satisfy the items or services requested.

b. To request items or services available under the General Services Administration (GSA) Federal Supply Schedules (FSS).

c. To request items or services available under basic ordering agreements (BOAs) and/or blanket purchasing agreements (BPAs).

d. To request material/items not listed in the Management List-Navy.

e. To request engineering services, training, consultant studies and analyses and/or research and development efforts.

f. To request the maintenance, alteration, or repair of real property.

g. Contracts resulting from RCPs may include orders under open-end contracts for collateral services. When it is necessary to issue a reimbursable order for collateral services incidental to the performance of the contract (such as in the case of facilities contracts involving MILCON funds), the performing activity will request the granter of the RCP to issue the appropriate NAVCOMPT 2276 for the required collateral services and forward an amendment to the RCP reflecting the corresponding reduction in the RCP funding.

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3. Preparation. The NAVCOMPT 2276 will be prepared as follows:

<u>Block No.</u>	<u>Title/Description</u>
1	Emphasizes that the document must be accepted and accomplished on a direct citation of funds basis and that the request is subject to the conditions listed on the back of the form.
2	<u>DOCUMENT NUMBER.</u> Will be assigned in Pers-021 unless other arrangements have been made.
3	<u>REFERENCE NUMBER.</u> Leave blank.
4	<u>FUNDS EXPIRE ON.</u> The date that the funds cited in block 13 expire for obligation purposes. Contracts resulting from NAVCOMPT 2276s MUST be fully executed (signed) by the contracting officer and the contractor (if required) on or before the date in this block.
5	<u>DMS RATING.</u> Leave blank.
6	<u>PRIORITY.</u> Priorities 08, 10, and 15 are to be used by BUPERS. Priority 08 should be used only for urgent requirements. Higher priorities require DCNP approval; contact Pers-021C for assistance if a higher priority is deemed necessary.
7	<u>DATE REQUIRED.</u> The date that the items or services being requested in block 15 are needed. This date should be realistic. <u>Entries such as "ASAP", "45 days after receipt of order", etc., are not acceptable.</u>
8	<u>AMENDMENT NO.</u> Used only when a change to the basic document is necessary. A sequential number commencing with "001" will be assigned by the requestor to identify each amendment.
9	<u>FROM.</u> The Unit Identification Code (UIC), name and address of the requesting division.
10	<u>FOR DETAILS CONTACT.</u> The name, code and telephone number of the individuals to be contacted if the contracting activity has any

4. Preparation. The NAVCOMPT 2276 will be prepared as follows:

<u>Block No.</u>	<u>Title/Description</u>
10	questions. The persons named may be from a different activity than the requesting activity cited in block 9. The technical point of contact must be able to answer questions concerning the nature of the work while the administrative/financial point of contact (usually the Contract Liaison Officer) will answer questions of this type.
11	<u>TO.</u> The UIC, name and address of the activity that will be awarding the contract/order.
12	<u>MAIL INVOICES TO.</u> The UIC, name, and address of the activity to whom the vendor's invoices are to be mailed. This will usually be Bureau of Naval Personnel and the appropriate code. A point of contact with code and telephone number must also be cited.
13	<u>ACCOUNTING DATA TO BE CITED ON RESULTING CONTRACT.</u> Accounting data is provided in Pers-021 unless other arrangements have been approved. Note: Block 13L represents the total dollar amount of funds authorized for a particular requisition or amendment. Block 13M is the cumulative total amount of funds authorized, including all previous amendments, as of the date of that particular document/amendment. (This does not apply to delivery orders.) In the case of a "basic" document, the amounts appearing in blocks 13L and 13M are identical.
14	Emphasizes that the amounts authorized on the NAVCOMPT 2276 may not be exceeded in resulting contracts/orders without prior written approval from the requesting activity cited in block 9 unless local agreement between the requesting activity and the contracting center permits a dollar amount deviation. Item 3 under the "conditions/instructions" section on the back of the NAVCOMPT 2276 applies.

<u>Block No.</u>	<u>Title/Description</u>
15	<u>PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS REQUESTED.</u> Enter a specific, definite and complete description of each item of supplies, material, equipment or services required. When appropriate, each item described will be identified to its respective line of accounting through the use of Accounting Classification Reference Numbers (ACRNs). The need for an accurate and comprehensive description in this block of the items or services being requested cannot be overemphasized. All applicable columns under this block must be completed. Block 15I should reflect the total estimated cost of the items listed under block 13L. List the name, address, and telephone numbers of three sources of the item.
16	Advises that attached pages should be consulted for delivery schedules, preservation and packing instructions, shipping data and contract distribution information. All such attachments must be identified with the document number entered in block 2 and assigned appropriate page numbers. The total number of pages in the request should be entered in the space provided in the upper right corner of the form.
17	<u>TRANSPORTATION ALLOTMENT.</u> Enter the allotment or other accounting data to be cited for transportation charges (when applicable; e.g., if supplies/equipment are to be shipped "FOB Other").
18	<u>AUTHORIZING OFFICIAL.</u> The name, title and signature of the individual in the requesting activity authorized to issue the document. The date the authorizing official actually signed the document should be left blank; Pers-021 will fill in this date. Unless other arrangements have been made, the preparing office will type the following in the signature block: "comptroller's name" (in all caps), COMPTROLLER.

Block No.

Title/Description

19                    ACCEPTING OFFICIAL. Leave blank. This block  
will be completed at the contracting center.

303. Specifications/Purchase Descriptions/Work Statements

1. General. The product you receive is dependent on the specification or work statement that accompanies your contract request. It must be clear and precise not only to you but also to the negotiator who must buy the desired item. Methods available for defining your requirement include Military/Federal specifications, the purchase description, and the work statement.

2. Military/Federal Specification. Although the use of military/federal specifications is the preferred method of describing what you want, they are seldom used at BUPERS. For most procurements, purchase descriptions or work statements will suffice.

3. Purchase Description

a. If federal/military specifications are not available, a purchase description is used. The description will include all essential physical and functional characteristics of the materials or services required, such as:

- (1) Common nomenclature
- (2) Kind of material
- (3) Electrical data, if any
- (4) Dimensions, size, or capacity
- (5) Principles of operation
- (6) Restrictive environmental conditions
- (7) Intended use, including:
  - (a) Location within an assembly
  - (b) Essential operating conditions
  - (c) Equipment with which the item will be used

- (d) Other pertinent information that further describes the item, material, or device required.

Purchase descriptions should not be written so as to specify a product or a particular feature of a product peculiar to one manufacturer (thereby precluding consideration of a product manufactured by another company) unless it is determined that the particular feature is essential to the government's minimum requirements and that similar products will not be satisfactory.

b. A purchase description may describe requirements using performance, design, or brand name or equal specifications, as appropriate.

(1) Performance specifications. Set forth operational characteristics of the required item. In such specifications, design, measurement and other details are not stated or considered important as long as the required performance is achieved. The contractor accepts responsibility for the design and engineering necessary to attain the stated performance characteristics.

(2) Design specifications. Set forth precise measurement tolerances, materials, tests, quality control, inspection requirements and other specific information. Under this type of specification, the government is responsible for the design and is, therefore, also responsible for omission errors and discrepancies in the specifications and drawings.

(3) Brand name or equal. Used when an adequate specification of another type cannot be furnished because of technically involved construction or other supportable reasons. The item is identified by including names of representative manufacturers, products or brands, followed by the words "or equal" so as to not limit competition to the particular products or brands named. These purchase descriptions must state the minimum essential requirements and specific salient features necessary to meet your needs. If several manufacturers' products will meet your need, all such products should be identified. The use of brand name or equal purchase descriptions is limited to procurements of standard commercial products. Furnish catalog numbers, dates, and page numbers applicable to specific products cited.

4. Work statements. A work statement is used to describe requirements for service efforts. It should be as clear and definitive as possible, whether it describes requirements for

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relatively simple services such as data entry or complex studies and analyses.

a. Specific work statements. Work statements describing well-defined jobs should contain the following information:

(1) Scope of work. Explain the breadth and depth of the effort in general terms. This is usually covered in one brief paragraph, but its brevity does not undermine its importance. During contract performance, a contractor cannot be required to do anything beyond the scope of the contract. Should a dispute arise, this paragraph will be read critically to determine the intent of the parties in the contract.

(2) Physical details. State where the work will be performed, what types of facilities/equipment are considered essential for satisfactory performance (if any), what equipment or information will be furnished by the government (if any), etc. Be specific. The reading business agent should be able to readily determine if location or lack of certain physical resources would rule him out as a contender for award, and what resources or input he can expect from the government.

(3) Step-by-step or other local description of expected performance. If it matters to you how a job is done, then explain, step-by-step, how it should be done. Use phrases such as "The contract shall do X" instead of "The contractor should do X." Use active rather than passive voice to avoid ambiguity. A potential offeror reading the work statement in a solicitation should understand requirements well enough to (1) submit a realistic proposal, and (2) proceed with the work to completion without any other direction or guidance, if he gets the contract. If it only matters to you that certain things are done and the "how" can be left to the contractor, then specify all such requirements. For example, "The contractor shall review the drawing for accuracy and completeness" does not tell a contractor HOW to review, but it clearly tells him that a review is required. Do not be influenced by the length of this part of the work statement; what matters is that it states what you need done clearly enough so that a contractor can perform to your satisfaction with the work statement as his only guide.

(4) Deliverables. Specify all output you expect from the contractor's efforts.

(a) Required documentation. This should be enumerated and described and should correspond to the listing on the DD 1423, Contract Data Requirements List. Cite points you want covered in "Progress Reports"; describe what a "Final Report" should include. Determine the number of copies of each

document needed and prepare a distribution list for each data-type deliverable. Determine the quality of appearance you need. If charts must be in color to be sufficiently clear to a user, write this down--it will influence price. If reports must be bound, say so. Remember, the work statement constitutes a potential offeror's and contract administrator's total understanding of your requirement. It is your responsibility to make it thorough, precise and clear.

(b) Physical items or conditions. State what you expect; i.e., a repaired engine that will measure up to specified acceptance tests, a mowed lawn which is cleared of cut grass, etc.

b. Work statements for indefinite quantity/indefinite delivery requirements. These work statements describe tasks which must be accomplished when source data becomes available or specific requirements become known. For example, contracts have been let for analyses of data which is received by a Navy activity on a periodic or irregular basis. It is known that the data will be received and it is known that it must be analyzed, but the specific data is not in hand, the amount to be received is not positively known and all aspects of its analysis cannot be prescribed. In this situation, a work statement should provide the same essential information already described for specific work statements, except that the description of expected performance part will probably take a different form. For the example described, the following would be incorporated in that part of the statement:

(1) The nature of the data to be analyzed;

(2) The volume of work anticipated (number of data sets expected; frequency of receipt; amount of data per set, etc.),

(3) Essential elements of required analysis. If tasks can be identified, describe them.

The physical details part of the work statement includes a definition of the specific type(s) of expertise necessary to perform required analyses. Specific labor categories should be recommended, with estimates of the number of manhours likely to be required of each category to complete one analysis job. (This manhour estimate will probably not be included in the solicitation, but it will serve as a guide against which to measure offerors' understandings of the work statement through comparison with THEIR estimates.)

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304. Instructions for Completion of DD 1423, Contract Data Requirements List, Appendix F

1. Introduction

a. When a Contract Data Requirements List (CDRL) is made part of a contract, it is the sole contractual document listing all data to be delivered under the contract. A sample DD 1423 is located in appendix F.

b. Blocks 17 through 26 may be left blank.

c. Blocks 1-8, 10 and 12-15 must be completed when applicable. Completion of fields for other data elements is optional.

d. A maximum of four separate line items of data may be entered on each form; a separate line entry shall be used for each data item required from the contractor.

2. General CDRL Information

<u>Title</u>	<u>Description</u>
ATTACHMENT NUMBER	Leave blank.
TO EXHIBIT	Leave blank.
TO CONTRACT/PR	Enter the actual contract number, if known; if not known, enter the requisition number.
CATEGORY	If categories of data are used such as manuals or hardware, the CDRL may be divided using these categories. A new DD 1423 will normally be used for each category. If the CDRL contains just a few items but numerous categories, leave this line blank.
SYSTEM/ITEM	Not required.
CONTRACTOR	Enter the contractor's name (if known).
PREPARED BY/DATE	Enter the name, title, office code and signature of the person responsible for preparing the CDRL and the preparation date.

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304. Instruction for completion of DD 1423, contract data requirements list, appendix F (con't)

APPROVED BY/DATE            Enter the name and signature of the program manager and the approval date.

DETAILED CDRL INFORMATION

<u>Block No.</u>	<u>Title/Description</u>
1	<u>SEQUENCE NUMBER.</u> Consecutively number the data items as follows: A001, A002, etc.
2	<u>TITLE OR DESCRIPTION OF DATA.</u> Enter the title or a brief description of the data.
3	<u>SUBTITLE OF DATA.</u> If the title requires further identification, enter a sub-title.
4	<u>AUTHORITY.</u> Leave blank.
5	<u>CONTRACT REFERENCE.</u> Enter the specific task number, contract clause, or line item number which will assist in identifying the Requirement.
6	<u>TECHNICAL OFFICE.</u> Enter the office responsible for advising on the technical adequacy of the data, using the title and code.
7	<u>DD 250, MATERIAL INSPECTION AND RECEIVING REPORT.</u> Designates the location (contractor's facility or destination) of government quality assurance and acceptance. The codes applicable to BUPERS are as follows: DD = Destination DD 250 (i.e., at BUPERS). The division to perform the destination acceptance will be entered in block 14 as the first addressee. LT = Letter of Transmittal only. Use of the DD 250 is required for engineering drawings, specifications and related data. It serves also to restrict payment until delivery in an acceptable form has been accomplished. LT is less restrictive on the contractor.

Block No.

Title/Description

8                    APPROVAL CODE. Use this block to identify requirements for advance written approval and the requirement to use appropriate distribution statements prior to publication and distribution of the final document. The following codes should be used as appropriate:

CODE	WHEN USED
A	The data item is critical and requires written approval. May require submission of a preliminary draft prior to publication of a final document. Scope and depth of approval will be explained in block 16.
D	A distribution statement is required. This must be cited in block 16 or obtained from the program office.
AD	Both approval and distribution statements are required.
N	Not applicable to these data.
AN	Approval required.
Blank	Approval not required.

9                    INPUT TO IAC (Integrating Associate Contractor). If data is input to IAC or is dependent upon the integrated result of specific inputs from associate contractors, put an "X" in this block. Otherwise, leave Blank.

10                   FREQUENCY. Enter the appropriate frequency code and use block 13 for further explanation. If Data is of the recurring type, it will be submitted at the end of the reporting period established in this block unless otherwise

DETAILED CDRL INFORMATION (cont'd)

indicated in blocks 12 or 13.

Daily	
Wkly	Weekly
Bi-We	Every 2 weeks
Mthly	Monthly
Bi-Mo	Every 2 months
Qrtly	Quarterly
2/Mth	Semi-monthly

Block No.Title/Description

2Time	Two separate submittals
Xtime	X separate submittals
ANNNLY	Annually
SemiA	Every 6 months
Otime	One time
One/R	One time and revisions
R/ASR	Revisions as required *
ASREQ	As required *
DFDEL	Deferred delivery
One/P	One time preliminary draft

\*Further explanation in block 16 is required.

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AS OF DATE. If the data is submitted only once, enter the date of submission. If the data requires recurring reporting, enter the "as of" date (cut-off date). This date should be the number of days prior to the end of the reporting period. Example: "15" would place the "as of" date for this report at 15 days before the end of the month, quarter, or year, depending upon the frequency established in block 10; "0" would place the "as of" date at the end of each month, quarter, etc. (Block 16 may be used for further explanation.)

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DATE OF FIRST SUBMISSION. Enter initial data submission date, as follows: year/month/day. If data has already been submitted and revisions may be required, enter date of next submission. If data is constrained by a specific event or milestone, enter this constraint. If the contract award date has not been determined, indicate the number of

days after award that the data is due (example: "30 DAC" where "DAC" means "days after contract award"). If this date requires further clarification, use block 16. Do not insert classified dates! If deferred deliveries are involved, insert "DFDEL."

<u>Block No.</u>	<u>Title/Description</u>
13	<u>DATE OF SUBSEQUENT SUBMISSION/EVENT IDENTIFICATION.</u> If the data is to be submitted More than once, enter the date(s) of subsequent submission(s). If data is constrained by a specific event or milestone, and delivery is dependent upon initiation of this event or milestone, enter this constraint; for example, "NLT 15 days before start of production." If this information classifies the DD 1423, leave blank.
14	<u>DISTRIBUTION AND ADDRESSEES.</u> Enter the addressees and the number of copies each is to receive (regular or reproducible); for example, Pers-164, 3/0. The first addressee is who will receive the original letter of transmittal and who will sign for the data on the DD 250, if "DD" has been indicated in block 7. Example, Pers 6C-2/0 would mean Distribution of two regular and no reproducible copies to the Pers-6C addressee. If reproducible copies are required, explain in block 16 (i.e., negative, multilith, etc.).
15	<u>TOTAL.</u> Enter the total number of regular and/or type of reproducible copies. This is obtained by adding all of the copies called for in block 14.
16	<u>REMARKS.</u> Use to further explain the entries in other blocks of the form. If additional space is needed, use block 16 of the next line or an attached sheet.

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17 through 26 These blocks are used in negotiating and Preparing the contract and therefore should be Left blank.

305. Justification and Approval for Other Than Full and Open Competition, Appendix L

1. The Competition in Contracting Act of 1984 requires contracting officers to use full and open competition in all purchases to the maximum extent practical. In order for the contracting officer to limit competition, you must support your contention that only one firm can satisfy your requirement within given time constraints. Lack of advance planning or concerns about availability of funds are not valid reasons for avoiding competitive procurements.

2. Each sole source justification (J&A) must contain a certification statement as to the accuracy of the facts contained therein. Required levels of certification are as follows:

Less than \$ 25,000	The division head will initiate a memorandum to the BUPERS Comptroller outlining the background to the issue and why competition is impractical.
\$25,000-\$50,000	The division head will write an explanatory point paper to the BUPERS Comptroller; the department head signs the J&A.
Greater than \$50,000	The department head signs the J&A as well as a memorandum to DCNP requesting his favorable endorsement on the J&A. The department head and the BUPERS <u>Comptroller will personally brief DCNP in detail about why the sole source procurement is necessary. DCNP must favorably endorse the J&amp;A before the package will be forwarded to the contracting center for processing.</u>

Sole source procurement packages (complete with justifications) are due at Pers-021 at least 6 weeks prior to any cut-off dates, deadlines, or submission dates. Any submission not meeting this requirement will be disapproved.

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3. Each sole source justification must address the following points at a minimum. Appendix L shows the format to use.

a. Supplies

(1) A brief description of the intended use or application.

(2) The critical or unique features that are mandatory in its intended use or application. The necessity of these features should be clearly stated.

(3) A statement that no other known product possesses one or a combination of all of the required critical features. The justification should elaborate on the steps taken which led to the conclusion that only one source or product could meet the need.

(4) The existence of a patent, copyright, or other limiting features.

(5) A brief discussion of why the government does not have a specification and why it can not write one for this procurement. Discuss also what steps the government is taking or will take to make the next contractual action competitive, or if such action is impossible or inappropriate.

b. Services

(1) A brief description of the results anticipated from the services.

(2) The uniqueness of the proposed contractor's organization and personnel which are considered mandatory to furnish the desired services.

(3) If the service is a continuation of effort, explain why no other sources are available. State whether the requirement can be postponed until a competitive package is prepared and subsequently awarded.

(4) A statement regarding whether follow-on contracts are anticipated and if so, what step the government is taking or will take to make the next one competitive.

(5) In the event that a truly unsolicited proposal is reviewed, comment on the feasibility of developing a work statement for competitive purposes without infringing on the proprietary information in the unsolicited proposal. Generally,

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an unsolicited proposal may be considered as justification only in the research and development area and then only if the purpose of the proposed contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking and was submitted in confidence by one source.

4. Negotiations at the contracting center for a sole source contract or as a result of an unsolicited proposal can not begin until the justifications required in paragraph 2 are done and one of the following approvals is obtained:

Less than \$ 100,000	A level above the contracting center contracting officer
\$100,000 to \$1 million	Competition Advocate for the contracting center
\$1 million to \$10 million	Head of the Contracting Agency (Naval Supply Systems Command, SUP 02) or his designee
Greater than \$10 million	Navy Senior Procurement Executive

The need for these levels of approval is one reason sole source procurements take so long; this extra lead-time should be considered before undertaking a noncompetitive contract.

5. DCNP may approve information systems actions for projects with total estimated costs of \$50,000 or less. All other information systems actions shall be submitted to COMNAVDAC via the BUPERS Comptroller for appropriate action.

306. Personal/Nonpersonal Services. A personal services contract is one that, by its express terms or as administered, makes contractor personnel appear to be, in effect, government employees. A nonpersonal services contract is one under which the personnel rendering the services are not subject to the supervision and control usually prevailing between the government and its employees, either by the contract terms or by the manner of its administration. Consulting Services (CS) contracts are inherently susceptible to the problems of personal versus nonpersonal services contracting. CS contracts typically require close and coordinated effort with government personnel which increases the opportunity for inadvertently creating an improper personal services situation. Personal services are prohibited by reference (b) part 37 unless specifically authorized by Congress. Remember, it is the contractor's right to assign and organize the work. The moment the government usurps that right and begins to tell contractor personnel what

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to do next or how to do it, a personal services situation develops. This illustrates the rule for illegality but it must also be understood that the greater the technical direction by the government to the contractor, the greater the responsibility for successful performance is assumed by the government. This situation is not desirable because it not only compromises the government's rights to enforcement of the contract's provisions, but it also transforms an otherwise proper contract into an illegal one. Care must be taken in both the creation and administration of CS contracts that personal services are avoided.

### 307. Contracting with Section 8(a) and small Business Firms

1. It is government policy to place a fair proportion of its acquisitions with small business concerns and small disadvantaged concerns. The Small Business Administration (SBA) counsels and assists small business concerns and contracting personnel to ensure that a fair proportion of contracts for supplies and services is placed with small business.

#### 2. Section 8(a) Firms

a. Definition. A Section 8(a) firm is a small, disadvantaged or minority-owned firm that has successfully petitioned the SBA for a Certification of Competency. This certificate states that the holder is responsible (with respect to all elements of responsibility, including but not limited to capability, competency, capacity, credit, integrity, perseverance, and tenacity) for the purpose of receiving and performing a specific government contract. This certification process takes 12 to 18 months; once approved, the certification is effective for three years, beginning with the first government contract the 8(a) firm receives. BUPERS may specify on the NAVCOMPT 2276, Request for Contractual Procurement, the name of an 8(a) firm with which it wants to contract without having to advertise in the Commerce Business Daily or go through other competitive procurement processes. Additionally, for an 8(a) contract, only technical competition is required; no price competition is permitted. A contract specifying an 8(a) firm is not considered a sole source award.

#### b. BUPERS Procedures

(1) Any NAVCOMPT 2276 that designates an 8(a) firm to receive the contract must follow the same justification procedures outlined in section 305 for sole source contracts.

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(2) Each 8(a) request must include a market analysis proving that company is the best company to contract with when compared to others with less technical merit but also less cost.

(3) The Contract Liaison Officer (Pers-021C) will verify the firm's 8(a) status with the contracting center before forwarding the document for signature.

### 3. Small Businesses

a. Definition. A small business is one that meets certain size criteria established by Congress. For 1995, the eligibility requirements (depending on the industry in which the company was primarily engaged) for a manufacturing (supply) company were 500 to 1,500 employees; for a service company, annual receipts could not exceed \$3.5 million to \$14.5 million. These contracts are fully competitive in every respect, although competition may be limited to other small businesses. There are no time or paperwork savings to be realized in contracting with a small business.

b. Procedures. A NAVCOMPT 2276 specifying a small business must follow the regulations pertaining to all other contracts; i.e., a sole source small business requirement must comply with section 305.

#### c. Set-Asides

(1) Acquisitions may be "set-aside" for small businesses. This means that the requirement is reserved exclusively for small business concerns. The decision to set aside a procurement may be either unilateral or joint. A unilateral determination is made by the contracting officer. A joint determination is one recommended by the SBA procurement center representative and concurred in by the contracting officer. The total amount of an acquisition shall be set aside for exclusive small business participation if the contracting officer determines that there is a reasonable expectation that (1) offers will be obtained from at least two responsible small business concerns and (2) awards will be made at reasonable prices.

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(2) None of the following is, in itself, sufficient cause for not setting aside an acquisition:

(a) A large percentage of previous contracts for the required item(s) has been placed with small business concerns;

(b) A period of less than 30 days is available for receipt of offers;

(c) The contract is classified;

(d) Small business concerns are already receiving a fair proportion of BUPERS's contracts for supplies and services, and

(e) A "brand name or equal" product description will be used in the solicitation.

### 308. Consulting Services (CS)

1. Consulting Services (CS) are those services acquired from non-governmental sources to support the development, acquisition, and operation of specific weapon systems and to support or improve other functions of a generic nature, such as, agency policy development, decision making, or management and operation of organizations.

2. Contract efforts which fall within the following categories are not considered to be CS and are excluded from the scope of reference (e): the National Foreign Intelligence Program; programs managed by the Director, National Security Agency/Central Security Service; Tactical Intelligence and Related Activities; commercial activities except special studies and analyses; security assistance; architecture and engineering services for facilities construction; automatic data processing other than systems analysis, design, development, engineering, programming and studies addressed in reference (e); clinical medicine; and nuclear propulsion work accomplished through the Department of Energy's Federally Funded Research and Development Centers.

### 3. Policy

a. The DON will establish and maintain organic resources to perform its basic governmental functions, such as: planning, policy development, interpretation, and enforcement; program and budgetary decision-making; and financial accountability.

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b. CS shall only be procured when it is essential to the DON's mission and when equivalent services are not readily available within the government.

c. The proper use of CS is a legitimate and economical way to:

(1) Obtain outside points of view in order to avoid limited judgment on critical issues;

(2) Obtain advice regarding the latest developments outside of government;

(3) Obtain the special knowledge or skills of those who can contribute to the success of important projects;

(4) Enhance understanding of, and to develop alternative solutions to, complex issues;

(5) Support and improve the operations of organizations;

(6) Ensure the more efficient or effective operation of managerial or hardware systems;

(7) Assist in the introduction and transfer of engineering and technical knowledge regarding weapon systems, equipment and components,

(8) Secure citizen advisory participation in developing or implementing DON programs that, by their nature or by statutory provisions, call for such participation.

d. A CS contract may be used if and only if:

(1) There is a reasonable expectation that the CS will have a significant impact on DON decision-making and operations and is cost-effective;

(2) The effort does not duplicate work already completed or in progress;

(3) The service contracted is not an organic governmental function that must be performed in-house;

(4) Performance by an individual or independent group is in the DON's best interest;

(5) Suitable in-house capability is unavailable, and can not be developed and used in a timely manner to meet the

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DON's needs, or development of in-house capability would not be cost-effective because special skills or expertise are not required full time,

(6) The requirements and supplements of reference (c) are met in the solicitation, award and administration of the contract, even when based on an unsolicited proposal.

e. Contracts for CS shall be awarded through full and open competition, unless the conditions for non-competitive awards are met.

f. CS shall be obtained on an intermittent or temporary basis, as required. Repeated or extended arrangements shall not be entered into except under extraordinary circumstances.

g. No contract for individual experts and consultants shall be awarded for more than one year at a time.

h. Basic and option periods of CS contracts shall not exceed a total of 5 years when awarded on a competitive basis or under the authority of Section 8(a) of the Small Business Act. Total of basic and option periods of CS contracts shall not exceed 2 years when awarded on a non-competitive basis.

i. Conflicts of interest, where the contractor or an affiliate has a collateral interest in the result of the contract, shall be avoided. Clauses to prevent such conflict of interest shall be included in solicitations to the maximum practical extent. Contractor employees performing under DON contracts shall be required to sign appropriate disclosure statements.

j. Contracts shall be administered in a manner to ensure that contract terms and conditions are followed and that improper employer-employee relationships are not established.

k. CS shall not:

(1) Be procured using grants and/or cooperative agreements;

(2) Be awarded on a preferential basis to former government employees (military or civilian);

(3) Be used to facilitate, influence, or enact legislation, and

(4) Be used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

#### 4. Procedures

##### a. Planning

(1) The DON shall prepare an Annual Plan for CS. The Plan will be compiled and approved in the process of formulating the Departmental Budget. The details of the Annual Plan shall be summarized and displayed in the CS Budget Exhibit. The detailed Plan shall constitute the back-up and explanatory detail for that Budget Exhibit.

(2) The DON CS Annual Plan shall include, at a minimum, the following basic items of information for each CS item:

(a) An explanation of what is to be procured;

(b) A clear analytic justification of need and expected benefit;

(c) Cost data reconcilable with the CS Budget Exhibit.

(3) CS items proposed for procurement shall be in conformance with the Annual Plan. Claimants will ensure that deviations from approved plans adhere to DON funding policy and do not violate current ceilings or funding levels.

b. CS budget exhibit. Information for the CS Budget Exhibit will be requested by Pers-022 in the annual "budget call".

##### c. Acquisition and Management

(1) CS may be acquired by appointment in the case of experts and consultants or by a service contract.

(2) All proposed contracts shall be screened to determine whether the required effort is CS and therefore subject to the provisions of reference (g). The proper determination and use of CS is a team responsibility. Important members of that team are the requiring activity, including the program manager, the financial manager authorizing the funds, and the contracting officer. The team shall ensure that the requirements of reference (e) are met. Written justification shall be rigorously reviewed by the contracting officer and the

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financial manager authorizing the funds prior to initiating the contract action.

(3) BUPERS will establish accounting procedures to identify and control CS efforts. Pers-021, with the advice of the contracting officer, shall review all proposed contracts and identify by CS category those contractual efforts which are to be accounted for as CS. The claimant comptroller will ensure that CS charges are properly entered in the account system.

(4) Each CS procurement request shall identify the appropriate CS category and the corresponding Federal Procurement Data System (FPDS) code. For purposes of accounting for CS, the assignment of a CS category code is the determining factor. FPDS codes will be assigned to accumulate other contract data. The assigned FPDS code does not control whether the contract is accounted for as CS.

(5) Whenever possible, CS shall be obtained by separate contract.

(6) CS statements of work shall describe fully and explicitly work to be performed, item(s) to be delivered, and period(s) of performance. The period(s) of performance can be specific delivery date(s).

(7) All CS procurement requests shall be approved by appropriate reviewing officials consistent with existing procurement and financial management criteria. The contracting officer shall be responsible for application of financial and accounting criteria.

(8) CS solicitations shall require offerors to include a statement indicating whether, when, and to what other government agencies the contractor has provided similar services.

(9) A historical file shall be maintained by the requesting division to include, at a minimum, the procurement request, the contract, progress reports, items delivered, documentation of DON acceptance, and an Evaluation Report.

d. Evaluation

(1) An annual Evaluation Report shall be prepared by the COTR and delivered to Pers-021. The COTR shall also retain a copy in the historical file.

(2) The Evaluation Report shall contain, at a minimum, the impact or end use of the findings, conclusions and

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recommendations, contractor performance. The Evaluation Report is the principal input for the Annual Report required by OSD.

(3) Details of content and format of the Evaluation Report shall be furnished separately.

e. Responsibilities. The Assistant Secretary of the Navy (Financial Management) has designated the Deputy Comptroller of the Navy, a flag officer, as Director of CS for the DON. The ASN(FM) shall exercise general supervision over the activities of the DON Director of CS.

## 5. Funding

a. CS funded by annual appropriations should not be written to cover a period that crosses fiscal years unless the task is a bonafide need and non-severable (meaning that no benefit would accrue to the government if contractor work ceased on 30 September and resumed on 1 October under different accounting and work statement. Particular attention must be directed toward service contracts funded by Operation and Maintenance, Navy (O&M,N) to ensure that (1) the contract does not call for services in more than one fiscal year and (2) appropriate advance planning will allow the prompt award of such contracts at the beginning of the fiscal year. If services must be contracted for a 12 month period that crosses fiscal years and the contract is to be funded with O&MN, then more than one fiscal year's funds must be utilized. The task/delivery orders must be written so that the final product is due on or before 30 September; new work on new delivery orders would commence on 1 October.

b. To qualify for funding with Other Procurement, Navy appropriations (OPN), the services must be integral to the execution of the project.

6. Unsolicited proposals. DCNP or his designee must determine before award of any sole source contract for CS over \$25,000 on the basis of an unsolicited proposal, that

a. Only one source is found fully qualified to perform the proposed work as a result of thorough technical evaluation; or

b. The contract's purpose is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

c. The contract's purpose is to take advantage of unique and significant industrial accomplishment by a specific concern,

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or to insure that a new product or idea of a specific concern is given financial support.

7. Procedures for Review and Approval of CS Requirements

a. Before initiating any procurement action for a contract, an order under a basic ordering agreement, or a contract modification which extends effort under an existing contract, the originator will analyze the requirement and available resources, and then determine:

(1) Whether the requirement is per existing policy;

(2) Whether the requirement can be met with in-house resources. CS may be utilized when the task to be performed involves the use of skills not possessed in-house and which would be uneconomical or unfeasible to develop;

(3) Whether the requirement can be met by the use of other Navy or DOD resources;

(4) That the Navy's basic management and control responsibilities will not be compromised or weakened; and

(5) The availability of existing BUPERS omnibus contracts for such services.

309. Forwarding of Contracts. All NAVCOMPT 2276's (Request for Contractual Procurement) shall contain the following statement: "Two copies of all contracts awarded under this request are to be forwarded to Commander, Bureau of Naval Personnel (Pers-021), Washington, DC 20370-5000."

310. Modification of Signed Contract Requests. The Director/Comptroller, Resources Management Office (Pers-02) approves all contract requests based on fiscal and contractual regulations and requirements. If any modification is required, a memo with any supporting funding documentation and back-up will be forwarded to Pers-021 for signature. NO DOCUMENTS OR MESSAGES PERTAINING TO CONTRACTS SHALL BE RELEASED WITHOUT PRIOR APPROVAL FROM PERS-021.

## CHAPTER IV

### TECHNICAL EVALUATION OF THE PROPOSAL

401. Background. When it is the intention to award a contract based on factors other than lowest price, the Request for Proposal (RFP) must cite the basis upon which the award will be decided. In order to determine these factors, the technical evaluation plan will be developed before the proposal solicitation. This plan establishes the primary and supporting subfactors against which all proposals will be evaluated, together with a numerical weight to be assigned to each factor and subfactor. Since the weight to be given to each of the proposal evaluation factors will not be divulged to the contractors, they may not be decided until after an initial evaluation of the proposals gives the technical personnel concerned with evaluation complete information as to the scope of the procurement.

#### 402. Evaluation of Proposals

1. Proposals will always be evaluated on the basis of three primary evaluation factors: (a) the technical approach; (b) the organization, personnel, and facilities of the bidder; and (c) the general quality and responsiveness of the proposal. In most cases, all three factors will be involved in the selection; however, the relative importance of the factors, and therefore their assigned weights, will vary from one RCP to another.

2. To obtain the greatest possible objectivity in the evaluation, these primary evaluation factors are not rated directly, but in terms of detailed supporting subfactors. For example, rather than evaluate directly on the basis of the general quality and responsiveness of proposals, the evaluation will list such subfactors as completeness and thoroughness; grasp of the problem; and responsiveness to terms, conditions, and time of performance. Similarly, rather than attempt to evaluate "organization, personnel and facilities" as a single factor, the evaluator will develop a detailed evaluation plan which would include such subfactors as evidence of good organizational and management practices, qualifications of personnel, adequacy of facilities, and experience in similar or related fields, etc.

#### 403. Selection of Subfactors

1. The selection of supporting subfactors for each of the three primary evaluation factors will vary depending upon the nature of the work required. The following paragraphs comprise a guide to the selection of appropriate subfactors. It is the

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responsibility of the requesting division's technical personnel to determine the specific subfactors required.

a. General Quality and Responsiveness of the Proposal

(1) Completeness and Thoroughness

(a) Has all essential data required by the RCP been included?

(b) Is the proposal easily legible, well organized, clear and concise; or is it an uncoordinated collection of unrelated data, hastily assembled and haphazardly edited?

(c) Is all data pertinent and significant, or is much of it irrelevant data collected from past proposals for the purpose of impressing by volume alone?

(d) Is the proposal presented in a manner which will simplify evaluation or does it diffuse and confuse the essentials?

(2) Grasp of Problem

(a) Does the proposal recognize and differentiate between the simpler and the more difficult performance requirements?

(b) Does it recognize inherent maintenance and supply problems?

(c) Does it demonstrate an awareness of human and environmental factors affecting the scope of work?

(d) Does it recognize relationships with other contractors and agencies and the coordination and liaison problems involved?

(e) Is the estimate of professional, technical, and administrative manpower requirements in consonance with the project requirements? Is there a reasonable balance between professional personnel and technicians?

(f) Is there evidence of appropriate utilization of scientific and professional personnel; or conversely, are technicians offered where highly qualified professional specialists are required?

(3) Responsiveness to Terms, Conditions, and Time of Performance

(a) Is there adequate evidence of intent to meet all terms and conditions specified in the RFP with regard to reporting requirements, proprietary rights, documentation disclosures, and any other special technical conditions cited in the RFP?

(b) Does the proposed delivery schedule conform with mandatory or target schedule requirements? Where time of performance is of the essence and is a competitive evaluation factor, is the proposed delivery schedule adequately supported by the technical proposal?

(c) To what extent is the offeror willing to commit himself on the firm requirements and on the "best efforts" portions of the Technical Scope of Work?

b. Organization, Personnel, and Facilities

(1) Evidence of Good Organization and Management Practices

(a) Does the proposal show the breadth and depth of management capability appropriate to the project? Is there evidence of stability of job tenure in upper management echelons?

(b) How does the proposed task organization integrate into the overall organization in terms of effective lines of authority and communication, and in terms of effective integration of research, development, design, drafting, technical writing, reliability, and test functions?

(2) Qualifications of Personnel

(a) Does the proposal include definite plans for the assignment of specific key personnel?

(b) Do key personnel possess the experience, educational background, and record of past accomplishment appropriate to the scope of work?

(c) Is the quality of personnel as set forth in the proposal generally supported by the salary scales?

(d) Is the proposal dependent upon any substantial recruitment of key personnel? If so, would such

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recruitment result in high cost of performance, or might it adversely affect other vital contracts in the geographical areas of the offeror?

(e) Is the success of the project excessively dependent upon subcontract or temporary consultants? If so, to what extent are subcontract plans firm and reasonably irrevocable?

(3) Adequacy of Facilities

(a) Are the proposed test and computer facilities adequate for the requirements of the Technical Scope of Work?

(b) Is the proposal contingent upon government furnished equipment or space beyond that set out in the RFP?

(4) Experience in Similar or Related Fields

(a) Is the normal commercial or government business of the offeror closely related to the proposed work?

(b) Is the offeror experienced with practices and procedures of the contracting agency to an extent which would increase the effectiveness of his performance?

(c) Does the agency enjoy a respected reputation in the field to which the proposal relates?

(5) Record of Past Performance

(a) Has the offeror held previous contracts with BUPERS or other government agencies?

(b) Were schedule commitments generally met?

(c) Did the contractor solve his own technical problems or did he rely heavily upon the technical staff of the agency?

(d) Was there an unusually high number of contractual problems which might be attributed to inflexibility, naivete, or lack of cooperation on the contractor's part?

(e) If there were significant cost over-runs, were they due to an incompetently low initial cost estimate or to valid problems which could not have been anticipated?

c. Technical Approach

(1) Project Planning

(a) Does the proposal demonstrate detailed and realistic scheduling of the various technical phases of the project?

(b) Does the proposal demonstrate effective review, evaluation, and control at specific check-points?

(c) Are proposed schedules in line with available personnel resources?

(d) Are parallel investigations proposed on critical problems and avoided on more routine problems?

(2) Reliability

(a) Is the proposal based on proven components and techniques?

(b) Is redundancy provided in critical functional features?

(c) Will design be based upon "worst-case" analysis?

(d) How are theoretical reliability analyses and reliability testing integrated into the design program?

(3) Technical Data and Documentation

(a) Does the proposal contain assurances that drawings, specifications and other technical data to be supplied under terms of the RFP will be complete, thoroughly checked for accuracy, and generally suitable for competitive procurement purposes?

(b) Does the proposal contain any reservations on full technical disclosure or restrictions on use of such data?

(c) Are proposed man-hours for drafting and technical writing consistent with requirements for adequate documentation?

d. Specific Subfactors. The evaluation subfactors listed in paragraphs a through c are generally applicable to service contracts. Other factors may be determined based upon a review

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of the Technical Scope of Work and should be included in the evaluation plan.

2. Only subfactors that are necessary and desirable for adequate evaluation will be included. The more the subfactors that are included the more objective the evaluation. Factors that are not necessary to evaluate the specific procurement in question should not be included. Nor should subfactors covering the mandatory aspects of the procurement be included since proposals are normally either responsive or non-responsive to these requirements and there is usually no permissible graduation of compliance.

3. The inclusion of a large number of subfactors to which all bidders must comply if their proposal will be considered has the effect of leveling the final technical rating so that the point spread between the best and worst proposal will be deceptively small. To be of greatest possible value, the evaluation plan should be designed to result in the greatest possible point spread between good and poor proposals.

#### 404. Specifying Relative Weights

1. The assignment of weights for the three primary evaluation factors and their supporting subfactors is the responsibility of the requesting division. The numerical weights assigned will depend upon the relative importance of each of the evaluation factors.

2. The first step in the assignment of numerical weights is to decide upon the relative importance of each of the three primary factors. A spread of ten is usually adequate for expressing this relationship. A typical example of the establishment of weight for the three primary factors would be:

a.	General Quality and Responsiveness	4
b.	Organization, Personnel and Facilities	6
c.	Technical Approach	10

In some cases, the possible technical approaches may be so rigid as to be less significant than Organization, Personnel and Facilities, in which case the Technical Approach would be assigned a lower numerical weight.

3. The assignment of numerical weights to the supporting subfactors is accomplished in a similar manner. However, it is necessary to consider only the relative importance of subfactors within each of the primary groupings. It is not necessary to

consider the relative importance of any of the subfactors under Organization, Personnel and Facilities as compared with the subfactors under Technical Approach, but only as compared with other subfactors under Organization, Personnel and Facilities.

405. Changes in the Evaluation Plan. If after the initial analysis of the proposal, it becomes necessary to change the factors or subfactors selected for the evaluation plan which invalidates to any degree the basis of evaluation cited in the RFP, all prospective bidders should be notified through the contracting center. The numerical weight determinations are not divulged to the bidders; however, to reserve the integrity of the evaluation procedure, it is required that the weighted evaluation plan of the technical group be submitted to the contracting center prior to the commencement of the technical evaluation of the proposal.

406. The Evaluation Panel

1. The technical evaluation panel includes personnel qualified in each of the specific areas of competency involved in the procurement action as well as the project manager primarily responsible for the technical scope of work. The panel may also include other specialists to provide necessary coverage for all areas.

2. Usually a preliminary superficial review of all proposals by the full panel is made prior to the start of formal evaluation. This preliminary review serves three primary purposes:

a. It helps to establish a median level reference for subsequent evaluation.

b. It uncovers a need for possible changes in the evaluation plan or in the government cost estimate.

c. It may uncover gross inadequacies in the RFP which could require solicitation of additional data from all bidders.

3. After this initial review, it is generally determined on the basis of the particular requirements of the specific procurement whether the evaluation will be conducted through point by point discussion by the entire panel, through individual evaluation of the proposal by each panel member, or by assignment of specific portions of each proposal to specialized panel members. Usually an individual approach will be more objective and will conserve the time of the panel members. The final evaluation will usually be performed by the full panel whose findings will generally be placed in writing and approved at the highest possible technical level at BUPERS. The procedures generally

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provide for minority reports so that the reviewing authority will be made aware of any substantial areas of disagreement within the panel.

407. Numerical Rating Procedure. The following is an example of the mechanics of a numerical rating procedure.

1. The Evaluation Worksheet. The first step in evaluation is to construct the evaluation worksheet. This is done simply by transferring the evaluation plan to a larger sheet having sufficient vertical columns to accommodate the ratings for each proposal submitted, as shown in appendix O. Note the two extra lines for "weighted total" and "weighted average" which have been added under each of the primary evaluation factors to facilitate computation. If preferred, smaller worksheets can, of course, be used: one for each of the primary factors and one for the final technical evaluation.

2. Assigning Numerical Ratings to Subfactors

a. The three primary evaluation factors are not rated directly, but are assigned a composite rating based on the evaluation of each of the pertinent subfactors. Each subfactor appearing in the evaluation plan will be rated on a scale of 0 to 100 with "60" representing the minimum acceptable grade and "100" representing practical perfection. In evaluating each of the subfactors, pay no attention to the assigned weight for the subfactor. The weight enters only into the final computation. Appendix O shows a typical evaluation completed to this point.

b. Except for the evaluation of Organization, Personnel and Facilities, which may be properly influenced by previous government experience with the bidder, ratings will be based entirely on objective analysis of the proposals. Proposals which merely offer to perform the work required by the RFP without providing supporting data on a suggested technical approach will not be rated satisfactory merely because of personal knowledge of the panel that the bidder is fully capable of satisfactory performance. If that was to be the basis for award, the evaluation plan should not have included the technical approach as a factor to be evaluated.

c. The evaluation panel must conscientiously avoid the tendency to grant higher ratings to those proposals which offer to provide performance, services, and supplies in excess of those required by the RFP. The panel must clearly differentiate between the technical approach which will best meet the established requirements and the technical approach which proposes a new set of requirements. If the proposed new requirements represent what is actually desired, then the RFP

should be withdrawn and proposals solicited on the basis of the revised requirements.

3. Obtaining the "Weighted" Ratings for Evaluation Subfactors. The rating procedure has thus far established an absolute rating for each subfactor, based on a scale of 1-100 regardless of the relative importance of one subfactor with respect to another. So that the more important subfactors will have greater effect upon the final rating than the less significant subfactors, a weighted rating must be obtained for each. This is simply a matter of multiplying each rating by the appropriate numerical weight as shown in Appendix O1, Parts I, II, and III.

4. Computing the Rating for Primary Evaluation Factors. The final technical rating for each of the primary evaluation factors is the "weighted average" of all of the ratings given to the pertinent sub-factors. To obtain the "weighted average," simply divide the weighted total, obtained in paragraph 4, by the sum of the weights of the subfactors.

#### 408. Making the Final Selection

1. After the technical evaluation is finished, the evaluation panel is required to tell the contracting officer which proposal constitutes the best deal for the government. The FAR provides broad authority for exercise of judgment in the award of CS contracts:

a. FAR 15.605(c) provides that while the lowest price or lowest total cost is properly the deciding factor, in certain acquisitions the government may select the source whose proposal offers the greatest value to the government in terms of performance and other factors.

b. FAR 15.605(d) states that for cost-reimbursement type contracts, the cost proposal should not be controlling since advance estimates of cost may not be valid indicators of final actual costs and that the primary consideration should be which offeror can perform the contract in a manner most advantageous to the government as determined by evaluation of proposals according to established evaluation criteria. However, these regulations can not be interpreted as unrestricted license to award to the best technical proposal regardless of cost.

2. Reasonableness of Cost. In evaluating CS proposals, the determination of the fairness and reasonableness of cost differs from and is complementary to the cost analysis. Cost analysis is technically the responsibility of the pricing specialists of the contracting center; however, it is the basic duty of the technical evaluation panel to determine that the amount of

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services and supplies offered are in consonance with the government's needs. This analysis will be done in conjunction with the contracting center personnel.

CHAPTER V

OPERATIONAL PROCEDURES

501. Submission. The Director/Comptroller, Resources Management Office (Pers-02) is responsible for providing assistance and guidelines on the completion of contract requests. All documents shall be arranged in an orderly manner, securely fastened in a folder, and delivered to the secretary of the Headquarters Financial Control Division (Pers-021) in room 2048. Ensure that they are clocked in and placed in the incoming basket. Contract requests must be submitted at least **10 working days (15, in the case of CS and sole source requests)** prior to the deadline for processing through the contracting center. Unless prior arrangements have been made, the documents will be returned to the requesting office or division for delivery to the contracting center once they have been approved by Pers-02.

502. Status on Submitted Requests

1. The National Capital Region area contracting centers process a large volume of contracts for over 150 activities. Therefore, it may take many months to produce a contract after all the necessary information is received from BUPERS. This extensive workload is often further aggravated by numerous phone calls requesting status on requisitions. Accordingly, requests for status should be made only after the contracting officer has had the RFP for at least 2 weeks.

2. A correctly submitted contract request can greatly decrease the processing time through the contracting center. Contract negotiations can begin only after the contracting center has a ready requisition package. Arriving at this stage, may require additional time and effort on the requestor's part.

APPENDIX A

DOCUMENTATION FORM FOR CONTRACT ADMINISTRATION PLAN

Ref: (a) NAVSUPINST 4330.7

Due to the nature of the effort described in requisition no. \_\_\_\_\_ for \_\_\_\_\_ type of services, specialized technical expertise is needed to ensure satisfactory contract completion. Per reference (a), the following information is provided for use in developing the Contract Administration Plan (CAP) for the resulting contract.

PART I (To be completed by the Requiring Activity)

1. What type of service is to be acquired? (Describe in the Statement of Work. ALSO see additional instructions shown below in parentheses):

	YES	NO	REMARKS
a. Consulting Services (CS) (See SECNAVINST 4200.33)	_____	_____	_____
b. Commercial Activity (CA) (See OPNAVINST 4860.7)	_____	_____	_____
c. Mess Attendant Services (See NAVSUPINST 4061.8)	_____	_____	_____
d. ADP Services (See SECNAVINST 5236.2)	_____	_____	_____
e. Commercial Industrial Services (CIS) (NAVSEA TO300-AA-MMI-DIO/CIS Manual)	_____	_____	_____
f. Other (Specify)	_____	_____	_____

2. What areas of the effort require specific technical expertise to ensure efficient contract administration?

a. Monitoring contractor performance \_\_\_\_\_

	YES	NO	REMARKS
b. Technical guidance to contractor during performance	_____	_____	_____
e. Special personnel coordination	_____	_____	_____
f. Other (Specify)	_____	_____	_____
3. What activity in-house expertise is available to assist in the contract administration?			
a. Project manager (Name & Position)	_____	_____	_____
b. Ordering Officer (Specify Limitations/restrictions)	_____	_____	_____
c. Technical Specialist	_____	_____	_____
d. Contracting Officer Technical Representative (COTR). Attach Nomination letter.	_____	_____	_____
e. Other (Specify)	_____	_____	_____
4. Where will the contractor be required to perform?			
a. On government installation	_____	_____	_____
b. Contractor's site	_____	_____	_____
c. Various locations (Specify)	_____	_____	_____
FOR CONTRACTS WHERE ORDERING IS REQUIRED, CONTINUE WITH THE FOLLOWING			
5. Who will prepare the Statement of Work?			
a. Technical Specialist	_____	_____	_____
b. COTR	_____	_____	_____
c. Various individuals for COTR	_____	_____	_____

Appendix A

	YES	NO	REMARKS
d. Various individuals for ordering Officer	_____	_____	_____
e. Other (Specify)	_____	_____	_____
6. Who will prepare the INDEPENDENT government estimate?			
a. COTR	_____	_____	_____
b. Other (Specify)	_____	_____	_____
7. Who will provide the appropriate accounting data? Specify how.			
8. Who will request a proposal for an order if one is needed? Specify how.			
9. Who will review the proposal?			
10. Who will issue the delivery order?			
11. Who will inspect the services?			
12. Who will accept the services on behalf of the government?			
13. What type of funding is to be provided?			

SIGNATURES

DATES

Prepared by: \_\_\_\_\_

=====

Reviewed by: \_\_\_\_\_

=====

Approved by: \_\_\_\_\_

=====

The above responses describe the extent of expertise and availability within this activity. They are to be considered by the Procuring Contracting Office (PCO) in developing the Appendix A

Contract Administration Plan. I agree that successful contract administration will require the expertise available at this activity.

Signature: \_\_\_\_\_  
Comptroller's Name, COMPTROLLER

PART II (To be completed by the PCO)

1. Who is the government's point of contact responsible for the following:

- a. Solicitation information/questions\_\_\_\_\_
- b. Pre-award information\_\_\_\_\_
- c. Technical questions before award\_\_\_\_\_
- d. Technical questions after award\_\_\_\_\_
- e. Post award conference\_\_\_\_\_
- f. Authority to begin performance\_\_\_\_\_
- g. Authority to proceed in emergency\_\_\_\_\_
- h. Monitoring the services performed\_\_\_\_\_
- i. Monitoring the direct cost of labor, materials, travel, etc., on other than firm fixed priced contracts\_\_\_\_\_
- j. Monitoring of indirect costs on other than firm fixed price contracts\_\_\_\_\_
- k. Monitoring of contractor's labor relations\_\_\_\_\_
- l. Inspection of services\_\_\_\_\_
- m. Acceptance of services\_\_\_\_\_
- n. Subcontract approval\_\_\_\_\_
- o. Travel authorization\_\_\_\_\_
- p. Overtime authorization, if allowed in the contract\_\_\_\_\_
- q. Monitoring of security requirements\_\_\_\_\_
- r. Government-furnished property/material\_\_\_\_\_
- s. Other special requirements (Specify)\_\_\_\_\_

Appendix A

2. What are the COTR's specific duties?

3. Are "Billing Rates" applicable if this is to be an indefinite delivery type contract?\_\_\_\_\_
4. Is there a minimum and maximum designated for hours, orders, quantities, etc?\_\_\_\_\_ If yes, who will monitor to ensure the maximum is not exceeded and the minimum is ordered?
5. How often must the COTR provide a written evaluation of the contractor's performance to the PCO?\_\_\_\_\_ Schedule of dates for submission:
6. How is the COTR to be reviewed for satisfactory performance under the contract?\_\_\_\_\_

From this checklist, the contract administration plan was developed for solicitation/contract/order no.\_\_\_\_\_. The plan shall be incorporated in the solicitation/contract document.

SIGNATURES

DATES

Prepared by:\_\_\_\_\_

=====

Reviewed by:\_\_\_\_\_

=====

Approved by:\_\_\_\_\_

=====

APPENDIX B

SAMPLE COTR APPOINTMENT LETTER

From: Commander, Bureau of Naval Personnel  
To: Contracting Officer, \_\_\_\_\_

Subj: NOMINATION OF CONTRACTING OFFICER'S TECHNICAL  
REPRESENTATIVE (COTR)

Ref: (a) NAVSUPINST 4330.7

1. Per reference (a), I hereby nominate Mr./Ms. \_\_\_\_\_  
as the Contracting Officer's Technical Representative (COTR) for  
the contract resulting from requisition no. \_\_\_\_\_ to  
acquire \_\_\_\_\_ services in support of \_\_\_\_\_  
\_\_\_\_\_.

2. Mr./Ms. \_\_\_\_\_ qualifications are:

3. Mr./Ms. \_\_\_\_\_ title, code, business address,  
and phone number are:

4. In case of any problems, disagreements or other questions  
pertaining to the performance of the COTR's duties you may  
contact \_\_\_\_\_ at \_\_\_\_\_.

5. The alternate COTR to act in the absence of the individual  
named above is Mr./Ms. \_\_\_\_\_.

6. Mr./Ms. \_\_\_\_\_ (has/has not) attended the  
Navy approved COTR training. He/She (attended/is scheduled to  
attend) the COTR class in \_\_\_\_\_ (month/year).

7. Below is the acknowledgement of this nomination and the  
training information provided.

Comptroller's Name  
By direction

COTR acknowledgement:

I have reviewed and understand my nomination.

Signature: \_\_\_\_\_

(Please return one signed copy of this page to Pers-021C.)

APPENDIX C

SAMPLE EVALUATION OF CONTRACTOR'S PERFORMANCE

Contract No. \_\_\_\_\_ Order No. \_\_\_\_\_  
Contractor \_\_\_\_\_  
Evaluation Period \_\_\_\_\_ to \_\_\_\_\_

COTR SUMMARY

1. What deliverables/reports were received during the evaluation period?

<u>Deliverable</u> <u>Received</u>	<u>Date</u> <u>Received</u>	<u>Submission</u> <u>Timely</u>	<u>Rejected/</u> <u>Accepted</u>
---------------------------------------	--------------------------------	------------------------------------	-------------------------------------

2. What use was made of the above deliverables?

3. Did the contractor use the key employees identified in the proposal if that was a factor?

4. Were the hours expended and the mix of labor categories used, consistent with efficient and cost effective performance?

5. Was the task/service completed in a timely manner?

6. Were the directly charged costs required for performance and reasonable to the effort rendered?

7. Special comments on contractor's performance (positive or negative):

APPENDIX D

MINIMUM ACQUISITION LEAD TIME CUT-OFF DATES FROM RECEIPT OF REQUISITION

<u>Type</u>	<u>Estimated Dollar Value</u>	<u>From Ready Requisition Stage, # of Calendar Days To Process</u>
Negotiated	<u>Over \$3,000,000</u>	300
Negotiated/Formally Advertised	<u>\$100,000 to \$3,000,000</u>	230
Negotiated/Formally Advertised	<u>\$25,000 to \$100,000</u>	210
	<u>Less than \$25,000</u>	60
Exercise of Priced Option	<u>Any Amount</u>	60*
Education Service Agreement	<u>Any Amount</u>	90**
Delivery Orders (ADP equipmentservices under GSA contracts)	<u>Less than \$50,000</u>	60
	<u>Over \$50,000</u>	90
Delivery Orders (VariousServices/supplies under The contracting center contracts)	<u>Any Amount</u>	45

\*Number of days prior to the date the contractor must be notified of the intent to exercise the option or if notice is not required, 60 days prior to option exercise.

\*\*Number of days prior to commencement of first session.

NOTES:

1. None of the above cut-off dates apply to urgent requisitions with priority designator 01, 02, or 03.

2. The time for processing sole source procurements in excess of \$500,000 may increase the required processing time by an additional 20-30 days

REQUEST FOR CONTRACTUAL PROCUREMENT- NAVCOMPT FORM 2276 (8 PT) (REV. 8-81) S/N 0104-LF-702-2761

1. THIS REQUEST MUST BE ACCEPTED ON A DIRECT CITATION BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE. 2. DOCUMENT NUMBER

3. REFERENCE NUMBER 4. FUNDS EXPIRE ON 5. DMS RATING 6. PRIORITY 7. DATE REQUIRED 8. AMENDMENT NO

9. FROM 10. FOR DETAILS CONTACT:

11. TO: UIC [ ] [ ] 12. MAIL INVOICES TO:

13. ACCOUNTING DATA TO BE CITED ON RESULTING CONTRACTS

A. ACRN	B. APPROPRIATION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT

14. AMOUNTS WILL NOT BE EXCEEDED IN THE OBLIGATION DOCUMENT WITHOUT PRIOR WRITTEN APPROVAL FROM THE ISSUER. L.TOTAL THIS DOCUMENT M.CUMULATIVE TOTAL

15. PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED THESE ITEMS ARE ARE NOT INCLUDED IN THE INTERSERVICE SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING HAS HAS NOT BEEN ACCOMPLISHED

A. ACRN	B. ITEM NO.	C. FSC	D. DESCRIPTION AT. STOCK NO., SPEC. AND/OR DRAWING NO. ETC.)	E. QUANTITY	F. UNIT	G. ESTIMATED UNIT PRICE	H. ESTIMATED AMOUNT
<b>SAMPLE</b>							

16. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS. I. GRAND TL

17. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's plant)

18. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR ITEMS REQUESTED. AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE) DATE

19. THIS REQUEST IS ACCEPTED AND THE ITEMS WILL BE PROVIDED IN ACCORDANCE HEREWITH. ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE) DATE

**CONDITIONS/INSTRUCTIONS GOVERNING THE USE OF THIS FORM  
AND THE ACCEPTANCE OF THIS REQUEST**

**CONDITIONS/INSTRUCTIONS GOVERNING USE OF THIS FORM:**

This form will only be used for requesting contractual procurement or local purchase of material or services. This form will not be used for requesting work and/or services or for requisitioning material from existing Government stocks.

Note: Requests for work and/or services will be accomplished through the use of Order for Work and Services, NAVCOMPT FORM 2275 (8-81).

Request for standard and/or non-standard stock available within the U.S. Government will be accomplished through the use of the DOD Single Line Item Requisition System Documents (DD Form 1348 and/or 1348-6, as appropriate).

**CONDITIONS/INSTRUCTIONS GOVERNING THE ACCEPTANCE OF THIS REQUEST:**

1. Written acceptance of this request is required and will be accomplished by completing Block 19 on one copy of this request and returning it to the requesting activity cited in Block 9. Acceptance must be on a direct citation basis only.

2. Amounts authorized by this document have been reserved and / or committed by the requesting activity and will be obligated upon receipt of contracts or purchase or delivery orders awarded.

3. Amounts authorized by this document may not be exceeded. Additional funds, if required, will be requested from the activity cited in Block 9. Approval of such requests will be accomplished by the requesting activity through the issuance of an amendment to this document, appropriately reflecting the amount of additional funds being provided. The grand total cited in Block M constitutes a 3679, R.S. limitation when the purchasing office or contracting activity is a separate entity not under the immediate supervision of the commanding officer issuing the request.

4. Resulting obligation documents must be executed by the activity cited in Block 11 by the date indicated in Block 4. Such documents must include the document number cited in Block 2.

5. A complete copy of each executed obligation document resulting from this request must be forwarded to the activity cited in Block 9.

# CONTRACT DATA REQUIREMENTS LIST

Form Approved  
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 440 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. Please DO NOT RETURN your form to the above address. Send completed form to the Government Issuing Contracting Officer for the Contract/PR No. listed in Block E.

<b>A. CONTRACT LINE ITEM NO.</b>	<b>B. EXHIBIT</b>	<b>C. CATEGORY:</b> TDP _____ TM _____ OTHER _____
----------------------------------	-------------------	-------------------------------------------------------

<b>D. SYSTEM/ITEM</b>	<b>E. CONTRACT/PR NO.</b>	<b>F. CONTRACTOR</b>
-----------------------	---------------------------	----------------------

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
4. AUTHORITY (Data Acquisition Document No.)		5. CONTRACT REFERENCE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY
8. APP CODE	11. AS OF DATE	12. DATE OF FIRST SUBMISSION
16. REMARKS		13. DATE OF SUBSEQUENT SUBMISSION
		14. DISTRIBUTION
		a. ADDRESSEE
		b. COPIES
		Draft
		Final
		Reg
		Repro
		15. TOTAL →

17. PRICE GROUP
18. ESTIMATED TOTAL PRICE

1. DATA ITEM NO.	2. TITLE OF DATA ITEM	3. SUBTITLE
4. AUTHORITY (Data Acquisition Document No.)		5. CONTRACT REFERENCE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY
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		Draft
		Final
		Reg
		Repro
		15. TOTAL →

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8. APP CODE	11. AS OF DATE	12. DATE OF FIRST SUBMISSION
16. REMARKS		13. DATE OF SUBSEQUENT SUBMISSION
		14. DISTRIBUTION
		a. ADDRESSEE
		b. COPIES
		Draft
		Final
		Reg
		Repro
		15. TOTAL →

17. PRICE GROUP
18. ESTIMATED TOTAL PRICE

<b>G. PREPARED BY</b>	<b>H. DATE</b>	<b>I. APPROVED BY</b>	<b>J. DATE</b>
-----------------------	----------------	-----------------------	----------------

**INSTRUCTIONS FOR COMPLETING DD FORM 1423**  
(See DoD 5010.12-M for detailed instructions.)

**FOR GOVERNMENT PERSONNEL**

- Item A.** Self-explanatory.
- Item B.** Self-explanatory.
- Item C.** Mark (X) appropriate category: TDP - Technical Data Package; TM - Technical Manual; Other - other category of data, such as "Provisioning," "Configuration Management," etc.
- Item D.** Enter name of system/item being acquired that data will support.
- Item E.** Self-explanatory (to be filled in after contract award).
- Item F.** Self-explanatory (to be filled in after contract award).
- Item G.** Signature of preparer of CDRL.
- Item H.** Date CDRL was prepared.
- Item I.** Signature of CDRL approval authority.
- Item J.** Date CDRL was approved.
- Item 1.** See DoD FAR Supplement Subpart 4.71 for proper numbering.
- Item 2.** Enter title as it appears on data acquisition document cited in Item 4.
- Item 3.** Enter subtitle of data item for further definition of data item (optional entry).
- Item 4.** Enter Data Item Description (DID) number, military specification number, or military standard number listed in DoD 5010.12-L (AMSDL), or one-time DID number, that defines data content and format requirements.
- Item 5.** Enter reference to tasking in contract that generates requirement for the data item (e.g., Statement of Work paragraph number).
- Item 6.** Enter technical office responsible for ensuring adequacy of the data item.
- Item 7.** Specify requirement for inspection/acceptance of the data item by the Government.
- Item 8.** Specify requirement for approval of a draft before preparation of the final data item.
- Item 9.** For technical data, specify requirement for contractor to mark the appropriate distribution statement on the data (ref. DoDD 5230.24).
- Item 10.** Specify number of times data items are to be delivered.
- Item 11.** Specify as-of date of data item, when applicable.
- Item 12.** Specify when first submittal is required.
- Item 13.** Specify when subsequent submittals are required, when applicable.
- Item 14.** Enter addressees and number of draft/final copies to be delivered to each addressee. Explain reproducible copies in Item 16.
- Item 15.** Enter total number of draft/final copies to be delivered.
- Item 16.** Use for additional/clarifying information for Items 1 through 15. Examples are: Tailoring of documents cited in Item 4; Clarification of submittal dates in Items 12 and 13; Explanation of reproducible copies in Item 14.; Desired medium for delivery of the data item.

**FOR THE CONTRACTOR**

**Item 17.** Specify appropriate price group from one of the following groups of effort in developing estimated prices for each data item listed on the DD Form 1423.

a. Group I. Definition - Data which is not otherwise essential to the contractor's performance of the primary contracted effort (production, development, testing, and administration) but which is required by DD Form 1423.

Estimated Price - Costs to be included under Group I are those applicable to preparing and assembling the data item in conformance with Government requirements, and the administration and other expenses related to reproducing and delivering such data items to the Government.

b. Group II. Definition - Data which is essential to the performance of the primary contracted effort but the contractor is required to perform additional work to conform to Government requirements with regard to depth of content, format, frequency of submittal, preparation, control, or quality of the data item.

Estimated Price - Costs to be included under Group II are those incurred over and above the cost of the essential data item without conforming to Government requirements, and the administrative and other expenses related to reproducing and delivering such data item to the Government.

c. Group III. Definition - Data which the contractor must develop for his internal use in performance of the primary contracted effort and does not require any substantial change to conform to Government requirements with regard to depth of content, format, frequency of submittal, preparation, control, and quality of the data item.

Estimated Price - Costs to be included under Group III are the administrative and other expenses related to reproducing and delivering such data item to the Government.

d. Group IV. Definition - Data which is developed by the contractor as part of his normal operating procedures and his effort in supplying these data to the Government is minimal.

Estimated Price - Group IV items should normally be shown on the DD Form 1423 at no cost.

**Item 18.** For each data item, enter an amount equal to that portion of the total price which is estimated to be attributable to the production or development for the Government of that item of data. These estimated data prices shall be developed only from those costs which will be incurred as a direct result of the requirement to supply the data, over and above those costs which would otherwise be incurred in performance of the contract if no data were required. The estimated data prices shall not include any amount for rights in data. The Government's right to use the data shall be governed by the pertinent provisions of the contract.

APPENDIX G

JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN  
COMPETITION

1. Identification of the Agency:
2. Nature of the action being approved:
3. Services requested and estimated value:
4. Statutory authority permitting other than full and open competition:
5. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited:
6. Description of efforts made to ensure that offers are solicited from as many sources as is practicable:
7. A determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable:
8. A description of the market survey conducted and the results or a statement of the reasons a market survey was not conducted:
9. Any other facts supporting the use of other than full and open competition:
10. Other sources expressing interest in the acquisition:
11. A statement of the action, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the services or supplies required:
12. A statement of delivery requirements:
13. The total estimated dollar value for the acquisition covered in the justification:
14. Reference to the approved AP, when the acquisition covered in the justification meets the criteria/thresholds for a written AP:

15. For ADP acquisition, attach ADP approvals:

16. Documentation, for spare parts acquisition, of a review of the specifications to ensure that they reflect the minimum requirements:

17. Identification of contract specialist/negotiator who prepared the document:

Name and Title\_\_\_\_\_ Code\_\_\_\_\_ Phone\_\_\_\_\_ Date\_\_\_\_\_

CERTIFICATIONS

I certify that the facts and representations under my cognizance which are included in this justification and its supporting Acquisition Plan\_\_\_\_\_ and which form a basis for this justification are complete and accurate.

Technical/Requirements Cognizance:

(Signature)\_\_\_\_\_ Code\_\_\_\_\_ Phone\_\_\_\_\_ Date\_\_\_\_\_ Name and Title\_\_\_\_\_

Certification of Technical/Requirements:

(Signature)\_\_\_\_\_ Code\_\_\_\_\_ Phone\_\_\_\_\_ Date\_\_\_\_\_ Name and Title\_\_\_\_\_

(Pers-02 or Pers-00B if over 50K)

The Contracting Officer hereby certifies that the justification is accurate and complete to the best of his/her knowledge and belief.

CONTRACTING OFFICER CERTIFICATION REQUIRED BY FAR 6.303(A)(12)

I certify that this justification, including its supporting Acquisition Plan\_\_\_\_\_ is accurate and complete to the best of my knowledge and belief.

Signature\_\_\_\_\_ Code\_\_\_\_\_ Phone\_\_\_\_\_ Date\_\_\_\_\_  
Name and Title\_\_\_\_\_

NRCC LEGAL COUNSEL

\_\_\_\_\_  
Signature (Name and Title) Code Date

APPROVAL BLOCK REQUIRED BY FAR 6.304 (see FAR 6.304 for Approving Official):

Level Above Contracting Officer\_\_\_\_\_ (\$0-\$100,000) Signature (Name and Title) Code Date

Competition Advocate \_\_\_\_\_ (\$100,000-\$1,000,000) Signature (Name and Title) Code Date

Head of Procuring Activity \_\_\_\_\_ (SUP 02) (\$1M-\$10M) Signature (Name and Title) Code Date

OASN (S&L) \_\_\_\_\_ (Over \$10M) Signature (Name and Title) Code Date

APPENDIX H

CS CATEGORIES

APPENDIX H1

CATEGORY A

INDIVIDUAL EXPERTS AND CONSULTANTS (IEC)

A. Definition and Criteria

Individual experts and consultants are persons possessing special, current knowledge or skill which may be combined with extensive operational experience. This enables them to provide information, opinions, advice, or recommendations to enhance understanding of complex issues or to improve the quality and timeliness of policy development or decision-making. These named individuals may either work independently or as members of panels, commissions, or committees.

This summary description is further defined in terms of the following:

1. The objective is:

To enhance understanding of complex issues or to improve the quality and timeliness of defense policy development or decision-making by providing information, opinions, advice, or recommendations based on personal knowledge or experience.

2. Areas of application are:

All subjects, issues, or problems involving policy development or decision-making in the Department of the Navy.

3. Numbers and characteristics of people involved include:

a. Experts. Individuals possessing uncommon, special, current knowledge or skill in a particular field. They are outstanding specialists with a high level of peer recognition.

b. Consultants. Individuals possessing uncommon, special, current knowledge or skill in a broad area combined with extensive experience in the application of such knowledge or skill in operational settings. As a consequence, consultants are well-recognized outside of their peer group. In addition to

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independent work, experts and consultants may be assembled into committees, panels, commissions, etc.

4. Outputs are:

Information, opinions, advice, or recommendations, either oral or written.

5. Additional characteristics and guidance:

Both experts and consultants are valued for their intrinsic knowledge, skills, or experience; they do not require extensive new personal research to provide useful information, opinions, advice, or recommendations.

Because experts are essentially specialists, their output is predominantly information or opinions. Consultants' outputs, because they are essentially highly skilled practitioners, is predominantly advice and recommendations.

All personal appointments or contracts (whether for personal or non-personal services) with individual, named experts or consultants are included in Category A, regardless of whatever apparent connection they may have with Categories B through D.

B. Policies and Procedures

The services of experts or consultants procured under this category are not to be used to perform basic government functions as indicated in subsections D1 and D10 of DOD Directive 4205.2 of 27 January 1986.

Title 5 U.S.C. 3109(b) provides the statutory authority for employment of experts and consultants, including employment of such persons without compensation. When other statutes apply specifically to a particular appointment, that authority shall be used. Experts or consultants shall not be employed temporarily or intermittently solely in anticipation of a career conditional appointment.

Appointments of experts and consultants shall be subject to the approval of higher authority as specified in CPI 304-A of 12 July 1984 or subsequent changes.

Before experts and consultants can be appointed, the following shall be obtained:

1. Funds and personnel ceiling authorizations.

2. Appropriate security clearances.

3. A statement from the Standards of Conduct Counselor that, under DOD Directive 5500.7D of 30 Aug 1993, no conflict of interest exists.

A proposed appointment or renewal shall be accompanied, at a minimum, by: a memorandum outlining the specific duties to be performed; the qualifications of the appointee; SF 171, "Application for Federal Employment;" and DD Form 2292, "Request for Appointment or Renewal of Appointment Consultant or Expert."

None of the approval procedures apply to: experts and consultants appointed to positions in field organizations below the major DON Component headquarters level; physicians, dentists, and other health professionals providing patient care; veterinarians; lecturers participating in educational activities; or auxiliary chaplains.

The daily rates of pay prescribed in various statutory authorizations shall be considered maximum rates, and lesser rates shall be negotiated whenever possible. Determinations of the rate to be paid or to pay no compensation to an expert or a consultant shall be made on a case-by-case basis, considering the appropriateness of the pay to the work performed, the appointee's qualifications and experience, his or her current or highest salary held, and comparable compensation in the private sector. An expert or consultant is not entitled to a pay increase solely on the basis of an increase in the general schedule.

For those experts and consultants not obtained through the appointment process outlined above, an appropriate service contract shall be written. If a nonpersonal services contract is used, a written report shall be submitted summarizing the appointee's information, opinions, advice, or recommendations.

APPENDIX H2

CATEGORY B

STUDIES, ANALYSES, AND EVALUATIONS (SAE)

A. Definition and Criteria

Studies, Analyses, and Evaluations SAE are organized, in-depth, analytic assessments needed to understand complex issues and improve policy development or decision-making. Using scientific methods, SAE result in formal, structured documents containing or leading to conclusions or recommendations. The problems and issues are of such size, complexity, or uniqueness that individual experts and consultants can not resolve them alone. Basic research and system-specific engineering studies, however, are excluded from the scope of SAE (Category B).

This summary description is further defined in terms of the following:

1. The objective is:

Enhance understanding of complex issues, improve the quality and timeliness of defense policy development or decision-making, provide new insights into, alternative solutions to, or recommendations on, defense issues through the application of scientific methods and especially policy and program analysis and evaluation.

2. Areas of application are:

Subjects, issues, or problems of policy development or decision-making in the Department of the Navy. These may involve strategy, requirements, tactics, concepts, operations, organization, forces, the support of forces, programs, weapons and other systems, and the acquisition, test, and evaluation of such systems.

3. Numbers and characteristics of people involved include:

Teams of people from non-governmental analytic organizations. The teams may consist of non-professional as well as professional staff members. The professional members of the team are characterized by either:

a. Special knowledge in the field being studied (although not necessarily at the level described under category A); and/or

b. A high level of skill in using the concepts and techniques of analysis or evaluation.

4. Outputs are:

Formal, structured documents containing or leading to conclusions or recommendations.

5. Additional Characteristics and Guidance

a. The subjects, issues, or problems addressed by SAE require more information, skill, or experience than can be provided by the experts or consultants described in Category A.

b. The data, assumptions, principles, calculations, alternatives considered, and reasoning leading to the conclusions or recommendations in SAE shall be fully explained in clear, written form.

c. Simulation, model building, economic analysis, statistical analysis, decision processes, game theory, operations research, design of experiments, and cost-benefit or cost-effectiveness analyses are the tools typically used in developing formal SAE documents. Data bases, models, methodologies, and related software created in support of a study, analysis, or evaluation are to be considered part of the overall study effort.

d. Technical projects using basic scientific information or operational experience as inputs and that are focused on a class of problems, broad issues, present or proposed policies, or that are generic efforts (i.e., not a weapon system or equipment development effort) are covered by this category.

e. Engineering studies related to specific physical or performance characteristics of existing or proposed systems are not covered by this category.

f. Research on theoretical mathematics and fundamental physical, biological, social, or psychological phenomena unrelated to particular issues or systems are not covered by this category.

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B. Policies and Procedures

While this instruction applies specifically to contract studies, analyses and evaluations, its provisions should guide the planning, management, and reporting of major in-house studies,

Appendix H2 inter-component studies, and inter-agency studies to the extent applicable and practicable. For these purposes, major in-house studies are those requiring two or more work years of effort. Other than in exceptional cases, all SAE shall be procured only through a contract dedicated solely to these purposes.

The requiring claimant for SAE shall contact the Studies and Resource Administrative Branch (N-811) at the Pentagon for more information.

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## APPENDIX H3

## CATEGORY C

MANAGEMENT SUPPORT SERVICES (MSS)A. Definition and criteria

Management Support Services (MSS) take the form of advice, training, or direct assistance to organizations to ensure more efficient or effective operation of managerial, administrative, or related kinds of systems.

This summary description is further defined in terms of the following:

1. The objective is:

Ensure more efficient or effective operation of management support systems through advice, training, or direct assistance in improving the design or operation of such systems.

2. The areas of application are:

Acquisition management, project monitoring and reporting, data collection, logistics, budgeting, accounting, auditing, personnel management, paperwork management, records management, space management, library management, and related systems.

3. Numbers and characteristics of people involved include

Teams of people from non-governmental organizations, usually private sector management services companies. The teams may consist of non-professional as well as professional staff members. The professional team members are characterized by special knowledge or skills (although not necessarily at the level described under Category A) in managerial, administrative, or related areas.

4. Outputs are:

Services in the form of advice, training, or direct assistance that lead to improved design or more effective operation of managerial, administrative, or related kinds of systems. Written reports are incidental to the performance of these services.

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5. Additional characteristics and guidance:

Excluded from Category C are:

a. Managerial or administrative services by the designer or producer of end-item hardware that are non-separable from the development, production, or operational support processes. In this context, "non-separable" means the managerial or administrative systems (e.g., subcontractor monitoring or configuration control) that can not reasonably be operated or performed by anyone other than the designer or producer of the end-item hardware.

b. Initial training, training aids, and technical documentation acquired as an integral part of the lease or purchase of equipment.

c. Routine maintenance of office equipment, routine administrative services (e.g., mail, reproduction, telephone), printing services, and direct advertising (media) costs.

d. Academic education or general training to enhance basic managerial or administrative skills.

B. Policies and Procedures

Advice or recommendations offered shall be limited to the more efficient and effective operation of the managerial, administrative, or related systems being supported.

MSS shall be used to create an in-house capability as soon as practicable, thereby avoiding long term dependency on contractor support.

MSS as defined herein shall not be procured by means of a personal services contract. To the extent applicable and practicable, contracts for these services shall require a written report which typically documents the services delivered and may in part take the form of software packages.

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## APPENDIX H4

## CATEGORY D

INFORMATION TECHNOLOGY SYSTEMS (ITS)

Contract activity reported in the ADP budget for Information Technology Systems (ITS) is to be accounted for as CS. These costs are for non-tactical ADP requirements for systems analyses, design, development, engineering, programming and studies as reported in Section 4D of OMB Exhibit IT-43A. Effort to be reported by Navy claimants will conform to the ITS/ADP coverage for budget estimates submitted to the Naval Data Automation Command (NAVDAC) on lines 22 and 23 of the exhibit CSP-X.