

OFFICE OF ACQUISITIONS MANAGEMENT



CUSTOMER GUIDE FOR CONTRACTING

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PURPOSE

This handbook sets out the process and timelines for procuring contract services through the Office of the Procurement Executive, Office of Acquisitions Management (A/OPE/AQM). Contracts are procurement actions that are usually over \$25,000, and require a degree of complexity to exactly explain the good or service to be purchased. This handbook does not address purchase card or grant actions.

The acquisition process begins with the development of a complete and adequate procurement request (PR) package from the Requiring Office (also commonly referred to as the “Program Office”). This is the office that wishes to have something purchased using appropriated funds. The purpose of this guide is to provide information that enables the Requiring Office to prepare and process the required documents that comprise a complete PR package. Incomplete or incorrect PRs will be returned to the Requiring Office for correction, unless coordinated in advance.

BACKGROUND

The Department relies on a wide range of sophisticated contractor services and supplies in order to meet its worldwide mission requirements. Some of these acquisitions have a complex structure, dealing with the operation and maintenance of complex technology and construction requirements, and others employ the services of technical experts.

In FY2017, the Department obligated \$10.82B in taxpayer dollars in contracted supplies and/or services. Developing comprehensive requirements, well-crafted acquisition strategies, and effective contract administration are part of the Department's collective responsibility.

APPLICABILITY

This guide is based on Federal Acquisition Regulations (FAR), Department of State Acquisition Regulations (DOSAR), United States Code (U.S.C.), and Government memorandums. This guide does not replace adherence to these authorities and all PR packages must conform to the above sources.

HOW TO USE THE GUIDEBOOK

The guidebook is designed to be used as a desk and process reference. Prior to beginning any acquisition project, the designated Program/Project Manager from the Requiring Office should read the guidebook in its entirety to gain an overall understanding of the entire acquisition cycle. The DOS COR handbook (14 FAH-2) should also be read, focusing attention on pre-solicitation and solicitation sections.

AQM CONTRACTING OVERVIEW

The Office of Acquisitions Management (A/OPE/AQM) is staffed by professional Contracting Officers (COs) who provide the full range of procurement services to customers worldwide, including acquisition planning support, procurements, contract negotiations, cost and price analysis, and contract administration. Successful contracting activities require close coordination between AQM's Contracting Officers and the Requiring Offices -- as each contributes a specific expertise to proper administration of the technical and programmatic requirements of the activity. COs hold individual warrants authorizing them to obligate the Government by signing contracts and purchase orders on behalf of the U.S. Government. No one else is authorized to obligate U.S. government funds on contracts. Most contracts include a Contracting Officer's Representative (COR), nominated by the Requiring Office and formally designated by the CO. The COR brings the programmatic expertise to ensure the goods and services are procured and delivered in line with program requirements, acting as both link between the Contractor, the CO, and the Requiring Office. CORs do not have authority to

make any changes to the terms or conditions of a contract, nor do they have authority to waive any contract requirement (See 14 FAH-2 H-141), which must be handled by the CO.

AQM operates as a Working Capital Fund (WCF) organization. As such, its operating expenses are paid for by its clients based upon the value of the contract action conducted. These surcharges support the total operational costs of the office including staff salaries, temporary duty (TDY) expenses, supplies and equipment, etc. The surcharge is 1.25% for Department of State acquisitions and 4% for other agency purchases. Surcharges apply to all awards and modifications except funding de-obligations and zero-dollar modifications. There is no WCF surcharge maximum.

The Requiring Office is responsible for initiating the request to AQM to prepare a contract whether a new contract or a renewal or a follow-on of an existing contract.

The primary document governing acquisitions conducted by the Federal Government is the Federal Acquisition Regulation or FAR (Title 48 Code of Federal Regulations Chapter 1). The FAR implements numerous Federal statutes in uniform policies and procedures for acquisition by all executive agencies. These regulations are supplemented by the Department of State Acquisition Regulation or DOSAR (48 C.F.R. Chapter 6). FAR regulations mandate competition in contracting (unless an exception exists and is documented and approved). After the receipt of a complete PR package, a typical competitive acquisition follows these basic steps:

- Publicizing the prospective contract (on the DOS Unison Marketplace web site, for example);
- Issuing a written solicitation;
- Receiving proposals or quotations;
- Evaluating proposals or quotations received;
- Conducting negotiations/discussions, if needed;
- Awarding the contract;
- Administering the contract, including monitoring contractor performance;
- Making changes and resolving disputes after the contract is signed;
- Paying invoices; and
- Closing out the contract when complete.

SMALL BUSINESS REQUIREMENTS: ROLE OF OSDBU

AQM coordinates closely with the Office of Small and Disadvantaged Business Utilization (OSDBU) to meet federally-set targets for promoting U.S. small business and acts as an intermediary between the OSDBU and the Requiring Office. OSDBU, which reports to the Deputy Secretary's Office, serves the Department's liaison with the Small Business Administration (SBA). By regulation, the SBA and each agency negotiate small business goals annually. Pursuant to FAR 19.201 (d), each agency's Small and Disadvantaged Business Utilization Specialist (SDBU) is responsible for:

1. Maintaining a program to locate capable small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses, veteran-owned small businesses, and service-disabled veteran-owned small business sources (small business concerns) to fulfill DOS acquisition requirements;
2. Coordinating inquiries and requests for advice from small business concerns on DOS contracting and subcontracting opportunities and other acquisition matters;
3. Advising contracting activities on new or revised small business policies, regulations, procedures, and other related information;
4. Assuring that small business concerns are provided adequate specifications or drawings by initiating, in writing, with appropriate technical and contracting personnel to ensure that all necessary specifications or drawings for current and future acquisitions, as appropriate, are available;
5. Reviewing all proposed acquisitions in excess of the simplified acquisition threshold, including commercial items using the simplified acquisition procedures of FAR Subpart 13.5, and task and delivery orders under multiple award contracts exceeding \$2 million, to assure that small business concerns will be afforded an equitable opportunity to compete and, as appropriate, initiating recommendations for small business, 8(a), woman-owned, service-disabled veteran-owned, or HUBZone small business set-asides. This includes proposed contract modifications for new or additional requirements that do not fall within

the original scope of the contract and which exceed the simplified acquisition limitation. This does not include the exercising of contract options;

6. Providing assistance to the Contracting Officer in making determinations concerning responsibility of prospective contractors whenever small business concerns are involved;
7. Participating in the evaluation of a prime contractor's small business subcontracting plans; and
8. Assuring that the participation of small business concerns is accurately reported.

CONTINGENCY OPERATION AND CRITICAL ENVIRONMENT CONTRACTING: ROLE OF A/OPE/CECAS

The security of personnel supporting the Department of State is an essential part of our contracting process. In accordance with the policies set forth in 14 FAM 240, the Department requires that comprehensive assessments be performed for contractor operations in certain countries with Department of Defense (DoD) designated contingency operations and all countries on the Department's Critical Environments List. Contract risk mitigation plans are required for all countries with DoD designated contingency operations and some countries on the Critical Environments List as determined by the Under Secretary for Management. The list of designated contingency operation countries and critical environments can be found at <https://usdos.sharepoint.com/sites/A-OPE/AQM/Pages/CECAS.aspx>. Program offices planning service contracts in these countries should contact A/OPE/AQM and the Critical Environments Contracting Analytics Staff (CECAS) as soon as they are aware of the requirement for the contract.

RISK ASSESSMENT AND RISK ANALYSIS MANAGEMENT COUNTERTERRORISM VETTING: ROLE OF A/OPE/CECAS/RAM

The purpose of vetting contractors to reduce the risk that U.S. government-funding is provided to terrorists or their supporters. Vetting applies to contracts where the Program Officer or requisitioners have identified risks of terrorist financing that could be mitigated by vetting potential contractors. Vetting applies for all contracts, Basic Purchase Agreements (BPAs), orders and BPA call totaling above the micro-purchase threshold (including all options). Program Officers or requisitioners evaluate risk factors associated with the program to identify which programs the A/OPE/CECAS Risk Analysis and Management (RAM) unit should vet. Contracting Officers will include a solicitation provision in Attachment 1, Solicitation Requirements for Vetting, in all solicitations for programs determined to be at risk.

The solicitation provision "Contractor Vetting as a Condition of Award" will be added in section L and the clause "Contractor Vetting After Award" will be added to Section H, as indicated in attachment 1, for all high risk funded solicitations for applicable programs identified by bureaus for vetting.

Contractor Vetting as a Condition of Award

Offerors are advised that successful passing of vetting to evaluate the risk that funds may benefit terrorists or individuals/entities deemed to be a risk to national security or their supporters is a condition of award. Offerors may be asked to submit information required by DS Form 4184, Risk Analysis Information (attached to this solicitation) about their company and its principal personnel. Vetting information is also required for all subcontract performance on contracts identified by the Department as presenting a risk of terrorist financing. When vetting information is requested by the Contracting Officer, information may be submitted on the secure web portal at <https://ramportal.state.gov>, via email to RAM@state.gov, or hardcopy to the Contracting Officer. Questions regarding the form may be emailed to RAM@state.gov. Failure to submit information when requested, or failure to pass vetting, may be grounds for rejecting your proposal.

(End of provision)

The following contract clause will be included in Section H for UCF solicitations, or as an addendum to FAR 52.212-4, Contract Terms and Conditions – Commercial Items, for commercial item solicitations, whenever a contract is awarded after vetting:

Contractor Vetting After Award

Contractors shall advise the Contracting Officer of any changes in personnel listed in the DS Form 4184 and shall provide vetting information on new individuals. The government reserves the right to vet these personnel changes and to terminate contracts for convenience based on vetting results.

(End of clause)

Current information on the RAM program can be found at <https://usdos.sharepoint.com/sites/A-OPE/AQM/Pages/RAM.aspx>.

ROLES AND RESPONSIBILITIES: CONTRACTING OFFICE & REQUIRING OFFICE

The below table outlines the roles and responsibilities between the Contracting Office and Requiring Office for major acquisition project and contract activities. The term “Assist” in the table denotes that there is usually some form of collaborative effort or communication from both offices. Blank cells do not imply that assistance or advice cannot be provided, but rather that the activity typically requires little involvement from the other party. (Note: This is not always a linear process. Many activities will be conducted concurrently. However, many functions are dependent upon earlier functions.)

Function	CO / AQM	COR / Requiring Office	Reference
Pre-Procurement Activities			
Preliminary Forecast Plans (PFP)		X	14 FAH-2 H-321, 14 FAH-2 H-322, 14 FAM 221.1
1. Forecasting and submitting detailed forecasts (To include determining if CECAS contract mitigation plans and/or vetting services will be required).		X	14 FAH-2 H-321, 14 FAM 221.1
2. Deliver acquisition forecast plan and meet with AQM (contracts over \$25,000).		X	14 FAH-2 H-321, 14 FAM 221.1
Acquisition Planning	X	X	AQM Memo 15-11, FAR 7.102(b), 7.104(a)
1. Early in the planning process, requirements and logistics personnel who determine type, quality, quantity, and delivery requirements should coordinate with the Contracting Officer (CO) so as to avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules. Requiring Office with the CO should determine acquisition strategy/contract type.	X	X	FAR 7.104(b)

1a. Determine if the requirement will utilize U.S. citizens or third country nationals in countries with DoD contingency operations or in countries on the Department's Critical Environment List; and, if so, notify A/OPE/CECAS.	X	X	14 FAM 243.4 d., FAR 7.104(c)
1b. Prepare Risk Assessment and notify the CO/AQM if the risk requires RAM counterterrorism vetting and notify contracting officer to insert appropriate language in the solicitation.		X	FAR 7.104(c)
2. Coordinate with and secure the concurrence of the CO in all acquisition planning.	X	X	FAR 7.104(c), FAR 7.105
3. Develop informal acquisition planning documents for each acquisition exceeding \$150,000 (subject to OSDDBU clearance over \$2.5 million).		X	AQM Memo 15-10
4. Develop a formal, written acquisition plan for each acquisition exceeding \$5 million (subject to OSDDBU clearance). *		X	DOSAR 607.103(d), AQM Memo 15-10
5. Set milestones.	X	X	FAR 7.105 (a) (21)
6. Provide general guidance to establish a procurement strategy when formal plan not required.		X	AQM Memo 15-10

7. Include planning for contract administration in written acquisition plans.	X	X	DOSAR 607.105(b)(19)
8. Obtain DS Bureau Assistant Secretary approval on acquisition plans for service contracts with an anticipated annual expenditure exceeding \$25,000.		X	DOSAR 607.103(j)
Market research.	X	X	14 FAH-2 H-324, FAR Part 10
Pre-procurement clearances or approvals required by applicable regulations (see 14 FAM Exhibit 221.3).		X	14 FAM 221.3
Preparation and transmission of complete Procurement Request Package (PRP) to the Contracting Office, with all required administrative approvals, to include:		X	14 FAH-2 H-142
1. Funding/requisition document (DS-1969 Form or content on purchase requisition).		X	14 FAH-2 H-332.2(4), 14 FAH-2 H-332.1a
2. Specifications/performance work statement/changes to Performance Work Statement (PWS) for modifications.		X	14 FAH-2 H-332.2(1), FAR Part 11, PIB 2012-11
3. DS-4208 Inherently Governmental Function Determination (IGFD) (for services contracts, as appropriate).		X	14 FAH-2 H-332.2(2), DOSAR 607.503, FAR 7.503(e)

4. Independent Government Cost Estimate (IGCE).		X	14 FAH-2 H-332.2(3), 14 FAH-2 H-350
5. COR nomination.		X	14 FAH-2 H-332.2(5), FAR 7.104(e)
6. Form DD-254 – DoD Contract Security Classification Specification.		X	14 FAH-2 H-332.2(6)
7. Necessary approvals.		X	14 FAH-2 H-332.2(7)
8. Technical evaluation criteria and plan.		X	14 FAH-2 H-332.2(8), 14 FAH-2 H-360, AQM Memo 13-11
9. List of recommended Technical Evaluation Panel (TEP) members.		X	14 FAH-2 H-332.2(9), 14 FAH-2 H-420
10. Justification for other than full and open competition (JOFOC).		X	14 FAH-2 H-332.2(10); 14 FAH-2 H-226; FAR Part 6, 8.405-6, 13.106-1, 13.501, or 16.505, as applicable AQM MEMO 15-19
11. Recommended source list, if applicable.		X	14 FAH-2 H-332.2(11)
12. Shipping instructions.		X	14 FAH-2 H-332.2(10)
13. Special provisions and instructions.		X	14 FAH-2 H-332.2(13)

Review and acceptance by the CO of PRP via Ariba.	X	X	14 FAH-2 H-330, 14 FAH-2 H-323
Development of a combating Trafficking In Persons (TIP) contract monitoring strategy and monitoring the contractor actions.		X	14 FAH-2 H-142
Preparation of required Determinations and Findings (D&F) and obtaining necessary Federal Acquisition Regulation (FAR) deviations and exemptions.	X		FAR 1.7, 14 FAH-2 H-141, FAR 1.602-2, FAR 1.108(f)
Establishment of contract terms, conditions, and general provisions, including the methods of pricing, paying, and financing.	X		14 FAH-2 H-141, FAR 1.602-2, FAR 1.108(f)
Designation, in writing, of the Contracting Officer's Representative (COR) for each Contract. The CORs are nominated by the requiring office.	X	X	14 FAH-2 H-141, FAR 7.104(e)
Determination of set-asides:	X	X	FAR 19.501, 14 FAH-2 H-241
1. Prepare sources sought announcement.	X	X	FAR Part 10, FAR 15.201
2. Post sources sought/RFI on DOS Unison Marketplace.	X		FAR 5.003
3. Receive sources sought responses.	X		FAR 1.108(f), FAR 15.207
4. Analyze sources sought.		X	FAR 15.201

5. Determine if a small business set-aside is required and do so if necessary.	X		FAR 19.501(b), FAR 19.502-1
6. Perform market research and document why a small business set-aside is inappropriate when an acquisition is not set aside for small business.	X		FAR 19.501(c)
7. Submission of DS-1910 to OSDDBU for review and approval.	X		FAR 19.202, DOSAR 619.501
Solicitation Activities			
Review of solicitation pursuant to AQM Quality Assurance Plan*.	X		AQM Memo 16-06
Posting of synopsis on DOS Unison Marketplace or appropriate locations.	X		FAR 5.101, FAR 5.003
Review and technical input for the draft solicitation.		X	14 FAH-2 H-418
Issuance and advertising of the solicitation, including securing any necessary review and approvals.	X		14 FAH-2 H-141; FAR 5.003; FAR 13.105 and 13.106, FAR 14.201, or FAR 15.205, as applicable
Arranging and leading pre-proposal and pre-award communication with vendors.	X		FAR 15.201
Assistance to CO with site visit and/or pre-proposal conferences.		X	FAR 15.201

Responses to vendor questions.	X	X	FAR 5.1
1. Receive questions.	X		FAR 15.201(f), FAR 15.303(c)
2. Provide answers to questions submitted.	X	X	14 FAH-2 H-363.8-4
3. Post responses to questions on Unison Marketplace.	X		FAR 5.003
Review and provide technical input for solicitation.		X	14 FAH-2 H-142, 14 FAH-2 H-340, 14 FAH-2 Exhibit H-411
Amending and cancelling solicitations.	X	X	14 FAH-2 H-417, FAR 15.206
1. Providing substantive material in a timely fashion for solicitation alteration.		X	14 FAH-2 Exhibit H-411
2. Issuing Amendments to DOS Unison Marketplace.	X		FAR 15.206, FAR 5.003
3. Cancel the solicitation, as applicable.	X		FAR 15.206(e)
Receive and control vendor proposals.	X		FAR 15.207
Evaluation Activities (See Attachments Section for Source Selection Flow Chart)			
Appointment of individuals to participate on the Technical Evaluation Panel (TEP) and associated logistics for the TEP, to include identifying Subject Matter Experts, as needed.	X		14 FAH-2 H-141, FAR 15.303, AQM Memo 16-17

Initial review of the technical proposal to confirm that the proposal complies with Section L.	X		FAR 14.301 or FAR 15.303, as applicable
Advice to Requiring Office during evaluation process.	X		FAR 15.303
For chairperson of the TEP: Direction of evaluation of the technical proposals for negotiated procurement and preparation of recommendations to the CO.	X	X	14 FAH-2 H-142
Preparation of price and/or cost evaluation (with assistance from TEP as appropriate), fair and reasonable price determination, and responsibility determination.	X		FAR 9.104; FAR 9.105; FAR 13.106-2, FAR 14.402, or FAR 15.402 and FAR 15.404-1, as applicable
Conduct of contract negotiations, (with the assistance of technical experts, as necessary).	X		14 FAH-2 H-141, FAR 15.303(c)
Assistance to the CO during discussions/negotiations.		X	14 FAH-2 H-142
Establishment of competitive range, pre-negotiation positions, and objectives for trade-offs (if applicable)*.	X		FAR 15.306(c), FAR 15.306(d), FAR 15.406-1

<p>Contracting Officers will request information only from those offerors in the competitive range or the selected offeror using Attachment 2, DS Form 4184, Risk Analysis Information. Offerors will submit data required for vetting via a “Secure Portal” linking them to the RAM office; access to the Portal will be provided to the offeror once the Requirements Office has identified the offeror to RAM.</p>	<p>X</p>		<p>PIB 2018-07</p>
<p>A/OPE/CECAS/RAM will vet offerors and will inform Program Offices and Contracting Officers either that no negative information was discovered or that negative information was discovered. Successful passing of vetting is a condition of receiving award. Negative information will result in a determination that the contractor does not pass absent a determination from the Program Office.</p>		<p>X</p>	<p>PIB 2018-07</p>
<p>The Program Office will make a determination on whether negative information is sufficient to disqualify the offeror and will advise the Contracting Officer in writing of their determination. The Program Office may request that negative information be reviewed by their appropriate Bureau Assistant Secretary. The Bureau Assistant Secretary may request award in the face of adverse information with a decision memorandum to the Contracting Officer and A/OPE/CECAS/RAM describing why the negative information should not disqualify the contractor from consideration. Contracting Officers</p>	<p>X</p>	<p>X</p>	<p>PIB 2018-07</p>

will use this information in making a determination of award as a special responsibility factor.			
Request for final proposal revisions*.	X		14 FAH-2 H-213.2, FAR 15.307
Selection of successful offeror*.	X		FAR 13.106-3, FAR 14.408, or FAR 15.303(c) and 15.308, as applicable
Award Activities			
Execution of (signing) the contract on behalf of the U.S. Government.	X		14 FAH-2 H-141, FAR 1.602
Preparation of award, e-filing, and maintenance of appropriate supporting documentation.	X		FAR 4.802
Conduct of debriefings.	X		14 FAH-2 H-141; FAR 13.106-3(d), FAR 14.409, or FAR 15.506(c), as applicable
Support to debriefings.		X	FAR 15.506(c)
Review, negotiation, coordination, and documentation of any protests*.	X		14 FAH-2 H-452, FAR Part 33
Decision on whether to conduct a post award conference. Note: If required, the CO will chair the conference.	X		14 FAH-2 H-516, FAR 42.503

Participation in the post award conference providing technical input and guidance, as appropriate.		X	14 FAH-2 Exhibit H-513
Contract Administration (Subject to Written Delegation by the Contracting Officer)			
Monitoring of the contractor's technical progress and the expenditures of resources relating to the contract.		X	14 FAH-2 H-142
Review, negotiation, and coordination of requests for equitable adjustment, claims or disputes; resolution of differences of opinion between COR and the Contractor.	X		14 FAH-2 H-532(b)(2)
Inspection and acceptance of work on behalf of the U.S. Government. Assuring quality, timely performance, and performance within budget.		X	14 FAH-2 H-142, 14 FAH-2 Exhibit H-513
Informing the CO, in writing, of any performance or schedule failure by the contractor.		X	14 FAH-2 H-142
Resolution of technical issues arising under the contract, which fall within the scope of the COR's authority, and referral to the CO on technical issues or other issues, of which the CO should be aware.		X	14 FAH-2 H-142
Administration of the contract (FAR Part 42), including the execution of contract modifications and other changes.	X		14 FAH-2 H-141

Distribution of contracts and modifications copies once signed and awarded.	X		DOSAR 604.202
Apprising the CO, in writing, of any needed changes in the Performance Work Statement or Specifications, including providing (and e-Filing as applicable) required documents.		X	14 FAH-2 H-142
Ensuring that the U.S. Government meets its contractual obligations to the contractor, e.g., providing U.S. Government-furnished property and services and timely U.S. Government review and approval of documents if such reviews are required by the contract.		X	14 FAH-2 H-142
Administration of the contract to include meeting/communicating regularly with the CO, the Contractor, and other parties on performance as appropriate. Conduct of active on-site/in-country reviews/inspections as necessary to ensure contractor compliance and performance. Resolution of issues of unsatisfactory performance, and documentation of such performance as required in the Contractor Performance Assessment Reporting System (CPARS).		X	FAR 42.302, 14 FAH-2 Exhibit H-513
Reporting of incurred costs that are not appropriately chargeable to the contract (applies to types in the cost-reimbursement category, materials portion of the time-and-materials type,		X	14 FAH-2 H-142

progress payments based on costs under types in the fixed-price category, and incentive types).			
Prompt review and approval of contractor's vouchers or invoices after adequately verifying the costs against supporting documentation.		X	14 FAH-2 H-142
If exercising an option: Initiation of a procurement request in sufficient time to allow for processing of the action, generally with a minimum of 60 days administrative lead time. (Note: More lead time may be required, depending upon the complexity of the option. The COR should review the option clause in the contract to discover how much lead time is required.)		X	14 FAH-2 H-532(b)(3)
Maintenance of a COR file for each assigned contract meeting the minimum requirements of FAR 1.604.		X	14 FAH-2 H-142, FAR 1.604, PIB 2014-10, 14 FAH-2 H-517
Maintenance of the contract e-file with all appropriate supporting documentation.	X		14 FAH-2 H-573.3, FAR 4.802, DOSAR 604.8
For the supervisors of CORs: Ensure CORs have the resources and time needed to perform COR functions. It should also be ensured the COR has the appropriate training, COR files are maintained, and the successful transition of COR files.		X	14 FAH-2 H-515

Verification of contractor statements regarding the development of patentable inventions, if required under the contract.		X	14 FAH-2 H-142
Close-out or termination of contracts.	X		14 FAH-2 H-141, AQM Memo 15-25
Assistance in contract closeout by informing the CO when the work has been completed and by completing contract closeout documentation.		X	14 FAH-2 H-142
Reconciliation of contract payments against allocated funds.		X	14 FAH-2 H-142
Evaluation of contractor performance and documentation of the evaluation in CPARS database. (Note: COR must provide evaluation, but the CO must ensure its accuracy and submit it in CPARS.)	X	X	14 FAH-2 H-142, FAR 42.15
Appointment of a property administrator as an authorized representative of the CO responsible for administering the contract requirements and obligations relating to U.S. Government property in the possession of a contractor. See FAR 45.1 and FAR 52.245-1. The property administrator will have limited authority to act for the CO.	X		14 FAH-2 H-141

Serving as property administrator responsible for managing U.S. Government property held by contractors, when assigned.		X	14 FAH-2 H-142
Rendering final decisions regarding protests, claims, and disputes*.	X		14 FAH-2 H-141, FAR Part 33
Ensuring that contractors receive impartial, fair, and equitable treatment.	X		FAR 1.602-2, 14 FAH-2 H-141

*These steps may require review by L/BA. Please reference the AQM Quality Assurance Plan for further clarification.

PROCUREMENT ADMINISTRATIVE LEAD TIME (PALT)

1. Sufficient processing time is required to prepare, review, and coordinate the required documents and award any procurement action. The procurement administrative lead time (PALT) is the time between AQM acceptance of a complete and adequate PR package and the award of the procurement action. A PR package is considered complete when all the PR documents have been properly coordinated, all applicable documents listed on the PR checklist are included in the package, and the package is ready for execution at the time of submission to AQM without rewrites.
2. PALT will vary depending on the nature of the procurement action and many factors affect the amount of PALT required. The PALTs listed in the following table are the Department of State standard and represent the average amount of time needed to process, solicit, and award a contract and should be used for planning purposes. The PALTs provide outline the adequate time needed for market research, public announcement, required policy, peer and legal reviews, development of solicitation and contract documents, industry time needed to review the requirement and submit a proposal, and time needed to evaluate proposals and select the proposal, quote, or bid representing the best value to the government.
3. Requiring Offices should prepare and coordinate PR packages at the earliest date possible, even prior to receipt of new fiscal year (FY) funds. Emergency requirements will be individually negotiated with the Division Directors to formulate the best acquisition approach to meet the requiring activity's immediate need. PALT standards, designated in calendar days, are as follows:

PROCUREMENT ADMINISTRATIVE LEAD TIME TABLE

PROCUREMENT ADMINISTRATIVE LEAD TIME TABLE	
Type of Action	PALT Calendar Days
Simplified Acquisition Procedures < \$25K	30
Simplified Acquisition Procedure \$25K to \$150K	50
Full & Open Competition > \$150K	180+
Delivery or Task Order against a Federal Supply Schedule or Government-Wide Acquisition Contract (GWAC), < \$150K	40
Delivery or Task Order against a Federal Supply Schedule or GWAC for Supplies > \$150K	120+
Task Order for Services < \$150K (for DOS IDIQs)	40
Task Order for Services > \$150K (for DOS IDIQs)	120+
Blanket Purchase Agreement (BPA)	180+
BPA Call Orders	30
Modification (all Cost Change Type Mods)	50
Modification Option to Exercise	45
Modification to De-obligate Funds	45
Modification - Administrative (no cost)	45
Interagency Agreements	180+

Note: PALTs represent the maximum target times for service delivery. Services should generally fall below this metric. However, PALT does not factor in unforeseen delays outside of AQM's or the Requiring Office's control, such as Congressional holds, Contractor protests, etc.

MARKET RESEARCH

Whether looking to establish a contract for information technology supplies or services, logistics support, or guard services, major companies buy most of the same general services the government does. The more the Requiring Office understands why the private sector and government agencies buy the way they do, the better the team can be at creating innovative PR packages and business solutions that will improve performance and reduce costs.

Before submitting a procurement request to the Contracting Officer, the Requiring Office must do the necessary market research to “see what’s out there” and assess the supplies or services that are currently offered in the market, by whom, and at what competitive range in price. (FAR Part 10). The result of this market research must be included as part of the procurement package.

There are two types of market research: strategic and tactical. Strategic market research is performed by the Requiring Office personnel to keep abreast of new developments and trends in their area of expertise on a continual basis. Tactical market research is when the Requiring Office begins narrowing down requirements to be more specific for a new acquisition or re-compete of an existing contract.

The Requiring Office must be specific in their requirements to ensure that AQM has all the necessary information to obtain quotes from qualified sources. Pictures, specifications, and other supporting information are recommended as part of the PR.

Market research must be conducted in two separate stages:

1. By the Requiring Office before new requirements documents are developed; and
2. By the Contracting Office before offers are solicited.

The extent of market research and analysis will vary depending on the urgency, value, and complexity of the proposed acquisition. Some of the types of information to collect are:

- (1) Availability of supplies/services suitable as is, or with minor modifications, for meeting the need;
- (2) Availability of companies to perform the work required;

- (3) Terms and conditions and warranty practices under which commercial sales of the supplies/services are made;
- (4) Requirements of controlling laws and regulations;
- (5) Availability of items that contain recovered materials and items that are energy efficient;
- (6) Distribution and support capabilities of potential suppliers, including alternative arrangements; and
- (7) Whether the item is available commercially or not.

Some potential sources of market information include, but are not limited to:

- (1) Technical personnel, commodity specialists, price analysts, and other in-house experts on the supply or service and its market;
- (2) The Internet;
- (3) Catalogs or periodicals;
- (4) Industry buyers of the same, or similar, supplies and services;
- (5) Federal Business Opportunities ([Beta.SAM.gov](https://beta.sam.gov)) sources sought notices or local ads and surveys of potential suppliers; and
- (6) Trade and professional associations.

A sample market research form can be found in the among the document links at the end of this guide.

DS-1969 FORM

Form DS-1969 is the Domestic Procurement Request form and serves as a cover page where pertinent information is recorded and provides an overview of the procurement and the included attachments. When the procurement request is sent to AQM via Ariba, the DS-1969 is generated automatically, so the Requiring Office does not need to create one. The Requiring Office should follow the checklist to determine which documents to attach. A sample checklist is provided in the document links and the DS-1969 form can be found in the attachment section.

INDEPENDENT GOVERNMENT COST ESTIMATE (IGCE)

An Independent Government Cost Estimate (IGCE) is the U.S. Government's estimated cost/price of the proposed acquisition. Its purposes are:

- (1) To serve as the basis for reserving funds for the contract as part of acquisition planning;
- (2) To serve as a basis for comparing costs or prices proposed by offerors; and
- (3) To serve as an objective basis for determining price reasonableness.

The Requiring Office (frequently the COR) prepares the IGCE. The estimate must remain confidential between the Requiring Office and the Contracting Officer. The U.S. Government shall not provide this information to contractors unless the CO explicitly determines it to be appropriate during negotiations or debriefings.

An IGCE is required for supplies, services, or construction procurements that have a value over the simplified acquisition threshold. Estimating methods may include comparison with previous buys, comparison of catalog or market prices, benchmarks or yardsticks, and ground-up estimates.

Price comparisons should identify the entity that made the purchase and the price. Adjustments might include differing quantities, time period, warranties, varying terms or conditions, industry conditions, delivery overseas versus domestic, and price of commodity inputs. The Requiring Office should also contact the Contracting Officer to see if there were previous procurements of similar nature and/or review websites such as www.usaspending.gov, www.beta.SAM.gov, and www.fpds.gov for information on prior like acquisitions.

Catalogs can be obtained from vendors or from their websites. The General Services Administration (GSA) maintains contracts and catalog information on its website.

Benchmarks or yardsticks can be developed if it is determined that there is a cost estimating relationship. An example is the square footage of a house or the number of bedrooms to the price of the house, the size of a yard to landscaping services, or the weight of a truck to the cost of its rental. Industry associations may also have information for estimating guidelines that may be useful.

A “ground up” estimate is a detailed estimate developed without any of the above techniques, and described in 14 FAH-2 H-352.

Instructions and sample documents for preparing an IGCE are available at 14 FAH-2 Exhibit H-355.4(1) and 14 FAH-2 Exhibit H-355.4(2). For large-dollar, complex acquisitions, the Requiring Office may consider contracting for the IGCE with an experienced cost estimator.

ACQUISITION PLANNING

In accordance with 14 FAH-2 H-320, acquisition planning is the key to effective use of public funds and the economical accomplishment of program objectives. The Department seeks to ensure this concept by mandating annual Preliminary Forecast Plans (PFP) and encouraging early and open communications with representatives of the Contracting Office before the submission of formal requests for contract services. The Code of Federal Regulations (CFR) [48 CFR 7.102](#) and Department of State Acquisition Regulation ([DOSAR](#)) [48 CFR 607.102](#) prescribe policy for acquisition planning.

Acquisition planning begins before the fiscal year has begun in order to provide effective scheduling of actions, increased control of fourth-quarter obligations, and to identify opportunities for consolidating requirements. Failure to schedule the acquisition workload may result in an unnecessary number of contract awards being made in the closing months or weeks of the fiscal year, which places additional burden and cost on the Requiring Office and Contracting Office personnel.

Based on the PFP, an acquisition plan is a documented plan that addresses all technical, business, management, and other significant considerations that will control an acquisition. The PFP summarizes the acquisition planning deliberations and identifies milestones in the acquisition process. See FAR Part 7.105, Contents of Written Acquisition Plans. The specific content of plans will vary depending on the nature, circumstances, and complexity of the acquisition.

It is the Department's policy that every acquisition be conducted, and the contract file documented in conformance with the requirements for acquisition planning pursuant to FAR Part 7. See AQM memo 15-10, dated March 18, 2015, which is available at <https://usdos.sharepoint.com/sites/A-OPE/AQM/Memorandums/15-10-Acquisition-Plans.pdf>. A template for acquisition planning is available at <https://usdos.sharepoint.com/sites/A-OPE/AQM/Memorandums/Forms/AllItems.aspx#>.

While all procurements need an acquisition plan of some type, domestic requirements offices must develop a formal, written acquisition plan for all acquisitions exceeding \$5 million (base and all option years). The plan must address the content requirements of FAR 7.105; the template referenced above will assist the Requiring Office in fully addressing these requirements.

Formal acquisition plans for service contracts over \$25 million per year must be also be approved by the Requiring Office's Assistant Secretary prior to submittal to AQM. This approval certifies that the Requiring Office has sufficient resources to maintain the expertise needed for Government oversight and quality control of the contract.

For service contracts to be performed with U.S. or third country nationals in high threat countries, additional security mitigations may be required and must be factored into the overall budget. For information about these requirements and the countries to which they pertain, refer to 12 FAM 420 and see the earlier section "CONTRACTOR SECURITY IN HIGH THREAT ENVIRONMENTS: ROLE OF A/OPE/CECAS."

INHERENTLY GOVERNMENTAL DETERMINATION FOR SERVICE CONTRACTS

An "inherently governmental function" is defined as a function that is so intimately related to the public interest as to mandate performance by U.S. Government employees. A form DS-4208, Request for Services Contract Approval, must be completed by the Requiring Office for each acquisition for services prior to submitting the procurement request package. If the analysis required by the form shows that the service is inherently governmental, the procurement process may not proceed. If any portion of the contract functions are identified as closely associated to inherently governmental functions, the Requiring Office will need to create a mitigation plan to ensure those services do not inadvertently become inherently Governmental and submit that plan with the DS-4208. The DS-4028 checklist must be signed by an appropriate officer of the Requiring Office.

Contracting for closely associated functions requires additional oversight to avoid becoming inherently governmental.

The DS-4208 form is available in the attachment section and is required for all new service contracts.

Regulations pertaining to this requirement include:

- FAR subpart 7.5
- OFPP Policy Letter No. 11-1, "Performance of Inherently, and Governmental and Critical Functions"

- PIB 2012-11 “Preventing Contractor Performance of Inherently Governmental Functions”

SOURCES AND COMPETITION REQUIREMENTS

The Competition in Contracting Act of 1984 (CICA) mandates that actions over the simplified acquisition threshold (SAT) (currently \$150K) are subject to full and open competition. CICA mandates that requirements shall be competed to allow all interested offerors to propose on the requirement so the Government may obtain supplies or services from the source whose offer is the most advantageous to the Government (see FAR Part 6.1, Full and Open Competition). Unless otherwise prescribed by the FAR, requirements that restrict competition to one source, that limit sources, or specify a brand name that would serve to exclude offerors require a written justification. The results of market research conducted by the Requiring Office will help determine if the procurement should be solicited competitively, or if competition will be restricted.

Small business exceptions: While full and open competition is the default method of procurement, the Government must also consider awarding to small business and various socio-economic categories of companies. Small business set-asides made under the provisions of FAR 19 allow for the exclusion of sources and are not required to be justified beyond the decision to set them aside. (The cap on small business sole source exceptions cannot exceed either \$4 million or \$22M depending on the category. The Contracting Officer (CO) can advise on small business availability and caps for the specific procurement).

Requests to limit competition due to a lack of advance acquisition planning or shortage of human resources cannot be authorized per statute, and will not be approved by AQM. Requirements may not be split into several smaller dollar value actions in order to avoid the dollar thresholds requiring competition. If the market research clearly indicates that the Government may need to procure supplies or services using other than full and open competition, the Requiring Office must prepare a justification for other than full and open competition that details the reasons why it is impossible or impracticable to obtain full and open competition for the acquisition. See 14 FAH-2 H-226 for instructions regarding preparation and A/OPE Competition Advocate’s Justification of Other than Full and Open Competition (JOFOC) Handbook available in the document links.

In addition, AQM memo 16-19 provides five templates with instructions written into them for various types of restrictions such as Limited Sources Justification (LSJ) for GSA FSS and Exceptions to Fair Opportunity for IDIQ contract under FAR 16.505. Program offices considering this course of action should consult with their CO on a particular contract.

FAR Part 6.302, "Circumstances Permitting Other Than Full and Open Competition" provides seven sole source authorities from which the Requiring Office can select to frame the written justification. These justifications are also outlined in 14 FAH-2 H-225 at <http://arpsdir.a.state.gov/fam/14fah02/14fah020220.html>

Mandatory Approvals for Other than Full and Open Competition: If there is limited competition and the proposed action is greater than \$700,000 the AQM Advocate for Competition is the approval authority. If the proposed action exceeds \$13.5M but is less than \$68M, the AQM Head of the Contracting Authority is the approval authority. If the proposed action is over \$68M, then the A/OPE Procurement Executive is the approval authority.

Brand name justifications: "Brand name" is defined in procurement activities more broadly than simply a request for a particular brand. "Brand name" refers to an item peculiar to one manufacturer or to a unique feature of a product available from only one manufacturer, even when available from that manufacturer on one or more federal supply schedule contracts. Brand name specifications shall not be used in a procurement requirement, unless the particular brand name, product, or feature is essential to the Government's requirements, and market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the Requiring Office's needs. Brand name acquisitions, like sole source procurements, must have a written justification; however, unlike a sole source justification, the brand name acquisition must be publicized with the contract solicitation in all cases except for reason of urgency.

REQUIREMENTS DOCUMENT

Every contract requires a description of the type of supplies or services needed. These fall into three types:

A **Statement of Work (SOW)** establishes and defines all requirements, goods and/or services, the contractor must meet to successfully fulfill the objectives of the contract. (E.g. "Mow the front lawn weekly with a gas powered push mower, so that the grass does not get above four inches in height. All bare spots shall be seeded. No more than three weeds per square meter.") The SOW must outline in clear, understandable terms the work to be done in delivering goods/supplies or performing services. An effective SOW not only provides prospective offerors with a clear understanding of the goods or services needed to satisfy the U.S. Government's requirement but also defined metrics for successful performance. After contractor selection and contract award, the contract SOW becomes the standard for measuring contractor performance. Consequently, the SOW writer must consider the contractual and legal implications of the SOW during its preparation because the SOW truly then becomes a legal document for measuring satisfactory contractor performance.

A **Performance Work Statement (PWS)** is a specific type of statement of work designed for performance-based acquisitions and to provide contractors with flexibility in proposing how to achieve specific results. A PWS describes the required results in clear, specific and objective terms with measurable outcomes. (E.g. "Maintain the lawn so that it is neat, healthy, without bare areas, and does not exceed 4 inches in height.") The PWS should state requirements in general terms of what is to be done (the result), rather than how it is done (the method). A PWS gives the contractor maximum flexibility to devise the best method to accomplish the required result. The PWS must be written to ensure that all offerors compete equally. However, the PWS must also be descriptive and specific enough to protect the interests of the U.S. Government and to promote competition. Clarity and explicitness of the requirements in the PWS are directly related to the quality of the proposals submitted. A definitive PWS is likely to produce definitive proposals, thus reducing the time needed for proposal evaluation. Preparing a PWS begins with an analytical process, often referred to as a "job analysis." It involves a close examination of the contract requirements and tends to be a "bottom up" assessment of what needs to be done.

A **Statement of Objectives** (SOO) is a Government-prepared document incorporated into the solicitation that states only the overall performance objectives. Less specific than a PWS, a SOO is used in solicitations when the Government intends to provide the maximum flexibility to each offeror to propose an innovative or unique approach to achieving the requiring office's goals, outcomes, or both but unlike a PWS, the government does not propose the methods or measurement of objectives, leaving that to the offeror. (E.g. "Take care of our front lawn so that we don't offend the neighbors, and I don't have to worry about it.")

The SOO is incorporated into performance-based service acquisitions with the intent that the competitors propose their solutions, including a technical approach, a tailored PWS reflecting their proposed approach, performance standards, and a quality assurance surveillance plan based upon commercial business practices. SOO content depends both on the type of services and on the program phase. A PWS or SOO should be used instead of a SOW when the government wants to give contractors the option to develop a unique solution to the problem. If the requiring office knows that only one solution is best, a SOW is most appropriate, but if there is some desire to harness the creativity of contractors to identify the best solution in meeting an objective, a PWS or SOO may be the better choice.

PROCUREMENT REQUEST (PR) PACKAGE DESCRIPTION

1. A PR package is required when a need for supplies or services arises and the total proposed procurement value exceeds the micro-purchase limit (currently \$3,500, but soon to be \$10,000). Proposed procurements that are higher than the micro-purchase limit but less than the simplified acquisition threshold (currently \$150,000) can be procured in a variety of ways, but still require a PR package. Several procurement methods can be used to acquire supplies or services, including: soliciting and awarding a new contract, placing a call against an existing blanket purchase agreement (BPA), Purchase Card, or order against an existing contract awarded by a non-DOS contracting activity. Consult your CO for current applicable limits.
2. The term "PR package" is used to describe all required documentation needed for AQM to begin a contracting action. The composition and complexity of each PR package generally is commensurate

with the estimated cost or price and complexity of each requirement; i.e. the more complex the requirement, the more information likely required in the PR package. The below checklist identifies the documents required to be included in a PR package depending on the type of goods or service required and the dollar threshold. AQM personnel may be contacted at any point during the process to answer questions and assist with document preparation.

3. The PR package is prepared by the Requiring Office. The PR package serves as the foundation for the entire acquisition and must, therefore, be as thorough as possible for the resulting contract is to produce the outcomes desired by Requiring Office. The PR package must be fully complete prior to submission to the Contracting Office, or the Requiring Office risks significant time delays in responding to follow up questions or submitting required documents for the acquisition activity to proceed.

PROCUREMENT REQUEST PACKAGE CHECKLIST

The following items shall be included in the PR Package depending on the nature and total dollar value. Item 1 must be entered in the ARIBA narrative section when submitting the request and items 2-15, if applicable, are to be attached. See 14 FAH-2 H-330 Procurement Request Package (PRP) in the attachments section for further guidance. (Important Note – It assists AQM when the Requiring Office puts contact information (e.g. POC’s name; AQM CO’s name) and contract information (Contractor name; contract number) in the “Description” box, when available.)

PROCUREMENT REQUEST PACKAGE CHECKLIST					
Document and Requirements			Supplies	Services	Dollar Value
1		Procurement Request	X	X	All
	A	Funding attached (blocks 5a and 5b)	X	X	All
	B	Preferred delivery date with consideration to the PALT table	X	X	All
	C	Product Category (from Product and Service Code Manual)	X		All

	D	Service Category (from Product and Service Code Manual)		X	All
	E	NAICS Code	X	X	All
	F	Specifications of salient characteristics (quantity/price/specs or attached to PR)	X	X	All
	G	Complete boxes 1-11	X	X	All
2		Market Research	X	X	All
3		DS -1969 Form	X	X	All
4		Independent Government Cost Estimate (IGCE)	X	X	> \$150K
5		Informal Acquisition Plan	X	X	< \$5 M
6		Formal Acquisition Plan	X	X	> \$5 M
7		Inherently Governmental Determination (DS-4208)		X	All
8		Justification for Other Than Full and Open Competition			
	A	Limited Source or Brand Name Justification – Orders placed against Federal Supply Schedule (FAR Part 8.4)	X	X	GSA FSS
	B	Justification for Other Than Full and Open Competition (FAR Part 13.5)	X	X	< \$150K
	C	Justification for Other Than Full and Open Competition (FAR Part 12 or 15)	X	X	>\$150K
	D	Exception to Fair Opportunity – IDIQ Contracts (FAR Part 16.505(b)(2))	X	X	> 150K
9		Requirement Documents		X	All
10		Technical Product Specifications	X		All
11		COR Nomination Letter and FAC-COR Certificate	X	X	All
12		Government Furnished Equipment (GFE) List (if provided)		X	All
13		Technical Evaluation Criteria and Plan (if applicable)	X	X	> \$150K

14	List of Recommended TEP Members (if applicable)	X	X	> \$150K
15	Part One - DD-254 Contract Security Classification Questionnaire (if applicable)		X	All

PROCUREMENT REQUEST PACKAGE ITEM DESCRIPTIONS

1. Purchase Request

The purchase request generated from ARIBA provides a unique number and the following information:

- Information about the requirement including technical description of supplies;
- Product and Service Code(s);
- NAICS code;
- Quantity;
- Estimated price;
- Required delivery date or performance period;
- Shipping address;
- Requestor;
- Accounting and appropriation data; and
- Certification of funds availability.

The PR should always provide sufficient funds to cover the procurement action. If the PR does not have enough funding to cover the procurement action, there must be a certification on the PR to the Contracting Specialist or the Specialist will notify the Requiring Office that an increase in funds is required. PRs for changes must state if the change results in a contract increase or decrease in funding or makes a change to the accounting and appropriation data.

PRs must use the appropriate type of funds for the support or service being purchased.

At the time of PR submission:

- Supplies must be fully funded.
- Services must be funded for the first period of performance or the Requiring Office must provide a written certification that funds will be available for the remainder of the period of performance and before the current funding is expended
- Funds are not required to put a blanket purchase agreement in place.

Possible statements certifying funding availability if full funding is not currently available (subject to CO discretion):

(1) Funds are currently available to fund this requirement for the period of _____ (insert date) through _____ (insert date).

(2) Funds are not currently available due to the Congressional budgeting process, but are expected to be available pending Congressional approval of the full year budget or approval of a Continuing Resolution. Funding will be obligated on the contract incrementally as it becomes available.

(3) Congress has approved the FYXX budget and this requirement was included in the field budget plan. Funding to cover this period is not currently available but is expected to be available before the beginning date of this contract action. Funding will be obligated on the contract incrementally as it becomes available.

(Required for all three options)

Name	Position Title	Date
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NAICS – The North American Industry Classification System (NAICS) codes define types of businesses based on the activities in which they are primarily engaged. The SBA uses NAICS as a basis for its small business size standards. The use of the proper NAICS code in the DS-1910 is important to accurately classify the business as

small or large. The current (2012) definitions for each NAICS code are included as an attachment to this document.

PSC – The Product and Service Codes (PSC) Manual provides codes to describe products, services, and research and development (R&D) purchased by the federal government. These codes indicate what type of commodity was bought for each contract action, and are reported in the Federal Procurement Data System. Proper identification of these codes to AQM on the requisition allows the Contracting Officer to identify the correct market of vendors on a variety of Government Wide Acquisition Contracts (GWAC). In many cases, a given contract/task order/purchase order will include more than one product and/or service. In such cases, the Product or Service Code should be selected based on the predominant product or service that is being purchased. The Product and Service Code Manual is included as an attachment to this document.

REGIONAL PROCUREMENT SUPPORT OFFICE (RPSO)

The Regional Procurement Support Office located in Frankfurt, Germany is a branch of AQM located outside the DC area, which brings Contracting Officer service and expertise closer to field customers in both time zone and proximity. For example, RPSO Frankfurt provides many overseas support services to Posts in Africa, Asia, and Europe, and brings in-depth experience in certain types of procurements and particular customers and vendors. Overseas posts may submit procurements directly to the RPSO via Ariba and should consult that office's section of the AQM website for any additional requirements, procedures, or assistance. However, AQM will ultimately decide the best part of the organization to work on each procurement request. Requests sent to RPSO may be sent back to Washington or Requests sent to Washington, even requests originating in Washington, may be sent to RPSO to be procured. AQM will keep customers informed of the POC for their procurements.

CONTRACTING OFFICER'S REPRESENTATIVE (COR)

In accordance with Department of State Acquisition Regulation (DOSAR) 48 CFR 642.270, the Contracting Officer designates the Contracting Officer's Representative (COR) to act as his/her authorized representative to assist in the technical monitoring or administration of a contract. A COR is provided by the Requiring Office and must be a U.S. Government employee or Personal Services Contractor. These categories may include: a full-time equivalent (FTE) employee; A "when actually employed" (WAE) retired Foreign Service Officer or former Civil Service employee; Or a Personal Services Contractor (PSC) hired under a domestic personal services contract or post-issued personal services agreement (PSA), such a locally employed staff (LES) member or Eligible Family Member (EFM). Third-party contractors (i.e. no contractors other than PSCs) are never eligible to become CORs.

CORs must take training as prescribed by the Office of the Procurement Executive (A/OPE), and be certified by the Office of the Procurement Executive (A/OPE) prior to assuming their duties. CORs must have sufficient technical expertise on the subject matter of the contract to perform effective oversight. Requiring Offices are responsible for determining the necessary level of technical expertise to effectively administer the contract, and identifying eligible personnel to the Contracting Officer to serve as the CORs.

There are three different levels of CORs based on the scope of the contract to be administered. The Contracting Officers are responsible for determining the appropriate level of COR needed for a specific contract. The decision is based on the complexity, risks and value of the program factoring in the input from the Requiring Office. The higher the level COR, the more training required to be certified to perform these duties. See 14 FAH-2 Exhibit H143, "Contracting Officer's Representative Certification and Appointment Criteria Matrix," which provides a method of documenting the decision for which level COR is required. The CO should retain a copy of the analysis in the contract file.

COR Nomination Procedures:

The Requiring Office provides a written nomination for a technically qualified, responsible, and certified Contracting Officer's Representative (COR) to the Contracting Officer. The Requiring office will identify any special training requirements that may be needed for contract administration, dealing with technical issues of the work to be done. The nomination must include a summary of the nominee's:

- (a) Assignment and training history;
- (b) Work experience;
- (c) Licensing (as appropriate/applicable) ; And
- (d) Certifications that provide a basis for a determination by the program office that the nominee's technical skills are adequate for contract oversight (as appropriate/applicable).

For additional information on training, qualification and obtaining certification, see PIB 2012-15 and COR Nomination Sample.

Government Technical Monitors (GTM)

A Government Technical Monitor(s) may be needed in addition to a COR to appropriately administer a contract. The GTMs are brought on based on their knowledge of the technical side of the work to be done, but unlike a COR have few responsibilities to administer the contract. For example, a large maintenance contract may have a single COR with general knowledge to monitor work performance, but the contract may also have a GTM to specifically monitor the quality of specific technical functions like electrical services. GTMs are appointed by the program office, and all information gathered by them is reported directly to the COR and or the Contracting Officer.

DEPARTMENT OF STATE INDUSTRIAL SECURITY PROGRAM

The Industrial Security Program is a security clearance program which is designed to prevent the loss of control of classified information used by or under the control of contract companies, and to ensure that contracted employees safeguard classified and sensitive material entrusted to them from pre-award to post-award contract activities. The program is administered by the Industrial Security Division of the Bureau of Diplomatic Security (DS/IS/IND). The program includes contractor personnel supporting activities at official State Department locations or performing on contracts from their companies' respective physical locations.

In accordance with 12 FAM 572, the effectiveness of the Department's Industrial Security Program depends upon contractor firms and U.S. Government personnel's understanding of their respective security responsibilities. For this reason, education is an integral part of the Department's Industrial Security Program. Contractor personnel working at Department facilities must familiarize themselves not only with security regulations found in the Foreign Affairs Manual (FAM) that relate to their assigned duties, but also with the information and personnel security requirements specified in their contract and on their Security Clearance Form DD-254. The focus of the educational effort is to impress upon these individuals, through security briefings, the contractors' responsibilities to safeguard classified and Sensitive But Unclassified (SBU) information.

DS/IS/IND both manages the clearance process for contract companies and their personnel and conducts briefings for contractor personnel, and Department personnel, such as Regional Security Officers (RSOs), Contracting Officers (COs), Contracting Officer's Representatives (CORs), Government Technical Monitors (GTMs), program managers, Site Security Managers (SSMs), etc., on their responsibilities for proper implementation of the Department's Industrial Security Program.

To ensure the proper safeguarding of classified information entrusted to the private sector, the Department requires contractor firms to possess facility security clearances (FCLs) and contractor personnel to possess personnel security clearances (PCLs) commensurate with the level of classified information required to perform the work under the contract. The Contract Security Classification Specification, Form DD-254, included in all classified procurements, establishes the FCL and individual clearance requirements for contract performance.

12 FAM 573.1 Facility Security Clearances (FCL)

An FCL is an administrative determination that a company meets all of the federal-wide National Industrial Security Program (NISP) standards and is eligible for access to classified information and/or award of a classified contract. The following are the guidelines governing the FCL clearance process:

- a. Non-U.S. firms are generally ineligible for FCLs, except as specified in 12 FAM 573.1-2. To be eligible for an FCL, the company must be incorporated under the laws of any of the 50 states, the District of Columbia, or Puerto Rico, and reside in the United States or its territorial areas.
- b. All classified contracts must include a Contract Security Classification Specification, Form DD-254 (as part of the procurement request package) which denotes the FCL level required for the contract as well as specific contract security requirements. The level of access needed to perform the contract will determine the level of FCL (e.g. a company requiring access to Secret level information would have to qualify for a Secret level FCL.) A U.S. contractor firm, or business, without the appropriate level of FCL to perform the contract requirement would be disqualified from an award.
- c. For a company to get FCL approval, the State Department Contracting Office must submit facility clearance requirements and requests to DS/IS/IND. If approved, DS/IS/IND sponsors the U.S. contractor firm for an FCL through DS. Only DS/IS/IND has the authority to submit FCL requests to DS on behalf of the Department. DS/IS/IND helps to ensure the request is in good order before requesting the approval.

12 FAM 573.3-1 Overall Personnel Security Clearance Requirements

Individual contractor personnel must also possess clearances commensurate with the level of access required for their specific work under a Department classified contract. (Note: While a contract may have work elements that are classified and unclassified, not all personnel on that contract may require the same level of clearance. For example, a construction contract that employs both Americans and local nationals to construct respectively classified and unclassified parts of a building would have different clearance requirements for each.

All cleared contractor firms must designate an individual as their Facility Security Officer (FSO) who is responsible for the administration of the company's industrial security program and adherence to the NISP and any contract security requirements. The Facility Security Officer submits personnel security clearance requests to the Defense Industrial Security Clearance Office (DISCO). The facility security officer also submits visitor authorization requests (VARs) and required documentation on all contractor personnel who are DISCO cleared directly to DS/IS/IND.

- DISCO usually processes Department contractor personnel for personnel security clearances. However, there are extenuating circumstances when DS/SI/PSS must process specific contractor personnel for personnel security clearances. In those cases, the classified contracts awarded to the contractor firm notes this requirement, as well as the procedures to process their personnel for Department clearances.
- Once the contract has been awarded, clearances for individual personnel on site are handled among the facility security officer, the DISCO and DS. Specific requirements for the clearance of personnel to work on site are incorporated in the contract by the CO.

12 FAM 573.3-3 Overseas Personnel Security Requirements

Item 13 of Form DD-254, which is issued to contractor firms, includes specific personnel security clearance requirements regarding travel and/or assignments to all posts abroad, regardless of the threat level of the post.

- (1) Clearance requirements for access to core spaces, including the Post Communication Center (PCC), must adhere to the provisions of 5 FAH-6 H-124. As such, the Bureau of Information Resource Management (IRM) and the post Information Management Officer (IMO) may authorize contractors who possess Final Top-Secret clearances access to the PCC. CORs and/or GTMs must coordinate access to PCCs and/or core areas with both the Cryptographic Service Branch (IRM/OPS/ITI/SI/CSB) and the post IMO, and the contractor must be read-on for COMSEC access or use before accessing the PCCs and/or core areas.
- (2) DS established additional clearance requirements for U.S. contractor personnel performing under contract to the Department at critical HUMINT threat posts listed in the Department's Security Environment Threat List (SETL). The duration of the visit, access requirements, and area(s) of access form

the basis for any additional clearance requirements. DS/IS/IND provides guidance for contractor personnel traveling to critical HUMINT threat posts in Item 13 of Form DD-254. There is no reference to the term “critical HUMINT threat post”, since identifying a post at a specific threat level is classified; instead, Form DD-254, which is an unclassified document, notes “specific HUMINT threat posts”.

NOTE: The contents of the SETL are classified and must only be discussed in secure locations authorized for classified discussion and/or processed on automated information systems certified and accredited for the processing of national security information at the appropriate level of assurance.

ADDITIONAL RESOURCES

In addition to the links provided below, many of these documents are provided on the [AQM memoranda site](#) where an electronic copy of this guide can also be found.

1. [14 FAM Exhibit 221.3](#)
2. DS-1910: Small Business Review*
3. DS-1969: Domestic Procurement Request*
4. DS-4208: Request for Services Contract Approval*
5. [Form DD-254: DoD Contract Security Classification Specification](#)
6. [High Threat Posts](#)
7. [OPE Justification & Approval for Other than Full & Open Competition, Price Justification \(JOFOC\) Guide](#)
8. [Product & Service Code Manual](#)
9. [Procurement Information Bulletins](#)
10. [PIB 2012-15: The Revised Federal Acquisition Certification Program for Contracting Officer Representatives \(CORs\) and Government Technical Monitors \(GTMs\) \(FAC-COR\)](#)
11. [Sample COR Delegation Memo](#)
12. [Source Selection Procedures](#)
13. [State CPARS overview](#)

*DS forms can be found on myData.

GLOSSARY

AQM – Office of Acquisitions Management

Ariba – the Department's informational system to send, track, and store procurement requests, to be found in ILMS.

BPA – Blanket Purchase Agreement – a procurement instrument used to purchase the same or similar item over and over again at a consistent price.

Call – an order on a Blanket Purchase Agreement.

CICA 1984 – Competition in Contracting Act of 1984

Contract – a procurement action that is usually over \$350,000, and requires a degree of complexity to exactly explain the good or service to be purchased.

CO – Contracting Officer

COR—Contracting Officer's Representative, a subject matter expert from or associated with the requiring office who monitors the work of the contractor.

CPARS – Contractor Performance Assessment Reporting System – the required Federal repository about contractor performance information.

CT Vetting – counterterrorism vetting of a contractor to be sure that money from an awarded contract would not be used to further terrorism.

DOSAR – Department of State Acquisitions Regulations—a supplement to Government-wide acquisition rules which affect only the Department of State and purchases made by its agents.

DS – Bureau of Diplomatic Security

FAH – Foreign Affairs Handbook

FAM – Foreign Affairs Manual

FAR – Federal Acquisition Regulation, a summary of regulations, which govern procurement for the Federal government.

FCL – Facility Security Clearances

FSO – Facility Security Officer

GSA – General Service Administration

GTM – Government Technical Monitor, a technical expert who reports on technical specifics of contract compliance to the CO and the COR, areas of expertise might include, for example, electrical wiring, building construction, or security procedures.

ICGE – Independent Government Cost Estimate – the amount that the government expects an item or service to cost, based on market research. This number must be protected so as not to be revealed to potential bidders.

IMO – Information Management Officer

IRM – Bureau of Information Resource Management

JOFOC – Justification for other than Fair and Open Competition

LSJ – Limited Sources Justification

Micro-Purchase – a procurement expected to cost a very small amount which can be procured by purchase card or several other simple means. The micro-purchase threshold is currently defined as equal to or less than \$2,500, but an increase to \$10,000 has been authorized and is expected to soon come into effect.

NAICS – North American Industry Classification System

NISP – National Industrial Security Protocols

PCC – Post Communication Center

PSC – Product and service code

OSDBU – Office of Small and Disadvantaged Business Utilization – the office in State and many of the agencies which is responsible to help the agency remain compliant with SBA requirement. State's OSDBU reports to the Deputy Secretary for Management.

PALT – Procurement Administrative Lead Time

PPF – Preliminary Forecast Plans

PR – Purchase Request – the formal and mandatory beginning to a procurement action, which is initiated by the program or requiring office which is choosing to expend appropriated funds to purchase goods or services.

PR-package – all the documents required by contracting staff to begin a procurement.

P(R) P--Procurement (request) Package – a set of documents the Requiring Office must supply to AQM exactly what is to be purchased and in what manner. The Package also includes permissions from the leadership of the Requiring Office's bureau and other parts of the Department. A discussion of required actions and documents initiated by the requiring Office begins on page 7.

Purchase Card (PCard) – a government authorized charge card used to make authorized procurements at or below the micro-purchase level.

PWS – Project Work Statement – a statement of what must be accomplished by the contract in terms of measurable outcomes. Similar to a SOW, but exact methods of obtaining the objectives are less specific.

RPSO – Regional Procurement Support Office – an AQM office located outside the U.S. designed to be closer to and helpful to the unique needs of overseas posts and programs.

Requiring Office – also commonly referred to as the “Program Office, is the office that wishes to have something purchased using appropriated funds.

Service contract – a contract for labor, measured in work time rather than a finished product.

SBA – Small Business Administration: the federal agency responsible for setting and enforcing minimum levels of Federal purchasing from American Small businesses see *OSDBU*

Simplified Acquisition – procurement activity which takes place for goods and services expected to cost less than statutory amount at which there are other options for purchase besides a formal contract (currently defined at \$150,000, but recent legislation may result in an increase in this threshold).

SAT – Simplified Acquisition Threshold

SETL – Security Environment Threat List

SOO – Statement of Objectives – the goals of what the contract intends to accomplish, which will be the measurement of the successful completion of the work. Unlike the PWS, the SOO does not offer specific objectives but leaves this open to proposals by the offering contractors.

SOW – Statement of Work – the specific actions to be accomplished by the contractor for which pay is promised.

TEP – Technical Evaluation Panel

U.S.C. – United States Code

VAR – Visitor Access Request

WCF – Working Capital Fund