

# Naval Facilities Engineering Command Contracting Manual



**NAVFAC P-68**  
**December 2000 Edition**

# NAVFAC P-68 Contracting Manual

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Labor Enforcement Report  
Claims/Terminations/Disputes Resolution Report  
A-E Liability Processing Log  
Utility Reports  
NAVFAC Field Office Readiness Report (NFOR)



## NAVFAC P-68 Contracting Manual

### Part 1—Federal Acquisition Regulation System

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#### SUBPART 1.3—AGENCY ACQUISITION REGULATIONS

##### 1.301 (NAPS) Policy.

(a) The Naval Facilities Engineering Command (NAVFAC) Contracting Manual (P-68) provides general guidance to field contracting officers in the execution of their delegated authority.

(b) The P-68 implements or supplements the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS) and the Navy Acquisition Procedures Supplement (NAPS). It is not a stand-alone document, but must be read together with the FAR, DFARS and NAPS.

(c) To the extent possible, the P-68 coverage parallels the FAR in format, arrangement and numbering system. However, subdivisions below the section and subsection levels may not always correlate directly to the FAR designated paragraphs and subparagraphs. A DFARS or NAPS cite in parentheses immediately after the P-68 cite means related coverage is contained in the DFARS or NAPS (e.g., 1.104 (NAPS)). Numbered divisions of this manual with a suffix in the “100” series (e.g., 1.105-2-100) contain subject matter related to but not contained in a FAR, DFARS, or NAPS numbered division. Omission from the P-68 of a subpart, section or subsection which appears in the FAR, DFARS or NAPS denotes that there is no additional coverage in the P-68.

(d) The P-68 and other NAVFAC procurement policy and guidance are available electronically via the ACQ Online website at <http://acq.navy.mil>. Hard copies may only be obtained by downloading the P-68 since individual hard copy distribution will not be made. Updates to the P-68 will be posted to the ACQ Online website. Each update will include an effective date. An announcement of the update and summary of changes will be issued through a NAVFAC policy memorandum.

(e) The P-68 is maintained by the NAVFAC Acquisition Proponent, Performance Measurement and Assistance Program (PMAP) Team. Proposed changes to the P-68, along with rationale for the change, shall be submitted through normal command channels to the PMAP Team.

##### 1.304 Agency control and compliance procedures.

##### 1.304-100 (NAPS) Control of NAVFAC baseline clauses.

Only COMNAVFACENGCOM approved provisions and clauses shall be used in solicitations and contracts. No other provisions or clauses other than those prescribed by FAR, DFARS, NAPS or the P-68 may be used without obtaining approval from the NAVFAC Acquisition Proponent.

## **NAVFAC P-68 Contracting Manual**

### **Part 1—Federal Acquisition Regulation System**

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#### **SUBPART 1.6—CAREER DEVELOPMENT, CONTRACTING AUTHORITY AND RESPONSIBILITIES**

##### **1.601 (NAPS) General.**

(a) NAVFACENGCOM contracting authority is delegated by COMNAVFACENGCOM to EFD Commanders/Commanding Officers. Any or all authority may be redelegated to an EFA Commanding Officer unless restricted by a provision contained in this manual. When contracting authority has been delegated to an EFA Commanding Officer, then the applicable portions of this manual that read EFD shall be read to include the EFA as appropriate. Unless otherwise noted, all reference to EFD/EFA Commander/Commanding Officer authority shall be read to include the Chief Operating Officer, Naval Facilities Institute and the Director, Navy Crane Center.

(b) EFD Commanders/Commanding Officers shall oversee and monitor the contractual procedures, performance and staffing of field level contracting offices under their cognizance. Procedures and controls necessary for effective oversight shall be established.

(c) After notifying the NAVFAC Acquisition Proponent, EFD Commanders/Commanding Officers may delegate to an EFA Commanding Officer authority to forward any requests for approval or required information directly to the NAVFAC Acquisition Proponent.

(d) An EFD/EFA Chief of the Contracting Office (CCO) may designate the deputy CCO to act on their behalf and make any necessary determinations or take any actions that are reserved for the CCO, unless otherwise restricted by a provision contained in this manual.

##### **1.601-90 (NAPS) Department of the Navy authorities and responsibilities.**

(a) When it is unclear which agency is responsible for a requirement, the matter shall be resolved at the local level if at all possible. Local decisions should be focused on satisfying customer requirements in the most efficient and economical means possible.

(b) All requests from other commands for delegation of contracting authority that is under NAVFAC cognizance shall be forwarded to the NAVFAC Acquisition Proponent. Requests shall include appropriate comments from the affected EFD/EFA concerning the requested delegation.

##### **1.601-100 Grant officer authority.**

(a) COMNAVFACENGCOM and the Director, Acquisition Proponent have been appointed grant officers. Their grant officer authority is limited to providing economic adjustment assistance by entering into cooperative agreements with the local reuse authorities (LRA) for caretaker services at base closure sites under the DoD Base Realignment and Closure Program. NAVFAC, under this authority, can enter into a cooperative agreement with the LRA at base closure sites to perform maintenance functions during the caretaker period (from operational closure to final conveyance).

(b) Completion of an approved course is required prior to appointment as a grant administrator.

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(c) Questions concerning grants or cooperative agreements should be directed to the NAVFAC Acquisition Proponent.

#### **1.602 Contracting officers.**

##### **1.602-1 (NAPS) Authority.**

##### **1.602-1-100 Legal review.**

(a) Each solicitation (RFP or IFB) for a firm fixed-price contract with a total estimated value expected to exceed \$100,000 shall be reviewed by NAVFAC Counsel prior to issuance. For firm fixed-price contracts with standard terms, provisions and clauses and with a value not expected to exceed \$5,000,000, the contracting officer may satisfy this requirement by forwarding the standardized provisions and clauses on an annual basis to Counsel for review. All solicitation packages for other than firm fixed-price contracts shall be reviewed by Counsel prior to issuance. Each contract file shall contain written documentation indicating the date each solicitation was reviewed and the identity of the Counsel who performed the review.

(b) Review comments shall be obtained from NAVFAC Counsel on all determination and findings, justification and approvals, protests, claims, ratification actions, competitive range determinations, substitution of sureties, alternate payment protections, nonresponsiveness determinations, unacknowledged amendments, bid irregularities, bid mistakes, acceptance of late bids, rejection of all bids, reassignment issues, individual sureties, and assignment of claims, takeover agreements, novation requests, tax and duty issues.

##### **1.602-1-101 NAVFAC contract clause.**

Use the clause at 5252.201-9300, Contracting Officer Authority, in all solicitations/contracts.

##### **1.602-2 (DFARS) Authorized representatives of the contracting officer.**

The following individuals may be designated to assist contracting officers in the technical monitoring or administration of a contract:

##### **(a) Contracting Officer's Representative (COR).**

(1) *Designation.* The contracting officer may designate a COR when the contract requires unusual monitoring and surveillance efforts beyond what the Procuring Contracting Officer (PCO)/Administrative Contracting Officer (ACO) is reasonably able to provide. The COR provides technical direction/clarification and guidance with respect to the contract specifications or statement of work.

(2) *Appointment.* The PCO shall formally appoint individuals as CORs by appointment letter. Appointments shall define the scope and limitations of the COR's authority. Unless the appointment contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the COR is reassigned or the individual's employment is terminated. Revocation of a COR appointment may be effected at any time by the appointment authority, or higher authority, or any successor to either. Revocation shall be made by in writing.

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(3) *Qualifications/training.* The COR's contract administration duties can be simple or complex and time-consuming, depending on the type of contract, contractor performance, and the nature of the work. COR designees must have the requisite technical experience to provide the technical expertise necessary for performance of the COR function. Prior to appointment of a COR, the contracting officer should take into consideration the ability, training, and experience of COR designees and shall assure that designees are appropriately qualified to act as authorized representatives of the contracting officer. At a minimum, COR designees should have completed a basic COR course and Procurement Integrity training.

(4) *Authority.* CORs are responsible to the contracting officer for those actions delegated by the contracting officer as specifically addressed in the letter of appointment. In the performance of COR duties, the COR does not have the authority to take any action, either directly or indirectly, that could change the price/cost or fee, quantity, quality, scope, delivery schedule, labor mix or other terms and conditions of the contract and/or task order. Only the contracting officer has the authority to make such changes.

(5) *Evaluation and documentation.* Supplementing the normal monitoring of the COR by the contracting officer, the contracting officer shall maintain an activity file on each COR as a part of the contract file. The purpose of this file is to record and maintain the results of reviews conducted annually by the contracting officer of the COR's contract related activities. The contracting officer shall annually evaluate and document the performance of the COR and provide a copy of this evaluation to the COR's organizational head. If the contract performance period is less than one year, this evaluation shall be conducted prior to contract closeout.

#### (b) Navy Technical Representative (NTR).

(1) *Designation.* The NTR provides technical and administrative assistance to the COR. Contracting officers may designate a NTR when the contract is for Architect Engineering or Environmental Services.

(2) *Appointment.* The PCO (delegable to the ACO level) shall formally appoint individuals as NTRs by appointment letter. Appointments shall define the scope and limitations of the NTR. Unless the appointment contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the NTR is reassigned or the individual's employment is terminated. Revocation of a NTR appointment shall be made by in writing.

(3) *Qualifications/training.* The NTR must have the requisite technical experience to provide the technical expertise necessary to assist or support the COR. Prior to appointment of a NTR, the contracting officer should take into consideration the ability, training, and experience of the designee and shall assure that each individual is appropriately qualified to act as an NTR. At a minimum, NTR designees should have completed the courses CTC-423 or CTC-466, as applicable, and Procurement Integrity training.

(4) *Authority.* The NTR does not have the authority to provide any technical direction or clarification directly to the contractor. NTRs are responsible to the contracting officer for those actions delegated by the contracting officer as specifically addressed in the letter of appointment. In the performance of NTR duties, the NTR does not have the authority to take any action, either directly or indirectly, that could change the price/cost or fee, quantity, quality,

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scope, delivery schedule, labor mix or other terms and conditions of the contract and/or task order. Only the contracting officer has the authority to make such changes.

(5) *Evaluation and documentation.* CORs shall maintained an activity file on each NTR.

(c) Contract Surveillance Representative (CSR)/Quality Assurance Evaluator (QAE).

(1) *Designation.* The CSR/QAE is the government official who functions as the “eyes and ears” of the contracting officer through the COR under facilities support contracts, and ensures the technical requirements of the contract are executed as required by the contract specifications or statement of work.

(2) *Appointment.* The PCO (delegable to the ACO level) shall formally appoint an individual as a CSR/QAE by appointment letter. Appointments shall define the scope and limitations of CSR/QAE authority. Unless the appointment contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the CSR/QAE is reassigned or the individual's employment is terminated. Revocation shall be made by in writing.

(3) *Qualifications/training.* CSRs/QAEs must meet mandatory training standards promulgated by NAVFAC Policy Memorandum [00-04](#) of 14 January 2000.

(4) *Authority.* CSRs/QAEs are responsible to the contracting officer for those actions specifically addressed in the letter of appointment. The CSR/QAE does not have the authority to take any action, either directly or indirectly, that could change the price/cost or fee, quantity, quality, scope, delivery schedule, labor mix or other terms and conditions of the contract and/or task order. Only the contracting officer has the authority to make such changes.

(5) *Evaluation and documentation.* CORs shall maintain an activity file on each CSR/QAE.

(d) Contracting Officer's Authorized Representative (COAR).

(1) *Designation.* EFD/EFA CCOs may designate civilian engineers in ROICC offices as COARs, with authority to negotiate construction contract changes, within limits of assigned responsibility.

(2) *Appointment.* EFD/EFA CCOs shall formally appoint individuals as COARs by appointment letter. Appointments shall specify the extent and limitations of the COAR's authority to act on behalf of the contracting officer. Unless the appointment contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the COAR is reassigned or the individual's employment is terminated. Revocation of a COAR appointment may be effected at any time by the appointment authority, or higher authority, or any successor to either. Revocation shall be made in writing.

(3) *Qualifications/training.* Prior to appointment, EFD/EFA CCO's should ensure COAR designees have the requisite experience and training commensurate with the responsibilities to be delegated. COAR designees should complete training in basic contract interpretation, major clauses, proposal analysis documentation and claims avoidance.

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(4) *Authority/responsibilities.* COARs have the authority to negotiate in-scope changes on construction contract actions up to \$25,000 per modification. This authority includes authority to agree to quantities of required materials, equipment, direct labor, time, field overhead, home office overhead, and profit. Finalization of the negotiated change is subject to the approval of the contracting officer. To maintain appropriate separation of contractual and technical functions, individuals appointed as COARs should not be assigned responsibility for the inspection and acceptance of the contract work.

(e) Ordering Officer.

(1) *Designation.* The contracting officer may designate individuals, either from within or outside of the contracting organization, as ordering officers, with the authority to execute task/delivery orders thereby obligating funds under an indefinite delivery type contract (IDTC). An ordering officer may be appointed for valid purposes provided the contracting officer determines appointment is essential for the efficient operation of the contracting mission. Strict operational control over ordering officers is necessary to preclude violations of law and regulations. Care must be exercised in determining how many ordering officers are necessary yet controllable.

(2) *Appointment.* Contracting officers shall formally appoint individuals as ordering officers by appointment letter. The activity to which the ordering officer is assigned need not have their own contracting authority. The appointment letter shall specify the extent and limitations of the ordering officer's authority to act on behalf of the contracting officer. Unless the appointment contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the ordering officer is reassigned or the individual's employment is terminated. Revocation of an ordering officer appointment may be effected at any time by the appointment authority, or higher authority, or any successor to either. Revocation shall be made in writing.

(3) *Qualifications/training.* Because IDTCs vary in dollar value and complexity, the qualifications, skills, and training needed by ordering officers may also vary. The appointment and training of ordering officers requires consideration of the type of ordering to be performed.

(4) *Authority/responsibilities.* The authority of an ordering officer is limited to placement of task/delivery orders for pre-priced contract line items under an IDTC. Ordering officers do not have the authority to modify the basic contract nor issued task/delivery orders. Task/delivery orders requiring negotiation of level of effort or scope may only be executed by a warranted contracting official. Oral orders may be used only when specifically authorized. Such orders may not exceed \$10,000 and must be confirmed by issuance of a written task/delivery order within two working days. The contract must identify the individual(s) who have the authority to issue oral orders. Any authority delegated to an ordering officer is not redelegable.

(5) *Evaluation and documentation.* Supplementing the normal monitoring of the ordering officer, the contracting officer shall maintain an activity file on each ordering officer as part of the contract file. The purpose of this file is to record and maintain the results of reviews by the contracting officer of the ordering officer's contract related activities. The contracting officer shall annually evaluate and document the performance of the ordering officer and provide a copy of this evaluation to the ordering officer's organizational head.



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#### 1.602-3 Ratification of unauthorized commitments.

(a) Authority to ratify unauthorized commitments is delegated as follows:

Over \$50,000	NAVFAC Acquisition Proponent Director
Up to \$50,000	EFD Commander/Commanding Officer
Up to \$25,000	EFD CCO

(b) EFD Commander/Commanding Officer authority may be redelegated no lower than the EFA Commanding Officer. EFD CCO authority may be redelegated no lower than the EFA CCO.

#### 1.603 Selection, appointment, and termination of appointment.

##### 1.603-1 (NAPS) General.

Authority for the selection, appointment and termination of appointment of contracting officers is delegated as follows:

(a) EFD Commanders/Commanding Officers are delegated authority to appoint as contracting officers individuals serving in acquisition positions within their commands and at EFAs and field offices under their cognizance. This authority may be redelegated no lower than the EFD CCO.

(b) EFA Commanding Officers are delegated authority to appoint as contracting officers individuals serving in acquisition positions within their commands and at field offices under their cognizance. This authority may be redelegated no lower than the EFA CCO.

(c) The Commander, Pacific Division is authorized to delegate to non-CONUS OICCs the authority to appoint as contracting officers individuals serving in acquisition positions within their commands and at field offices under their cognizance.

##### 1.603-2 (DFARS) Selection.

(a) Selection criteria for contracting officer appointments (warrants) are listed in DFARS 201.603-2. Education and training requirements for warrants are also set forth in DoD 5000.52M, *Acquisition Career Development Program* (November 1995). Prior to appointing any individual as a contracting officer, the appointing official shall ensure that the individual has the requisite knowledge and experience as well as a track record of qualitative performance appropriate to the dollar value and complexity of the prospective contracting responsibilities. DAWIA certification is not an entitlement to be warranted. The NAVFAC warrant level requirements specified below must be met in order to qualify to serve in an acquisition position as a contracting officer with authority to award and/or administer simplified acquisitions/contracts:

(1) **SAP.** Award of simplified acquisitions, delivery/task orders and modifications above \$2,500 but not exceeding the simplified acquisition threshold.

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(i) Experience. Six months of recent experience in Government or commercial contracting applicable to the dollar threshold or nature of the procurement actions for which the warrant will be issued.

(ii) Training. Successful completion of CON 237, Simplified Acquisition Procedures.

(2) **Level I.** Award of contracts, delivery/task orders and modifications with total contract values up to \$1,000,000.

(i) Experience. Two years of recent, progressively complex and responsible contracting and/or staff experience in Government or commercial contracting.

(ii) Training. When applicable, successful completion of the following assignment-specific courses:

CON 243, Architect-Engineer Contracting  
 CON 244, Construction Contracting  
 CTC 337, Facilities Support Contracting  
 CTC 423, Environmental Cost Reimbursement Contracting

(3) **Level II.** Award of contracts, delivery/task orders and modifications with total contract values up to \$10,000,000.

(i) Experience. Three years of recent, progressively complex and responsible contracting and/or staff experience in Government or commercial contracting.

(ii) Training. Same as above.

(4) **Level III.** Unlimited authority for award of contracts, delivery/ task orders and modifications.

(i) Experience. Four or more years of recent, progressively complex and responsible contracting and/or staff experience in Government or commercial contracting.

(ii) Training. Same as above.

(b) The annual maximum estimated quantity shall be used to determine the warrant level for execution of combination firm-fixed price indefinite quantity contracts. For indefinite delivery contracts that include options, the warrant level does not include potential options.

#### 1.603-3 Appointment.

(a) Appointments will be documented and copies filed as prescribed at FAR 1.603-3. The SF 1402 will contain any warrant limitations (i.e., sole source actions), including limitations on the period of appointment. The original Certificate of Appointment shall be provided to the appointed contracting officer.

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(b) Appointing officials shall review existing warrants and make a determination to increase or decrease an individual's warrant level under these new warranting provisions based on the individual's proven capabilities, office workload, and business environment. Changes, either increasing or decreasing the existing warrant level of a contracting officer, shall be made solely at the discretion of the appointing official. When an appointing official determines to make such changes, a new Certificate of Appointment shall be issued.

(c) To maintain their warrants, contracting officers shall be required to adhere to the USD(A&T) Policy on Continuous Learning for the Defense Acquisition Workforce dated December 15, 1998. The policy requires that, once an individual is certified at the appropriate level for the position held, at least 80 Continuous Learning Points must be earned during each two-year period.

#### **1.603-4 Termination.**

Appointments of contracting officers remain in effect as long as appointees are assigned to the position stated on the warrant, unless terminated sooner by the appointing official, his successor, COMNAVFACENGCOM or his designee.

#### **1.690 (NAPS) Requirements to be met before entering into contracts.**

(a) Business clearance review/approval levels shall include the value of all options under a contract.

(b) EFD Commanders/Commanding Officers shall establish review/approval levels for business clearances for contract actions up to \$30,000,000.

(c) Business clearances for contractual actions over \$30,000,000 must be approved by the NAVFAC Acquisition Proponent. The EFD/EFA CCO shall sign as "reviewer".

(d) EFD/EFA business clearance approval levels may be increased or decreased by the NAVFAC Acquisition Proponent on a case-by-case basis.

#### **1.691 (NAPS) Procurement Management Oversight.**

##### **1.691-2 Responsibilities.**

##### **1.691-2-100 NAVFAC Performance Measurement and Assistance Program (PMAP).**

(a) The procurement management oversight process employed by the NAVFAC Performance Measurement and Assistance Program (PMAP) shall:

- (1) Focus on improvement in all phases of the procurement process.
- (2) Identify problems early in the acquisition cycle.

(3) Provide for a feedback system to a contracting organization that provides timely information to all organizational levels. Feedback should address strengths, weaknesses, and significant findings. EFD/EFA PMAP Program Managers will determine the adequacy of initiatives taken to resolve quality issues identified through the feedback system.

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### Part 1—Federal Acquisition Regulation System

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(4) Increase/decrease the level of oversight required based upon a contracting organization's proficiency, quality and business considerations.

(5) Encourage sharing of best practices/processes and "lessons learned."

(b) All NAVFAC Performance Measurement and Assistance Program (PMAP) on-site visits shall be scheduled and conducted every three years in accordance with the current NAVFAC PMAP Guide. Three-year schedules of on-site visits shall be established/maintained by EFD/EFA PMAP Program Managers via the ACQ Datawarehouse at <http://acqdata.navfac.navy.mil>.

(c) EFDs/EFAs shall submit an annual summary of relevant findings (best practices, deficiencies, recommendations, etc.) from the results of the previous fiscal year's PMAP on site visits. See P-68 Appendix A for reporting requirements.

#### **1.691-2-101 Quality Management Plan/Business Management System.**

(a) Each contracting organization shall be responsible for developing and maintaining a Quality Management Plan (QMP) and/or a Business Management System (BMS). The purpose is to assure that each contracting organization has in place an effective management control system to assure quality, accountability, and integrity of the procurement process.

(b) The QMP/BMS and substantial revisions thereto shall be submitted by the contracting organization to the cognizant EFD/EFA for review.

### **SUBPART 1.7 -- DETERMINATIONS AND FINDINGS**

#### **1.707 Signatory authority.**

All D&Fs forwarded to the NAVFAC Acquisition Proponent for signature shall contain an endorsement by the EFD/EFA CCO.

## NAVFAC P-68 Contracting Manual

### Part 2—Definition of Words and Terms

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#### SUBPART 2.1—DEFINITIONS

##### 2.101 Definitions.

**ASSISTANT RESIDENT ENGINEER IN CHARGE (AREIC)/ASSISTANT RESIDENT ENGINEER IN CHARGE OF CONTRACTS (AREICC)** - A civilian engineer designated by the ROIC/ROICC for the technical oversight of assigned contracts.

**ASSISTANT RESIDENT OFFICER IN CHARGE (AROIC)/ASSISTANT RESIDENT OFFICER IN CHARGE OF CONTRACTS (AROICC)** - A Civil Engineer Corps officer designated by the ROIC/ROICC for the administration of assigned contracts.

**CHIEF OF CONTRACTING OFFICE (CCO)** - For EFDs/EFAs, NAVFACCO and the Navy Crane Center, the Contracts Department Director Head; for field contracts offices, the OIC/OICC/ROICC or equivalent.

**HEAD OF THE CONTRACTING ACTIVITY (HCA)** - For NAVFACENGCOM, the Commander, NAVFACENGCOM and by delegation, the Acquisition Proponent Director.

**NAVFAC COUNSEL** - A member of NAVFAC OGC located at an EFD/EFA or field office.

**OFFICER IN CHARGE (OIC)/OFFICER IN CHARGE OF CONTRACTS (OICC)** - A Civil Engineer Corps officer who has responsibility for the overall management of a field contracts office, including the execution and administration of construction, architect-engineer, engineering services, or facilities support contracts.

**PUBLIC WORKS** - The management of all activities associated with establishing, maintaining and operating the Navy shore establishment.

**RESIDENT OFFICER IN CHARGE (ROIC)/RESIDENT OFFICER IN CHARGE OF CONTRACTS (ROICC)** - A Civil Engineer Corps officer who is responsible for the administration of assigned contracts at a field contracts office.

## **NAVFAC P-68 Contracting Manual**

### **Part 3—Improper Business Practices and Personal Conflicts of Interest**

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**NO P-68 TEXT**



## **NAVFAC P-68 Contracting Manual**

### **Part 4—Administrative Matters**

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#### **SUBPART 4.8—GOVERNMENT CONTRACT FILES**

##### **4.804 Closeout of contract files.**

##### **4.804-5 Procedures for closing out contract files.**

See P-68 32.1100(e) for closeout procedures for construction and architect-engineer contracts when contractor fails to execute an appropriate release within one year after completion and acceptance.

## NAVFAC P-68 Contracting Manual

### Part 5—Publicizing Contract Actions

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#### SUBPART 5.2—SYNOPSIS OF PROPOSED CONTRACT ACTIONS

##### 5.205 Special situations.

###### (d) *Architect-engineering services.*

(1) All unrestricted synopses for architect-engineer services over \$500,000 shall include a notice that any large firm that is short-listed will be required to submit a subcontracting plan (in addition to addressing the small business criteria in the SF 255) before price negotiations begin for contract award.

(2) Each synopses of architect-engineer contracts must be concluded with the statement "Architect-engineer firms which meet the requirements described in this announcement are invited to submit a completed SF 254 (unless already on file) and SF 255 to the office shown below. Firms responding to this announcement by (date/time) local time will be considered. Firms having a current SF 254 on file with this office may also be considered. This is not a request for a proposal."

(3) When a SF 255 is not required, the publicly displayed notice should include the statement: "Architect-engineer firms which meet the requirement described in this announcement are invited to submit completed SF 254 (unless already on file) and a letter of interest. Firms responding to this announcement by (date) will be considered. This is not a request for proposal."

##### 5.207 Preparation and transmittal of synopses.

(a) All unrestricted synopses over \$500,000 for services and \$1M for construction shall include a notice to large firms that a subcontracting plan is required prior to award.

(b) All set-aside, 8(a) competitive, sources sought, and potential set-aside synopses must include the NAIC Code and size standard.

#### SUBPART 5.5—PAID ADVERTISEMENTS

##### 5.502 (DFARS) Authority.

An EFD/EFA CCO, without power of redelegation, may approve paid advertising in newspapers.

## **NAVFAC P-68 Contracting Manual**

### **Part 6—Competition Requirements**

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#### **SUBPART 6.3—OTHER THAN FULL AND OPEN COMPETITION**

##### **6.304 Approval of the justification.**

(a) For a proposed contract action over \$500,000 but not exceeding \$10,000,000, the justification shall be approved by the EFD/EFA Commander/Commanding Officer and the CCO for NAVFACCO and Navy Crane Center. This authority may be delegated no lower than the EFD/EFA CCO.

(b) All justifications over \$10,000,000 but not exceeding \$50,000,000 shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent.

(c) All justifications over \$50,000,000, submitted for approval by ASN(RD&A), shall be forwarded via the EFD/EFA Commander/Commanding Officer and NAVFAC Acquisition Proponent.

## NAVFAC P-68 Contracting Manual

### Part 7—Acquisition Planning

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#### SUBPART 7.1—ACQUISITION PLANS

##### 7.102 Policy.

(a) Contracting officers shall assure adequate acquisition planning is performed consistent with the character and risks associated with the procurement of each requirement prior to issuing solicitations. Local procedures shall be established to institutionalize the process. As a minimum, the process should address the following:

- (1) The adequacy of the requirement description and specification.
- (2) The market availability of the requirement.
- (3) The practicality of the schedule or delivery requirements.
- (4) Technical and/or performance risks associated with the requirement.
- (5) Funding limitations.

(6) The planned strategy to mitigate the risks and constraints identified. This strategy should address the rationale used to select the procurement method (sealed bid, negotiated, two phase design build, etc.), the contract type (fixed price, cost, cost plus award fee, etc.), the specification type (detailed, performance, proprietary, etc.), the selection criteria (experience, technical proposal, etc.), the quality assurance provisions (special inspections, reports, etc.) or any other aspect of the requirement thought to be a potential problem.

- (7) Fulfillment of socioeconomic goals.

(b) Acquisition planning is a team effort and should involve technical, contractual, small business, program management and customer personnel, all focused on developing the most effective plan for delivery of quality products in the most economical and timely manner possible.

##### 7.103 (DFARS) Agency-head responsibilities.

Written acquisition plans delineated in DFARS 207.103 shall be submitted to the NAVFAC Acquisition Proponent for approval.

##### 7.105 Contents of written acquisition plans.

The detail and formality of written acquisition plans should be commensurate with the complexity of the requirement and signed by all those having an interest in the procurement, including the small business specialist.

## **NAVFAC P-68 Contracting Manual**

### **Part 7—Acquisition Planning**

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#### **SUBPART 7.4—EQUIPMENT LEASE OR PURCHASE**

##### **7.470 (DFARS) Statutory requirements.**

The EFD/EFA Commander/Commanding Officer is authorized to make a determination to enter into, extend or renew any vessel, aircraft, or vehicle through a lease, charter or similar agreement for a term of 18 months or more. This authority may be delegated no lower than the EFD/EFA CCO.

## **NAVFAC P-68 Contracting Manual**

### **Part 8—Required Sources of Supplies and Services**

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#### **SUBPART 8.70—COORDINATED ACQUISITION (DFARS)**

##### **8.7003 Applicability.**

##### **8.7003-1 Assignments under integrated materiel management (IMM).**

NAVFAC contracting officers are not normally authorized to purchase automotive vehicles, construction equipment, weight handling equipment or other material handling equipment. However, special authority may be obtained on a case-by-case basis for specialty or emergency requirements using the DFARS procedures at this subpart. All requests must be coordinated with the responsible transportation equipment manager, and submitted to the NAVFAC Acquisition Proponent for approval.

## **NAVFAC P-68 Contracting Manual**

### **Part 9—Contractor Qualifications**

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#### **SUBPART 9.5—ORGANIZATIONAL AND CONSULTANT CONFLICTS OF INTEREST**

##### **9.507 Solicitation provisions and contract clause.**

##### **9.507-2 Contract clause.**

(a) (1) Use the clause at 5252.209-9300, Organizational Conflicts of Interest, in all architect-engineer, construction and facilities support services solicitations/contracts.

(2) Use the basic clause with its Alternate I for architect-engineer and construction contracts that involve environmental studies, investigations, design or remedial action.



## **NAVFAC P-68 Contracting Manual**

### **Part 10—Market Research**

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#### **10.002 Procedures.**

Additional techniques for conducting market research may include any or all of the following:

- (1) Obtaining industry comment on standardized specifications;
- (2) Prompt periodic update of specifications and standards used by the Government to reflect changes promulgated by industry standards-setting groups;
- (3) Continuing discussions with manufacturers and suppliers of construction materials;
- (4) Design by most highly qualified architect-engineer firms;
- (5) Continuing education requirements for architect-engineers concerning current construction materials and methods;
- (6) Customary use of competitive solicitations for same or similar construction; and
- (7) Consulting with customer end-users concerning their needs.

## **NAVFAC P-68 Contracting Manual**

### **Part 11—Describing Agency Needs**

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#### **11.002 Policy.**

A contract to be performed in a foreign country should be prepared both in English and in the appropriate foreign language.

#### **SUBPART 11.1—SELECTING AND DEVELOPING REQUIREMENTS DOCUMENTS**

##### **11.104 Use of brand name or equal purchase descriptions.**

A Level III contracting officer written approval is required to use 'or equal' specifications.

##### **11.105 Items peculiar to one manufacturer.**

A minimum of three manufacturers shall be included in the description followed by the words 'or equal.' The salient characteristics shall be listed in sufficient detail for evaluating acceptability of unlisted products.

##### **11.105-100 Proprietary specifications.**

(a) J&A approval in accordance with FAR Part 6 is required to use proprietary specifications. The J&A approval level shall be dictated by the estimated value of the proprietary products. This requirement also applies to specifications prepared by other agencies for projects to be constructed by NAVFAC.

(b) When authorized, the technical specification shall state: 'Notwithstanding any other provision of this contract, no other product will be acceptable.'

#### **SUBPART 11.2—USING AND MAINTAINING REQUIREMENTS DOCUMENTS**

##### **11.201 Identification and availability of specifications.**

##### **11.201-100 Construction contract drawings and specifications.**

(a) Persons approving construction contract drawings and specifications shall be registered professional engineers or architects.

(b) Technical portions of specifications shall not include issues covered by FAR, DFARS, NAPS or P-68 clauses or provisions or exceptions thereto.

##### **11.201-101 Collateral equipment.**

If collateral equipment is included in specifications, the matter should be coordinated with and approved by the contracting agency normally responsible for procuring the collateral equipment.

## NAVFAC P-68 Contracting Manual

### Part 11—Describing Agency Needs

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#### SUBPART 11.4—DELIVERY OR PERFORMANCE SCHEDULES

##### 11.402 Factors to consider in establishing schedules.

(a) *Supplies or services.* For facilities support contracts, the base performance period and any option performance periods shall not exceed twelve months unless approved by the NAVFAC Acquisition Proponent.

(b) *Construction.*

(1) When establishing a completion date for construction contracts requiring performance and/or payment guarantees, a period of 15 days shall be allowed for the mailing of the award and the contractor's submission of the required guarantee.

(2) Time extensions shall not be deferred until completion of work.

(3) All time extensions authorized by FAR clause 52.249-10, Default (Fixed-Price Construction) must be justified in writing. The contracting officer may approve extensions less than 60 days. Extensions of 60 days or greater must be approved at one level above the contracting officer.

##### 11.404 Contract clauses.

##### 11.404-100 NAVFAC contract clause.

Use the clause at 5252.211-9301, Phased Construction Schedule, in all solicitations/contracts for construction that require the use of a phased construction schedule. Use with FAR Clause 52.211-12, Liquidated Damages—Construction, and its Alternate I.

#### SUBPART 11.5—LIQUIDATED DAMAGES

##### 11.502 Procedures.

(a) The appropriate liquidated damage rate(s) shown in the following tables shall be included in all firm fixed-price construction contracts exceeding the simplified acquisition threshold. These rates may be included in contracts below the simplified acquisition threshold at the discretion of the contracting officer.

(b) If multiple completion dates are specified, provide a liquidated damage rate for each date. If multiple deliverables are specified, state a liquidated damage rate per day per deliverable.

(c) The liquidated damage rates may be increased or decreased up to 50 percent by a contracting officer's written determination that the Government's anticipated loss from delayed completion is less or greater than these amounts. EFD/EFA CCO approval is required for liquidated damage rates exceeding 50 percent of the rates in these tables. This authority may not be redelegated.

## NAVFAC P-68 Contracting Manual

### Part 11—Describing Agency Needs

(d) If Table 2 is used for Change of Occupancy requirements, the contract must state that the liquidated damage rates set forth in P-68 clause 5252.246-9303, Consequences of Contractor's Failure to Perform Required Services does not apply to the work covered by Table 2.

(e) The final invoice shall include either the statement "The contract was completed within the contract time and no liquidated damages are assessed," or be annotated to show the contract completion date, the actual date of completion, the number of days for which liquidated damages are assessed, the rate per calendar day of liquidated damages and the total amount of liquidated damages assessed by modification for late performance.

(f) Assessment of liquidated damages shall be through issuance of a unilateral modification.

(g) The contractor shall be notified upon initial withholding of Contract Work Hours and Safety Standards Act (CWHSSA) liquidated damages and again upon the issuance of the final order affirming the assessment of the CWHSSA liquidated damages. Liquidated damages for labor violations are assessed in accordance with DFARS 222.302.

### LIQUIDATED DAMAGES TABLES

Table 1: General Construction Projects	
Project Cost	Estimated Liquidated Damages Per Calendar Day
\$ 2,000 - 25,000 25,000 - 50,000 50,000 - 100,000 100,000 - 500,000 Each additional \$100,000 - add \$50	\$ 80 110 140 200
Table 2: Family Housing Units	
Types of Units	Liquidated Damages Calendar Day Per Unit
GOQ (General Officers' Quarters) SOQ (Senior Officers' Quarters) FGO (Field Grade Officers) CGO (Company Grade Officers) SEM (Senior Enlisted Men) JEM (Junior Enlisted Men)	Average daily Basic Allowance (BAQ) with dependents plus average applicable housing allowances or temporary living allowance, as appropriate.

## NAVFAC P-68 Contracting Manual

### Part 11—Describing Agency Needs

Table 3: Bachelor Housing			
Type of Housing	Rate Per Calendar Day	No. of Men Per Bldg.	Liquidated Damages Calendar Day Per Bldg.
BOQ	BOQ rate for single 03 rate plus single 03 rate for variable housing allowance (VHA) for area.	x _____	= _____
BEQ	BAQ rate for E-5 plus single E-5 rate for variable housing allowance (VHA) for area.	x _____	= _____

Table 4: Storage Space		
LDs Per Calendar Day	Square Feet	LDs Per Square Foot Per Calendar Day
\$.15	x _____	= _____

Table 5: Office Space		
LDs Per Calendar Day	Square Feet	LDs Per Square Foot Per Calendar Day
\$.30	x _____	= _____

## **NAVFAC P-68 Contracting Manual**

### **Part 12—Acquisition of Commercial Items**

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#### **SUBPART 12.4—UNIQUE REQUIREMENTS REGARDING TERMS AND CONDITIONS FOR COMMERCIAL ITEMS**

##### **12.404 Warranties.**

##### **12.404-100 NAVFAC contract clause.**

Use the clause at 5252.212-9300, Commercial Warranty, in solicitations/contracts for commercial supplies or services.

## **NAVFAC P-68 Contracting Manual**

### **Part 13—Simplified Acquisition Procedures**

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#### **SUBPART 13.2—ACTIONS AT OR BELOW THE MICRO-PURCHASE THRESHOLD**

##### **13.270 (DFARS) Use of the Governmentwide commercial purchase card.**

(a) All micro-purchases for services and supplies below \$2,500 and \$2,000 for construction are to be made by the Government-wide commercial purchase card. A written determination by the EFD/EFA CCO is required prior to using purchase orders or separate contracts for such actions. This authority may not be redelegated.

(b) A written determination is not required when placing orders under existing contracts such as delivery/task orders for indefinite quantity type contracts, purchases under BPAs, or when issuing contracts or purchase orders that will be performed entirely outside of any state, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.



## **NAVFAC P-68 Contracting Manual**

### **Part 14—Sealed Bidding**

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#### **SUBPART 14.2—SOLICITATION OF BIDS**

##### **14.201 Preparation of invitations for bids.**

###### **14.201-100 Bid items.**

(a) An alternate bid item is a bid item which may be used in lieu of or as an alternative to another bid item. EFD/EFA CCO approval is required prior to the use of alternate bid items. This authority may not be redelegated.

(b) Level III contracting officer approval is required for the use of a combination of additive/deductive or other bidding systems in construction.

(c) Level III contracting officer approval is required if over four additive bid items are used (see P-68 36.213-70).

(d) Level III contracting officer approval is required for use of the Estimated Total Cost Method in construction contracts.

(e) If unit price bid items are used in construction contracts, FAR clause 52.211-18, Variation in Estimated Quantities, must be included in the solicitation.

###### **14.201-6 Solicitation provisions.**

###### **14.201-6-100 NAVFAC provisions.**

(a) (1) Use the provision at 5252.214-9300, Basis for Award in invitations for bids for facilities support services work. Use with FAR provision 52.214-10, Contract Award.

(2) Use Alternate I with the basic provision when the performance period is less than 12 months.

(3) Use Alternate II for combination firm fixed-price indefinite quantity facility support service contracts when the firm fixed-price portion will satisfy the minimum guarantee.

(b) Use the provision at 5252.214-9301, Notice to Bidders, in all invitations for bids for construction.

##### **14.211 Release of acquisition information.**

(a) All inquiries from prospective bidders regarding issued solicitations shall be directed to the contracts office issuing the solicitation. The following statement shall be included in every solicitation:

“All questions concerning this solicitation shall be addressed to (include name, address and phone number).”

(b) The contracting officer will maintain a record of all inquiries, including the name of the individual making the inquiry, questions asked and answers given or amendment issued.

## **NAVFAC P-68 Contracting Manual**

### **Part 14—Sealed Bidding**

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#### **SUBPART 14.3—SUBMISSION OF BIDS**

##### **14.304 Submission, modification, and withdrawal of bids.**

If a hand carried bid is presented after the bid opening official has declared that the time for bid opening stated in the solicitation had arrived, the bid shall be received and the time of receipt and name of the person delivering the bid noted on the bid envelope. The bid shall be retained, unopened, until a determination to accept or reject the bid is made by a level above the contracting officer after obtaining NAVFAC Counsel review comments.

#### **SUBPART 14.4—OPENING OF BIDS AND AWARD OF CONTRACT**

##### **14.402 Opening of bids.**

###### **14.402-1 Unclassified bids.**

(a) For construction contracts, after all the bids have been read, the Government estimate and the control amount, if applicable, shall then be read.

(b) The contracting officer, and any other persons designated in writing by the CCO for that purpose, is authorized to open bids.

##### **14.404 Rejection of bids.**

###### **14.404-1 Cancellation of invitations after opening.**

(a) A written determination by a level above the contracting officer is required prior to converting an invitation for bids to a negotiated procurement.

(b) If an invitation for bids has been cancelled and converted to a negotiated procurement, an amendment shall be issued to all responsible bidders stating the authority for the action, the evaluation criteria, and include applicable clauses for negotiated procurements.

##### **14.405 Minor informalities or irregularities in bids.**

NAVFAC Counsel review is required prior to waiving unacknowledged amendments.

##### **14.407 Mistakes in bids.**

###### **14.407-3 Other mistakes disclosed before award.**

(a) The NAVFAC Acquisition Proponent Director, without power of redelegation, shall make the determinations required by FAR 14.407-3(a), (b) and (d).

(b) Evidence in support of requests for correction of bids shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent. The package shall contain the contracting officer's analysis and recommendation as well the bidder's original work sheets, a certification by the bidder that the bid sheets are the originals and the mistake and amount to be

## **NAVFAC P-68 Contracting Manual**

### **Part 14—Sealed Bidding**

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corrected are accurate and true to the best of their knowledge and belief, and a legal memorandum by NAVFAC Counsel.

(c) Requests for withdrawal of bids must be accompanied by a declaration from the bidder that, if permitted to withdraw and the work is awarded to another bidder, the withdrawing bidder will not participate in the work through subcontract or otherwise.

### **SUBPART 14.5—TWO-STEP SEALED BIDDING**

#### **14.502 Conditions for use.**

A Level III contracting officer approval is required prior to using the two-step sealed bidding procurement method.

## NAVFAC P-68 Contracting Manual

### Part 15—Contracting by Negotiation

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#### SUBPART 15.2—SOLICITATION AND RECEIPT OF PROPOSALS AND INFORMATION

##### 15.209 Solicitation provisions and contract clauses.

##### 15.209-100 NAVFAC provisions.

(a) Use the provision at 5252.215-9300, Content of Proposals, in all RFPs for facilities support services work.

(b) Use the provision at 5252.215-9301, Multiple Proposals, in all RFPs for facilities support and construction that allow for submission of multiple proposals.

(c) Use the provision at 5252.215-9302, Number of Copies/Time of Receipt, in RFPs for construction and facilities support construction when submittal of half size copies and full size set of valid prints is required.

#### SUBPART 15.3—SOURCE SELECTION

##### 15.303 Responsibilities.

(a) Source Selection Authority (SSA). Authority to act as SSA has been delegated as follows:

<u>Contract Value</u>	<u>Source Selection Authority*</u>
Up to \$10M	Level II Contracting Officer
\$10M to \$30M	Level III Contracting Officer
\$30M to \$75M	EFD/EFA CCO
Over \$75M	EFD/EFA 00, 09

**\*Note:** Source selection plans over \$30,000,000 require NAVFAC Acquisition Proponent approval. Also, see 1.690-100(c) for business clearance approval threshold.

For contracts up to \$30,000,000, a contracting officer operating within their warranted authority may perform the duties of both the source selection authority and source selection board, with a single technical evaluator performing the duties of the technical evaluation board. For all other negotiated actions, a formal evaluation group structure shall be used.

(b) Technical Evaluation Board (TEB). The TEB should consist of a minimum of two and maximum of five members. One member of the TEB will be designated as the chairperson and serve as the interface between the TEB and the SSB. The TEB shall evaluate proposers' technical proposals only, without regard to price, and make the following recommendations to the SSB as necessary:

(1) Rank technical proposals by a written narrative explaining any significant differences. Points, colors, or alphabetical ratings, shall not be used.

## NAVFAC P-68 Contracting Manual

### Part 15—Contracting by Negotiation

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- (2) Identify strengths, weaknesses and deficiencies in the proposals.
- (3) Technical discussion questions for the proposers.

(c) Source Selection Board (SSB). The SSB should consist of a minimum of two and maximum of five members. At least one senior contracting official will serve as a member of the SSB. All SSBs will have NAVFAC Counsel assigned as an advisor. The purpose of the SSB is to evaluate the proposers' prices as compared to the technical evaluations of the TEB, including subcontracting plans, and make the following recommendations to the SSA as necessary:

- (1) The need for discussions, and suggested questions if required.
- (2) Competitive range determinations.
- (3) Selection of the winning proposal.

(d) Source Selection Plan (SSP). Notwithstanding the SSA approval threshold, all SSPs (and acquisition plans (APs) if applicable) for acquisitions over \$30,000,000 must be forwarded to the NAVFAC Acquisition Proponent for approval prior to issuance of the solicitation. The SSP shall contain the following information:

- (1) A short description of the project/procurement to include the rationale as required by FAR 6.401 which underlies the decision to use source selection procedures.
- (2) A listing by name of the SSA, members of the SSB (if required), the contracting officer (if different from the SSA), the Chairperson of the TEB, the individual members of the TEB, if required, the small business specialist, the person conducting cost and/or price evaluation, NAVFAC Counsel and the contracting officer's staff who will handle this procurement.
- (3) A listing of the evaluation factors and weighting which will be used. Any system that makes the weight given to technical factors greater than price requires prior written approval in accordance with EFD/EFA procedures.
- (4) The rating scheme to be used by the TEB. This rating scheme shall be described in sufficient detail so that the TEB requires no other documentation in conducting their evaluation.

#### **15.308 Source selection decision.**

The SSA is responsible for ensuring that all aspects of the selection process are conducted properly. Based on the input from the SSB, the cost and/or price evaluation personnel and TEB, the SSA personally determines the successful offeror as documented in the SSA selection decision.

### **SUBPART 15.4—CONTRACT PRICING**

#### **15.403 Obtaining cost or pricing data.**

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### **Part 15—Contracting by Negotiation**

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#### **15.403-5 Instructions for submission of cost or pricing data or information other than cost or pricing data.**

(a) For negotiations which rely on a contractor's cost or pricing data, the business clearance shall state that the government relied on this data.

(b) For cost contracts, extrapolate costs to the total capacity on best value source selections.

(c) Where the total amount of a construction contract modification is over \$100,000 but does not exceed \$550,000, the following may be used in lieu of requiring the contractor to submit a detailed breakdown of overhead:

(1) (i) Ten percent of labor, material and equipment estimates in lieu of field overhead,

(ii) Five percent of subcontract estimates,

(iii) Three percent of the total labor, material and equipment estimates and the amount computed by (i) above in lieu of home office overhead or,

(2) The audited rates for that company established by a DCAA audit less than one year old.

(d) No overhead or profit shall be allowed on bond expenses.

(e) When an architect-engineer contract includes reimbursable travel for an architect-engineer firm located outside the commuting distance of the construction site, the contract shall state that the architect-engineer firm will be reimbursed for authorized travel in accordance with government travel regulations. No profit and overhead will be allowed on reimbursable travel expenses contained in an otherwise fixed-price contract.

#### **15.404 Proposal analysis.**

##### **15.404-1 Proposal analysis techniques.**

When cost analysis is required or when negotiating the basic award of a multi-tasked, architect-engineer IDIQ arrangement (including CLEAN contracts), the contracting officer shall justify labor and indirect rates in terms of average area rates for similar work. Rates in excess of average area rates should be justified in terms of the need of the government.

##### **15.404-4 Profit.**

Government set predetermined profit rates shall not be used. The profit determination must be structured and supported in the business clearance or price negotiation memorandum.

##### **15.404-71 (DFARS) Weighted guideline method.**

##### **15.404-71-2 (DFARS) Performance risk.**

## **NAVFAC P-68 Contracting Manual**

### **Part 15—Contracting by Negotiation**

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Unless different values are determined in writing to be appropriate by a Level III contracting officer, the alternate range of values (4%-8%) should be used to determine profit for architect-engineer, construction, and service contracts.

#### **15.404-76 (DFARS) Reporting profit and fee statistics.**

See P-68 Appendix A for reporting requirements.

#### **15.406 Documentation.**

##### **15.406-90 (NAPS) Business clearance.**

(a) EFD Commanders/Commanding Officers shall establish the format for business clearances for contract actions up to \$30,000,000, ensuring all information required by FAR 15.406-3 and DFARS 215.406-3 is contained therein.

(b) Form and format prescribed by the NAVFAC Acquisition Proponent shall be used for business clearances over \$30,000,000.

### **SUBPART 15.5 – PREAWARD, AWARD, AND POSTAWARD NOTIFICATIONS, PROTESTS, AND MISTAKES**

#### **15.505 Preaward debriefing of offerors.**

At the conclusion of an oral debriefing, an offeror excluded from the competitive range or otherwise excluded from competition shall be asked whether the information they received was sufficient in identifying the deficiencies/weaknesses in their proposal. If not, the debriefing official shall provide a written analysis of the debrief.

#### **15.506 Postaward debriefing of offerors.**

At the conclusion of an oral debriefing, an unsuccessful offeror shall be asked whether the information they received was sufficient in identifying the deficiencies/weaknesses in their proposal. If not, the debriefing official shall provide a written analysis of the debrief.

### **SUBPART 15.6—UNSOLICITED PROPOSALS**

#### **15.606 Agency procedures.**

All unsolicited proposals shall be forwarded to the EFD/EFA contracts office. The EFD/EFA CCO shall determine the disposition of the proposal. This authority may not be redelegated.



## **NAVFAC P-68 Contracting Manual**

### **Part 16—Types of Contracts**

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#### **SUBPART 16.2—FIXED-PRICE CONTRACTS**

##### **16.203 Fixed-price contracts with economic price adjustment.**

##### **16.203-4 Contract clauses.**

##### **16.203-4-100 NAVFAC contract clauses.**

(a) Use the clause at 5252.216-9307, Price Revision, in solicitations/contracts at U.S. installations in Italy when the contract term exceeds one year.

(b) Use the clause at 5252.216-9314, Economic Price Adjustment for Changes in Landfill/Disposal Fees, in lieu of FAR 5216.216-4, Economic Price Adjustment--Labor and Material, where the service requires landfill usage fees or disposal fees set by a county government or other local government body.

#### **SUBPART 16.3—COST-REIMBURSEMENT CONTRACTS**

##### **16.306 (DFARS) Cost-plus-fixed-fee contracts.**

A request to use MILCON funded cost-plus-fixed-fee contracts shall be forwarded to the NAVFAC Acquisition Proponent for final approval by OSD.

#### **SUBPART 16.4—INCENTIVE CONTRACTS**

##### **16.404 (DFARS) Fixed price contracts with award fees.**

For guidance, see NAVFAC Fixed-Price Award Fee Facilities Support Contracts Desk Guide/Handbook.

##### **16.406 Contract clauses.**

##### **16.406-100 NAVFAC contract clause.**

(a) Use the clause at 5252.216-9315, Award Fee, in solicitations/contracts when a fixed-price award fee contract for services is contemplated.

(b) Use the basic clause with its Alternate I for construction contracts.

#### **SUBPART 16.5—INDEFINITE DELIVERY CONTRACTS**

##### **16.503 Requirements contracts.**

(a) The contract price on the award document shall be marked "Estimated Total Price".

## NAVFAC P-68 Contracting Manual

### Part 16—Types of Contracts

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(b) No funds shall be obligated at time of award but are obligated at time of issuance of orders against the contract.

#### **16.504 Indefinite-quantity contracts.**

(a) The contract price on the award document shall be marked "Not to Exceed."

(b) Funds are to be obligated at time of award for the minimum quantity only.

#### **16.504-100 Architect-engineer indefinite-quantity contracts.**

For guidance on architect-engineer indefinite quantity contracts, see P-68 36.601-3-100.

#### **16.504-101 Facilities support indefinite quantity contracts.**

(a) The contract amount on the award document shall be the total of the extended unit prices for each line item for the base year.

(b) The "quantity" column on the Schedule shall be marked "Estimated".

(c) The solicitation shall advise the contractor that once the estimated quantities for individual line items shown in the Schedule have been ordered, additional quantities may be ordered as long as the overall not-to-exceed (NTE) amount of the contract per year is not exceeded and the contractor agrees by signing the task order.

#### **16.504-102 Combination firm fixed-price/indefinite quantity contracts.**

(a) The contract price on the award document shall be marked "Not to Exceed".

(b) The contract amount shall be the price for the base year firm fixed-price (FFP) portion of the contract and the total estimated quantity of the indefinite quantity portion.

(c) The contract minimum guarantee can be satisfied at time of award with the base year firm fixed-price portion of the contract, as long as the firm fixed-price is more than a nominal amount of the total contract value and the work is similar.

(d) The work identified under the firm fixed-price and the indefinite quantity portion of the contract must be of a similar nature.

(e) The indefinite quantity portion of the contract shall specify:

(1) a guaranteed minimum amount to be ordered during a specified period. If appropriate, this may be the firm fixed-price portion of the contract.

(2) the maximum dollar amount of orders that the Government may place during a specified period.

(3) the minimum and maximum quantities or dollar amounts that the Government may order on an individual task order.

## NAVFAC P-68 Contracting Manual

### Part 16—Types of Contracts

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(f) The policy stated in P-68 16.504-101(b) and (c) applies to the indefinite quantity portion of a combination firm fixed-price/indefinite quantity type contract.

#### 16.505 Ordering.

##### (a) *General.*

(1) Delivery/task orders may only be executed by a warranted contracting officer or an ordering officer designated pursuant to P-68 1.602-2(d).

(2) All delivery/task orders shall be issued on DD Form 1155.

(3) Orders under contracts funded with annual appropriations shall not be executed in one fiscal year with commencement beginning in the next fiscal year (See FAR 32.703-2).

##### (b) *Orders under multiple award contracts.*

(5) **(NAPS) Task and Delivery Order Ombudsman.** The EFD/EFA Competition Advocate is designated as an ombudsman for task order/delivery order contracts under their cognizance. This designation may not be redelegated.

#### 16.506 Solicitation provisions and contract clauses.

##### 16.506-100 NAVFAC contract clauses.

(a) Insert the clause at 5252.216-9300, Appointment of Ordering Officer(s), in all facilities support and architect-engineer indefinite quantity or requirements solicitations/contracts. Use in lieu of FAR clause 52.216-22, Indefinite Quantity.

(b) Use the clause at 5252.216-9301, Task Order Terms and Conditions (Architect-Engineer Indefinite Quantity Contracts), in architect-engineer indefinite quantity solicitations/contracts except those for remedial investigation or design.

(c) Use the clause at 5252.216-9302, Indefinite Quantity, in architect-engineer indefinite quantity solicitations/contracts.

(d) (1) Use the clause at 5252.216-9303, Minimum and Maximum Fees (Architect-Engineer Indefinite Quantity Contracts), in architect-engineer indefinite quantity solicitations/contracts.

(2) Use the clause with its Alternate I when the contract minimum will exceed the initial project amount.

(e) Use the clause at 5252.216-9305, Task Order Procedures (Architect-Engineer Indefinite Quantity Contracts), in all architect-engineer indefinite quantity solicitations/contracts.

(f) Use the clause at 5252.216-9306, Procedures for Issuing Orders, in all facilities support service indefinite quantity or requirements solicitations/contracts.

## NAVFAC P-68 Contracting Manual

### Part 16—Types of Contracts

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(g) (1) Use the clause at 5252.216-9310, Combination Firm Fixed-Price/Indefinite Quantity Contract, in all combination firm-fixed price/indefinite quantity facilities support solicitations/contracts.

(2) Use the basic clause with its Alternate I if the firm fixed-price is less than nominal.

(h) Use the clause at 5252.216-9312, Minimum and Maximum Quantities, in all indefinite quantity solicitations/contracts other than architect-engineer. Use in addition to FAR clause 52.216-22.

(i) (1) Use the clause at 5252.216-9313, Maximum Quantities, in all facilities support service combination fixed-price/indefinite quantity solicitations/contracts.

(2) Use the clause with its Alternate I when the firm fixed-price portion of the contract is less than nominal.

(j) In indefinite quantity contracts containing the clause 5252.216-9312, Minimum and Maximum Quantities, the full FAR Termination for Convenience clause shall be utilized. Settlement costs for not ordering the guaranteed minimum shall be calculated according to its provisions.

## NAVFAC P-68 Contracting Manual

### Part 17—Special Contracting Methods

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#### SUBPART 17.2—OPTIONS

##### **17.202 Use of options.**

##### **17.202-100 Use of options in construction contracts.**

Written approval by a level above the contracting officer is required for the use of options in construction contracts and combination construction and service contracts in which the service work is the option.

##### **17.202-101 Use of options in facilities support contracts.**

(a) Written approval of a level above the contracting officer is required to include construction options in facilities support service contracts to be performed in the United States, its territories or trusts.

(b) Leases for equipment may include an option to buy. O&MN funds may not be used to exercise a purchase option in excess of \$100,000.

##### **17.202-102 Use of options in architect-engineer contracts.**

(a) Any options included in an architect-engineer contract must be stated in the scope of services in Appendix A of the contract.

(b) Prior to exercise of any option, the contracting officer shall make a written determination that the architect-engineer firm remains the most highly qualified firm to do the work. The following issues should be addressed in the determination:

- (1) Is the team selected as most highly qualified still performing the work?
- (2) Is the firm performing highly qualified work?
- (3) Are the selection criteria still valid?
- (4) Are the prices offered still fair and reasonable?

(c) Use of phases in architect-engineer contracts are permitted only when it is impracticable to definitized the full scope of the requirement and the price for performing these services and provided that:

- (1) the anticipated services are included in the synopsis and in the general scope of work;
- (2) the contracting officer documents the rational for determining a fair and reasonable price considering both the priced and phased portions; and
- (3) the provision for award of phases is in the contract allowing phases to be added by supplemental agreement.

## **NAVFAC P-68 Contracting Manual**

### **Part 17—Special Contracting Methods**

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#### **17.204 (NAPS) Contracts.**

NAVFAC Acquisition Proponent approval is required prior to issuance of a solicitation if the term of a contract exceeds five years (base year and four option periods). The request for approval shall explain how the procurement's competitive history and/or significant capital investment requirement indicates that a longer period of performance is necessary to establish or maintain competition.

#### **17.208 Solicitation provisions and contract clauses.**

##### **17.208-100 NAVFAC contract clauses.**

(a) Use the clause at 5252.217-9300, Option to Extend the Term of the Contract (Architect-Engineer Indefinite Quantity Contract), in all architect-engineer indefinite quantity solicitations/contracts that include options.

(b) Use the clause at 5252.217-9301, Option to Extend the Term of the Contract - Services, in all facilities support service solicitations/contracts that include options. Use this clause in lieu of FAR clause 52.217-9.

(c) Use the clause at FAR 52.217-7, Option for Increased Quantity-Separately Priced Line Items:

(1) in architect-engineer contracts when the contract provides for exercise of an option for post construction award services other than those specified at DFARS 236.609-70, and

(2) in construction contracts with option(s) for additional work.

### **SUBPART 17.5—INTERAGENCY ACQUISITIONS UNDER THE ECONOMY ACT**

#### **17.502 General.**

(a) A determination and findings is required for all procurement actions from agencies outside of the Navy under the Economy Act. The contracting officer will serve as advisor/consultant only.

(1) Within DOD, the determination and findings (D&F) will be signed and approved by the functional manager.

(2) Outside of DOD, the approval authority has been delegated to the HCA. This authority has been redelegated to the Vice Commander and the cognizant responsible NAVFAC SES Area Functional Manager.

(b) All determinations will be reviewed by NAVFAC Counsel.

## NAVFAC P-68 Contracting Manual

### Part 17—Special Contracting Methods

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#### SUBPART 17.74—UNDEFINITIZED CONTRACT ACTIONS (DFARS)

##### 17.7402 Exceptions.

The policies and procedures of DFARS 217.74 should be applied to change orders (except VECPs) to the maximum extent practicable.

##### 17.7403 Policy.

##### 17.7403-100 Management of undefinitized contract actions (UCAs).

The EFD/EFA CCO shall provide management oversight over UCAs issued by the EFD/EFA and field offices under their cognizance to ensure appropriate use, management attention to backlog, and establishment/adherence to definitization schedules.

##### 17.7404 Limitations.

##### 17.7404-1 Authorization.

(a) Approval authority for UCAs, including change orders under the Changes clause, undefinitized task/delivery orders, and Technical Direction Letters (TDLs), shall be as follows:

(1) For UCAs under \$1 million, authority is delegated to the EFD/EFA Commanders/Commanding Officers and the EFD/EFA CCO. This authority may be redelegated to Levels I, II, or III contracting officers up to a maximum dollar value of \$100,000 per UCA.

(2) A determination and findings for UCAs in the amount of \$1 million and above shall be forwarded to the NAVFAC Acquisition Proponent for approval.

(b) A not-to-exceed (NTE) ceiling price shall be established for each UCA. This NTE ceiling price may be adjusted by modification during performance if circumstances warrant, but shall not be exceeded at definitization. See P-68 43.201 for application to undefinitized change orders.



## NAVFAC P-68 Contracting Manual

### Part 18—Reserved

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**RESERVED**

## **NAVFAC P-68 Contracting Manual**

### **Part 19—Small Business Programs**

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#### **SUBPART 19.5—SET-ASIDES FOR SMALL BUSINESS**

##### **19.502 Setting aside acquisitions.**

##### **19.502-1 (DFARS) Requirements for setting aside acquisitions.**

The \$85,000 small business set-aside threshold for architect-engineer contracts applies only to military construction and family housing projects.

##### **19.505 (DFARS) Rejecting Small Business Administration recommendations.**

Appeals by the SBA procurement center representative shall be forwarded to the EFD/EFA CCO for a decision. This authority may not be redelegated.

#### **SUBPART 19.7—THE SMALL BUSINESS SUBCONTRACTING PROGRAM**

##### **19.702 Statutory requirements.**

Pub. L. 92-582, as amended (“Brooks Act”) requires an architect-engineer firm to identify who will perform the work (including subcontractors required under the contract). Contracting officers shall ensure architect-engineer firms address their planned usage of small business, small disadvantaged business, women owned small business, historically black colleges and universities or minority institutions in Block 10 of the SF 255. Additionally, solicitations for architect-engineer services expected to exceed \$500,000 shall require a short-listed large business firm to submit a subcontracting plan, in addition to the narrative in block 10 of the SF 255, before negotiations begin for contract award. If the selected architect-engineer firm fails to negotiate a subcontracting plan acceptable to the contracting officer within the time limit prescribed by the contracting officer, the firm will be ineligible for award.

##### **19.703 (DFARS) Eligibility requirements for participating in the program.**

All solicitations shall include a notice to offerors of the opportunity to use JWOD, NISH and NIB organizations to meet subcontracting goals. The notice should include HBCU/MI information as well as a point of contact and telephone number.

##### **19.704 Subcontracting plan requirements.**

For architect-engineer contracts over \$500,000, a large business firm that is short-listed will be required to submit a subcontracting plan (in addition to addressing small business subcontracting criteria in the SF 255) before price negotiations begin for contract award.

## **NAVFAC P-68 Contracting Manual**

### **Part 19—Small Business Programs**

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#### **SUBPART 19.8—CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(a) PROGRAM)**

##### **19.803 Selecting acquisitions for the 8(a) program.**

Architect-engineer contracts may be awarded under the 8(a) program. Procedures of the "Brooks Act" must be observed by SBA. The SBA must provide a slate of qualified architect-engineer firms and selection by the NAVFAC activity must be made in accordance with "Brooks Act" selection procedures.

## **NAVFAC P-68 Contracting Manual**

### **Part 20—Labor Surplus Area Concerns**

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**NO P-68 TEXT**

## NAVFAC P-68 Contracting Manual

### Part 21 — Reserved

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**RESERVED**

## **NAVFAC P-68 Contracting Manual**

### **Part 22—Application of Labor Laws to Government Acquisitions**

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#### **SUBPART 22.1—BASIC LABOR POLICIES**

##### **22.101 Labor relations.**

For guidance, see [NAVFAC P-386](#), Contractor Labor Relations Manual.

#### **SUBPART 22.3—CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**

##### **22.305 Contract clause.**

Construction contracts in excess of \$2,000 for work in Puerto Rico, the Virgin Islands, Outer Continental Shelf Lands defined in the Outer Continental Shelf Lands Act, American Samoa, Guam, Wake Island, Eniwetok Atoll, Kwajalein Atoll, or Johnson Island are subject to the Contract Work Hours and Safety Standards Act but are not subject to Davis-Bacon Act. Therefore, the following FAR clauses shall be modified to reflect this applicability and included in these contracts.

(1) FAR 52.222-11 Subcontracts (Labor Standards) except that the list of applicable clauses in the first sentence shall be modified to refer only to the clauses: Contract Work Hours and Safety Standards Act-Overtime Compensation, Subcontracts (Labor Standards), and Contract Termination-Debarment, Disputes Concerning Labor Standards;

(2) FAR 52.222-12, Contract Termination-Debarment except that the list of applicable clauses in the first sentence shall be modified to refer only to the Contract Work Hours and Safety Standards Act-Overtime Compensation, Subcontracts (Labor Standards).

#### **SUBPART 22.4—LABOR STANDARDS FOR CONTRACTS INVOLVING CONSTRUCTION**

##### **22.404 (DFARS) Davis-Bacon Act wage determinations.**

See P-68 Appendix A for reporting requirements.

##### **22.406 Administration and enforcement.**

##### **22.406-13 (DFARS) Semiannual enforcement reports.**

See P-68 Appendix A for reporting requirements.

#### **SUBPART 22.10—SERVICE CONTRACT ACT OF 1965, AS AMENDED**

##### **22.1006 Contract clauses.**

##### **22.1006-100 NAVFAC contract clause.**

## **NAVFAC P-68 Contracting Manual**

### **Part 22—Application of Labor Laws to Government Acquisitions**

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Use the clause at 5252.222-9305, Work Performed by Individual Assigned Categories, in all cost-reimbursement, time-and-materials or labor hour solicitations/contracts.

## **NAVFAC P-68 Contracting Manual**

### **Part 23—Environment, Conservation, Occupational Safety, and Drug-Free Workplace**

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#### **SUBPART 23.100—CONTRACT CLAUSES**

##### **23.1000 NAVFAC contract clauses.**

(a) Use the clause at 5252.223-9300, Inspection by Regulatory Agencies, in all facilities support services solicitations/contracts.

(b) Use the clause at 5252.223-9301, Wildlife Preservation, in architect-engineer and facilities support solicitations/contracts when applicable.



## **NAVFAC P-68 Contracting Manual**

### **Part 24—Freedom of Information Act**

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#### **SUBPART 24.2—FREEDOM OF INFORMATION ACT**

##### **24.203 Policy.**

All FOIA requests shall be coordinated through the EFD/EFA FOIA Coordinator.

## NAVFAC P-68 Contracting Manual

### Part 25—Foreign Acquisition

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#### SUBPART 25.1—BUY AMERICAN ACT—SUPPLIES

##### 25.103 (DFARS) Exceptions.

(a) *Public interest.*

(ii) (B) A determination whether to grant a public interest exception shall be made after consideration of the factors in 10 U.S.C. 2533—

(1) By the EFD/EFA Commander/Commanding Officer for acquisitions valued at less than \$100,000. This authority may be delegated no lower than the EFD/EFA CCO.

(2) By the Commander, NAVFAC or Acquisition Proponent Director, for acquisitions valued at \$100,000 or more but less than \$1,000,000. Requests for exceptions shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent.

(b) *Nonavailability.*

(ii) The determination must be approved—

(B) By the EFD/EFA Commander/Commanding Officer for acquisitions valued not to exceed \$250,000. This authority may be redelegated no lower than the EFD/EFA CCO.

(C) By the Commander, NAVFAC or Acquisition Proponent Director, for acquisitions valued in excess of \$250,000. Requests for determinations shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent.

#### SUBPART 25.2—BUY AMERICAN ACT—CONSTRUCTION MATERIALS

##### 25.202 (NAPS) Exceptions.

(a) (1) *Impracticable or inconsistent with public interest.* The EFD/EFA CCO, without power of redelegation, shall make this determination. The contracting officer should ensure that the foreign construction material offered is the same quality as domestic material and, therefore, meets the specification requirements.

(2) *Nonavailability.* The determination must be approved—

(i) By the EFD/EFA Commander/Commanding Officer for acquisitions valued not to exceed \$250,000. This authority may be redelegated no lower than the EFD/EFA CCO.

(ii) By the NAVFAC Acquisition Proponent Director for acquisitions valued in excess of \$250,000. Requests for exceptions shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent.

(3) *Unreasonable cost.* The NAVFAC Acquisition Proponent Director, without power of redelegation, shall make this determination. Requests for exceptions shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent.

## NAVFAC P-68 Contracting Manual

### Part 25—Foreign Acquisition

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#### **25.202-100 General guidelines.**

Requests for exceptions should be obtained prior to solicitation. An exception may be requested after award. The following are examples of when exceptions may be justified after contract award:

- (1) Since contract award, the construction product has ceased to be manufactured or produced in the United States.
- (2) The specification is incorrect and the required product can only be procured from a foreign source. Include an explanation why an alternative design cannot be used and what steps are being taken to pursue architect-engineer liability.
- (3) A change to the contract requires the use of foreign material. Requests shall be forwarded prior to execution of the change.
- (4) The difference in the cost of materials between foreign and domestic exceeds the percentage established by the agency per DFARS 225.103`.

#### **SUBPART 25.3—BALANCE OF PAYMENTS PROGRAM**

##### **25.302 (DFARS) Policy.**

Before solicitation, the determinations required by FAR 25.303(b) may be made by the Commanders of the Atlantic and Pacific Divisions. This authority may be delegated no lower than Vice Commanders and EFD/EFA CCOs. The determination shall be made during the design phase and prior to solicitation.

## **NAVFAC P-68 Contracting Manual**

### **Part 26—Other Socioeconomic Programs**

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**NO P-68 TEXT**

## **NAVFAC P-68 Contracting Manual**

### **Part 27—Patents, Data, and Copyrights**

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**NO P-68 TEXT**

## **NAVFAC P-68 Contracting Manual**

### **Part 28—Bonds and Insurance**

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#### **SUBPART 28.1—BONDS AND OTHER FINANCIAL PROTECTIONS**

##### **28.101 Bid guarantees.**

###### **28.101-1 Policy on use.**

Annual bid bonds are not acceptable for construction contracts.

###### **28.101-2 Solicitation provision or contract clause.**

###### **28.101-2-100 NAVFAC provisions or contract clauses.**

(a) (1) Insert the provision at 5252.228-9302, Bid Guarantee, in solicitations requiring bid guarantees. Use in addition to FAR clause 52.228-1. For negotiated procurements, the contracting officer shall determine whether to include the requirement for a bid guarantee.

(2) Use the basic provision with its Alternate I in indefinite quantity and JOC solicitations.

(3) Use the basic provision with its Alternate II in combination firm-fixed-price/indefinite quantity facilities support services solicitations.

(4) Use the basic provision with its Alternate III in requirements solicitations.

(b) Use the clause at 5252.228-9306, Performance Guarantee, in all solicitations/contracts when work will be performed at U.S. installations in Italy to allow the bidder to select which type of performance guarantee to furnish.

##### **28.102 Performance and payment bonds and alternative payment protections for construction contracts.**

###### **28.102-1 General.**

(a) Level III contracting officers may waive performance and payment bonds for work in foreign countries.

(b) For contracts over \$500,000, copies of the payment and performance bonds shall be forwarded to the surety (not the agent's office) for authentication. A copy of this request to the surety shall be sent to the contractor.

(c) Alternative payment protections, other than bonds and those types of security listed in FAR 28.204-1 and 28.204-2, shall be reviewed by NAVFAC Counsel prior to inclusion in solicitations.

###### **28.102-3 Contract clauses.**

###### **28.102-3-100 NAVFAC contract clause.**

## **NAVFAC P-68 Contracting Manual**

### **Part 28—Bonds and Insurance**

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(a) Use the clause at 5252.228-9305, Notice of Bonding Requirements, in firm fixed-price solicitations/contracts requiring payment and/ performance bonds.

(b) Use the basic clause with its Alternate I in indefinite quantity solicitations/contracts.

(c) Use the basic clause with its Alternate II in combination firm fixed-price/indefinite quantity solicitations/contracts.

(d) Use the basic clause with its Alternate III in requirements solicitations/contracts.

#### **28.103 Performance and payment bonds for other than construction contracts.**

##### **28.103-1 General.**

(a) Bid, performance, and payment bonds shall not be required for facilities support service contracts estimated to be awarded at less than \$100,000 or for any contracts awarded pursuant to Section 8(a) of the Small Business Act.

(b) A written determination by a Level III contracting officer is required prior to including bonds for other than construction contracts. The determination must specifically address the requirement for bonds that exceed 25 percent of the contract award amount.

##### **28.106 Administration.**

##### **28.106-2 Substitution of surety bonds.**

A Level III contracting officer approval is required prior to substituting the original bond with a new surety bond covering all or part of the obligations on the previously approved bond.

### **SUBPART 28.2—SURETIES AND OTHER SECURITY FOR BONDS**

#### **28.203 Acceptability of individual sureties.**

The contracting officer shall submit documentation in support of individuals proposed as sureties to NAVFAC Counsel for review prior to making a determination of acceptability.

##### **28.203-100 NAVFAC provision.**

Use the provision at 5252.228-9300, Individual Surety/Sureties, in solicitations requiring bid guarantees and performance and payment bonds.

### **SUBPART 28.3—INSURANCE**

#### **28.306 Insurance under fixed-price contracts.**

## **NAVFAC P-68 Contracting Manual**

### **Part 28—Bonds and Insurance**

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(a) Contractors shall not be required to provide insurance coverage on government owned/furnished equipment and materials without EFD/EFA CCO approval. This authority may not be redelegated.

(b) Contracts requiring work on government property and which include transportation or transportation related services shall specify insurance coverage as required by state and local laws or by FAR 28.307-2, whichever results in higher coverage. On a case-by- case basis, Level III contracting officers are authorized to specify higher coverage.



## **NAVFAC P-68 Contracting Manual**

### **Part 29—Taxes**

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#### **SUBPART 29.4—CONTRACT CLAUSES**

##### **29.402 Foreign contracts.**

##### **29.402-100 NAVFAC contract clauses.**

(a) Use the clause at 5252.229-9302, Consumption Tax Exemption Procedures on Purchase of Goods and Services by the United States Armed Forces in Japan (Japanese Law No. 108, 1988), in solicitations/contracts when work will be performed at U.S. installations in Japan. Use this clause in addition to FAR clause 52.229-7, Taxes—Fixed-Price Contracts with Foreign Governments.

(b) (1) Use the clause at 5252.229-9304, Tax Relief, in solicitations/contracts when work will be performed at U.S. installations in Italy. Use this clause in addition to FAR clause 52.229-7, Taxes—Fixed-Price Contracts with Foreign Governments.

(2) Use Alternate I if contract performance is in Spain.

(3) Use Alternate II if contract performance is in Greece.

## **NAVFAC P-68 Contracting Manual**

### **Part 30—Cost Accounting Standards Administration**

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**NO P-68 TEXT**

## **NAVFAC P-68 Contracting Manual**

### **Part 31 — Contract Cost Principles and Procedures**

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**NO P-68 TEXT**

## NAVFAC P-68 Contracting Manual

### Part 32—Contract Financing

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#### SUBPART 32.1—NON-COMMERCIAL ITEM PURCHASE FINANCING

##### 32.111 Contract clauses for non-commercial purchases.

###### 32.111-100 NAVFAC contract clauses.

(a) Use the clause at 5252.232-9300, Contractor Accounting System--Segregation of Costs, in solicitations/contracts when the contractor is required to segregate costs for payment.

(b) Use the clause at 5252.232-9301, Payment for Design Under Fixed Price Design-Build Contracts, in all design-build construction solicitations/contracts when sealed bidding is utilized and in solicitations/contracts when negotiation is utilized and the design or some design, design concepts, or other design submissions are required to be submitted for approval after award.

##### 32.112 Nonpayment of subcontractors under contracts for noncommercial items.

###### 32.112-1 Subcontractor assertions of nonpayment.

The contract file shall contain documentation of all actions taken and results and all efforts made by the contracting officer to facilitate the payment of subcontractors.

##### 32.1100 Final payment for construction and architect-engineer contracts.

(a) If the contract payment is assigned, an assignee's release of claims ([NAVFAC Form 4330/14](#)) is required. All final vouchers shall reflect the status of liquidated damages. A contractor's final release on [NAVFAC Form 4330/7](#) is required and shall reflect the total contract price, amounts previously paid, and the amount of the final voucher.

(b) For contracts where the contractor pays the government, NAVFAC Form 4330/7 should be modified by deleting the first seven lines and replacing it with the following:

"In consideration of the premise and the receipt of all material as set forth in the specification under the above-mentioned contract, the undersigned contractor does and by the receipt of said material shall".....

(c) The contractor shall clearly indicate the basis and amount of any claim.

(d) When a release contains an exception that the contracting officer considers acceptable, the following notation shall be placed on the release:

"Release approved by contracting officer this  
\_\_\_\_\_ day of \_\_\_\_ (Month/Year) \_\_\_\_\_  
\_\_\_\_\_  
(signature)"

(e) To close out contracts one year after completion and acceptance of the work when the contractor fails to execute an appropriate release, the contracting officer must obtain a certification of final payment from a level above the contracting officer of the contract balance

## **NAVFAC P-68 Contracting Manual**

### **Part 32—Contract Financing**

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and obtain a check from the disbursing office. The check shall be mailed to the contractor, certified mail return receipt, notifying the contractor that this is final payment. Any surety should also be provided with this notification. Thirty calendar days after the return of the certified mail receipt, the contracting officer may close out the contract. If the contractor refuses to accept the certified letter or cannot be located, the check shall be returned to the disbursing office and the contracting officer may deobligate the contract balance and close out the contract.

### **SUBPART 32.7—CONTRACT FUNDING**

#### **32.702 Policy.**

Based on the customer and project history, contracting officers may use their own discretion in requiring either a commitment of funds or actual funds in hand before issuing solicitations or RFPs for delivery/task orders or modifications. The Program/Project Manager remains responsible for validation of funds availability and communicating this to the contracting officer.

#### **32.705 Contract clauses.**

##### **32.705-100 NAVFAC contract clause.**

Use the clause at 5252.232-9302, Limitation on Extent of Government Liability in the Event of a Buy-Out Prior to Commencement of Construction, in all design-build construction solicitations/contracts when sealed bidding is utilized and in solicitations/contracts when negotiation is utilized and the design or some design, design concepts, or other design submissions are required to be submitted for approval after award.

### **SUBPART 32.8—ASSIGNMENT OF CLAIMS**

#### **32.803 Policies.**

When a payment is made under an assigned contract, the contractor shall immediately be told the date and amount of all payments.

#### **32.805 Procedure.**

(a) The contracting officer shall obtain review comments from NAVFAC Counsel on all assignment of claims.

(b) A release shall be obtained from both the assignee and the contractor prior to final payment.

## **NAVFAC P-68 Contracting Manual**

### **Part 33—Protests, Disputes and Appeals**

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#### **SUBPART 33.1—PROTESTS**

##### **33.103 (NAPS) Protests to the agency.**

All agency level protests received by any NAVFAC contracting office shall be subject to administrative review.

(a) Protests received on solicitations advertised at field activities shall be reviewed by the EFD/EFA CCO.

(b) Protests received on solicitations advertised at an EFA shall be reviewed by the EFD CCO.

(c) Protests received on solicitations advertised by EFDs, NAVFACCO or the Navy Crane Center shall be referred to the NAVFAC Acquisition Proponent for review.

#### **SUBPART 33.2—DISPUTES AND APPEALS**

##### **33.211 Contracting officer's decision.**

(a) Personnel who, at the request of NAVFAC Counsel, prepare memoranda or notes concerning a claim shall place a legend on each page as follows:

"ATTORNEY-CLIENT PRIVILEGE FOR OFFICIAL USE ONLY: This document is prepared for use by government or attorneys in connection with a contractor's claim. It is not to be released outside the government or to government personnel not having a need to know."

(b) A copy of all Final Decisions shall be forwarded to the NAVFAC Acquisition Proponent.

(c) A log shall be maintained of all Final Decisions issued.

##### **33.214 Alternative dispute resolution (ADR).**

(a) NAVFAC encourages ADR as a means of resolving disputes. EFDs shall establish appropriate procedures for their utilization.

(b) See P-68 Appendix A for reporting requirements.

##### **33.214-100 Disputes resolution board (DRB).**

(a) The Board shall be chaired by a representative from the contracts office and have at least one technical and one legal representative.

(b) After hearing the evidence and arguments presented by both the contractor and the government, the Board will make their recommendation. If a settlement with the contractor can be reached, a modification will be issued embodying the terms of the settlement. If a settlement cannot be reached, the Board will recommend the issuance of a Final Decision.

## **NAVFAC P-68 Contracting Manual**

### **Part 33—Protests, Disputes and Appeals**

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(c) If there is disagreement among the Board members, the contracting officer must make the final determination since by law the Final Decision must be the result of the contracting officer's independent judgment.

(d) See P-68 Appendix A for reporting requirements.

#### **33.2100 Remand by NAVFAC for settlement by negotiation.**

(a) A memorandum of negotiations shall be prepared to support a negotiated settlement.

(b) If a settlement cannot be reached, a report shall be prepared setting forth specific reasons why an agreement could not be reached and the claim package returned to the NAVFAC Acquisition Proponent.

(c) See P-68 Appendix A for reporting requirements.

### **SUBPART 33.90—PROCEDURES (NAPS)**

#### **33.9001 Claims approval requirements.**

(a) Proposed claim settlements and final decisions of the contracting officer shall be reviewed and approved—

(1) For claims less than \$1,000,000 by a Level III contracting officer with in house NAVFAC Counsel support.

(2) For claims \$1,000,000 or more by the NAVFAC Acquisition Proponent.

(b) For claims \$1,000,000 or more, the CCO shall:

(1) Notify the NAVFAC Acquisition Proponent within 10 days of receipt. Include the target date for submission of the claim package to the NAVFAC Acquisition Proponent and the projected final decision date. The projected final decision date shall include 90 days for Acquisition Proponent review and approval.

(2) Notify the contractor of the projected final decision date within 30 days of claim receipt. The CCO shall notify the contractor, giving reasons for any changes to the original projected date. The CCO shall provide copies of these letters to the NAVFAC Acquisition Proponent.

(3) Submit the claim package, including a draft final decision, to the Acquisition Proponent via the EFD/EFA Commander/Commanding Officer.

## **NAVFAC P-68 Contracting Manual**

### **Part 34—Major System Acquisition**

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**NO P-68 TEXT**



## **NAVFAC P-68 Contracting Manual**

### **Part 35—Research and Development Contracting**

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**NO P-68 TEXT**

## NAVFAC P-68 Contracting Manual

### Part 36—Construction and Architect-Engineer Contracts

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#### SUBPART 36.2—SPECIAL ASPECTS OF CONTRACTING FOR CONSTRUCTION

##### **36.201 (FAR/DFARS) Evaluation of contractor performance.**

See P-68 42.1503 for general guidance and [NAVFACINST 4335.4](#) (current version) for procedures on preparation and distribution of construction contractor performance evaluations.

##### **36.205 Statutory cost limitations.**

When more than one project is included in a single contract, and the estimated cost of the contract is over the current statutory cost limitation for unspecified minor construction (less estimated SIOH), the solicitation documents shall require the projects to be separately priced and contain a certification that the price for each project includes an approximate apportionment of all estimated direct cost, allocable indirect costs, and profit. The solicitation must state the applicable cost limitation for each affected item in a separate schedule.

##### **36.213 Special procedures for sealed bidding in construction contracting.**

###### **36.213-2 Presolicitation notices.**

The requirement for preparation of the SF-1417, Presolicitation Notice (Construction Contracts), is waived for all construction contracts for which presolicitation/solicitation notices are synopsized in the Commerce Business Daily (CBD) and solicitations posted on the NAVFAC E-Solicitation website.

###### **36.213-3 Invitations for bids.**

###### **36.213-3-100 Construction Specification Institute (CSI) format.**

Contracts for construction shall be prepared in the CSI format. Document Sections (00xxx) contain the contractual requirements and General Requirements Sections (01xxx) contain the administrative requirements.

###### **36.213-3-101 Budgeted amount.**

For construction of family housing projects, the solicitation shall contain the budgeted amount.

###### **36.213-70 (DFARS) Additive or deductive items.**

A Level III contracting officer's approval is required prior to issuing a solicitation including more than four additive bid items.

##### **36.215 Special procedure for cost-reimbursement contracts for construction.**

For guidance, see [NAVFAC P-398](#), Cost Reimbursement Construction Contract Manual.

## **NAVFAC P-68 Contracting Manual**

### **Part 36—Construction and Architect-Engineer Contracts**

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#### **36.2100 Environmental remedial action contracts.**

For guidance, see NAVFAC P-1092, RAC Contract Manual.

#### **36.2101 Job order contracts.**

For guidance, see the [NAVFAC Job Order Contracting Manual](#).

#### **36.2102 Non-appropriated funded (NAF) contracts.**

(a) Requests to waive FAR procedures for solicitations funded from non-appropriated sources shall be approved by the EFD/EFA Commander/Commanding Officer. This authority may be redelegated no lower than the EFD/EFA CCO. Each request must identify the FAR provisions to be waived, the criteria to be used to select firms who will be given the opportunity to submit bids or proposals if other than full and open competition is to be used and the rationale why the identified waivers from the FAR make prudent business sense. All documentation related to each approved request shall be retained in the contract file.

(b) Any firm that may seek to compete for NAF work, even if not initially provided a solicitation, must be given an opportunity to participate.

### **SUBPART 36.5—CONTRACT CLAUSES**

#### **36.5100 NAVFAC provision and contract clauses.**

(a) Use the clause at 5252.236-9301, Special Working Conditions and Entry to Work Area, in solicitations/contracts for construction work to be performed in and around secured areas or ammunition depots and magazines.

(b) Use the clause at 5252.236-9303, Accident Prevention, in all solicitations/ contracts for construction and dismantling, demolition or removal of improvements. Use this clause in addition to FAR clause 52.236-13, Accident Prevention.

(c) Use the clause at 5252.236-9304, Utilities for Construction and Testing, in lieu of FAR clause 52.236-14, Availability and Use of Utility Services, in fixed-price solicitations/contracts for construction, dismantling, demolition or removal of improvements when utilities are to be contractor-furnished.

(d) Use the clause at 5252.236-9305, Availability of Utilities, in all fixed-price solicitations/contracts for construction and dismantling, demolition or removal of improvements that include FAR clause 52.236-14.

(e) Use the provision at 5252.236-9308, Information Concerning Cost Limitations, in solicitations when the provision at DFARS 252.236-7006 is used.

(f) (1) Use the clause at 5252.236-9310, Record Drawings, or its alternate as appropriate in solicitations/contracts when record drawings are required.

## **NAVFAC P-68 Contracting Manual**

### **Part 36—Construction and Architect-Engineer Contracts**

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- (2) Use the clause with its Alternate I when as-built drawings are not required.

### **SUBPART 36.6—ARCHITECT-ENGINEER SERVICES**

#### **36.601 Policy.**

##### **36.601-3 Applicable contracting procedures.**

##### **36.601-3-100 Indefinite quantity architect-engineer contracts.**

- (a) See P-68 17.202-102 for use of options/phases.
- (b) Contracts shall be restricted to small projects requiring similar types of work. Taskings under these contracts shall be restricted to the locations designated in the contracts.
- (c) Parallel indefinite quantity contracts for the same services shall not be used unless the EFD/EFA CCO makes a written determination that award of the entire requirement to a single firm would tax that firm's capacity. This authority may not be redelegated.
- (d) The contract term shall not exceed one base year and one option year without EFD/EFA CCO approval. This approval authority may not be redelegated.
- (e) The contract amount is the maximum "Not to exceed" amount.
- (f) The total estimated dollar value of the contract, including any option year, shall be used as the threshold for certified cost or pricing data, field pricing reports (DCAA audit) and business clearance approval requirements.
- (g) Prepriced options for construction support may be included in task orders, but the exercise period shall not exceed eighteen months from final design without EFD/EFA CCO approval. This approval authority may not be redelegated.
- (h) See NAVFAC P-1092, Remedial Action Contract Manual, for guidance on environmental cost reimbursement contracts.

#### **36.602 Selection of firms for architect-engineer contracts.**

##### **36.602-1 Selection criteria.**

The architect engineer firm's experience in sustainable design and their quality control program shall be evaluated during selection.

##### **36.602-2 Evaluation boards.**

- (a) EFD/EFA Commanders/Commanding Officers may authorize the use of a single slate/selection board. This authority may be delegated no lower than the EFD/EFA CCO.

## NAVFAC P-68 Contracting Manual

### Part 36—Construction and Architect-Engineer Contracts

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(b) Engineers serving on boards shall be registered professionals unless a waiver is granted by the EFD/EFA Commander/Commanding Officer.

(c) Chairpersons shall have experience serving on A-E selection boards and shall have been briefed by the EFD/EFA CCO and NAVFAC Counsel concerning procurement rules and ethics.

#### **36.602-3 Evaluation board functions.**

(a) Telephone interviews may be conducted for contracts up to \$1,000,000. Firms shall be advised that a personal interview will be conducted if requested. A request for a personal interview by one firm does not require that all slated firms be interviewed in person. During interviews, price shall not be discussed. Following interviews, the selection board shall reach a consensus on the order of preference of the firms selected.

(b) The preselection (slate) board report must document how each slated and non-slated firm met each element of the synopsis rationale for the ranking and the reason(s) for excluding firms from the slate.

(c) When a single board is used, the selection report must document why the non-qualified firms were not slated, the basis for the ranking of the highly qualified firms, and why the selected firm is the most highly qualified.

(d) For advance planning projects, selection shall be made on the basis of qualifications for performing both the advanced planning and preparing the final plans and specifications for the same project.

(e) The board report shall include the total estimated final fee for each phase, engineering services and for preparation of plans and specifications; the names and addresses of the selected firms listed in order of preference; a brief description of the project; and the information required by DFARS 236.602-1.

(f) Board recommendations are considered source selection information and should be safeguarded from unauthorized disclosure.

#### **36.602-4 (DFARS) Selection authority.**

Whenever the estimated ultimate fee exceeds \$5,000,000, preselection/selection board reports shall be forwarded via the EFD/EFA CCO to the NAVFAC Acquisition Proponent for approval. When the fee is under \$5,000,000, contracting officers with appropriate warrant authority shall approve such reports in accordance with EFD procedures.

#### **36.602-5 Short selection processes for contracts not to exceed the simplified acquisition threshold.**

Contracting officers are authorized to use the short selection processes described in FAR Subpart 36.602-5. Firms shall be identified and evaluated exclusively from SF254's submitted or currently on file.

## NAVFAC P-68 Contracting Manual

### Part 36—Construction and Architect-Engineer Contracts

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#### **36.604 Performance evaluation.**

See P-68 42.1503 for guidance on the preparation and distribution of performance evaluation reports.

#### **36.605 Government cost estimate for architect-engineer work.**

The independent government estimate shall be provided to the contracting officer prior to receipt of a firm's proposal.

#### **36.606 Negotiations.**

A firm shall be requested to provide as part of their proposal separate prices for preparation of plans and specifications and for engineering services.

#### **36.607 Release of information on firm selection.**

See clearance requirement of [NAVFACINST 11010.51](#) (current version).

#### **36.608 Liability for Government costs resulting from design errors or deficiencies.**

(a) Whenever there is a modification to a construction contract resulting from a design deficiency in plans or specifications, the contracting officer shall make a written determination of the extent to which the architect-engineer firm may be responsible for such design deficiency and whether any increased costs resulting from such design deficiency shall be assessed against the architect-engineer firm. The determination and subsequent action shall be documented in the contract file.

(b) Where possible architect-engineer liability is not pursued, the contracting officer's reasons supporting this decision shall be documented in the contract file.

(c) If the architect-engineer firm and the construction contractor directly negotiate additional compensation for the additional work performed by the contractor, a modification may be issued by the contracting officer to extend the time for contract completion under the construction contract.

(d) See P-68 Appendix A for reporting requirements.

#### **36.609 Contract clauses.**

##### **36.609-100 NAVFAC contract clauses.**

(a) Use the clause at 5252.236-9300, Limitations on Authority of Architect-Engineer, in architect-engineer solicitations/contracts that require post construction award services. This clause shall be used in addition to the clause at DFARS 252.236-7009.

(b) Use the clause at 5252.236-9302, Architect-Engineer Contracts for Consultation and Advice, in all architect-engineer solicitations/contracts that require consultation services during construction.

## NAVFAC P-68 Contracting Manual

### Part 36—Construction and Architect-Engineer Contracts

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(c) Use the clause at 5252.236-9307, Drawings Prepared by an Architect-Engineer, in architect-engineer solicitations/contracts to be performed outside the United States.

(d) Use the clause at 5252.236-9309, Key Personnel, in architect-engineer solicitations/contracts when contractor personnel are key for performance of the contract and/or were a factor in the selection process.

#### **36.6100 Inspection services.**

(a) General construction inspection services by the architect-engineer firm are only permitted when all the general inspection required for the job is procured through contract; however, specialty inspection services that require specialized knowledge/experience/skills may be obtained by contract even when the general inspection services are not.

(b) Inspectors may be used to check contractor compliance with labor standards provisions provided such duties are restricted to checking and making reports to the contracting officer.

(c) For environmental CLEAN contracts, the inspection services may be compensated through a cost reimbursement contract.

## NAVFAC P-68 Contracting Manual

### Part 37—Service Contracting

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#### SUBPART 37.1—SERVICE CONTRACTS—GENERAL

##### 37.104 (DFARS) Personal service contracts.

The determination to acquire a personal services contract for expert and consultant services shall be reviewed by NAVFAC Counsel and approved by a contracting officer one level higher than the executing contracting officer.

#### SUBPART 37.2—ADVISORY AND ASSISTANCE SERVICES

##### 37.203 Policy.

A written determination prepared by the cognizant EFD requires NAVFAC Acquisition Proponent concurrence and endorsement by NAVFAC Counsel prior to contracting for Contractor Advisory and Assistance Services (CAAS).

##### 37.272 (DFARS) Requesting activity responsibilities.

Prior to contracting for advisory and assistance services approval shall be obtained from NAVFAC's Financial Management Proponent. See [SECNAVINST 4200.31](#) (current version) for additional guidance.

#### SUBPART 37.3—DISMANTLING, DEMOLITION OR REMOVAL OF IMPROVEMENTS

##### 37.302 Bonds or other security.

(a) A contract for demolition or timber cutting to clear an area to permit new construction shall include Miller Act bonds. However, if the demolition is part of an environmental cost-reimbursement contract, Miller Act bonds are not required.

(b) Bid security shall be 20 percent of the estimated cost of demolition, exclusive of salvage.

(c) A performance bond shall be required in a minimum amount of 50 percent of the estimated cost of demolition, exclusive of salvage.

##### 37.3100 NAVFAC policy.

(a) No demolition contract shall be executed until the requiring activity has complied with the requirements of [Federal Property Management Regulation \(41 CFR 101-47\)](#) and [SECNAVINST 11011.47](#).

(b) The Uniform Contract Format (UCF) will be utilized for contracts solely for dismantling, demolition, or removal of improvements and the CSI format utilized for contracts with follow-on construction.

(c) When payment is made to the government, the payment check and a conformed copy of the contract shall be transmitted to the local disbursing officer as promptly as possible. The



## NAVFAC P-68 Contracting Manual

### Part 37—Service Contracting

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contracting officer shall request the disbursing officer to hold the check in a suspense account until such time as the contracting officer is certain that no modifications to the contract that result in a refund to the contractor will be required.

#### SUBPART 37.100—FACILITIES SUPPORT CONTRACTING

##### 37.1000 Contract format.

The Uniform Contract Format (UCF) shall be used for all facilities support service, facilities support combination contracts and environmental service contracts. The CSI format shall be used for facilities support construction contracts.

##### 37.1001 Schedule of deductions.

(a) For firm fixed-price contracts and combination firm fixed-price/indefinite quantity contracts, the solicitation will usually require the contractor to submit a schedule of deductions. If required, the contractor will not be permitted to commence work until the schedule has been approved. If the fixed-price portion of the work is broken down into contract line items in the firm fixed-price schedule in sufficient detail to permit deductions to the contract, a schedule of deductions will not be required.

(b) For indefinite quantity contracts, solicitations shall state that unit prices provided by the successful offeror will be utilized as the basis of deductions pursuant to the clause at 5252.246-9303, Consequences of Contractor's Failure to Perform Required Services.

(c) For guidance on random sampling for extrapolated deductions, [see NAVFAC Facilities Support Contract Quality Management Manual, MO-327](#).

##### 37.1002 Evaluation of contractor performance.

See P-68 42.1503 for guidance on the preparation and distribution of performance evaluation reports.

##### 37.1003 Solicitation provision and contract clauses.

(a) Use the clause at 5252.237-9300, Schedule of Deductions, in all facilities support services solicitations/contracts.

(b) Use the clause at 5252.237-9301, Substitutions of Key Personnel in all facilities support solicitations/contracts when a fixed price contract is contemplated and personnel are key to performance of the contract and/or were a factor in the selection process.

(c) Use the provision at 5252.237-9302, Site Visit, in all facilities support solicitations. This provision is to be used in addition to FAR provision 52.237-1.

## NAVFAC P-68 Contracting Manual

### Part 37—Service Contracting

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#### SUBPART 37.101—FORESTRY CONTRACTING

##### **37.1010 Policy.**

(a) *Service contracts.* Reforestation, timber stand improvement, or fire prevention shall be accomplished in accordance with the provisions of P-68 Subpart 37.100.

(b) *Timber sale contracts.* Sale contracts shall be accomplished in accordance with applicable provisions of [Federal Property Management Regulations \(FPMR \(41 CFR\) 101-45.3\)](#).

(c) Sales and service-type work shall not be combined under one contract, but shall be accomplished by separate contracts.

## **NAVFAC P-68 Contracting Manual**

### **Part 38—Federal Supply Schedule Contracting**

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**RESERVED**

## NAVFAC P-68 Contracting Manual

### Part 39—Acquisition of Information Resources

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#### 39.002 Definitions.

"Information technology" means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. This includes computers, ancillary equipment, software firmware and similar procedures, services (including support services), and related resources.

An "information system" is a combination of elements that shall function together to produce the capabilities required to fulfill a mission need, including hardware, ancillary equipment, software or any combination thereof, but excluding construction or other improvements to real property.

#### SUBPART 39.1—GENERAL

##### 39.101 Policy.

(a) EFD/EFA Commanders/Commanding Officers are delegated authority to procure information technology resources up to \$100,000 in value. This authority may be redelegated. The NAVFAC Contracts Office at Port Hueneme, CA is the only NAVFAC contracting office authorized to procure information technology requirements in excess of \$100,000 in value. Requests for increased authority from other offices will be considered on a case-by-case basis.

(b) Claimancy Information System (IS) approval is still required for information technology acquisitions unless the following circumstances apply:

(1) Information technology equipment which is classified as construction or other improvements to real property (i.e., computer hardware and software used to control HVAC systems, building security and fire protection applications) are subject to the same procurement authority requirements in paragraph (1) above but no longer require an IS approval.

(2) Information technology requirements which are incidental to or constitute less than 50% of the total dollar value of a larger procurement, such as a MILCON project, may be procured at the local level by an appropriately warranted contracting officer. Inclusion of information technology requirements as part of larger solicitations does not preclude the requirement for obtaining the proper IS approval.

(c) If GSA is to be used as a servicing agency for procurement of information technology, all orders are subject to the Economy Act and require an Economy Act determination and findings (D&F). This does not include the use of GSA Schedule contracts when the terms and conditions of the GSA Schedule are referenced in the Navy delivery order for information technology resources. Contracting officers may use GSA Schedules to purchase information technology resources (up to \$100,000) without preparing an Economy Act D&F.

(d) Questions regarding the proper procurement authority procedures for information technology acquisitions may be directed to the NAVFAC Acquisition Proponent.

## NAVFAC P-68 Contracting Manual

### Part 40—Reserved

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**RESERVED**

## NAVFAC P-68 Contracting Manual

### Part 41—Acquisition of Utility Services

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#### SUBPART 41.1—GENERAL

##### 41.102 Applicability.

###### (a) *Rubbish removal/trash collection.*

(1) The collection and removal of garbage, trash and rubbish are typically considered to be service type requirements. However, where this service is regulated and the rates charged customers and the wages paid employees are controlled by a governmental body, the federal government contracts with a local governmental body to provide the service and there is no opportunity to compete this requirement, it may be considered a utility service.

(2) In such circumstances where considered a utility, the services are exempt from the Service Contract Act (SCA) provisions.

(3) If the service is controlled and provided by a governmental body through a franchised or similar mechanism to restrict who may perform the service and the federal government must contract with only authorized providers, the service is exempt from the SCA provisions.

(4) If the service is provided by municipal workers, the SCA wage rates should be those rates set by the governmental body as part of their regular pay plan. Therefore, a unique wage determination should be requested from the Department of Labor to incorporate the governmental body's wage rates.

(b) *Miscellaneous community services.* Military activities located within corporate or geographical limits of governmental units are entitled to the same community services that are provided to the public generally without charge when such services are supported by taxation. These services may include fire and police protection, snow removal, street cleaning or other miscellaneous community type services. However, if these services are furnished to the public on a contractual basis, or are provided the military activity outside the corporate limits, they may be obtained by contract on a reimbursable basis. All questions concerning the propriety of obtaining these type services by contract should be coordinated with NAVFAC Counsel or coordinated with the NAVFAC Acquisition Proponent.

(c) *Sale of utility service to private parties.* NAVFAC contracting officers are authorized to execute contracts for the sale of utility services to private parties authorized by NAVCOMPT Manual 035875 and prevailing policy governing these actions. NAVFAC Form 4330/16, Utility Sales Contract, may be used as appropriate.

(d) Notwithstanding the prohibition of obtaining community services by contract from governmental units, military installations subject to base closure may be eligible for certain types of services under cooperative agreements. NAVFAC Acquisition Proponent should be contacted for information concerning special rules affecting bases to be closed.

##### 41.103 Statutory and delegated authority.

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### Part 41—Acquisition of Utility Services

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(a) EFD Commanders/Commanding Officers have been delegated authority to contract for utility services for terms up to 10 years in accordance with the authority delegated to the Department of Defense by GSA in accordance with U.S.C. 481.

(b) 10 U.S.C. 2865 authorizes non-competitive contracts with utility companies for energy conservation improvements and services having a pay back of up to 10 years. While these contracts are entered into with utility companies, they are NOT utility contracts and must contain most clauses normally included in a construction or service contract and are subject to most regulations governing the procurement of construction or services. Use of this authority should be supported by the execution of a J&A.

(c) 42 U.S.C. 8287, as modified by the Energy Policy Act of 1992, authorizes energy savings contracts with terms up to 25 years.

### SUBPART 41.2—ACQUIRING UTILITY SERVICES

#### 41.201 Policy.

##### (a) *Energy Savings Performance Contracts.*

(1) The NAVFAC Contracting Office (NAVFACCO) at Pt. Hueneme, CA is the only NAVFAC contracting office currently authorized to award Energy Savings Performance Contracts authorized by 42 U.S.C. 8287 as modified by the Energy Policy Act of 1992.

(2) These special authorities are not yet incorporated in the FAR and rules governing the application and use of these special authorities are found in various Executive Orders, Department of Energy final rules, and other assorted instructions and documents. Questions concerning use of these special authorities should be directed to NAVFACCO or NAVFAC Acquisition Proponent.

(3) Use of Department of Energy area-wide Energy Savings Performance Contracts are subject to the procedures governing the Economy Act transfers outside the Department of Defense.

(4) Frequently, contracts awarded subject to these special authorities do not specify a contract value. For the purposes of establishing approval thresholds, the estimated value of the maximum capital investment shall be used to determine the appropriate approval authority.

(b) *Existing contracts.* Actions to correct existing contracts which may not now be considered inappropriate for award under the provisions of FAR Part 41 (i.e., trash collection, cable television, telecommunication services, etc.) are left to the discretion and judgment of the cognizant contracting officer. Contracting officers should coordinate closely all new contract actions with NAVFAC Counsel to assure new awards are consistent with current law and regulation.

(c) *Contract modifications.* Proposed modifications to existing contracts to reduce utility costs by establishing reduced rates (not subject to regulation) or alternate terms and conditions are subject to the same review and approval thresholds as are any other contract action having

## NAVFAC P-68 Contracting Manual

### Part 41—Acquisition of Utility Services

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a similar value. In those situations where the contract has no fixed term (indefinite term utility contracts), the term shall be considered to be five years for purposes of establishing the contract value for determining review and approval thresholds. Proposed modifications which change regulated rates are not subject to any review and approval beyond that locally established.

(d) *Advance payments.* Any requirement to include provisions for advance payments in a utility contract shall be referred to the NAVFAC Acquisition Proponent. Each request shall document that no other means of financing is available and all attempts to negotiate other payment terms were unsuccessful.

#### 41.202 Procedures.

(a) Procurement of utility services, particularly electricity, is significantly affected by state law and regulation. Contracting officers are responsible for maintaining an awareness of local regulations governing the acquisition of utility services and the feasibility of competing utility requirements as state laws are changed and utilities become deregulated.

(b) A J&A should be available supporting each contract awarded without competition. Where utility services are procured under an indefinite term agreement, a new J&A should be prepared annually.

### SUBPART 41.4—ADMINISTRATION

#### 41.401 Monthly and annual review.

Upon completion of the annual review, the contracting officer shall make a written determination that the rates are fair and reasonable for the type of service provided.

#### 41.4100 Contract records.

(a) The contracting officer shall maintain a record of all utility contracts to include contract number, name of contractor, activity served, type of service and other pertinent information relating to the characteristics of the service and the circumstances under which it is furnished. This record should also contain:

- (1) monthly records of billing data for accounts over \$25,000 per year abstracted from invoices;
- (2) a complete current inventory of all company-owned facilities and equipment installed at each activity; and
- (3) a current file of the rates, rules, and regulations under which service is furnished to the public by the various contractors, including abstracts of special contracts with industrial or other customers.

(b) The using activity shall be instructed to submit annually to the EFD a tabulation of the billing data including units of consumption and the amount of billings for all accounts \$25,000 or less per year.



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### **Part 41 — Acquisition of Utility Services**

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(c) Records of outages, their duration and cause, meter tests, changes, and adjustments should be maintained until all required contract administrative actions have been completed and the final payment made.

(d) See P-68 Appendix A for reporting requirements.

## **NAVFAC P-68 Contracting Manual**

### **Part 42—Contract Administration**

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#### **SUBPART 42.2—ASSIGNMENT OF CONTRACT ADMINISTRATION**

##### **42.202 Assignment of contract administration.**

##### **42.202-100 Contracting officer's representatives.**

See Part 1 for appointment and responsibilities of CORs, COARs, NTRs and Ordering Officers.

#### **SUBPART 42.5—POSTAWARD ORIENTATION**

##### **42.570 (DFARS) Contract clauses.**

##### **42.570-100 NAVFAC contract clauses.**

(a) Use the clause at 5252.242-9300, Government Representatives, in all solicitations/contracts. Use this clause in addition to DFARS clause 252.201-7000, Contracting Officer's Representative.

(b) Use the clause at 5252.242-9305, Pre-Performance Conference, in all solicitations/contracts except for construction. Use this clause in addition to DFARS clause 252.242-7000, Postaward Conferences.

#### **SUBPART 42.12—NOVATION AND CHANGE-OF-NAME AGREEMENT**

##### **42.1202 Responsibility for executing agreements.**

If the novation agreement affects contracts other than those of the activity, the documentation shall be forwarded to the EFD/EFA CCO or the NAVFAC Acquisition Proponent, as appropriate, for action.

#### **SUBPART 42.15—CONTRACTOR PERFORMANCE INFORMATION**

##### **42.1503 Procedures.**

##### **42.1503-100 Preparation and use of contractor performance evaluation reports.**

(a) *General.* Performance evaluation reports are required and shall be entered in the respective databases:

(1) For all contracts and task/delivery orders of \$100,000 or more unless otherwise specified.

(2) For all task/delivery orders below \$100,000:

## NAVFAC P-68 Contracting Manual

### Part 42—Contract Administration

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(i) Firm Fixed-Price: An informal performance assessment shall be prepared and included in the contract file.

(ii) IDIQ: An aggregate performance assessment of all task/delivery orders less than \$100,000 shall be addressed in the annual/total evaluation for the reporting period.

(3) For all contracts and task/delivery orders terminated for default or convenience of the government regardless of dollar amount.

(b) *Preparation of performance reports.*

(1) Architect-engineer contracts. Performance evaluation reports shall be prepared and submitted to the Architect-Engineer Contract Appraisal Support System (ACASS) on-line database. Instructions for the installation and use of the ACASS PC program can be found on the Internet at <http://www.nwp.usace.army.mil/ct/i/>.

(i) For firm fixed-price contracts, the design contract administration office shall prepare a performance evaluation report at the completion of design and engineering services. At the completion of the construction contract, a second performance evaluation report of the A-E firm's contract support services shall be prepared.

(ii) For indefinite delivery contracts, a performance evaluation report shall be prepared for each architect-engineer effort over \$25,000 awarded for a specific project or a single increment of work.

(2) Construction contracts.

(i) Performance evaluation reports shall be prepared and submitted to the Construction Contractor Appraisal Support System (CCASS) on-line database. Instructions for the installation and use of the CCASS PC program can be found on the Internet at <http://www.nwp.usace.army.mil/ct/i/>.

(ii) [NAVFACINST 4335.4](#) (current version) provides procedures for the preparation and distribution of NAVFAC construction contractor performance evaluations.

(iii) Final evaluations shall be processed within 60 days after Useable Completion Date (UCD).

(3) Facilities support service and information technology contracts.

(i) Performance evaluation reports shall be prepared and submitted to the Department of Defense Contractor Performance Assessment Reporting System (CPARS) on-line database. Access instructions and log-on procedures for the CPARS database can be obtained by contacting the EFD/EFA CPARS Focal Point or through the CPARS website at <http://cpars.navy.mil>.

(ii) All contract actions and/or task/delivery orders shall be registered no later than 30 days after award/execution.

## NAVFAC P-68 Contracting Manual

### Part 42—Contract Administration

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(iii) The Past Performance Automated Information System (PPAIS) is to be used for deliberative source selection purposes within the Executive Branch and for source selection and other deliberative purposes within DoD.

*(c) Below average performance evaluations.*

(1) The reviewing official shall notify a contractor by letter of any performance evaluation with an overall unsatisfactory/poor or marginal/below average rating and invite the contractor to meet with appropriate personnel to discuss the rating. The contractor shall be given 30 days to respond in writing to the proposed evaluation. The performance evaluation report shall not be signed by the reviewing official until after the meeting with the contractor has either taken place, has been refused by the contractor or the 30 day response time has expired.

(2) Any disagreements between parties shall be reviewed at a level above the contracting officer.

(3) A copy of the letter to the contractor and any written comments by the shall be attached to the evaluation, transmitted to the appropriate database, and included in the official contract file.

*(d) Distribution and use of performance reports.*

(1) In addition to submitting reports to the applicable on-line database, a copy of each performance evaluation shall be sent to the contractor, SBA and/or appropriate sureties where applicable. Include a copy of the report in the official contract file.

(2) To improve contract relationships and ensure appropriate recognition for contractors (individual or organization) whose contract performance merits such recognition, contracting officers should consider architect-engineer firms and construction contractors who fulfill contract requirements in an exemplary manner for awards in accordance with [NAVFACINST 4804.1](#) (current version).

*(e) Amended/corrected evaluation reports.*

(1) All procedures established for interim and final evaluations shall be followed for amended/corrected evaluations.

(2) To amend an evaluation, either annotate the changes on a printed copy of the evaluation or, if major revisions are required, type the changes on a separate piece of paper.

(3) Transmit revised evaluation to the proper database owner of record. Prepare an informal memorandum stating: "The attached evaluation needs to be revised. The first page and the page that needs to be corrected are being forwarded." Also include your names, telephone/facsimile numbers, activity and email address.

## NAVFAC P-68 Contracting Manual

### Part 43—Contract Modifications

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#### SUBPART 43.1—GENERAL

##### 43.102 Policy.

##### 43.102-100 Execution of modifications.

###### (a) *General.*

(1) Bilateral modifications shall not be executed by the government until after execution by the contractor. If the contractor places conditions on the modification, a written reply shall immediately be sent to the contractor stating that the government will not execute the modification as returned and will treat it as null and void.

(2) All supplemental agreements shall include the following statement unless waived by the EFD/EFA CCO:

"Acceptance of this modification by the contractor constitutes an accord and satisfaction and represents payment in full for both time and money and for any and all costs, impact effect, and for delays and disruptions arising out of, or incidental to, the work as herein revised."

(3) Level III contracting officer approval is required when the price of a modification will exceed the original contract price or when the sum of the modifications issued to date, together with the one proposed, exceeds the original contract price. This approval is not required for utility service contracts with approved tariffs.

(4) A government estimate is not required for contract modifications under \$100,000. However, in the absence of a government estimate, a determination of price reasonableness must still be made in accordance with local procedures.

(5) Prior to final payment and contract close-out, a unilateral modification shall be prepared to adjust the contract price for any liquidated damages assessed against the contractor.

###### (b) *Facilities support contract modifications.*

(1) If labor requirements are affected by out-of-scope work, a new SCA wage determination must be requested and made a part of the modification.

(2) A unilateral modification shall be issued to adjust the contract price for unperformed work in accordance with NAVFAC clause 5252.246-9303, Consequences of Contractor's Failure to Perform Required Services.

(c) *Construction contract modifications.* All modifications must include either an adjustment of the contract completion date or the statement 'extension of contract time is not required by reason of this modification.'

## **NAVFAC P-68 Contracting Manual**

### **Part 43—Contract Modifications**

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#### **SUBPART 43.2—CHANGE ORDERS**

##### **43.201 (NAPS) General.**

(a) See DFARS 217.74 and P-68 17.74 for policy and procedures for undefinitized contract actions, including change orders.

(b) A written determination shall be made by the CCO when the requirement for inclusion of a not-to-exceed price on change orders has been waived.

##### **43.201-100 Policy.**

(a) It is NAVFAC policy to negotiate in advance the cost and time associated with all contract changes except in unusual circumstances where it is not possible as a consequence of the character of the changed work.

(b) When the government and the contractor cannot reach agreement on the cost and time associated with changed or additional work, a change order may be issued to direct the contractor to proceed with the work despite the absence of an agreement on appropriate compensation. In such circumstances, the change order shall contain compensation both in terms of time and money to the contractor in amounts thought to be reasonable by the contracting officer. Further, these amounts should be broken down in sufficient detail to clearly document the basis for the contracting officer's determination of what was reasonable compensation should the contractor seek additional compensation via the disputes provisions of the contract and prevail in a contracting officer's final decision.

## **NAVFAC P-68 Contracting Manual**

### **Part 44—Subcontracting Policies and Procedures**

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**NO P-68 TEXT**

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### **Part 45—Government Property**

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#### **SUBPART 45.1—GENERAL**

##### **45.106 Government property clauses.**

##### **45.106-100 NAVFAC clauses.**

(a) Use the clause at 5252.245-9300, Government-Furnished Property, Materials and Services, in facilities support solicitations/contracts. This clause is to be used in addition to the clause at FAR 52.245-2.

(b) Use the clause at 5252.245-9302, Limited Assumption of Risk by Government, in all construction solicitations/contracts that will be performed at or near ammunition depots or magazines when it is determined that the government will assume part of the risk.

#### **SUBPART 45.70—APPOINTMENT OF PROPERTY ADMINISTRATORS AND PLANT CLEARANCE OFFICERS (DFARS)**

##### **45.7001 Selection, appointment and termination.**

(a) The contracting officer shall designate a property administrator for each contract involving government property furnished to or acquired by the contractor.

(b) All property administrators shall be members of the Defense Acquisition Workforce and shall attend the DOD training course for property administrators. NAVFAC contracting officers shall obtain assurance from customers that properly trained property administrators (if required) will be available prior to the issuance of any solicitation for customer requirements.



## NAVFAC P-68 Contracting Manual

### Part 46—Quality Assurance

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#### SUBPART 46.1—GENERAL

##### 46.104 Contract administration office responsibilities.

Quality assurance responsibilities should be assigned by the contracting officer according to the quality assurance needs, regardless of the type of contract.

#### SUBPART 46.2—CONTRACT QUALITY REQUIREMENTS

##### 46.202 Types of contract quality requirements.

##### 46.202-2 Government reliance on inspection by contractor.

##### 46.202-2-100 Construction surveillance and inspection (Title II) services.

For guidance, see [NAVFAC P-1015](#), Guidelines for Architect-Engineering Construction and Inspection (Title II) Services.

##### 46.202-100 NAVFAC contract quality requirements.

(a) Construction contracts shall include either NAVFAC Quality Control Guide Specification 01400 or short form 01400 tailored to the specific contract. The quality control paragraphs of each technical specification section shall specify adequate quality control measures.

(b) Facilities support service contracts shall require an appropriate contractor quality control program.

(c) Architect-engineer contracts shall incorporate in the statement of work a requirement that the contractor perform an interdisciplinary coordination review of plans and specs immediately prior to final submittal.

#### SUBPART 46.4—GOVERNMENT CONTRACT QUALITY ASSURANCE

##### 46.407 Nonconforming supplies or services.

##### 46.407-100 NAVFAC contract clauses.

(a) (1) Use the clause at 5252.246-9303, Consequences of Contractor's Failure to Perform Required Services, in all firm fixed-price and firm fixed-price/indefinite quantity solicitations/contracts for facilities support services.

(2) The clause with its Alternate I may be used in family housing maintenance contracts to specify additional liquidated damages the Government may assess when a contractor fails to complete change of occupancy maintenance within the time period allowed.

## NAVFAC P-68 Contracting Manual

### Part 46—Quality Assurance

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(b) Use the clause at 5252.246-9304, Estimating the Price of Nonperformed or Unsatisfactory Work, in all firm fixed-price/indefinite delivery solicitations/contracts for facilities support services.

#### **46.4100 NAVFAC contract quality assurance requirements.**

##### *(a) Construction contracts.*

(1) Specific QA requirements and procedures are provided in [NAVFAC P-1015](#), Guidelines for Architect-Engineer Construction and Inspection (Title II) Services.

(2) A written plan identifying the critical aspects of the work and the QA measures to be implemented with regard to them should be prepared. The NAVFAC Construction Contract Non-Compliance Notice (NAVFAC Form 4330/36) shall be used to inform the contractor of a major quality control problem for appropriate action.

(3) The requirement for QA reports is outlined in [NAVFAC P-445](#), Construction Contract Quality Management.

##### *(b) Facilities support service contracts.*

(1) A QA plan shall be prepared in accordance with [NAVFAC MO-327](#), Facilities Support Contract Quality Management Manual. The government will give the contractor written notice of deficiencies. NAVFAC Contract Discrepancy Reports will be used to advise the contractor of quality control problems requiring corrections.

(2) Documentation of QA measures consists of the contract surveillance schedule, completed evaluation work sheets, records of customer complaints and any other material reflecting adequacy of contractor performance. More information regarding FSC QA documentation is available in [NAVFAC MO-327](#) and in the QA plan required with each FSC contract.

(c) *Architect-engineer contracts.* The EFD/EFA CCO shall ensure that a procedure is developed and implemented to establish that the contractor has accomplished the required final interdisciplinary coordination review.

(d) *Environmental contracts.* QA requirements are provided in [NAVFAC P-1071](#), Environmental Contract Quality Management Guide.

(e) *Testing laboratories.* Each EFD/EFA shall establish procedures to ensure the capabilities of testing laboratories used by NAVFAC contractors.

#### **46.4100-1 Training standards for quality assurance personnel.**

(a) Personnel performing QA of NAVFAC contracts must meet mandatory training standards promulgated by NAVFAC Policy Memorandum [00-04](#) of 14 January 2000.

(b) See P-68 Appendix A for reporting requirements.

## **NAVFAC P-68 Contracting Manual**

### **Part 46—Quality Assurance**

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#### **SUBPART 46.5—ACCEPTANCE**

##### **46.5100 Acceptance of construction.**

The ACO shall offer the activity Commanding Officer or designated representative the opportunity to conduct an inspection of all new construction, alterations, or repairs prior to final acceptance from the construction contractor. On completion of the inspection, the activity Commanding Officer or designated representative should be requested to provide a list of deficiencies to be corrected. The ACO shall take necessary action to correct those deficiencies which are within the contract scope. Should the ACO determine that deficiencies noted are not within scope, the program manager should be advised.

##### **46.5101 Equipment performance data.**

The contract specification shall require the contractor to provide all warranties and performance, maintenance, and operating information for important mechanical and for other complex systems. When no longer required for administration, this data shall be transmitted to the Public Works Officer of the requiring activity.

#### **SUBPART 46.7—WARRANTIES**

##### **46.704 Authority for use of warranties.**

All warranties shall be standard or customary in the trade unless a Level III contracting officer has made a written determination documenting that the extra warranty protection is needed.

##### **46.7100 Enforcement of warranties after final acceptance.**

The contracting officer shall be notified of any necessary warranty work.

## **NAVFAC P-68 Contracting Manual**

### **Part 47—Transportation**

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#### **SUBPART 47.5—OCEAN TRANSPORTATION BY U.S.—FLAG VESSELS**

##### **47.507 Contract clauses.**

(a) FAR 52.247-64, Preference for Privately Owned U.S. Flag Commercial Vessels, (Alternate II) shall be included in full text in all overseas construction solicitations and contracts. Alternate I shall be included in full text for all other construction solicitations and contracts.

(b) Use the provision at 5252.247-9300, Use of Privately Owned U.S. Flag Commercial Vessels, in all solicitations which include the clause at FAR 52.247-64.

## **NAVFAC P-68 Contracting Manual**

### **Part 48—Value Engineering**

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#### **SUBPART 48.2—CONTRACT CLAUSES**

##### **48.201 Clauses for supply or service contracts.**

Use the clause at 52.248-1, Value Engineering (NAVFAC DEVIATION I) (NOV 1998) in lieu of FAR 52.248-1, Value Engineering, for Base Operating Services (BOS) contracts.

## **NAVFAC P-68 Contracting Manual**

### **Part 49—Termination of Contracts**

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#### **SUBPART 49.1—GENERAL PRINCIPLES**

##### **49.101 Authorities and responsibilities.**

##### **49.101-100 Reporting requirements.**

- (a) A log shall be kept of all contracts terminated for the convenience of the government.
- (b) See P-68 Appendix A for reporting requirements.

#### **SUBPART 49.4—TERMINATION FOR DEFAULT**

##### **49.402 Termination of fixed-price contracts for default**

##### **49.402-3 Procedure for default.**

- (a) Contracts shall be terminated by contracting officer's Final Decision with a copy to NAVFAC Acquisition Proponent.
- (b) Each EFD/EFA shall maintain a tracking system to assure that applicable field office completion reports, initial and follow-up demand letters, and when appropriate, files forwarded to NAVCOMPT for nonpayment are done in a timely manner.
- (c) The title block of a completion contract shall contain a statement: "This contract is for completion of defaulted contract #\_\_\_\_\_."
- (d) See P-68 Appendix A for reporting requirements.

##### **49.405 Completion by another contractor.**

##### **49.405-100 Four-party agreement.**

If the surety for a failing contractor, prior to termination and with the consent of the failing contractor, offers another firm to take over the work, this shall be accomplished by a four-party agreement (government, existing contractor, new contractor, and surety), patterned after the novation agreement set forth in FAR 42.1204. The surety must state in the agreement that the existing performance and payment bonds extend to and cover all work by the new contractor, or new bonds must be issued.

## **NAVFAC P-68 Contracting Manual**

### **Part 50—Extraordinary Contractual Actions**

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**NO P-68 TEXT**

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### **Part 51 — Use of Government Sources by Contractors**

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**NO P-68 TEXT**



## NAVFAC P-68 Contracting Manual

### Part 52—Solicitation Provisions and Contract Clauses

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#### SUBPART 52.1—INSTRUCTIONS FOR USING PROVISIONS AND CLAUSES

##### 52.101 (NAPS) Using Part 52.

The NAPS 11 digit numbering system is used for NAVFAC provisions and clauses, using the last four digit sequential numbers of 9300 through 9399.

#### SUBPART 52.2—TEXTS OF PROVISIONS AND CLAUSES

##### 52.200 Scope of subpart.

This subpart sets forth the texts of all NAVFAC provisions and clauses.

**5252.201-9300 Contracting Officer Authority.** As prescribed in 1.602-1-101, insert the following clause:

#### **CONTRACTING OFFICER AUTHORITY (JUN 1994)**

In no event shall any understanding or agreement between the Contractor and any Government employee other than the Contracting Officer on any contract, modification, change order, letter or verbal direction to the Contractor be effective or binding upon the Government. All such actions must be formalized by a proper contractual document executed by an appointed Contracting Officer. The Contractor is hereby put on notice that in the event a Government employee other than the Contracting Officer directs a change in the work to be performed or increases the scope of the work to be performed, it is the Contractor's responsibility to make inquiry of the Contracting Officer before making the deviation. Payments will not be made without being authorized by an appointed Contracting Officer with the legal authority to bind the Government. (End of clause)

**5252.209-9300 Organizational Conflicts of Interest.** As prescribed in 9.507-2, insert the following clause:.

#### **ORGANIZATIONAL CONFLICTS OF INTEREST (JUN 1994)**

The restrictions described herein shall apply to the Contractor and its affiliates, consultants and subcontracts under this contract. If the Contractor under this contract prepares or assists in preparing a statement of work, specifications and plans, the Contractor and its affiliates shall be ineligible to bid or participate, in any capacity, in any contractual effort which is based on such statement of work or specifications and plans as a prime contractor, subcontractor, consultant or in any similar capacity. The Contractor shall not incorporate its products or services in such statement of work or specification unless so directed in writing by the Contracting Officer, in which case the restriction shall not apply. This contract shall include this clause in its subcontractor's or consultants' agreements concerning the performance of this contract. (End of clause)

**ALTERNATE I (JUN 1994).** As prescribed in 9.507-2(b), add the following paragraphs to the basic clause:

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### Part 52—Solicitation Provisions and Contract Clauses

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(b) Some remedial action may be performed by the architect-engineer firm in order to prevent continued contamination that immediately endangers population or property.

(c) The Contractor shall provide a statement with his bid or proposal which concisely describes all relevant facts concerning any past, present, or currently planned interest (financial, contractual, organizational, or otherwise) relating to the work to be performed hereunder. The Contractor warrants that, to the best of the Contractor's knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, as defined in FAR Subpart 9.5, or that the Contractor has disclosed all such relevant information prior to award. If a potential conflict is discovered after award, the Contractor shall make a full disclosure in writing to the Contracting Officer. The disclosure shall include a description of action which the Contractor proposes to take, after consultation with the Contracting Officer, to avoid, mitigate, or neutralize the conflict of interest.

(d) In addition, the Contractor shall notify the Contracting Officer, in writing, of its intention to compete for, or accept the award of any contract for similar or related work for any Department of Defense, other Agency of the federal government, or state regulatory agency which may involve Navy sites. Such notification shall be made before the Contractor either competes for or accepts any such contract.

(e) Remedies: The Government may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. If the Contractor was aware of a potential organization conflict of interest prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate the contract for default, or debar the Contractor from Government contracting, or pursue such other remedies as may be permitted by law or this contract.

(f) The Contractor further agrees to insert in any subcontract or consultant agreement hereunder, provisions which shall conform substantially to the language of this clause, including this paragraph (f). (End of clause)

**5252.211-9301 Phased Construction Schedule.** As prescribed in 11.404-100, insert the following clause:

#### **PHASED CONSTRUCTION SCHEDULE (SEP 1996)**

Within the overall project schedule, commence and complete the work in phases. Complete each phase of the work within the number of calendar days stated in the following schedule:

a. Schedule start day: The day designated as the beginning of a particular phase; the number listed is the number of calendar days from the award of contract.

b. Completion day: The day designated as the end of a given phase and the day the work in that phase must be completed; the number listed is the number of calendar days from the award of the contract.

c. Schedule:

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Phase	Description	Schedule Start Day	Completion Day
A	[ ]	[ ]	[ ]
B	[ ]	[ ]	[ ]
C	Completion of remaining	[ ]	[ ]

*[Contracting Officer insert start and completion day for each phase. The completion day of the last phase must be the same number as indicated in FAR 52.211-10, Commencement, Prosecution, and Completion of Work.]*

d. If the work of a particular phase is complete and accepted before the scheduled completion day, immediately begin work on the subsequent phase unless otherwise restricted. (End of clause)

**5252.212-9300 Commercial Warranty.** As prescribed in 12.404-100, insert the following clause:

#### COMMERCIAL WARRANTY (NOV 1998)

The Contractor agrees that the supplies or services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor gives to any customer for such supplies or services and that the rights and remedies provided herein are in addition to and do not limit any rights afforded to the Government by any other clause of this contract. (End of clause)

**5252.214-9300 Basis for Award.** As prescribed in 14.201-6-100(a)(1), insert the following provision:

#### BASIS FOR AWARD (NOV 1998)

(a) The low bidder for purposes of award shall be the conforming, responsive, responsible bidder offering the lowest total price of Contract Line Item(s) (insert CLINs). Bids are solicited on an "all or none" basis. Failure to submit bids for all items and quantities listed shall be cause for rejection of the bid. Subparagraph (c) of FAR 52.214-10, "CONTRACT AWARD-SEALED BIDDING" does not apply to this award. (End of provision)

**ALTERNATE I (NOV 1998).** As prescribed in 14.201-6-100(a)(2), add the following paragraph to the basic provision:

(b) Bidders are cautioned that the initial term of the contract may be for a period of less than a full year. (End of provision)

**ALTERNATE II (NOV 1998).** As prescribed in 14.201-6-100(a)(3), substitute the following paragraphs for the basic provision:

(a) The low bidder for purposes of award shall be the conforming, responsive, responsible bidder offering the lowest total price for Contract Line Item(s) (insert CLIN(s)). However, the initial award will include only Contract Line Item(s) (insert CLIN(s)).

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(b) Bids are solicited on an "all or none" basis. Failure to submit bids for all items and quantities listed shall be cause for rejection of the bid. Subparagraph (c) of FAR 52.214-10, "CONTRACT AWARD-SEALED BIDDING" does not apply to this award. (End of provision)

**5252.214-9301 Notice to Bidders.** As prescribed in 14.201-6-100(b), insert the following provision:

#### NOTICE TO BIDDERS (JUN 1994)

(a) Under the bidding items furnished on Standard Form 1442 (Solicitation, Offer, and Award) the bidder shall state prices for each basis for bid given hereinafter: (check if applicable)

\_\_\_\_\_ (i) Base Bid Item 0001 shall be the entire work complete in accordance with the drawings and specifications, but not including work indicated or specified to be provided under any of the other bid items.

\_\_\_\_\_ (ii) Additive Bid Item(s) \_\_\_\_\_ shall be for the work as identified in \_\_\_\_\_ and not included in any other bid item.

***BIDS MUST BE SUBMITTED ON ALL ITEMS. FAILURE TO PROPOSE ON ALL ITEMS MAY RESULT IN THE BID BEING REJECTED AS NON-RESPONSIVE.***

(b) All hand delivered bids must be deposited in the bid box at the office of (identify name and address of activity) prior to the time and date set for bid opening. Any bids submitted by hand after the time set for receipt will be stamped with the date and hour of receipt and held unopened until after award. The file shall be documented in accordance with FAR 14.304-4. (End of provision)

**5252.215-9300 Content of Proposals.** As prescribed in 15.209-100(a), insert the following provision:

#### CONTENT OF PROPOSALS (NOV 1998)

PROPOSAL REQUIREMENTS (a) The technical proposal and the price/cost proposal shall be submitted in separate volumes. The technical proposal shall not contain any cost/pricing information, except for salary information provided on resumes. The technical proposal presented by the offeror to whom the award is made will be incorporated into the contract at time of award.

(b) The offeror shall submit the following information:

(1) (#) completed signed solicitation packages, including executed representations and certifications, Schedule of Deductions and cost/prices in Section B.

(2) (#) copies of the technical proposal.

(3) (#) copies of the cost/price proposal.

(c) TECHNICAL PROPOSAL. Each technical proposal shall be precise, detailed, and complete as to clearly and fully demonstrate a thorough knowledge and understanding of the

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requirements. As a minimum, the proposal must contain sufficient detail so that it may be evaluated in accordance with the EVALUATION FACTORS provision, Section M.

(d) PRICE/COST PROPOSAL. Each price/cost proposal shall contain a breakdown of direct labor costs; direct material cost (identifying the quantity, type and unit price); subcontracting costs; overhead costs; general and administrative costs; and profit. (End of provision)

**5252.215-9301 Multiple Proposals.** As prescribed in 15.209-100(b), insert the following provision:

#### **MULTIPLE PROPOSALS (JUN 1994)**

Proposers may, if they desire, submit multiple proposals. If multiple proposals are submitted, proposers must price separately each such proposal and assure that the required guarantee is in a sum sufficient to cover the highest possible amount upon which award can be made. In addition, they should assure that full technical and pricing details, as may be appropriate, are furnished so as to assure that their proposals can properly be evaluated without the need for the request for additional information. Unsolicited alternates, either additive or deductive, will not be considered. (End of provision)

**5252.215-9302 Number of Copies/Time of Receipt.** As prescribed in 15.209-100(c), insert the following provision:

#### **NUMBER OF COPIES/TIME OF RECEIPT (JUN 1994)**

All proposals should be submitted in (#) copies of half-size copies and one full-size set of ozalid prints. Instructions concerning the time and place of delivery are provided on the first page (Standard Form 1442) of this Request for Proposals. The price proposal, including acknowledgment of amendments, guarantee bond and completed representations and certifications, need only be submitted in triplicate. (End of provision)

**5252.216-9300 Appointment of Ordering Officer(s).** As prescribed in 16.506-100(a), insert the following clause:

#### **APPOINTMENT OF ORDERING OFFICER(S) (OCT 1996)**

Ordering Officers under this contract are authorized by the Contracting Officer to execute delivery/task orders provided the total price for the delivery/task order does not exceed the individual Contracting Officer(s) warrant limitations. The ordering officers and their specific authority shall be stated in this contract or in an appointment letter. (End of clause)

**5252.216-9301 Task Order Terms and Conditions [Architect-Engineer Indefinite Quantity Contracts].** As prescribed in 16.506-100(b), insert the following clause:

#### **TASK ORDER TERMS AND CONDITIONS [ARCHITECT-ENGINEER INDEFINITE QUANTITY CONTRACTS] (OCT 1996)**

At the sole option of the Government, and in accordance with all terms and conditions set forth herein, the architect-engineer firm may be authorized to perform either partial or total

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design, engineering and related services on variable projects covered by this contract. Authorization for performance of these services shall be by issuance of a task order which shall be executed as follows:

(a) The Government shall have the right, at any time during the term of this contract, to request a proposal from the architect-engineer firm for furnishing specified design, engineering and related services for projects. Each request for proposal will set out the proposed scope of work, design criteria and other considerations, scope of architect-engineer services, proposed schedule of submissions, and, if applicable, the estimated construction cost amount (ECC) for the project contemplated.

(b) The Government reserves the right to make award of a task order based on the contractor's proposal. However, if the proposal is not acceptable as submitted, the parties hereto shall enter into negotiations, targeting a mutually acceptable agreement. If agreement on all terms of the task order is not achievable, the services for that specific order shall be deemed excluded from the scope of this contract and the Government shall be under no obligation to establish a task order or provide for any payments.

(c) The architect-engineer firm shall complete all services required pursuant to each resultant task order in accordance with the scope of work, design criteria and schedule of submissions set forth herein. The standard terms and conditions of this basic contract shall take precedence. (End of clause)

**5252.216-9302 Indefinite Quantity.** As prescribed in 16.506-100(c), insert the following clause:

#### **INDEFINITE QUANTITY (JUN 1994)**

This is an indefinite-quantity contract for the services specified, and effective for the period stated previously.

Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the services specified in the Schedule up to an including the "maximum" fee total designated previously.

There is no limit on the number of orders that may be issued subject only to the maximum annual value of the contract.

Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period. (End of clause)

**5252.216-9303 Minimum and Maximum Fees [Architect-Engineer Indefinite-Quantity Contracts].** As prescribed in 16.506-100(d)(1), insert the following clause:

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#### MINIMUM AND MAXIMUM FEES [ARCHITECT-ENGINEER INDEFINITE-QUANTITY CONTRACTS] (OCT 1996)

As the contract minimum has been established with project #1 identified in the basic award, the contract maximum annual total is \$ (insert amount) (End of clause)

**ALTERNATE I (NOV 1998)** As prescribed in 16.506-100(d)(2), substitute the following paragraph for the basic clause:

The contract minimum is \$ (insert amount). The contract maximum annual total is \$ \_\_\_\_\_.  
(End of clause)

#### 5252.216-9305 Task Order Procedures [Architect-Engineer Indefinite-Quantity Contracts].

As prescribed in 16.506-100(e) insert the following clause:

#### TASK ORDER PROCEDURES [ARCHITECT-ENGINEER INDEFINITE-QUANTITY CONTRACTS] (OCT 1996)

To order work under the contract, the Contracting Officer will provide the Contractor a scope of work detailing the Government's requirements and request a cost proposal for the proposed work. The Contractor shall respond with a proposal in an expeditious manner, but in no event later than directed in the request for proposal.

**Price Breakdown.** The Contractor shall provide a price breakdown for all proposals, itemized, as directed by the Contracting Officer. Unless otherwise directed, the breakdown shall be in sufficient detail to permit an analysis of all materials, labor, equipment, subcontract, and overhead costs, as well as profit, and shall cover all work involved in the scope of work. Any amount claimed for subcontractors shall be supported by a similar breakdown.

**Negotiations.** In the event there are differences in the Contractor's proposal and the Government Estimate, the Contractor and the Contracting Officer shall meet at the direction of the Contracting Officer to negotiate the extent of effort and costs of the proposed work.

**Task orders** for the contract work will be on Department of Defense DD Form 1155. The contractor shall submit one copy of the task order with the invoice for payment.

**Oral or Written Telecommunications Orders.** The Contracting Officer may issue oral or written telecommunications orders only in emergency circumstances. Oral or written telecommunications orders will be confirmed by issuance of a written task order on DD Form 1155 within two (2) working days.

**Modifications to Task Orders.** Orders may be modified by the Contracting Officer. Modifications to task orders shall be effected on a Standard Form 30. Orders may be modified orally or by written telecommunications by the Contracting Officer in emergency circumstances. Oral or written telecommunication modifications shall be confirmed by issuance of a written modification on Standard Form 30 within two (2) working days from the time of the communication modifying the order. (See Attachment #\_\_ Section\_\_).



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**If a task order is deposited in the U.S. mail**, mailing time (5 working days for regular mail and 1 working day for express mail) will be incorporated into the task order submittal schedule. The Contracting Officer will notify the architect-engineer firm when an order is deposited in the mail. If delays are encountered in mailing without the fault of the Contractor, a time extension may be granted by the Contracting Officer. (End of clause)

**5252.216-9306 Procedures For Issuing Orders.** As prescribed in 16.506-100(f), insert the following clause:

#### PROCEDURES FOR ISSUING ORDERS (NOV 1998)

(a) Services to be furnished under this contract shall be furnished at such times as ordered by the issuance of task orders on DD Form 1155 by the Ordering Officer designated by the Contracting Officer. All orders issued hereunder are subject to the terms and conditions of this contract. This contract shall control in the event of conflict with any order. When mailed, a task order will be considered "issued" for the purpose of this contract at the time the Government deposits the order in the mail or, if transmitted by other means, when physically delivered to the Contractor.

(b) Task orders may be modified by the Ordering Officer. Modifications to task orders will be issued on a Standard Form (SF) 30.

(c) Task orders may be modified orally by the Ordering Officer in emergency circumstances. Oral modifications will be confirmed by issuance of a written modification on an SF 30 within two (2) working days from the time of the oral communication modifying the order. (End of clause)

**5252.216-9307 Price Revision.** As prescribed in 16.203-4-100(a), insert the following clause:

#### PRICE REVISION (JUN 1994)

General. This contract shall be subject to price revision as set forth below. A \_\_\_ percent (\_\_\_%) threshold shall be applied. The adjustment in the contract price to reflect the increases and decreases outlined above shall be made prior to final payment under this contract or at such other time as mutually agreed upon by the parties. The method of such computation of the price revision shall be as described in paragraph 26.2. For purpose of calculating price revision, Table \_\_\_ of Building Regulations published by the Civil Engineer's Office of the province where work is to be performed, shall be used. The bid opening date shall be the effective date for price revision computations for the original contract whether or not the cost variation tables for that month have been published. The effective date for price revision for changes to the contract shall be determined during negotiations for any change in contract price and be stated in the subsequent modification. No price revision will be paid for work accomplished after the contract completion date. The method of payment shall be by formal modification to the contract. Any money paid for price revision shall not subject itself to higher price revision payments.

Method of Payment. Payment shall be made based on work completed and documented by the OICC MED Contract Performance Statement (OICC MED Form 10-7300/31). Any work documented on the performance statement shall be assumed completed as of the date of the document and not further subdivided. Contractor shall complete OICC MED Form (4330/26) "Computation of Multiplier" and OICC MED Form (4330/25) "Payment Summary", and submit the



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completed forms along with copies of all applicable performance statements to the Contracting Officer for review and approval. Copies of forms are available from the Contracting Officer. The Contractor shall also submit copies of the applicable cost variations tables used in calculating multipliers. Price revision for all contract modifications shall be submitted separately and not included as part of the original contract. Back-up documentation for price revision applicable to contract modifications shall be the same as for the original contract. (End of clause)

**5252.216-9310 Combination Firm Fixed-Price/Indefinite Quantity Contract.** As prescribed in 16.506-100(g)(1), insert the following clause:

#### **COMBINATION FIRM FIXED-PRICE/INDEFINITE QUANTITY CONTRACT (OCT 1996)**

(a) This is a combination firm fixed-price/indefinite quantity contract for the supplies or services specified, and effective for the period stated in the Schedule. Work items for the fixed-price portion are identified in the Schedule and include all work except that identified as Indefinite Quantity. The fixed-price quantities shown in the Schedule are considered to be accurate estimates for this contract period.

(b) Work items for the indefinite quantity portion of the contract are identified in the Schedule. The quantities of supplies and services specified in the Schedule as Indefinite Quantity are estimates only and may be ordered by issuance of separate task orders.

(c) Delivery or performance shall be made only as authorized by orders issued in accordance with FAR clause 52.216-18. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to the contract stated maximum. The minimum guarantee of work to be ordered is the firm fixed-price portion of the contract.

(d) Except for any limitations on quantities in FAR clause 52.216-19 or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(e) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period. (End of clause)

**ALTERNATE I (OCT 1996).** As prescribed in 16.506-100(g)(2), substitute the following paragraph (c) for paragraph (c) of the basic clause:

(c) Delivery or performance shall be made only as authorized by task orders issued in accordance with the ORDERING clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to the contract stated maximum. The minimum guarantee of work to be ordered is (fill-in)% of the total estimated quantity.

**5252.216-9312 Minimum and Maximum Quantities.** As prescribed in 16.506-100(h), insert the following clause:

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#### MINIMUM AND MAXIMUM QUANTITIES (JUN 1994)

As referred to in paragraph (b) of FAR 52.216-22, INDEFINITE QUANTITY clause, the contract minimum quantity is (fill-in)% of the estimated total quantity. Should the Government fail to place orders totaling the amount of the contract minimum quantity, the provisions of Clause \_\_\_\_\_ entitled, "[Insert title of FAR 52.249-1 or 52.249-2]" shall apply to the unordered amount of the contract minimum quantity. The maximum quantity shall not be exceeded except as may be provided for by formal modification to the contract. (End of clause)

**5252.216-9313 Maximum Quantities.** As prescribed in 16.506-100(i)(1), insert the following clause:

#### MAXIMUM QUANTITIES (JUN 1994)

As referred to in 5252.216-9310, "COMBINATION FIRM FIXED-PRICE/INDEFINITE-QUANTITY CONTRACT" clause, the minimum guarantee of work is the firm fixed-price portion of the contract. The maximum dollar value of the contract is the total dollar value of the fixed-price and indefinite quantity items. The maximum shall not be exceeded except as may be provided for by formal modification to the contract. (End of clause)

**ALTERNATE I (NOV 1998).** As prescribed in 16.506-100(i)(2), substitute the following paragraph for the basic clause:

As referred to in 5252.216-9310, "COMBINATION FIRM FIXED-PRICE/ INDEFINITE-QUANTITY CONTRACT, ALT I" clause, the minimum guarantee of work is (fill-in)% of the estimated total quantity. The maximum dollar value of the contract is the total dollar value of the fixed-price and indefinite quantity items. The maximum shall not be exceeded except as may be provided by formal modification to the contract. (End of clause)

**5252.216-9314 Economic Price Adjustment For Changes in Landfill/Disposal Fees.** As prescribed in 16.203-4-100(b), insert the following clause:

#### ECONOMIC PRICE ADJUSTMENT FOR CHANGES IN LANDFILL/DISPOSAL FEES (JUN 1994)

(a) The Contractor shall notify the Contracting Officer, at any time during contract performance, the disposal fee unit prices shown in the schedule in Section B either increase or decrease as a result of new landfill/disposal fees set by the County Commissioners. The Contractor shall furnish this notice within 20 calendar days after being notified of any increase or decrease, or within any additional period that the Contracting Officer may approve in writing. Adjustment for increases shall not be retroactive beyond the 20 calendar day notification period or such time as approved in writing by the Contracting Officer. Adjustments for decreases shall be made effective immediately on the date they are implemented by the landfill. The notice shall include the amount of the adjustment (increase or decrease), the effective date and supporting data explaining the cause of the adjustment.

(b) Promptly after the Contracting Officer receives the notice and date under paragraph (a) above, the Contracting Officer shall modify this contract to include the increase or decrease in

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the disposal fee (resulting from the adjustment) and its effective date. The contractor shall continue performance pending adjustment.

(c) The Contractor warrants that the prices in this contract do not include any allowance for any contingency to cover increased costs for which adjustment is provided under this clause.

(d) No increase shall exceed the cost of using other alternative landfills which are available for use by the Contractor, considering the disposal fees, labor and transportation cost.

(e) Any price adjustment under this clause is subject to the following limitations:

(1) Any adjustment shall be limited to the effect on unit prices as a result of new landfill/disposal fees set by the \_\_\_\_\_ County Commissioners. There shall be no adjustment for (i) changes in rates or unit prices other than those shown in the Schedule, or (ii) changes in the quantities of labor or material used from those shown in the Schedule for each item.

(2) No upward adjustment shall apply to supplies or services that are required to be delivered or performed before the effective date of the adjustment.

(3) No upward adjustment shall be approved for any disposal fee increase that does not apply equally to all landfill customers of similar conditions of service.

(4) The aggregate of the increases in any contract unit price for disposal fees made under this clause shall not exceed 100 percent of the originally awarded unit price for line item, disposal fees for the base period. There is no percentage limitation on the amount of decreases that may be made under this clause.

(5) There will be no adjustment for any increase in the disposal fees which will not result in a net change of at least 3 (three) percent of the total unit price for the then current contract term (not the cumulative total contract price).

(f) The Government's obligation under this clause is contingent upon the availability of appropriated funds before payment for this increase can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this increase and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer. The clause entitled "Availability of Funds" in Section I, paragraph \_\_ applies. (End of clause)

**5252.216-9315 Award Fee.** As prescribed in 16.406-100(a), insert a clause substantially the same as the following:

#### **AWARD FEE (FEB 00)**

(a) Determination of Award Fee. An Award Fee Evaluation Procedure is hereby established for determination of award fee payable under this contract. The payment of any award fee is contingent upon compliance with contractual requirements and performance at the satisfactory level in each of the individual criteria set forth in the contract. It is the Government's intent that the contractor perform the required services in such a manner as to warrant the highest possible rating and award fee. The Contractor's failure to maintain acceptable levels of performance in all areas of this contract, whether specified as award fee areas or not, will result in no award fee

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being issued. Award fee determinations will be made by the Fee Determination Official. Each determination will cover the preceding evaluation period. This determination and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government. Any amount not awarded in one evaluation period will not be carried over the next evaluation period.

(b) Award Fee Amount. The total amount of award fee that can be earned for a twelve month period is \$\_\_\_\_\_. The amount of award fee that may be earned for each evaluation period is \$\_\_\_\_\_.

(c) Procedures.

(1) Performance Evaluation Board. A Performance Evaluation Board (PEB) composed of selected technical and administrative personnel from the (Activity) will evaluate the Contractor's performance as related to the criteria listed elsewhere herein. The PEB will make specific performance evaluations each month. Within fifteen (15) calendar days after the end of each evaluation period, the PEB will submit a formal evaluation report to the Fee Determination Official. The PEB report will include a narrative of each element evaluated which supports the recommended rating assigned. A copy of the PEB's report will be furnished to the Contractor.

(2) Contractor Self-Evaluation. Within fifteen (15) days after the end of each evaluation period, the Contractor shall submit two copies of a concise, written self-evaluation of his performance similar to the PEB report and limited to approximately 5 pages. This report will be submitted to the Contracting Officer.

(3) Fee Determining Official. A Fee Determining Official (FDO) will be established to determine the amount of award fee, if any, to be paid to the Contractor. The FDO will review the Performance Evaluation Board's report, the contractor's self-evaluation, and take such other action and consider such other facts pertinent to this contractor's performance as is required to determine the rating and the amount of the performance award fee for the evaluation period under consideration. The Contracting Officer will notify the Contractor in writing of the FDO's decision. The Contractor will signify acceptance by submitting an invoice in accordance with the Contracting Officer's instructions.

(d) Evaluation Criteria, Grades and Definitions. Percentages will be assigned to each criterion according to the relative order of importance determined by the Government using the grades, definitions, and criteria presented herein. A rating will be assigned for each major evaluation criterion for each period. The performance criteria and weighting will be applied to arrive at a weighted score.

(e) Grades and Definitions.

(1) Any changes to the award fee determination criteria which shall apply during each award fee period will be provided to the Contractor in writing by the Contracting Officer at least fifteen (15) calendar days prior to the start of each award fee period. Notification at a later date or alteration of criteria, including added criteria, after an award fee period has begun must be agreed to by both parties.

(2) The award fee determination criteria for award fee are established herein.

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(f) Performance Criteria and Weighting. Criteria elements listed below will be used to evaluate performance. Each element is individually graded with a percentage score. Normally a percentage score below 80 in any of the criteria elements listed below will result in no award fee paid to the contractor. The maximum points for each criteria element will be multiplied by the percentage score for each criteria element. The sum of the scores for all criteria elements will yield the numerical point value to determine the percentage of earned award fee for evaluation as shown on the following Table 1, Performance Evaluation Report Criteria.

TABLE 1. PERFORMANCE EVALUATION REPORT CRITERIA						
Category	Evaluation Criteria	Satisfactory Below 80	Above Satisfactory 80-84	Excellent 85-89	Outstanding 90-94	Superior 95-100
Quality of Work	Fixed-Price Work (40%)	Inferior quality of workmanship with excessive number of deficiencies	Adequate quality of workmanship with substantial number of deficiencies	Acceptable quality of workmanship with limited number of deficiencies	High quality of workmanship with minor deficiencies	Superior quality of workmanship with no deficiencies
	Indefinite Quantity Work (40%)	Inferior quality of workmanship with excessive number of deficiencies	Adequate quality of workmanship with substantial number of deficiencies	Acceptable quality of workmanship with limited number of deficiencies	High quality of workmanship with minor deficiencies	Superior quality of workmanship with no deficiencies
	Effectiveness of Quality Control Program (20%)	Consistently requires Govt input to rework unsatisfactory jobs	Occasionally requires Govt input to rework unsatisfactory jobs	Rarely requires Govt input to rework unsatisfactory jobs	Contractor QC Program affects all rework requirements	Most jobs do not require rework, QC program very effective
Timely Completion of Work	Fixed-Price Work (40%)	Frequently misses scheduled time frames; requires Govt prodding	Meets schedule but requires Govt prodding	Meets schedule without reminders	Sometimes responds and performs faster than scheduled	Often responds and performs faster than scheduled
	Indefinite Quantity Work (40%)	Frequently misses time frames scheduled in DO/TO and requires Govt prodding	Meets DO/TO schedule but requires Govt prodding	Meets DO/TO schedule without reminders	Sometimes responds and performs faster than DO/TO schedule	Often responds and performs faster than DO/TO schedule
	Scheduling (20%)	Schedules not submitted; DO/TO dates consistently not met	Schedules submitted but not complied with; DO/TO dates occasionally not met	Schedules submitted and usually complied with; DO/TO dates rarely missed	Schedules submitted; meets dates of all approved schedules and DO/TO's	Schedules submitted; completes work of approved schedules and DO/TO's ahead of schedule

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TABLE 1. PERFORMANCE EVALUATION REPORT CRITERIA						
Category	Evaluation Criteria	Satisfactory Below 80	Above Satisfactory 80-84	Excellent 85-89	Outstanding 90-94	Superior 95-100
Response to Service Calls	Emergency service calls (50%)	Consistently late in meeting response times and situations not timely arrested	Occasionally late in meeting response times and situations not timely arrested	Rarely late in meeting response times but situations timely arrested	Responds in a timely manner and arrests all situations with little Govt direction	Always responds immediately and quickly arrests all situations
	Urgent service calls (25%)	Consistently late in meeting response times and situations not timely arrested	Occasionally late in meeting response times and situations not timely arrested	Rarely late in meeting response times but situations timely arrested	Responds in a timely manner and arrests all situations with little Govt direction	Always responds immediately and quickly arrests all situations
	Routine service calls (25%)	Consistently late in meeting response times and situations not timely arrested	Occasionally late in meeting response times and situations not timely arrested	Rarely late in meeting response times but situations timely arrested	Responds in a timely manner and arrests all situations with little Govt direction	Always responds immediately and quickly arrests all situations
Administration and Management	Cooperation (50%)	Contractor and employees do not demonstrate cooperation in accomplishment of the contract	Contractor and employees occasionally demonstrate cooperation in accomplishment of the contract	Contractor and employees usually demonstrate cooperation in accomplishment of the contract	Cooperation and teamwork exceed normal expectations	Cooperation and teamwork substantially exceed normal expectations
	Ingenuity and/or Flexibility (50%)	Contractor and employees display no ingenuity or willingness to improve	Contractor and employees occasionally display ingenuity and willingness to improve	Contractor and employees attempt improvement and ingenuity and occasionally are successful	Contractor and employees generally are ingenious and innovative with success and Govt benefit	Contractor and employees highly ingenious and innovative with substantial Govt benefit

Ref: FAR16.406(e) and DFARS 216.470

**ALTERNATE I (NOV 1998)** As prescribed in 16.406-100(b), delete paragraph (d) of the basic clause and substitute the following paragraphs (b), (e) and (f) for paragraphs (b), (d) and (e) of the basic clause: **NOTE: CANNOT BE USED TO ACCELERATE PERFORMANCE.**

(b) Award Fee Amount. The total amount of award fee that can be earned under this contract is \$\_\_\_\_\_. This amount will not be increased if work is added to the contract but will be reduced proportionately if work is deleted from the contract. For the fifth evaluation period, the payment of any award fee is contingent on the Contractor's not having incurred any liquidated damages in the

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performance of the contract. The Fee Determination Official will make the award fee determination after the first \_\_, \_\_, \_\_, and \_\_ days after contract award and \_\_\_\_ after establishment of final acceptance. The amount of award fee that can be earned for each evaluation period is as follows:

(d) Grades and Definitions.

(1) Any changes to the award fee determination criteria that shall apply during each award fee period will be provided to the Contractor in writing by the Contracting Officer at least fifteen (15) calendar days prior to the start of each award fee period. Notification at a later date or alteration of criteria, including added criteria, after an award fee period has begun must be agreed to by both parties.

(2) The award fee determination criteria for award fee are established herein.

(e) Performance Criteria. Criteria listed in the tables attached hereto will be used to evaluate performance. Each criteria is individually graded with adjectival rating. A rating below satisfactory in any one of the individual criteria will result in no award fee paid to the Contractor.

Award Fee Period	Period Covered - Days from Contract Award	Award Fee Pool Available
1	0 - ____	\$ ____
2	____ - ____	\$ ____
3	____ - ____	\$ ____
4	____ - ____	\$ ____
5	FIRST 90 DAYS AFTER (final acceptance)	\$ ____

**5252.217-9300 Option to Extend the Term of the Contract [Architect-Engineer Indefinite Quantity Contract].** As prescribed in 17.208-100(a), insert the following clause:

**OPTION TO EXTEND THE TERM OF THE CONTRACT  
[ARCHITECT-ENGINEER INDEFINITE-QUANTITY CONTRACT]  
(NOV 1998)**

The term of this contract shall expire one year from the date of execution of this contract. However, all terms and conditions of this contract shall remain in full force and effect for any project added within the one-year term until completion of and payment for the services thereunder.

The Government may extend the term of this contract by written notice to the Contractor within the performance period specified in the schedule, provided that the Government will give the Contractor a preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the Government to an extension. The Government may



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exercise this option if: (1) a need for the services exists, and (2) performance in the first year has been satisfactory. If the Government exercises this option, the extended contract shall be considered to include this option provision.

The total duration of this contract, including the exercise of any options under this clause, shall not exceed \_\_\_\_\_ months for ordering purposes. (End of clause)

**5252.217-9301 Option To Extend the Term of the Contract - Services.** As prescribed in 17.208-100(b), insert the following clause:

#### **OPTION TO EXTEND THE TERM OF THE CONTRACT – SERVICES (JUN 1994)**

(a) The Government may extend the term of this contract for a term of one (1) to twelve (12) months by written notice to the Contractor within the performance period specified in the Schedule; provided that the Government shall give the Contractor a preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option provision.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed \_\_\_\_ months. [Insert number of months] (End of clause)

**5252.222-9305 Work Performed By Individual Assigned Categories.** As prescribed in 22.1006-100, insert the following clause:

#### **WORK PERFORMED BY INDIVIDUAL ASSIGNED CATEGORIES (JUN 1994)**

Regardless of any individual employee's normally assigned category of labor, the functions being performed by that individual during any period of work at a specific site shall determine the rate to be paid for that employee (e.g., a Chemist who is performing the duties of a Technician, Level 1, shall be charged at the fixed rate for a Technician, Level 1, during the period of time he or she is performing those duties).  
(End of clause)

**5252.223-9300 Inspection By Regulatory Agencies.** As prescribed in 23.1000(a), insert the following clause:

#### **INSPECTION BY REGULATORY AGENCIES (JUN 1994)**

(a) Work performed under this contract is subject to inspection by State and Federal Government Regulatory agencies including those described below.

(b) Permission has been granted by the Navy permitting Federal and State occupational health and safety officials to enter Navy shore installations, without delay and at reasonable times, to conduct routine safety and health investigations. Permission also extends to safety and health investigations based on reports of unsafe conditions. Occupational Health and Safety



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Administration (OSHA) officials may also investigate accidents or illnesses involving the Contractor's employees. Inspections may also be carried out by the Department of Labor to inspect for compliance with labor laws.

(c) The Contractor shall cooperate with regulatory agencies and shall provide personnel to accompany the agency inspection or review teams. Contractor personnel shall be knowledgeable concerning the work being inspected, and participate in responding to all requests for information, inspection or review findings by regulatory agencies. (End of clause)

**5252.223-9301 Wildlife Preservation.** As prescribed in 23.1000(b), insert the following clause:

#### WILDLIFE PRESERVATION (JUN 1994)

(Insert name of activity) is a designated (insert description of designation). Before commencing work that may disturb wildlife, the Contractor shall obtain all necessary state, local and federal permits. Following is a list of applicable restrictions: (list as applicable) (End of clause)

**5252.228-9300 Individual Surety/Sureties.** As prescribed in 28.203-100, insert the following provision:

#### INDIVIDUAL SURETY/SURETIES (JUN 1994)

As prescribed in FAR 28.203(a), individual sureties will be permitted. In order for the Contracting Officer to make a determination as to the acceptability of individuals proposed as sureties, as prescribed in FAR 28-203(b), all proposers who submit bonds which are executed by individual sureties are requested to furnish additional information in support of SF-28, Affidavit of Individual Surety, with the bonds. Pursuant to Instruction 3(b) of Standard Form 24, the Bond, Standard Form 25, the Performance Bond, and the Standard Form 25A, the Payment Bond, the Contracting Officer requests the following information:

##### (a) Equity Securities (Stock):

(1) State the place(s) of incorporation and address of the principal place of business for each issuing corporation listed.

(2) State whether the security issued was issued by public or private offering and give the place of registration of the security.

(3) State whether the security is presently, actively traded.

##### (b) Debt Securities (Bonds) and Certificates of Deposit:

(1) List the type of bonds held and their maturity dates.

(2) State the name, address, and telephone number of the issuing agency, firm or individual.

(3) State the complete address(es) where the bonds are held.

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(4) State whether the bonds have been pledged as security or have otherwise been encumbered.

(c) Real Property Interests:

(1) Provide complete recording data for the conveyance of each parcel or interest listed to the individual proposed as surety.

(2) State whether the values listed are based upon personal evaluation or evaluation of an experienced real estate appraiser. If available, provide copies of written appraisals.

(3) State the method(s) of valuation upon which appraisal is based.

(4) Provide the assessed value of each property interest listed utilized by the appropriate tax assessor for purposes of property taxation.

(5) Provide the telephone number, including area code, for the tax assessor who performed the most recent tax assessment.

(6) State whether each real property interest listed is currently under lien or in any way encumbered and the dollar amount of each such lien or encumbrance

(d) Persons Proposed as Individual Sureties:

(1) A current list of all other bonds (bid, performance, and payment) on which the individual is a surety and bonds for which the individual is requesting to be a surety.

(2) A statement as to the percent of completion of projects for which the individual is bound on a performance bond.

This information is necessary to enable the Contracting Officer to evaluate the sufficiency of the surety's net worth in a timely manner. (End of provision)

**5252.228-9302 Bid Guarantee.** As prescribed in 28.101-2-100(a)(1), insert the following provision:

#### **BID GUARANTEE (JAN 1996)**

To assure the execution of the contract and the performance and payment bonds, each bidder/offeror shall submit with its bid/offer a guarantee bond (Standard Form 24) executed by a surety company holding a certificate of authority from the Secretary of the Treasury as an acceptable surety, or other security as provided in FAR Clause 52.228-1, "Bid Guarantee". Security shall be in a penal sum equal to at least 20 percent of the largest amount for which award can be made under the bid submitted, but in no case to exceed \$3,000,000. The bid guarantee bond shall be accompanied by a copy of the agent's authority to sign bonds for the surety company. (End of provision)

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**ALTERNATE I** – As prescribed in 28.101(a)(2), for indefinite quantity and JOC contracts, substitute "...largest amount for which award can be made...." in the basic provision with "...price payable for the contract guaranteed minimum".

**ALTERNATE II** – As prescribed in 28.101(a)(3), for combination firm fixed-price/indefinite quantity facility support service contracts where the firm fixed-price portion constitutes the guaranteed minimum, substitute "... largest amount for which award can be made" in the basic provision with either "...the firm fixed-price portion of the contract. If the firm fixed-price portion and a minimum amount of the indefinite quantity portion will constitute the guaranteed minimum, substitute "...largest amount for which award can be made" for "...the firm fixed-price portion and the guaranteed minimum amount of the Indefinite Quantity portion of the contract."

**ALTERNATE III** - As prescribed in 28.101(a)(4), for requirements solicitations, replace "...largest amount for which award can be made..." in the basic provision with "...price payable for the estimated quantity".

**5252.228-9305 Notice of Bonding Requirements.** As prescribed in 28.102-3-100(a), insert the following clause:

#### NOTICE OF BONDING REQUIREMENTS (DEC 2000)

(a) Within \_\_\_\_\_ days after receipt of award, the bidder/offeror to whom the award is made shall furnish the following bond(s) each with satisfactory security:

\_\_\_\_\_ A Performance Bond (Standard Form 25). The performance bond shall be in a penal sum equal to 100% percent of the contract price.

\_\_\_\_\_ A Payment Bond (Standard Form 25A). The payment bond shall be in a penal sum equal to 100% of the contract price.

(b) Any surety company holding a certificate of authority from the Secretary of Treasury as an acceptable Surety on Federal bonds will be accepted. Individual sureties will be permitted as prescribed in FAR 28.203 and FAC 5252.228-9300. Alternative types of security in lieu of furnishing sureties on performance and/or payment bonds will be permitted as prescribed in FAR 28.204, and will be held for at least one year after the completion of the contract. Additional bond security may be required as prescribed in FAR 52.228-2. Bonds shall be accompanied by a document authenticating the agent's authority to sign bonds for the surety company.

(c) The contract time for purposes of fixing the completion date, default, and liquidated damages shall begin to run \_\_\_\_\_ days from the date of award, regardless of when performance and payment bonds or deposits in lieu of surety are executed. (End of clause)

**ALTERNATE I** – As prescribed in 28.102-3-100(b), for indefinite quantity solicitations, substitute "contract price" in the basic provision with "the price payable for the contract guaranteed minimum".

**ALTERNATE II** – As prescribed in 28.102-3-100(c), for combination firm fixed-price/indefinite quantity solicitations where the firm fixed-price portion constitutes the guaranteed minimum, replace "contract price" in the basic provision with "the price payable for the firm fixed-price

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portion". Where the firm fixed-price portion and a percentage of the indefinite quantity portion will constitute the guaranteed minimum, substitute "contract price" in the basic provision with "the price payable for the firm fixed-price portion and the guaranteed minimum amount of the IQ portion".

**ALTERNATE III** - As prescribed in 28.102-3-100(d), for requirements solicitations, substitute "contract price" in the basic provision with "the price payable for the estimated quantity".

**5252.228-9306 Performance Guarantee.** As prescribed in 28.101-2-100(b), insert the following clause:

#### PERFORMANCE GUARANTEE (JUN 1994)

**Submittal Time.** The bidder whose bid is accepted shall furnish a performance guarantee within ten (10) days after the contract forms are presented to him for signature. If he fails to give such guarantee within ten (10) days, his contract may be terminated for default. In such event he shall be liable for any cost of procuring the work which exceeds the amount of his bid and the bid guarantee shall be available toward offsetting such difference.

**Form of Performance Guarantee.** The bidder whose bid is accepted shall furnish a performance guarantee in the form of a cashier's check to the order of the (Office Designated for Contract Administration) in the amount of eight percent (8%) of the contract price, which will be cashed and deposited in the account of the U. S. Government. The performance guarantee shall take effect upon the date of signature of the contract and remain valid and irrevocable until one (1) year after the work has been finally inspected and accepted by the Government. However, upon acceptance of all work by the Government, the Contractor may, with the approval of the Contracting Officer, replace this guarantee with a reduced guarantee in the amount of four percent (4%) of the then existing contract price, with modifications, if any. Such replacement guarantee will then remain in effect for one year after the final acceptance of the work by the Government.

**Optional Performance Bond.** In lieu of a performance guarantee in the above stated form of a cashier's check, the Contractor may submit a performance bond in which the Contractor and the surety obligate themselves in the amount of ten percent (10%) of the contract price, that the Contractor shall undertake the performance of the contract and that said performance bond ensures the fulfillment of all agreements contained in the contract.

a. The bond shall be from a registered bank, bonding firm, or registered insurance firm approved by the Contracting Officer.

b. The bond shall be of the U. S. standard type or of another approved type and shall include the following concepts: (1) name of Surety and name of agent signing in behalf of Surety; (2) name of Principal; (3) a statement that the Principal and Surety are firmly bound on the United States of America in the penal sum of the bond; (4) Contract number; (5) Penal sum of bond and the statement "This bond will be in force until the Contracting Officer of the above-cited Contract authorized cancellation of the bond"; and (6) date of issuance of bond and signature of Surety's agent. (End of clause)

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**5252.229-9302 Consumption Tax Exemption Procedures on Purchase of Goods and Services By the United States Armed Forces in Japan [Japanese Law No. 108, 1988].** As prescribed in 29.402-100(a), insert the following clause:

**CONSUMPTION TAX EXEMPTION PROCEDURES ON PURCHASE OF GOODS  
AND SERVICES BY THE UNITED STATES ARMED FORCES IN JAPAN  
[JAPANESE LAW NO. 108, 1988] (JUN 1994)**

(a) The Consumption Tax Law (Law No. 108, 1988) was enacted in the Diet of Japan on 24 December 1988, and applied from April 1, 1989. The Government of Japan (GOJ) and the United States Government (USG), in accordance with paragraph 3, Article XII, of the "The Agreement Under Article VI of the Treaty of Mutual Cooperation And Security Between Japan And The United States of America Regarding Facilities And Areas And The Status of United States Armed Forces In Japan" (SOFA), have agreed upon procedures for exempting the United States from the Consumption Tax on the following transactions upon appropriate certification:

(1) Goods and services purchased in Japan for official purposes of the U. S. Armed Forces by the U. S. Armed Forces or its authorized procurement agencies;

(2) Goods and services purchased in Japan, by persons, including corporations, who are designated by the USG in accordance with the provisions of paragraphs 1 and 2, Article XIV of the SOFA (Article XIV Contractors), solely for the purpose of performing the business of construction, maintenance or operation under the contract for construction, etc., for use by the U. S. Armed Forces, or film and gasoline purchased in Japan by Article XIV Contractors solely for the business activities described above.

(b) The underlying objective is to obtain the full amount of the exemption from the tax on U.S. Forces procurements immediately at the time of purchase, and at the same time give the Contractor a proof of purchase document, acceptable to GOJ tax authorities, which he/she can present to the tax authorities to obtain a tax credit and/or refund for tax already collected and paid by previous sellers.

(c) By the submission of their offer, the offeror certifies that Japanese consumption tax is not part of the bid price, nor will it be a part of any subsequent modification to the contract. Procedures for Contractors to obtain a consumption tax credit are described in a handbook that may be obtained from the Procuring Contracting Office. (End of clause)

**5252.229-9304 Tax Relief.** As prescribed in 29.402-100(b)(1), insert the following clause:

**TAX RELIEF (JUN 1994)**

(a) Price contained in the bids are exclusive of all taxes and duties which the U. S. Government is exempted from by virtue of any tax agreements between the U. S. Government and the Contractor's Government. Relief from Italian taxes and duties for the Prime Contractor only is provided in accordance with an Agreement of 5 March 1952 between the Government of the United States of America and Italy. The Contractor's obligation to pay the tax or duty is not removed by the Agreement; however, the Contractor may obtain relief from certain taxes and duty by contacting the Italian Ministry of Industry. With reference to the value added tax (IVA) which became effective in Italy on 1 January 1973, Article 72 of the IVA implementing decree authorizes

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an exemption from the total accumulated amount of IVA tax on all goods supplied and services rendered to U. S. military commands, provided, however, that the United States of America shall not be liable for the interest on any such sums accruing to the Contractor under such agreement because of delay or failure on the part of the Italian Government to pay such refunds.

(b) Use of AE 302 forms is hereby authorized. The purpose of the AE 302 procedure is to obtain exemption from taxes and custom duties which the U. S. Government and Government of Italy have agreed shall not be applicable to defense purchases by or on behalf of the U. S. Forces in Italy. Signature on the AE 302 form by an authorized U. S. official only represents certification that the goods and materials imported into Italy are solely for the use of the U. S. Forces; this signature does not and is not intended to alter the other terms and conditions of this contract, including the terms concerning transfer of title of the goods and materials. USE OF THE AE 302 PROCEDURES SHALL NOT BE CAUSE TO ASSERT ANY CLAIM, INCLUDING DELAYS INCIDENT TO OBTAINING U. S. AUTHORIZED OFFICIALS TO CERTIFY THE AE 302 FOR EACH SHIPMENT. (End of clause)

**ALTERNATE I (JUN 1994).** As prescribed in 29.402-100(b)(2), substitute the following paragraph for the basic clause:

By terms of the Agreement between the Government of Spain and the Government of the United States, the operations and expenditures of Contractors, their material suppliers and certain of their subcontractors made pursuant to a contract with the Government of the United States are relieved of Spanish taxation. These tax exemptions include but are not limited to import duties, transaction taxes, provincial and municipal taxes. In this connection, bidders are advised to consider Royal Decree 669/1986 dated 21 March which governs the matter of Value Added Tax exemption. An allowance for taxes which are properly assessable by the Government of Spain will be deemed to have been included in any bid submitted and the resulting contract price. See "TAXES - FOREIGN FIXED-PRICE CONTRACT" of the contract clauses for the Contractor's warranty regarding the inclusion of taxes in the contract price. (End of clause)

**ALTERNATE II (JUN 1994).** As prescribed in 29.402-100(b)(3), substitute the following paragraph for the basic clause.

The U.S. Government is exempt from Greek taxes as described in applicable agreements between the two countries. Article 22 of the January 1987 Greek Tax Law describes tax exempt organizations. Article 27 of the Tax Law details procedures for Contractors to use to obtain reimbursement for taxes paid doing business for tax exempt organizations. Inquiries regarding this tax law should be directed to the appropriate office within the Government of Greece. Value Added Tax is not reimbursable by the U.S. Government under the contract to be issued pursuant to this solicitation. Imported goods may be consigned directly to the U.S. Government if it alleviates requirement to pay custom duties. (End of clause)

**5252.232-9300 Contractor Accounting System--Segregation of Costs.** As prescribed in 32.111-100(a), insert the following clause:



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#### **CONTRACTOR ACCOUNTING SYSTEM--SEGREGATION OF COSTS (JUN 1994)**

The Contractor shall employ an accounting system for this contract to identify and record site specific costs on a site specific activity basis. Site specific cost documentation must be readily retrievable and sufficiently identifiable to enable cross-referencing with payment vouchers.  
(End of clause)

**5252.232-9301 Payment for Design Under Fixed-Price Design-Build Contracts.** As prescribed in 32.111-100(b), insert the following clause:

#### **PAYMENT FOR DESIGN UNDER FIXED-PRICE DESIGN-BUILD CONTRACTS (JUL 1998)**

(a) The contracting officer may approve progress payments for work performed during the project design phase up to the maximum amount of four (4) percent of the contract price.

(b) Contractor invoices for payment must be accompanied by satisfactory documentation supporting the amounts for which payments are requested. Progress payments approved by the contracting officer during the project design phase in no way constitute an acceptance of functional and aesthetic design elements nor acceptance of a final settlement amount in the event of a buy-out nor a waiver of any contractual requirements. (End of clause)

**5252.232-9302 Limitation on Extent of Government Liability in the Event of a Buy-Out Prior to Commencement of Construction.** As prescribed in 32.705-100, insert the following clause:

#### **LIMITATION ON EXTENT OF GOVERNMENT LIABILITY IN THE EVENT OF A BUY-OUT PRIOR TO COMMENCEMENT OF CONSTRUCTION (JUL 1998)**

(a) For the purposes of this clause, functional elements are defined as room layout and space allocations as determined by partitions, doors, or other architectural features. Aesthetic elements are defined as the facility's visual appearance and appeal.

(b) If the government and the contractor are unable to mutually agree on the functional and aesthetic elements of the project design, the government may initiate a buy-out of the contract prior to the commencement of construction for a maximum settlement amount not to exceed four (4) percent of the contract amount. This amount shall be negotiated based on a reasonable cost incurred and may include a reasonable profit.

(c) Actions taken by the government pursuant to this clause shall in no way be considered a termination for default. Upon payment of all negotiated amounts, all responsibilities and obligations of the parties are discharged.

**5252.236-9300 Limitations On Authority Of Architect-Engineer.** As prescribed in 36.609-100(a) insert the following clause:

#### **LIMITATIONS ON AUTHORITY OF ARCHITECT-ENGINEER (JUN 1994)**

Unless specific exceptions are established by a written instruction issued by the Contracting Officer, the architect-engineer firm:

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(a) Shall not authorize any deviation from the construction contract documents or approve any substitute materials or equipment.

(b) Shall not exceed limitations on the Government's authority as set forth in construction contract documents.

(c) Shall not undertake any of the responsibilities of the contractor, subcontractors, construction Contractor's Superintendent or Contractor Quality Control Representative.

(d) Shall not expedite or accelerate the work of construction contractor and subcontractors.

(e) Shall not advise on or issue directions relative to any aspect of the means, methods, techniques, sequences or procedures of construction unless such is specifically called for in construction contract documents.

(f) Shall not authorize or advise users to occupy projects in whole or in part, unless agreed to by the Contracting Officer. (End of clause)

**5252.236-9301 Special Working Conditions and Entry to Work Area.** As prescribed in 36.5100(a), insert the following clause:

#### **SPECIAL WORKING CONDITIONS AND ENTRY TO WORK AREA (JUN 1994)**

Denial of entry to the work areas under this contract may be required by the Government under certain circumstances where the Contractor's work or presence would constitute a safety or security hazard to ordnance storage or handling operations. Restrictions covering entry to and availability of the work areas are as follows:

(a) Entry. Entry to work areas located within the special Security Limited areas, defined as those work areas located within the existing security fence, can be granted subject to special personnel requirements as specified herein and to other normal security and safety requirements. Complete denial of entry to the Limited Area may be required during brief periods of one to two hours (normally) and on rare occasions of two to four hours. For bidding purposes, the Contractor shall assume denial of entry to the work areas in the Limited Area of six 2-hour denials and one 4-hour denial per month.

(b) Vehicle Delay. The Contractor shall also assume for bidding purposes that, in addition to site denial, each vehicle and/or unit of construction equipment will be delayed during each movement through the security gate, both entering and leaving the limited area. Delays will average \_\_\_\_\_.

(c) Operational Considerations. To reduce delay time while preserving required security, the following points should be considered in operational planning:

(1) Vehicle Search. Security regulations required that all vehicles, when authorized to enter the Limited Area be thoroughly searched by guard force personnel. Such a search will be required for all vehicle/ construction equipment. Accordingly, once a vehicle or unit of construction equipment has been cleared, it may be left in the Limited Area after initial entry has been made. For the period of time authorized the vehicle/equipment left in the Limited Area will be assigned parking areas by the Contracting Officer. The vehicle/equipment must be secured as specified in paragraph entitled "SECURITY REQUIREMENTS." The intent is to reduce the



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Contractor loss of time at the security gate. No private vehicles will be allowed to enter the Limited Area.

(2) **Delivery Vehicles.** Vehicles delivering construction materials will be inspected by guard force personnel while the driver is being processed for entry into the Limited Area. The driver and vehicle will then be escorted in the Limited Area by a Security Escort. To provide this service, delivery schedules should be promulgated in advance and vendors made aware that a reasonable delay can be expected if delivery is other than the time specified. Deliveries after 1600 hours will not be allowed entry into the Limited Area without prior approval of the Physical Security Officer. (End of clause)

**5252.236-9302 Architect-Engineer Contracts For Consultation and Advice.** As prescribed in 36.609-100(b), insert the following clause:

#### **ARCHITECT-ENGINEER CONTRACTS FOR CONSULTATION AND ADVICE (JUN 1994)**

In addition to the services required by any other contract provisions, the Contractor shall provide work-days of general engineering services and consultation at the construction site or at such other locations as the Government may desire, when and as required by the Contracting Officer during the course of construction. (End of clause)

**5252.236-9303 Accident Prevention.** As prescribed in 36.5100(b), insert the following clause:

#### **ACCIDENT PREVENTION (NOV 1998)**

(a) The Contractor will maintain an accurate record of, and will report to the Contracting Officer in the manner and on the forms prescribed by the Contracting Officer, all accidents resulting in death, traumatic injury, occupational disease, and damage to property, materials, supplies and equipment incident to work performed under this contract.

(b) Compliance with the provisions of this article by subcontractors will be the responsibility of the Contractor.

(c) Prior to commencement of the work, the Contractor may be required to:

(1) submit in writing his proposals for effectuating provision for accident prevention;

(2) meet in conference with representatives of the Contracting Officer to discuss and develop mutual understandings relative to administration of the overall safety program. (End of clause)

**5252.236-9304 Utilities For Construction and Testing.** As prescribed in 36.5100(c), insert the following clause:

#### **UTILITIES FOR CONSTRUCTION AND TESTING (JUN 1994)**

The Contractor shall be responsible for obtaining, either from available Government sources or local utility companies, all utilities required for construction and testing. The Contractor shall provide these utilities at his expense, paid for at the current utility rate delivered to the job site.

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The Contractor shall provide and maintain all temporary utility connections and distribution lines, and all meters required to measure the amount of each utility used. (End of clause)

**5252.236-9305 Availability of Utilities.** As prescribed in 36.5100(d), insert the following clause:

#### **AVAILABILITY OF UTILITIES (JUN 1994)**

When available, the Government will furnish reasonable amounts of the following utilities for the work to be performed under this contract at no cost to the Contractor. Information concerning the location of existing outlets may be secured from the OIC. The Contractor shall provide and maintain, at his expense, the necessary service lines from existing Government outlets to the site of work.

Electric - Water - Compressed Air

Contractor Furnished Utilities. In the event that the Government is unable to provide the required types of utilities, the Contractor shall, at his expense, arrange for the required utilities.

Contractor Energy Conservation. The Contractor shall be directly responsible for instructing employees in utilities conservation practices. The Contractor shall be responsible for operating under conditions which preclude the waste of utilities, which shall include:

- a. Lights shall be used only in areas where and at the time when work is actually being performed.
- b. Mechanical equipment controls for heating, ventilation and air conditioning systems will not be adjusted by the workers.
- c. Water faucets or valves shall be turned off after the required usage has been accomplished.

Telephone Lines. Telephone lines for the sole use of the contractor will not be available. Government telephones shall not be used for personal reasons.

Contractor Availability. The contractor shall maintain a telephone at which he or his representative may be reached 24 hours daily. The telephone shall be listed in the contractor's name. If the contractor does not have a local telephone, he shall maintain a toll free emergency telephone (or accept collect calls from authorized Government personnel) at which he or his representative may be reached at night, weekends and holidays. It is mandatory that the contractor or his representative be available to a toll-free telephone 24 hours per day, seven days per week, including holidays. He shall notify the OIC in writing of the mailing address and telephone number within three days after award of this contract and immediately thereafter in the event of change. (End of clause)

**5252.236-9307 Drawings Prepared By an Architect-Engineer.** As prescribed in 36.609-100(c), insert the following clause:

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#### DRAWINGS PREPARED BY AN ARCHITECT-ENGINEER (JUN 1994)

The engineer or architect signing the drawings must be registered in the country of record for the architect-engineer firm or the country of the proposed construction -- as a Professional Engineer (P.E.) or Registered Architect (R.A.). In addition, the drawings shall be signed by a responsible person of corporate status in the architect-engineer firm and stamped with his/her registration seal when the seal is authorized by the country where the project is to be constructed. (End of clause)

**5252.236-9308 Information Concerning Cost Limitations.** As prescribed in 36.5100(e), insert the following provision:

#### INFORMATION CONCERNING COST LIMITATIONS (JUN 1994)

The Navy has available \_\_\_\_\_ for the award of this contract. Proposals in excess of this amount will not be considered. Proposers should prepare their proposals so as to permit award at a price within the cost limitation. The Basis of Award is specified in paragraph \_\_\_\_\_. The type of construction, materials and physical amenities provided for any type unit, including senior officer and flag officers, shall be generally similar to those proposed for any other unit in the project and that the cost per net square foot to the 5 foot line of all units in the project be approximately the same. (End of provision)

**5252.236-9309 Key Personnel.** As prescribed in 36.609-100(d), insert the following clause:

#### KEY PERSONNEL (JUN 1994)

The Architect-Engineer (A-E) shall employ the following professional personnel to perform the services required under this contract. Prior to starting work, the A-E will forward to the Contracting Officer a resume for the individual(s) assigned to each discipline to be utilized. No substitution will be made without the advance written approval of the Contracting Officer, after he has reviewed the proposed replacement's experience and qualifications record submitted by the architect-engineer firm with explanation of the necessity for the change. No increase in salary rates will be allowed when personnel substitution is authorized.

	<u>DISCIPLINE</u>	<u>NAME</u>	<u>JOB</u>	<u>TITLE</u>
(End of clause)				

**5252.236-9310 Record Drawings.** As prescribed in 36.5100(f)(1), insert the following clause:

#### RECORD DRAWINGS (JUN 1994)

The Contractor shall maintain at the job site two sets of full-size prints of the contract drawings, accurately marked in red with adequate dimensions, to show all variations between the construction actually provided and that indicated or specified in the contract documents, including buried or concealed construction. Special attention shall be given to recording the horizontal and vertical location of all buried utilities that differ from the contract drawings. Existing utility lines and features revealed during the course of construction, shall also be accurately located and dimensioned. Variations in the interior utility systems shall be clearly defined and dimensioned; and coordinated with exterior utility connections at the building five-foot line, where applicable.

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Existing topographic features which differ from those shown on the contract drawings shall also be accurately located and recorded. Where a choice of materials or methods is permitted herein, or where variations in scope or character of methods is permitted herein, or where variations in scope or character of work from that of the original contract are authorized, the drawings shall be marked to define the construction actually provided. The representations of such changes shall conform to standard drafting practice and shall include such supplementary notes, legends, and details as necessary to clearly portray the as-built construction. These drawings shall be available for review by the Contracting Officer at all times. Upon completion of the work, both sets of the marked up prints shall be certified as correct, signed by the Contractor, and delivered to the Contracting Officer for his approval before acceptance. Requests for partial payments will not be approved if the marked prints are not kept current, and request for final payment will not be approved until the marked prints are delivered to the Contracting Officer. (End of clause)

**ALTERNATE I (JUN 1994).** As prescribed in 36.5100(f)(2), when as-built drawings are not required, substitute the following paragraph for the basic clause:

Record drawings will not be required. (End of clause)

**5252.237-9300 Schedule of Deductions.** As prescribed in 37.1003(a), insert the following clause:

#### **SCHEDULE OF DEDUCTIONS (NOV 1998)**

(a) Within fifteen (15) days after the contract award, the successful Contractor shall provide an acceptable Schedule of Deductions for the base period and each option year of the contract. No work may commence until such Schedule of Deductions is approved by the Contracting Officer. The total of the Schedule of Deductions must equal the amount entered in Contract Line Item \_\_\_\_ [fill in blank]. If for any reason this contract is modified, including the exercise of an option, and the modification affects the schedule of deductions, the contractor shall submit a revised schedule of deductions within fifteen (15) days of the date of the modification. Prices shown in the Schedule of Deductions will be utilized in conjunction with the "CONSEQUENCES OF THE CONTRACTOR'S FAILURE TO PERFORM REQUIRED SERVICE" clause in making deductions to the contract price for nonperformed or unsatisfactory work.

(b) Unbalancing in the Schedule of Deductions submitted shall be the cause for withholding approval and requiring resubmittal of a balanced schedule. The Contractor's failure to provide an approved Schedule of Deductions shall be grounds for TERMINATION FOR DEFAULT. The Government reserves the right to unilaterally establish a Schedule of Deductions in the event the successful Contractor fails to present the Schedule of Deductions within fifteen (15) calendar days of the date of contract award or presents a Schedule of Deductions which is unbalanced or materially deficient. The approved Schedule of Deductions shall be part of the contract. DO NOT SUBMIT the Schedule of Deductions with the offer. (End of clause)

**5252.237-9301 Substitutions of Key Personnel.** As prescribed in 37.1003(b), insert the following clause:

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#### SUBSTITUTIONS OF KEY PERSONNEL (JUNE 1994)

The Contractor shall provide complete resumes for proposed substitutes, and any additional information requested by the Contracting Officer. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The Contracting Officer will notify the Contractor within 15 days after receipt of all required information of the consent on substitutes. No change in fixed unit prices may occur as a result of key personnel substitution. (End of clause)

**5252.237-9302 Site Visit.** As prescribed in 37-1003(c), insert the following provision:

#### SITE VISIT (JUL 1995)

(a) The site will be available for visitation at (indicate hours and days the site of work will be available to potential bidders/offerors).

OR

(a) Arrangements to visit the site may be made by contacting (insert contact point) during regular working hours at (insert telephone number). Site visits are restricted to regular working hours.

(b) Visitors may be required to present documentation evidencing personal identification and firm affiliation. (End of clause)

**5252.242-9300 Government representatives.** As prescribed in 42.570-100(a), insert the following clause:

#### GOVERNMENT REPRESENTATIVES (OCT 1996)

The contract will be administered by an authorized representative of the Contracting Officer. In no event, however, will any understanding or agreement, modification, change order, or other matter deviating from the terms of the contract between the Contractor and any person other than the Contracting Officer be effective or binding upon the Government, unless formalized by proper contractual documents executed by the Contracting Officer prior to completion of this contract. The authorized representative as indicated hereinafter:

\_\_\_\_\_The Contracting Officer's Representative (COR) will be designated by the Contracting Officer as the authorized representative of the Contracting Officer. The COR is responsible for monitoring performance and the technical management of the effort required hereunder, and should be contacted regarding questions or problems of a technical nature.

\_\_\_\_\_The designated Contract Specialist will be the Administrative Contracting Officer's representative on all other contract administrative matters. The Contract Specialist should be contacted regarding all matters pertaining to the contract or task/delivery orders.

\_\_\_\_\_The designated Property Administrator is the Administrative Contracting Officer's representative on property matters. The Property Administrator should be contacted regarding all matters pertaining to property administration. (End of clause)

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**5252.242-9305 Pre-Performance Conference.** As prescribed in 42.570-100(b), insert the following clause:

#### **PRE-PERFORMANCE CONFERENCE (JUL 1995 )**

Within \_\_\_\_ days of contract award, prior to commencement of the work, the Contractor will meet in conference with representatives of the Contracting Officer, at a time to be determined by the Contracting Officer, to discuss and develop mutual understanding relative to scheduling and administering work. (End of clause)

**5252.245-9300 Government-Furnished Property, Materials and Services.** As prescribed in 45.106-100(a), insert the following clause:

#### **GOVERNMENT-FURNISHED PROPERTY, MATERIALS AND SERVICES (DEC 1994)**

In accordance with FAR 52.245-2, "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEC 1989)" clause, Section I, the Government will provide the Contractor the use of Government-owned **!MODIFY AS REQUIRED!** facilities, equipment, materials, and utilities for use only in connection with this contract. All such facilities, equipment, and materials will be provided in "as is" condition, and their use is at the option of the Contractor. The use of Government-furnished property and services for other purposes is prohibited.

(a) Government-Furnished Facilities. The Government will furnish or make available to the Contractor the facilities described in Attachment J-C. The Contractor shall be responsible and accountable for such facilities accepted for use and shall take adequate precautions to prevent fire hazards, odors, and vermin. Janitorial and refuse collection services for Government-furnished facilities shall be provided by the Contractor. The Contractor shall obtain written approval from the Contracting Officer prior to making any modifications or alterations to the facilities. Any such modifications or alterations approved by the Government will be made at the expense of the Contractor. At the completion of the contract all facilities shall be returned to the Government in the same condition as received, except for reasonable wear and tear.

(b) Government-Furnished Equipment. The Government will provide the Contractor the use of existing and available Government-owned equipment as listed in Attachment J-C\_\_.

(1) The Contractor shall provide periodic servicing, maintenance, and repair of the equipment accepted for use. Servicing, maintenance, and repair shall be provided in accordance with the manufacturer's recommendations, and records of all work performed shall be maintained and made available to the Contracting Officer upon request.

(2) The total or partial breakdown or failure of the Government-furnished equipment shall not relieve the Contractor of responsibility to fully perform the work of the contract. Upon completion or termination of the contract, all Government-owned equipment shall be returned to the Government in the same condition as received, except for normal wear and tear. Equipment which becomes worn out due to normal wear and tear shall be returned to the Government and its replacement shall be the responsibility of the Contractor at no additional cost to the Government. The Contractor shall be responsible for the cost of any repairs or replacement caused by negligence or abuse.



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(3) The Contractor and the Contracting Officer shall conduct a joint inventory before commencing work under this contract to determine the exact number and serviceability of Government-furnished equipment. The Contractor shall then certify the findings of this inventory, assume accounting responsibility, and subsequently report inventory discrepancies to the Contracting Officer. Government-furnished equipment shall not be removed from the military base/facility unless approved by the Contracting Officer in writing.

(c) Government-Furnished Material. The Government will furnish the material described in Attachment J-C\_\_ to the Contractor on a one time basis. The Contractor and the Contracting Officer shall conduct a joint inventory before commencing work to determine the exact amount and serviceability of Government-furnished materials. The Contractor shall then certify the findings of this inventory, assume accounting responsibility for all materials accepted for use, and provide documentation supporting issue/use of such material. Upon depletion of material provided to the Contractor by the Government, the Contractor shall furnish all material to perform the work of the contract, except as otherwise specified herein. Upon completion or termination of this contract a second joint inventory shall be conducted, if necessary, of all unused Government-furnished materials. The Contractor shall be held liable for all materials which cannot be accounted for by issue/use documentation.

(d) Availability of Utilities. The Government will furnish (indicate utilities provided such as electricity, steam, natural gas, fresh water, and sewage services) at existing outlets for use in those facilities provided by the Government, and as may be required for the work to be performed under the contract. Information concerning the location of existing outlets may be obtained from the Contracting Officer. The Contractor shall provide and maintain, at his expense, the necessary service lines from existing Government outlets to the site of work.

(1) Utilities specified above will be furnished at no cost to the Contractor  
OR-

(1) The Contractor shall pay for utilities consumed and shall, at its expense, install meters as required by the Contracting Officer to measure consumption of utilities provided by the Government. Rates for reimbursement to the Government of metered utilities will be list the rates of reimbursement per type of service provided.

(2) A restricted telephone line (USOC Class RS4) for on base calls will be provided by the Government at no cost to the Contractor. The Contractor shall install commercial telephone service, and all service and toll charges shall be paid for by the Contractor.

(e) Availability of Services. The Government will/will not provide custodial services and/or refuse collection from existing collection points. Attachment J-C\_\_ contains a listing of the services provided by the government. If the Government does not provide refuse collection, the contractor will be required to dispose of all garbage and other waste materials generated by his work at a licensed off site landfill. (End of clause)

**5252.245-9302 Limited Assumption of Risk By Government.** As prescribed in 45.106-100(b), insert the following clause:

#### **LIMITED ASSUMPTION OF RISK BY GOVERNMENT (JUN 1994)**

(a) Title of all work in place shall be in the Government, and title to all property intended for incorporation in the work shall vest in the Government upon delivery thereof to the site of the work. The term "Government-owned property" as used in this clause refers to such work in place

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and to such other property as to which title has vested in the Government and includes any property furnished or rented to the Contractor by the Government. Upon completion of the work, any such Government-owned property not a part of the work (except property rented to, or furnished without charge to the Contractor by the Government) shall become the property of the Contractor. The vesting of title in the Government, as provided in this paragraph, shall in no way relieve the Contractor of any obligations otherwise provided in this contract in respect to such Government-owned property except as expressly stated in paragraph (b) of this clause.

(b) The Contractor represents that the contract price does not include the cost of insurance, nor any provision for a reserve, covering the risk assumed by the Government under this paragraph. The Government assumes the risk of loss or damage to such Government-owned property (including expenses incidental to such loss or damage) which results directly or indirectly from the explosion of Government-owned or controlled munitions (including, without limitations, ammunition, bombs, powder, dynamite and other explosives), whether or not caused by negligence, except that the Government does not assume at any time the risk of, and the Contractor shall be responsible for, such loss or damage (1) which is in fact covered by insurance or for which Contractor is otherwise reimbursed, or (2) which results from disregard of proper instructions of the Contracting Officer, on the part of any of the Contractor's directors, officers or any other representatives having supervision or direction of all or substantially all the Contractor's operations under this contract.

(c) In the event of loss or damage to Government-owned property resulting from the risk assumed by the Government hereunder, the Contracting Officer shall determine whether, and to what extent, such property shall be rebuilt, repaired or replaced by the Contractor or otherwise. Should this determination cause an increase or decrease in the cost of doing the work under this contract or time required for its performance, an equitable adjustment shall be made as provided in the changes clause of the contract.

(d) The provisions contained in the statement of work under "Permits and Responsibilities," are to be deemed modified by this clause only to the extent required to give effect to the limited assumption of risk provided in this clause. (End of clause)

**5252.246-9303 Consequences of Contractor's Failure To Perform Required Services.** As prescribed in 46.407-100(a)(1), insert the following clause:

#### **CONSEQUENCES OF CONTRACTOR'S FAILURE TO PERFORM REQUIRED SERVICES (MAR 1996)**

The Contractor shall perform all of the contract requirements. The Government will apply one or more of the surveillance methods mentioned below and will deduct an amount from the Contractor's invoice or otherwise withhold payment for unsatisfactory or nonperformed work. The Government reserves the right to change surveillance methods at any time during the contract without notice to the Contractor.

(a) **STATISTICALLY EXTRAPOLATED SURVEILLANCE METHOD.** The Government may apply a statistically extrapolated surveillance method (Random Sampling for Extrapolated Deductions) to any contract requirement to determine Contractor compliance. The defect rate will then be extrapolated to the monthly population to determine the number of unsatisfactorily



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performed work occurrences. The monthly population is the total number of work occurrences that are required to be performed during the month.

(b) **OTHER SURVEILLANCE METHODS.** The Government may apply other surveillance methods to determine Contractor compliance. These include, but are not limited to, 100% inspection, random sampling without extrapolated deductions, and planned sampling as primary surveillance methods; and incidental inspections and validated customer complaints as supplemental surveillance methods. When using these surveillance methods, deductions will be taken for all observed defects.

(c) **PROCEDURES.** In the case of unsatisfactory or nonperformed work, the Government:

(1) may give the Contractor written notice of observed deficiencies prior to deducting for unsatisfactory or nonperformed work and/or assessing liquidated damages. Such written notice shall not be a prerequisite for withholding payment for nonperformed work. The Government may specify, as provided for below, that liquidated damages can be assessed against the Contractor. Such liquidated damages are to compensate the Government for administrative costs and other expenses resulting from the unsatisfactory or nonperformed work.

(2) may, at its option, allow the Contractor an opportunity to reperform the unsatisfactory or nonperformed work, at no additional cost to the Government. In the case of daily work, corrective action must be completed within \_\_\_\_ hours of notice to the Contractor. In the case of other work, corrective action must be completed within \_\_\_\_ hours of notice. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the value of all observed defects. The original inspection results of the Contractor's work will not be modified upon reinspection. However, the Contractor will be paid for satisfactorily reperformed work.

(3) shall deduct from the Contractor's invoice all amounts associated with the unsatisfactory or nonperformed work at the prices set out in the Schedule or provided by other provisions of this contract, unless the Contractor is required to reperform and satisfactorily complete the work. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the value of all observed defects.

(4) may, at its option, perform the work by Government personnel or by other means. The Government will reduce the amount of payment to the Contractor, by the amount paid to any Government personnel (based on wages, retirement and fringe benefits) plus material, or by the actual costs incurred to accomplish the work by other means. If the actual costs cannot be readily determined, the prices set out in the Schedule will be used as the basis for the deduction. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the computed cost.

(d) The Contractor is responsible for maintaining an effective Quality Control Program during the course of the contract. Failure to maintain adequate quality control may result in Termination for Default.

(e) Reperformance by the Contractor does not waive the Government's right to terminate for nonperformance in accordance with FAR clause 52.249-8, "DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)" of Section I and all other remedies for default as may be provided by law.

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(f) When WATCHSTANDING SERVICES apply. If the Contractor fails to provide qualified personnel or allows any post to be unmanned for a total of \_\_\_\_\_ minutes in any shift, the Government may assign other persons to perform such work or deduct an amount from the Contractor's invoice as specified below;

(1) When Watchstanding Services are performed by Government employees, deductions shall be computed based on the current Federal Pay Schedule including wages, retirement and fringe benefits of the Government employees (civilian or military) who actually performed the work. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the computed cost.

(2) When non-performed Watchstanding Services are obtained under another contract, the Government will deduct from the Contractor's invoice an amount equal to the cost to the Government under that contract. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the cost.

(3) If no guard replacement is furnished by the Government and the work is not performed, the Government will deduct from the Contractor's invoice an amount equal to the cost to the Government of having a Government employee perform the work. In addition, the Government can assess liquidated damages, as referenced above, in the amount of \_\_\_\_\_ percent of the computed cost.

(4) The Contractor will be held liable for property losses sustained by the Government as a direct, consequential result of a failure to furnish the required personnel.

(5) Computations of the costs for Government employees to perform work not performed by the Contractor shall be in conformance with FAR 52.222-42, "STATEMENT OF EQUIVALENT RATE FOR FEDERAL HIRES." (End of clause)

**ALTERNATE I (APR 1999).** As prescribed in 46.407-100(a)(2) and 11.502(d), for military family housing maintenance, the following paragraph (g) may be added to the basic clause:

(g) **Change of Occupancy Maintenance (COM).** In the event the contractor fails to complete change of occupancy maintenance within the number of days allowed, the Government may assess the COM liquidated damages shown below in addition to the liquidated damages set forth above. COM liquidated damages are based on the prevailing average daily Basic Allowance for Quarters (BAQ) with dependents, plus the average Variable Housing Allowance (VHA). Current applicable rates are shown below; however, actual charges shall be based on the prevailing rates in effect at the time.

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COM Liquidated Damages	
Type of Unit	LDs Per Calendar Year
F&GOQ (Flag and General Officers' Quarters)	*
SOQ (Senior Officers' Quarters)	*
FGQ (Field Grade Officers' Quarters)	*
CGO (Company Grade Officers' Quarters)	*
SE (Senior Enlisted Quarters)	*
JE (Junior Enlisted Quarters)	*

\* Insert appropriate daily rates for each type of quarters listed.

**5252.246-9304 Estimating the Price of Nonperformed or Unsatisfactory Work.** As prescribed in 46.407-100(b), insert the following clause:

#### **ESTIMATING THE PRICE OF NONPERFORMED OR UNSATISFACTORY WORK (JUN 1994)**

In accordance with the "CONSEQUENCES OF THE CONTRACTOR'S FAILURE TO PERFORM REQUIRED WORK" clause FAC 5252.246-9303, deductions may be taken for nonperformed or unsatisfactory work. In the event the price of nonperformed or unsatisfactory work cannot be determined from the prices set out in the Schedule, or on the basis of the actual cost to the Government, estimated methods may be used. Engineered Performance Standards (EPS) or other estimating sources may be utilized to estimate the cost of nonperformed work or the costs which would be incurred in remedying unsatisfactory work. The Government may estimate the cost using wage rate and fringe benefits included in the wage determinations included in the contract. Government estimates of the Contractor's overhead and profit rates, and Government estimates of material costs if applicable. Liquidated damages, to compensate the Government for administrative costs and other expenses resulting from the nonperformed or unsatisfactory performance, will be calculated in accordance with the "CONSEQUENCES OF CONTRACTOR'S FAILURE TO PERFORM REQUIRED WORK" clause. A list of Engineered Performance Standards is contained in Attachment J-\_\_\_\_ [fill-in]. (End of clause)

**5252.247-9300 Use of Privately Owned U.S.-Flag Commercial Vessels.** As prescribed in 47.507(b), insert the following provision:

#### **USE OF PRIVATELY OWNED U.S.-FLAG COMMERCIAL VESSELS (JUL 97)**

The FAR clause at 52.247-64, Alternate I, Preference for Privately Owned US-Flag Commercial Vessels, ALT. I., will be included in full text in any contract resulting from this solicitation. The Offeror is required to provide information related to the extent of ocean transport anticipated by checking one of the following:

[ ] The offeror represents that it does not anticipate a requirement for ocean transport of supplies, to include any ocean shipment of any subcontracted supplies/components, in connection with their offer. Notwithstanding this representation, the offeror recognizes the

## **NAVFAC P-68 Contracting Manual**

### **Part 52—Solicitation Provisions and Contract Clauses**

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requirements of the clause entitled Preference for Privately Owned US-Flag Vessels, Alternate I', and will fully comply with these requirements in the event ocean transport is required.

[ ] The offeror represents that it anticipates a requirement for ocean transport of supplies, either at prime or subcontract level, in connection with their offer. The offeror recognizes the requirements of the clause entitled Preference for Privately Owned US-Flag Vessels, Alternate I. The offeror represents that the offer submitted is based on 100% use of US-Flag commercial vessels by itself and its subcontractors and further, that it will fully comply with all requirements of the above stated clause.

## NAVFAC P-68 Contracting Manual

### Part 53—Forms

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#### SUBPART 53.2—PRESCRIPTION OF FORMS

##### 53.200 Scope of subpart.

The FAR/DFARS/NAPS and P-68 prescribe forms for use in acquisition. Copies of Standard, Optional and DoD forms may be obtained from the following websites:

U. S. Government Electronic Library of GSA, Standard and Optional Forms  
<http://www.gsa.gov/forms/>

DoD Electronic Forms  
<http://web1.whs.osd.mil/icdhome/DDEFORMS.HTM>

#### SUBPART 53.3—ILLUSTRATION OF FORMS

##### 53.300 Scope of subpart.

This subpart provides an illustration of NAVFACENGCOM forms that may be used in the acquisition process:

<u>Form Number</u>	<u>Form Name</u>
<a href="#">4330/4</a>	Schedule of Prices (Construction Contract)
<a href="#">4330/7</a>	Contractor's Release
<a href="#">4330/14</a>	Assignee's Release
<a href="#">4330/16</a>	Utility Sales Contract
<a href="#">4330/36</a>	Construction Contract Non-Compliance Notice
<a href="#">4330/43</a>	Proposal/Estimate for Contract Modification
<a href="#">4330/46</a>	Expanded Performance Requirements Summary
<a href="#">4350/1</a>	Labor Standards Enforcement Report
<a href="#">4350/2</a>	Employee Claim for Restitution of Wages
<a href="#">7300/30</a>	Contractor's Invoice
<a href="#">7300/31</a>	Contract Performance Statement

## NAVFAC P-68 Contracting Manual

### Appendix A—NAVFAC Reporting Requirements

The following matrix is a summary of required reports. Requirements for negative reports are as noted. Unless otherwise noted, all reports shall be submitted to the NAVFAC Acquisition Proponent.

REPORT FORMAT MATRIX		
REPORT TITLE	REFERENCE	DUE DATE
PMAP Annual Report	<a href="#">NAPS 5201.691-2</a>	Submit to NAVFAC PMAP Team by 30 October of each year.
CLEAN/RAC Interim CTO Closeout Report	P-1070, P-1092	30 October of each year.
DCAA Audit Status Report	<a href="#">DoD Dir 7640.2</a>	10 April, 10 October of each year.
Weighted Guidelines Report (DD 1547)	<a href="#">DFARS 215.404-76</a> , P-68 15.404-76	To FISC Norfolk within 30 days after contract award of negotiated actions in excess of \$500,000
Labor Enforcement Report	<a href="#">FAR 22.406-13</a> , P-68 22.406-13	10 April, 10 October of each year.
Davis-Bacon Act Wage Projection Report	<a href="#">DFARS 222.404</a> , P-68 22.404	20 March of each year.
Claims/Terminations/DRB/ADR Report	P-68 33.214, 33.214-100, 33.2100, 49.101-100, 49.402-3	15 November of each year.
A-E Liability Processing Log	P-68 36.608	10 January, 10 April, 10 July, 10 October of each year.
Utility Contract Action Report	P-68 41.4100	30 November of each year.
NAVFAC Field Office Readiness Report (NFOR)	P-68 46.4100-1, <a href="#">NAVFAC Policy Memo 00-04</a>	Semiannually

## NAVFAC P-68 Contracting Manual

### Appendix A—NAVFAC Reporting Requirements

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#### SPECIAL REPORTING FORMATS

##### **A-E LIABILITY PROCESSING LOG.**

EFDs/EFAs shall maintain their A-E actions current and that of field offices under their cognizance for all type contracts with quarterly updates being telecommunicated to the NAVFAC Acquisition Proponent for oversight and reports to higher authority.

##### **CLEAN/RAC CONTRACT CTO CLOSEOUT REPORT.**

EFDs/EFAs shall submit an annual that summarizes interrimly closed CLEAN/RAC CTOs/TOs in the format provided in NAVFAC P-1070 and P-1092.

##### **DCAA AUDIT STATUS REPORT.**

DOD Directive 7640 sets forth the procedures and disposition plans for all reportable audits. All audits shall be logged, tracked and monitored until final disposition. A semiannual report shall be submitted to the NAVFAC Acquisition Proponent. A plan of action with milestones will be submitted for each audit over six months old. Whenever the Number Overage report shows an increase over the previous report, a management plan of action must be submitted describing the monitoring procedures established to ensure future progress. Audits closed during the reporting period shall also be reported showing the date they were closed and the amount sustained.

##### **LABOR ENFORCEMENT REPORT.**

A semiannual enforcement report on compliance with and enforcement of the Davis Bacon shall be prepared on NAVFAC Form 4350/1 (REV 2-88) and shall contain information regarding NAVFAC enforcement actions during the periods 1 October to 31 March and 1 April to 30 September.

##### **UTILITY REPORTS.**

A single yearly summary report shall be prepared by the following categories: electricity, gas, water, sewage and miscellaneous for all actions in the Continental United States and for all other actions. If billings not received by report date, an estimate will be made for that period.

Due Date: 30 November of each year.

##### **CLAIMS/TERMINATIONS/DISPUTES RESOLUTION REPORT.**

EFDs and EFAs shall furnish an annual report that includes the following information:

#### **CLAIMS**

For each claim received during the fiscal year:

- (1) Contractor's name and address
- (2) Contract number, title and location
- (3) Contract award amount and date of award
- (4) Current contract price (including change orders)
- (5) Date of claim letter
- (6) Date claim certified
- (7) Date and place of Government's receipt of claim
- (8) Amount of claim (dollars and time)
- (9) Basis of claim
- (10) Activity claim number and the date that number was assigned

## NAVFAC P-68 Contracting Manual

### Appendix A—NAVFAC Reporting Requirements

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- (11) Current status:  
     Where is it?  
     Received by?  
     Forwarded to NAVFACENGCOM?  
     Has it been appealed?

Litigation workload for the fiscal year:

- |  |          |
|--|----------|
| (1) Total number of active appeals   |          |
| Total dollar amount claimed  | \$ _____ |
| (2) Number of new appeals docketed during the past six months (ASBCA/Court of Federal Claims)      |          |
| Dollar amount of new appeals   | \$ _____ |
| (3) Number of decisions issued (decisions attached) during the past six months                     |          |
| (a) Number denying appeal  | _____    |
| (b) Number sustaining appeal   | _____    |
| (c) Number of split decisions  | _____    |
| (d) Number reporting agreement to settle   | _____    |
| (e) Number dismissing appeal   | _____    |
| (f) Other decisions (attach explanations)  | _____    |
| (g) Dollar amount of claims while on appeal  | \$ _____ |
| (h) Amount to be paid as directed by decisions   | \$ _____ |
| (i) Other amounts (attach explanations)  | \$ _____ |
| (j) Estimated litigation costs (attach breakdown)  | \$ _____ |
| (4) Total amount paid during quarter   | \$ _____ |
| (a) Amount of interest paid  | \$ _____ |
| (b) Amount of attorney fees paid   | \$ _____ |
| (5) Number of ongoing settlement negotiation appeals sustained or split decisions (attach listing) | \$ _____ |

Final Decision workload for the fiscal year:

- |   |           |
|---|-----------|
| (1) Total number of claims received/dollar value:             | /\$ _____ |
| (a) Number/dollar returned to field office for negotiations:  | /\$ _____ |
| (b) Number/dollar forwarded to NAVFACENGCOM:                  | /\$ _____ |
| (c) Number/dollar withdrawn by contractor:                    | /\$ _____ |
| (d) Number/dollar within activity's final decision authority: | /\$ _____ |
| (e) Other (explain):  | /\$ _____ |
| (2) Total number of Contracting Officer Final Decisions:      | _____     |
| (a) Number of Default Final Decisions:                        | _____     |
| (b) Number of Excess Reprocurement Cost/LDs Final Decisions:  | _____     |
| Dollar Value of Demands made:                                 | \$ _____  |
| (c) Number of Final Decisions on Claims:                      | _____     |
| Dollar Value of Claims:                                       | \$ _____  |
| (d) Other (explain):  | _____     |



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### Appendix A—NAVFAC Reporting Requirements

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#### TERMINATIONS

Furnish the following information regarding defaulted contracts that are not closed out:

(ACTIVITY'S NAME) TERMINATION STATUS REPORT FOR FY \_\_\_\_

- (1) Defaulted contract number and date of award.
- (2) Contract completion date of defaulted contract.
- (3) Final Decision Number (Default) and date.
- (4) Method of completion (e.g., Takeover Agreement, competitive negotiations, sealed bids, station forces).
- (5) Date defaulted work was completed.
- (6) Date of field office completion report.
- (7) Final Decision Number (Demand) and date
- (8) Dollar value of excess procurement costs/LDs.
- (9) Date demand file forwarded to NAVCOMPT for collection action.

#### DISPUTES RESOLUTION BOARD (DRB)

(ACTIVITY'S NAME) ANNUAL DISPUTES RESOLUTION BOARD REPORT FOR FY \_\_\_\_

- |   |          |
|---|----------|
| (1) Total number of claims addressed by the Disputes Resolution Board (DRB) |          |
| (2) Total dollar value  | \$ _____ |
| (3) (a) Number negotiated by the DRB  | _____    |
| (b) Negotiated amount   | _____    |
| (4) (a) Number resolved by final decisions                                  | _____    |
| (b) Dollar value awarded by final decisions                                 | \$ _____ |
| (c) Dollar value of claims denied   | \$ _____ |
| (d) Number of claims appealed   | _____    |
| (e) Dollar value of appeals   | \$ _____ |
| (5) (a) Number remanded to field for negotiations                           | _____    |
| (b) Number negotiated   | _____    |
| (c) Dollar value of negotiations  | \$ _____ |
| (d) Number withdrawn by contractor  | _____    |
| (6) (a) Number not resolved   | _____    |
| (b) Dollar value of not resolved  | \$ _____ |

#### ANNUAL ALTERNATIVE DISPUTES RESOLUTION (ADR)

(ACTIVITY'S NAME) ANNUAL DISPUTES RESOLUTION BOARD REPORT FOR FY \_\_\_\_

- |  |          |
|--|----------|
| (1) Number of appeals docketed during fiscal year:           |          |
| (2) Number ADR offered                                       | _____    |
| (3) Number ADR accepted                                      | _____    |
| (4) Number of ADR actions completed                          | _____    |
| (5) Number of ADR actions continued to following Qtr         | _____    |
| (6) Total value of appeals                                   | \$ _____ |
| (7) Value of entitlement determined by ADR actions           | \$ _____ |
| (8) Other information regarding past or current ADR actions: | _____    |