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Teammates:

It’s hard to believe we’re almost halfway through fiscal year 2019! You’ve been working hard to ensure our Army is ready to fight. So far this year ACC has obligated more than $13.5 billion to meet the Army Chief of Staff’s priorities and the Combatant Commanders’ requirements. In fact, we’re running close to 50 percent ahead of last year’s obligations at this time. What’s more, you’re doing it more efficiently. While our dollars are up, our actions are down by more than 6,000! That tells me you are working smarter, not harder.

The reality is you are doing great work across the ACC enterprise, regardless of career field. That’s why I’m fired up about us taking credit for the great work we do. We constantly receive advisories about recognition opportunities for our workforce. We push the notices to the units but for whatever reason, commanders, senior leaders and supervisors are not nominating their superstars for these awards. I review the list of award opportunities at every Commander’s Update Briefing and the ACC Command and Staff Meeting. We have great people doing great work and they deserve the chance to compete for these awards. Leaders and supervisors, don’t overlook these opportunities to get our people the recognition they have earned and deserve.

About this time last year, GEN Gus Perna, Commanding General, U.S. Army Materiel Command, laid out his vision to operationalize AMC throughout the formation. ACC is fully on board with GEN Perna’s vision and we continue to adjust and refine our processes and procedures to ensure we are fully aligned with our higher headquarters. Over the past year I’ve watched this command make the pivot to operationalize contracting and I am proud of our progress. We continue to knock the contract execution mission out of the park. That is and will remain our top priority but we must continue our pivot to contract administration. So far, I’m pleased with the progress. As a command, we’re reducing our number of unliquidated obligations and the number of bridge contracts. We’re getting better in property management and contracting officer representative appointments. Stay the course—we still have a lot of work to do to be where we need to be.

Each February, America reflects upon and celebrates the tremendous contributions of African Americans to our great nation. African Americans, who have defended our nation since the Revolutionary War, have built a legacy of courage and professionalism by serving in the U.S. Army with great honor and distinction, inspiring future generations. The Army strongly embraces diversity as a way to maximize individual talent, increase morale and greatly enhance military effectiveness—regardless of race, creed or color. More than 190,000 African-Americans serve in the total Army. Nineteen percent of the Army’s Civilian workforce identifies as African-American. Embracing and celebrating diversity makes our Army stronger. I am dedicated to ensuring equality for all of our Soldiers, civilians and family members.

February 14th is Valentine’s Day. Our families, especially our significant others, sacrifice a lot to support ACC’s Soldiers, civilians and contractor workforce to enable Army readiness and modernization. On Valentine’s Day, please make sure you recognize their contributions to making the U.S. Army the most powerful land force on the planet.

(Cont’d on page 10)
Solicitations Can “Align (Too) Precisely” with Labor Categories in Federal Supply Schedule Contracts

On August 8, 2018, the Department of Defense (“Agency”) issued a request for quotations No. HQ003418R0198 (“Solicitation”) for the Office of the Undersecretary of Defense (Comptroller) seeking to procure auditing support services. The Solicitation was issued under the Federal Supply Schedule (“FSS”) provisions of the Federal Acquisition Regulation (“FAR”) subpart 8.4 and anticipated the establishment of up to four blanket purchase agreements (“BPA”) each with a base period of 1-year and four 1-year options; the combined value of the procurement was $240 million.

The FSS program, which is directed and managed by the General Services Administration (“GSA”), provides federal agencies with a simplified process for obtaining commonly used commercial supplies and services. See FAR § 8.402(a). Under the FSS program, GSA awards vendors indefinite-delivery, indefinite-quantity contracts to provide supplies and services at stated prices for given periods of time under what are called “schedule contracts.” Id. Ordering agencies place orders under the FSS contracts and may seek order specific additional discounts. See FAR § 8.404(d).

The instant Solicitation required vendors to quote labor categories from its Professional Services Schedule or Schedule 70 contracts for each labor category included in the Solicitation’s Performance Work Statement (“PWS”). Normally, these labor categories provide a “range” or a minimum amount of experience that FSS vendors can use to submit quotes off in order to satisfy specific PWS labor categories in solicitations. This stated number of years is essential for purposes of assessing whether a FSS labor category is within the scope of a PWS. Nonetheless, due to Agency interpretation of two Government Accountability Office (“GAO”) decisions dealing with FSS contract scope determinations (American Systems Consulting, Inc., B-294644, Dec. 13, 2004, 2004 CPD ¶ 247 and AllWorld Language Consultants, Inc., B-411481.3, Jan. 6, 2016, 2016 CPD ¶ 12), the Solicitation required vendors to quote FSS contract labor categories that “aligned precisely” with the PWS labor categories. As an illustration, the Solicitation required certain PWS labor categories to have 12-years of experience, but warned that vendors could not quote a FSS contract labor category that provides for only 10-years of experience.

During the question and answer phase a prospective vendor submitted a request for the Agency to amend the Solicitation language to allow vendors to propose FSS labor categories that contained the Solicitation’s required level of experience within its range; specifically, the vendor suggested that the Agency allow vendors to propose FSS labor categories that contain the experience required in the PWS labor category, but in return the vendors would have to agree to provide personnel with the minimum level of experience listed in the PWS labor category during contract performance. Further, the vendor indicated that its proposed process is how the FSS was set-up and normally operated.

Nonetheless, the Agency denied the vendor’s suggestion, and on August 23, 2018, Grant Thornton, LLC (“Grant Thornton”) filed an agency-level, pre-award bid protest. After the Agency denied the agency-level bid protest, Grant Thornton filed the instant bid protest with the GAO on August 24, 2018. For a discussion on what is a bid protest, see Bruce L. Mayeaux, “Corrective Action, Presumption of Good Faith, and Speculation at the GAO,” Vol. 65, No. 6, La. B.J. 418.

Protest Grounds

In its protest to the GAO, Grant Thornton alleged that the the Agency’s “align precisely” requirement with respect to the number of years of experience was unduly restrictive. Grant Thornton argued that just because a vendor’s FSS contract labor category identifies a “minimum” of a lesser number of years of experience, that such an identification does not mean the vendor cannot also quote specific employees with higher years of experience contained within the FSS labor categories’ ranges.

(Cont’d on page 5)
The Criminal Corner—Lessons for Acquisition Professionals

Internal Controls/Separation of Duties Lapse

The Department of Justice announced that a Virginia Beach-based naval officer assigned to the Naval Expeditionary Combat Command (EOD) pleaded guilty to his role in a $2.7 million procurement fraud scheme, and to lying on his federal income tax return.

According to court documents, Randolph M. Prince, 45, defrauded the Navy out of over $2.7 million through a procurement fraud scheme in which he, as a member of his Navy unit’s supply staff, steered government contracts to sham companies who were created and run by his friends. Prince had the authority to make requests for military equipment on behalf of his command, and also had the ability to sign for goods when a company delivered them to his unit on the back end. This amounts to a poor internal controls to prevent appropriate separation of duties.

Prince took advantage of his position to direct purchases to the sham companies, which had been opened for the sole purpose of receiving government contracts from Prince. When a contract landed on the desk of one of these companies, Prince, and others, would generate fraudulent documentation to suggest the company had honored its end of the bargain. With this documentation in hand, the Navy would then pay the company. However, the sham companies never provided the Navy with anything at all. Instead, they distributed the Navy money amongst Prince and his associates.

Prince pleaded guilty to wire fraud and making a false statement in connection with his 2014 tax return. He faces a maximum of 20 years in prison when sentenced on December 3. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors. Sentences tend to be less than the maximum allowable under the law.

Although Prince has been brought to justice, it means that EOD operators deployed without critical equipment which the Navy paid for.

Fiscal Law Flash

Economy Act Transfers for Details of Personnel

Scenario: Economy Act authorizes agencies to enter into reimbursable agreements for the interagency provision of goods and services

Question: Did the U.S. Department of Agriculture improperly use the Economy Act to execute interagency agreement (IAA) for the provision of services through personnel details that did not actually occur.

Answer: Yes. The USDA obligated its appropriations for (1) Rural Development Salaries and Expenses, (2) Food and Nutrition Service, Nutrition Programs Administration, and (3) Office of Civil Right for the expenses of other USDA offices that had received separate appropriations.

Discussion: The USDA violated the Purpose statute when it did not use the correct appropriations. Further the agency improperly augmented the appropriations of these other offices.

Pursuant to this agreement, USDA obligated $1,255 million from its Rural Development Salaries and Expenses appropriation to reimburse the appropriation for the Office of the Under Secretary for Office of the Under Secretary for the salaries and benefits of the detail. The agency cited to the Economy Act as its authority to transfer the funds from one appropriation to the other. Actually, several of the individuals that were to be detailed to the Rural Development agency under the AII worked for the Office of the Under Secretary for Rural Development of the immediate Office of the Secretary of Agriculture

Conclusion: The GAO found that the USDA violated the Purpose statute and improperly augmented its appropriations for those organizations that the appropriation did not cover. Further, by appropriating these organizations, the USDA augmented the organizations’ appropriations. If insufficient amount are available in these accounts USDA should report its Antideficiency Act violation.

Contract Administration Corner

The $64,000 Question!

For a multitude of reasons, the contracting officer may decide to reduce work from an existing contract. Assuming both the applicable clauses are incorporated into the contract, an important choice must be made. Should the deletion of work be effectuated by a Partial Termination for Convenience (PT4C) or a Deductive Change (DC)?

A PT4C is the government’s right to terminate or cancel part of the work that has not been completed or accepted under the contract. The contractor is required to complete unterminated work and is entitled to an equitable adjustment (EA) for the price of the work that remains on the contract. The Government Contracts Reference Guide, fourth ed. (2013), Ralph C. Nash Jr., et al. A PT4C must be used if major portions of the work are deleted and no additional work is substituted. Nager Electric. Co. v. United States, 442 F.2d 936 (Ct. Cl. 1971)

In contrast, a DC change, under the Changes Clause, is a unilateral action by the government that reduces the amount of work required or the quantity of products procured under the contract. The government is entitled to an equitable adjustment reducing the contract price by the amount the reduced work would have cost plus a reasonable profit on that amount if the contract is profitable. The Government Contracts Reference Guide, fourth ed. (2013), Ralph C. Nash Jr., et al. Deductive changes are generally used for deletion of relatively minor and segregable items of work. Lionsgate Corp. ENG BCA 5425, 90-2 BCA ¶ 22,730.

In the face of board case law, stating that a deletion of as little as 5% of the work is required to be terminated by partial termination procedures, the appropriate and supportable choice may turn on the characterization of the work to be terminated. Some cases stand for the proposition that partial terminations are more appropriate for a reduction in the number of units or supplies, elimination of identifiable items of work, quantity of work reductions, or similar reduction in tasks. Celesco Industries, Inc., ASBCA No. 22251, 79-1 BCA 13,604 (1978). Alternatively, minor changes in the specifications or in the scope of work are usually found to be suitable for the deductive change process.

To be sure, careful consideration must be given to the specific facts surrounding the reduction action. An eye on recent case law and significant input from the local attorney-advisor is a must. The boards and courts are deferential to the contracting officer’s decision on whether the reduction in work is a PT4C or a DC. Importantly, the contracting officer should prepare a well-reasoned document providing the rationale for effectuating a termination for convenience or deductive change.

In The Q&A Vault—Request For Service Contract Approval

**Question:** Determining whether a Request for Services Contract Approval form is required. AFARS 5107.503 (e)(i) and (e)(ii) requires that Contracting Officers obtain a written determination concerning Inherently Governmental functions and state that a Request for Services Contract Approval form, acquisition plan/strategy or memorandum for file satisfies this requirement. However, paragraph (e)(iii) states RSCA policy is available at AR 70-13 sections 2-2 and 2-9 and at the ASAMRA website. Both the AR70-13 and the documentation on the ASAMRA website also state the RSCA form must be completed.

**Answer:**
1) The AFARS changes do not affect the M&RA policy for requiring activities to prepare and approve the RSCA. The contracting officer may still accept the RSCA to satisfy the AFARS 5107.503(e)(i) written determination requirement, but alternative forms of documentation are now authorized.
2) If a contract file already contains an approved RSCA, that satisfies the AFARS 5107.503(e)(i) requirement. There is no need to obtain a revised determination, unless the statement of work changes.
3) Requirements related to the preparation and approval of the RSCA may be found on the M&RA website at http://www.asamra.army.mil/scra/. The requiring activity is still responsible for preparing the RSCA in accordance with M&RA policy, but contracting officers are not responsible for verifying that the requiring activity is in compliance with M&RA policy.

**Question:** Are current requirements that have an approved RSCA still valid? Are RSCAs still valid that had approved options but were signed by a prior delegation that is no longer valid?

**Answer:** If a contract file already contains an approved RSCA, that satisfies the AFARS 5107.503(e)(i) requirement. There is no need to obtain a revised determination, unless the statement of work changes.

**Question:** If the RSCA is still required, who is able to approve it? (Delegations below $100K have been removed from the AFARS). If current delegations are still applicable, where are they located?

**Answer:** Requirements related to the preparation and approval of the RSCA may be found on the M&RA website at http://www.asamra.army.mil/scra/. The requiring activity is still responsible for preparing the RSCA in accordance with M&RA policy, but contracting officers are not responsible for verifying that the requiring activity is in compliance with M&RA policy.

For Q&A’s like this and much more, please visit the Q&A Vault on the Procurement Support Division SharePoint Page at: https://acc.aep.army.mil/Contract_Operations/Contract_Policy/default.aspx
Strict Application of “Align Precisely” May Be Unduly Restrictive Of Competition

(Cont’d from page 2)

In retort, the Agency principally argued that the Solicitation was not unduly restrictive because—consistent with the GAO decisions mentioned above—the Solicitation appropriately precluded the vendor from proposing to use an FSS labor category that states individuals have “at least” or “a minimum” of a certain number of years of experience aimed at a solicitation requirement for a greater number of years. Essentially, the Agency argued GAO precedent must be viewed as providing for a “hard cap” on years of experience for purposes of determining whether a FSS labor category is within the scope of a solicitation. In the end, the GAO did not find Agency’s argument persuasive, agreed with Grant Thornton that the Solicitation was unduly restrictive, and sustained the protest.

In conducting its analysis, the GAO examined its past decisions on FSS scope determinations and distinguished them from the instant matter and the Agency’s position. Here, the GAO noted that both American Systems Consulting and AllWorld Language Consultants addressed “post-award challenges to the issuance of orders where the awardee’s quotation included FSS contract labor categories that were, on their faces, clearly not within the scope of the solicitation requirements.” Grant Thornton, LLC, B-416733 at 7. In both of these decisions, the ultimate outcome turned, not on the number of years of experience contained within a labor category, but on “the fact that the skills and capabilities in the awardee’s quoted labor categories were not within the scope of the solicitation—i.e., the labor categories did not ‘align.’” Grant Thornton, LLC, B-416733 at 7. For example, in American Systems Consulting, the awardee did not quote a labor category that included “at least 2 years of help desk experience, as [was] required for the user support manager position.” See American Systems Consulting, Inc., B-294644 at 5.

In noting that distinction, the GAO effectively determined that its decisions in American Systems Consulting and AllWorld Language Consultants did not provide for an experience level cap, rather they created a floor. In other words, if a FSS labor category provides that a vendor can propose personnel with “a minimum of 5-years” of experience, such language effectively sets the minimum number of years that an individual must possess to be proposed within that FSS labor category. In its decision, the GAO explained that “[t]he terms of [FSS labor categories] provide a price for personnel with a stated minimum level of experience; but nothing prohibits the vendor—expressly or implicitly—from providing personnel with more than that level of experience.” Grant Thornton, LLC, B-416733 at 8.

This decision by the GAO establishes that the “align precisely” scope determination rule for FSS contracts is not meant to be an inflexible constraint on the FSS program. Instead, the decision clarifies that under the FSS program, FSS labor categories provide a floor in which vendors can propose to satisfy PWS labor categories that fall above the FSS labor categories’ floor. From these FSS labor categories, vendors must then provide the specific personnel that satisfy the individualized experience requirements of the PWS.

*The opinions expressed in this brief are that of the author and do not constitute an AMC Legal Center legal opinion or position.*
ACC APG Source Selection Support Center of Excellence Presents FY19 Symposium Series—“Oral Technical Proposals Presentations”

The APG S3CoE conducted its FY 19 Q-1 symposium entitled Oral Technical Proposals Presentations (OTPPs) on 12 December 2018 at APG, MD. A total of 78 participants attended.

The ACC APG Executive Director welcomed the audience and provided Fiscal Year 2019 information for Industry, related to some of the contracting center’s priorities such as a focus on contract administration, a request to reduce the negotiation time periods for sole source efforts and a request that Industry empower their teams at the appropriate levels to engage with empowered ACC APG Contracting Officers. The symposium agenda defined OTPPs, identified potential benefits, challenges, risks, risk mitigations strategies, recommendations and best practices when using OTPPs.

The five (5) panel members with oral presentations experience consisted of two (2) small business Industry partners and three (3) Government partners; an ACC APG supervisory contract specialist, a Program Executive Office Intelligence, Electronic Warfare & Sensors (PEO IEW&S) assistant product manager and a professor from the Defense Acquisition University (DAU).

There were questions asked during the presentation of the briefing slides and during the panel discussion. The briefing slides and the combined key summarized questions and responses are available on the S3CoE DoD Share Point link (please use DoD CAC email certificate to access), select the “Best Practices” icon, ACC APG Symposium Series folder.


ACC APG is Monique N. Fields Chief, S3COE Monique.n.fields.civ@mail.mil and 410-278-5203

ACC and DAU Midwest Partner for FY19 Roll-Out Of Cost Realism Analysis Workshop

The Defense Acquisition University-Midwest Region (with support from DAU South Region), in partnership with HQ ACC, is rolling out a new Cost Realism Analysis Workshop across the ACC Centers and the MICC this year. The final walk-through of the workshop was conducted at DAU-South 22-23 January 2019 and the first official offering will be held at the MICC 20-21 January 2019.

The purpose of this effort is to establish an improved common understanding of this core competency (which is essential to fostering consistency and standardization in our processes) and enable effective cross-leveraging of resources to negotiate quality contracts at a reasonable and realistic cost. The Workshop is composed of 4 parts that provide integrated instruction on regulations, procedures, and best practices for conducting Cost Realism Analysis and Price Realism Analysis and fundamental realism analysis skills needed in each phase (from establishing a requirement, to writing a solicitation, evaluating proposals, making an award decision, and handling contractor protests based on challenges to cost and price realism evaluations). The last day concludes with a highly relevant ACC case study to reinforce key concepts presented in the workshop.

Each of the 4 parts includes exercises that reinforce and provide practical application of concepts taught. This workshop is being added to the 2019 DAU Catalog of Mission Assistance offerings and can be requested across DoD in the future. Corresponding workshop resources will include a synopsis of shepardized * GAO cases that illustrate legal decisions based upon how the principles of cost realism and price realism are executed.

Additionally, Brad Riddle, Professor of Pricing and Contract Management at DAU Midwest Region, recorded two short videos explaining the “Basic Principals Of Cost Realism Analysis” and “The Cost Realism Analysis Path To Probable Cost Adjustments.” These videos will be made available once produced (anticipated end of February 2019) and part of the workshop pre-work. This workshop represents the culmination of concerted efforts from key participants across the ACC, MICC, and DAU Midwest and is one more resource to support knowledge sharing relative to a core function necessary to ensuring the Government’s continued ability to obtain “best value.”

Cost Realism Analysis Workshop POCs:
HQ ACC S3COE Program Advisors:
Virginia E. Mitchell 256-955-5644
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Alison W. Gannon 256-955-5638
HQ ACC Office of Counsel
Melissa Lloyd 256-955-5488
Mission and Installation Contracting Command
Raul Guerra 210-466-2372
ACC-Orlando
Mario Del Rey 407-208-5080

Bradley T. Riddle, Professor of Pricing and Contract Management DAU-Midwest
Raul Guerra, Cost/Price Functional Manager, MICC

Monique N. Fields Chief, S3COE Monique.n.fields.civ@mail.mil and 410-278-5203
Integrated Source Selection Training Comes to ACC Rock Island

Ms. Joy Lloyd, Ms. Linda Fowlkes, and Ms. Melissa Lloyd, of the HQ ACC Source Selection Center of Excellence (S3COE) Program Office, traveled to ACC-Rock Island to provide Integrated Source Selection Training (ISST) to a diverse group of 16 contracting professionals. This session was sponsored by ACC-RI S3COE member Neal Williams.

The source selection process is highly complex—requiring early engagement with the customer “left of bang” to ensure an effective, executable acquisition strategy and carries through for the duration until contract award (and possibly, protest).

This 3-day/12-module training covers the entire process from acquisition planning through protest and continues to be in high demand across the ACC. It also allows for discussion amongst the group, collaboration on specific local issues/challenges, latest policies/topics/trends and produces great feedback via student surveys.

HQ ACC S3COE Program Advisors/ISST Instructors
Pictured above (left to right):
Joy W. Lloyd joy.w.lloyd.civ@mail.mil and 256-955-7623
Linda D. Fowlkes linda.d.fowlkes@mail.mil and 256-955-5638
Melissa Lloyd melissa.lloyd2.civ@mail.mil 256-955-5448

Are We Buying China From China?

When the certified HUBzone small business Sherrill Manufacturing (CAGE Code 49T27, GSA Contract # GS-07F-0485V) noticed vendors selling Made in China tabletop flatware via GSA Advantage, they challenged the General Services Administration to remove those vendors from the catalog. The GSA discovered 11 companies making the false claim that their flatware was Made in the America. (https://www.syracuse.com/politics/index.ssf/2016/03/americas_last_flatware_maker_cny_firm_wins_made_in_usa_dispute.html). Sherrill’s victory was an important one for their upper New York State economy, which had seen Oneida Limited move manufacturing to China. Sherrill, which had purchased the former Oneida factory, now employs 140 (source: Dun & Bradstreet), manufacturing the only knives, forks and spoons made in America today.

Since the Army sources flatware from DLA, most in the Army Contracting Command will not be purchasing flatware from GSA Advantage, (but pass the word to those Government Purchase Card holders!). The example of Sherrill Manufacturing, however, underscores the vital importance of purchasing from American manufacturers. A 2016 Survey of the U.S. Census Bureau found nearly 8 million U.S. small businesses (less than 1,000 employees) employing 126.8 million people. This results in a $6.4 trillion payroll strengthening the local economies of those small businesses, as well as that of the U.S. as a whole.

HUBzone small businesses, in particular, improve the economies of areas that have historically fewer business opportunities than other locations. To ensure a fair portion of Federal contracts go to these businesses, the FAR permits HUBzone set-asides, including sole-source awards, at Subpart 19.13. In addition, a 10% price evaluation preference for HUBZone offerors shall be used in full and open competition when price is a factor (FAR 19.1307).

To find certified HUBzone small businesses, you can do a search in the Small Business Administration’s Dynamic Small Business Search engine (http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm). Certified HUBzone businesses will identify their status in SAM. The Small Business Administration publishes maps of HUBZone locations (http://map.sba.gov/hubzone/maps/). And of course, you can always contact your local Office of Small Business Programs for more information.

So let’s do our part to help the Warfighter by strengthening our nation’s economy. Buy HUBZone, and Buy American!

HQ ACC POC is Angela B. Arnold
AMC Office of Small Business Programs
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ACC Contracting Note #19-11
Tarrif Impacts to U.S. Army Materiel Command

**Purpose:** To inform PARCs of the effects of tariffs on U.S. Army Materiel Command

**Background:** April 2017, a U.S. Commerce Investigation states steel and aluminum imports impair national security, allowing the President of the United States to use national security laws to impose tariffs.

**Summary:**
- Increased costs up to 25% for material and increased lead times up to 21 weeks for materials.
- Notification of up-to-20% price increases, in the future, given from suppliers.
- Notification of up-to-50% increased lead times, in the future, given from suppliers.
- Many suppliers already had materials in stock thru end of 2018, so increased costs due to tariffs will probably not be felt until Spring of 2019 or later. Additional impacts will be determined in 6-12 months when an updated cost estimate is conducted on future acquisitions.

This Contracting Note does not establish new policy. Personnel are encouraged to share this Contracting Note with customers and other interested parties. Published Contracting Notes may be found at:


The HQ ACC PSD POC for this action is Audrey Brown, phone: 256-955-8554 and email: Audrey.L.Brown8.civ@mail.mil.

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ACC Contracting Note #19-12
Advance Planning Briefings For Industry and Other Communications Media

**Purpose:** To inform the Acquisition Workforce about new pamphlet AMC-P 70-28, which provides the latest guidance on Advance Planning Briefings for Industry

**Reference:** AMC Pamphlet 70-28, dated 14 January 2019

**Summary:**
- AMC-P 70-28 explains the role of communicating with industry.
- The attached official publication has been signed and posted to the Headquarters, U.S. Army Materiel Command Portal page, under the section “Publications” at https://hqamc.aep.army.mil/Pages/Home.aspx, or you may also go directly to the Pamphlets portal page at:


The HQ ACC POC for this action is Patricia J. Vail, phone: 256-955-9070 and email: Patricia.J.Vail.civ@mail.mil.

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ACC Contracting Note #19-14
Desk Audit Procedures

**Purpose:** To notify ACC of the publication of Desk Audit Procedures in the ACC Acquisition Instructions (AI) Part 46.

**References:** FAR Part 46.401.

**Summary:** To inform Contracting Officers of the procedures in ACC AI Part 46 regarding Desk Audit Procedures. To access the AI with attachments, go to:


All ACC contracting officers should read the Desk Audit Procedures in the ACC AI Part 46 in order to familiarize themselves with procedures.

The HQ ACC POCS for this action is ACC Contracting Operations, Contract Administration Division, Quality Assurance at usarmy.redstone.acc.list.acc-hq-qa@mail.mil under “USARMY Redstone Arsenal ACC List ACC HQ QA” in the global address book.
# Summary of DASA(P) Policy Changes for January 2019

<table>
<thead>
<tr>
<th>Alert #</th>
<th>Date</th>
<th>Subject—Title</th>
<th>Subject— Description</th>
<th>DASA(P) POC</th>
</tr>
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<tbody>
<tr>
<td>#19-41</td>
<td>7 Jan 19</td>
<td>Documentation Requirements on Contractor Pricing Proposals Deemed Inadequate by Defense Contract Audit Agency</td>
<td>On 14 November 2018, the DoD Inspector General (DoDIG) released a report examining contracting officer actions on proposals deemed inadequate by Defense Contract Audit Agency (DCAA) and noted that negotiation documentation requirements were not being properly adhered to. Army contracting officers must ensure that they comply with guidance at reference 2, with regard to documentation in accordance with FAR 15.406 and uploading the negotiation memoranda to DCMA’s Contract Business Analysis Repository (CBAR).</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<tr>
<td>#19-42</td>
<td>7 Jan 19</td>
<td>Class Deviation 2019-O0005—Small Business Subcontract Reporting</td>
<td>UPDATE: This deviation was corrected on 8 Jan 19 to change “$150,000” to “the simplified acquisition threshold” on page 5 in Attachment 1 and to add a date to the clause in Attachment 1. This class deviation rescinds and supersedes Class Deviation 2018-O0007. Currently, the Electronic Subcontracting Reporting System (eSRS) does not support the submission of an Individual Subcontracting Report (ISR) for orders placed against BOAs and BPAs. Use of the deviation clause provided in Attachment 1, Alternate III of the FAR clause, and Alternate I of the DFARS clause will ensure DoD is able to capture subcontracting data for these orders, by instructing contractors to submit the Standard Form 294, Subcontracting Report for Individual Contracts, to the contracting officer while eSRS is being modified to support the submission of ISRs.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<tr>
<td>#19-43</td>
<td>7 Jan 19</td>
<td>Defense Contract Management Agency Commercial Item Determination Authority</td>
<td>Effective immediately, Defense Contract Management Agency (DCMA) Commercial Item Group (CIG) Contracting Officers will serve as determining officials for all commercial item review requests submitted to DCMA. Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Instructions (PGI) 212.102, advise Contracting Officers how to request assistance from the DoD cadre of experts in the DCMA CIG. Requests for DCMA CIG review should be submitted to the ODCM at <a href="https://www.dcma.mil/Commercial-Item-Group/">https://www.dcma.mil/Commercial-Item-Group/</a>. Determinations by the CIG will relieve buying activity Procuring Contracting Officers (PCO) from duplicating effort expended reviewing the CIG recommendations to determine whether an item meets the FAR 2.101 definition of “commercial item” as well as provide consistency in the commerciality review process. Determinations made by the DCMA CIG will be contained in the commercial item database available for all DoD contracting officers to rely upon for future purchases of the same item or service.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<td>#19-44</td>
<td>7 Jan 19</td>
<td>Status for Mandatory Use of the Virtual Contracting Enterprise (VCE)</td>
<td>PARC Policy Alert # 18-90, issued June 25, 2018, distributed the Vice Chief of Staff of the Army and the Assistant Secretary of the Army (Acquisition, Logistics and Technology) signed Memorandum which mandates the use of the Virtual Contracting Enterprise (VCE) across the Army. The VCE Dashboard currently indicates Army enterprise-level compliance at 88.8% for PCF use and 68.27% for milestone plans. Specific Command Data can be found at <a href="https://vcedashboard.army.mil/iso/sense/app/7c83ce50-0e7a-4ce7-955c-d78b56b3e1f1/sheet/mmxD/state/analytics">https://vcedashboard.army.mil/iso/sense/app/7c83ce50-0e7a-4ce7-955c-d78b56b3e1f1/sheet/mmxD/state/analytics</a>.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<td>#19-45</td>
<td>22 Jan 19</td>
<td>Micro-Learning Modules</td>
<td>The Office of the DASA(P) recently developed three micro-learning modules (7-10 min in length) to provide a high level overview of critical acquisition topics for our contracting and acquisition professionals. The intent is to expose our workforce to these concepts so that they will have an initial understanding of the value that these tools can provide them.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<td>#19-46</td>
<td>22 Jan 19</td>
<td>Service Acquisition Workshop Threshold</td>
<td>Effective immediately, Army policy for the conduct of Service Acquisition Workshops is revised to align with the thresholds established in Department of Defense Instruction (DoDI) 5000.74, Incorporating Change 2, August 31, 2018, Defense Acquisition of Services.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<td>#19-47</td>
<td>24 Jan 19</td>
<td>Revision to AFARS 5137</td>
<td>The Office of the Deputy Assistant Secretary of the Army (Procurement) has made several changes to Army Federal Acquisition Regulation Supplement (AFARS) Part 5137. The revisions apply to paragraphs 5137.590-3 (Review Thresholds), 5137.590-4 (Review Procedures) and 5137.590-5 (Army Service Strategy Panel) summarized as follows: 1) Modified 5137.590-3 to add reference appendix GG for delegations and to remove Table 37-1, Army Acquisition of Service Categories. 2) Modified 5137.590-4 to change paragraph (a) PARC to HCA, and remove paragraph (b) in its entirety related to briefing Director, Office of Small Business Programs on service acquisitions. 3) Deleted 5137.590-5 on Army Service Strategy Panel requirements.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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<td>#19-48</td>
<td>25 Jan 19</td>
<td>Timely Contract Execution</td>
<td>ASA(ALT) Program Executive Offices (PEO) are at risk of losing funds as the fiscal year progresses. Contracting officers shall continue to work with their respective program management offices to ensure the Army’s success in meeting timelines for contract execution, consistent with statutory and regulatory requirements and sound business judgment.</td>
<td><a href="mailto:usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil">usamy.pentagon.hqda.mbx.office-of-the-dasa-p@mail.mil</a></td>
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Presidents Day is February 18th. Originally established in 1885 in recognition of President George Washington, Presidents Day now recognizes all U.S. presidents. Our president also serves as the commander-in-chief of our military forces. Our first president, General Washington, led the U.S. Army during the Revolutionary War. Throughout our nation’s short history, presidents have had the burden of deciding when and where to commit our nation’s military forces for deterrence and when deterrence fails, for combat operations. Please take some time on Presidents Day to reflect on the many men who have led this nation—maybe you have a favorite—and lessons you can learn from their leadership style.

Speaking of great leaders, I announced in January that Mr. Joe Giunta was selected for appointment to the Senior Executive Service and to be the executive director for ACC-Redstone Arsenal. Joe is not new to the command. He moves to ACC-RSA from ACC-Orlando, where he was the executive director. Joe brings a wealth of experience to his new post. He is a retired Army officer who served in both contracting and program management. Joe, I know it was tough to leave your slice of paradise in the Sunshine State. Welcome to Alabama. I know you will continue to lead with excellence in your new post.

Folks, that’s it for this month. Please know I couldn’t be more proud of you. CSM Crosby, Mr. Lyle, COL (P) Beeler and I thank you for everything you do to make our Army the best land force the world has ever seen!

Gold Eagle 6

Very Respectfully,

Paul

MG Paul H. Pardew
Commanding General,
U.S. Army Contracting Command

“To be an overachiever, you have to be an overbeliever.”

~Coach Dabo Swinney, Clemson University