COMNAVRESFOR INSTRUCTION 4200.2C

From: Commander, Navy Reserve Force

Subj: COMMANDER, NAVY RESERVE FORCE SERVICE REQUIREMENTS REVIEW BOARD

Ref: (a) 10 U.S.C.
(b) DoD Instruction 5000.74
(c) SECNAV Memo “Department of the Navy Contractual Services Resourcing and Execution Process,” of 11 Mar 14
(d) Joint Assistant Secretary of the Navy (ASN (RD&A)/ASN (FM&C)), Memorandum, “Contractual Services Guidance for FY 2017,” of 1 Jul 16
(e) NAVADMIN 205/15
(f) Joint Assistant Secretary of the Navy (ASN RD&A)/ASN (FM&C), “Guidance for Identifying and Aligning Product Service Codes and Object Class Codes (PSC/OCC) in Procurement and Financial Systems for Contractual Services,” of 23 Jul 15
(g) Navy Marine Corps Acquisition Regulation Supplement (NMCARS) part 5237.191, Service Requirements Review Board Reporting

Encl: (1) Criticality Code Assignment
(2) Contractual Services Requirements Tripwires

1. Purpose. To revise policy, responsibility, and procedures for acquisition of contractual services (CS).

2. Cancellation. COMNAVRESFORINST 4200.2B.

3. Background. References (a) and (b) provide the statutory basis for the requirements validation, management, and oversight of services acquisition. References (c) through (g) provide mandatory Department of the Navy (DON) CS policy. This instruction implements the policy and procedures of references (a) through (g) within Commander, Navy Reserve Force (COMNAVRESFOR) and subordinate commands.

4. Scope

   a. This policy will apply to CS requirements in support of COMNAVRESFOR, including those that are funded by a Request for Contractual Procurement (NAVCOMPT 2276), Military Interdepartmental Purchase Request (MIPR), project order, or any other method for obtaining contractor support.
A service contract is a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. Examples of CS services include knowledge-based, electronic, communication, equipment-related, medical, facility-related, and transportation services. CS examples also include analysis support and recurring studies.

b. COMNAVRESFOR acquisitions subject to this instruction include:

(1) All advisory and assistance services.

(2) All performance based logistics support services contracts that repair or modify equipment, and or deliver logistics, engineering, or transportation services including contracts that are categorized as a “supply”.

(3) Operations and maintenance funded maintenance, repair, and demolition of equipment and existing land and structures.

(4) Ship and aircraft maintenance, overhaul, and repair.

(5) Delivery services incidental to a supply purchase.

(6) Help desk and customer service support incidental to equipment or off-the-shelf software purchases.

(7) Manufacturer’s warranties beyond the standard manufacturer’s warranty.

c. This instruction does not apply to:

(1) Utilities services.

(2) Commercial subscriptions services.

(3) Off-the-shelf software including software licensing agreements and off-the-shelf software updates.

5. Policy

a. COMNAVRESFOR is responsible for carrying out the process for identifying, assessing, reviewing, and validating requirements for the acquisition of services.
b. The requiring activity is responsible for identifying and defining requirements within the mission of the agency including: preparing the acquisition requirements package, requesting funding, obtaining validation and approval of the requirement through the Service Requirements Review Board (SRRB) process described below, participating in the evaluation of proposals, nominating the Contracting Officer’s Representative (COR), and providing personnel as needed to support and oversee the procurement and execution of the service through to completion. Defining the requirement includes:

(1) Estimating man-years (based on 2,080 man-hours/years)

(2) Estimating total contract value

(3) Required award date

(4) Line of accounting

(5) Contract duration

(6) Impact if not awarded

(7) Cost benefit and workforce analysis

6. SRRB

a. The SRRB is the process to review, validate, prioritize, and approve services requirements across and down the entire Force. Requirements approval should be obtained from the SRRB before any acquisition action occurs unless otherwise directed by the decision authority. Financial managers will not release funding documents for the procurement of CS without SRRB approval per reference (d). At a minimum, SRRBs should focus on ensuring the requirement is adequately defined, validated by a board, assessed based on anticipated contract spend and contractor level of effort, and afforded proper levels of contract oversight to include the assignment of adequately trained CORs. The SRRB will:

(1) Justify the requirement, assign a criticality code, enclosure (1), and approve an acquisition strategy.

(2) Address any special expedited handling procedures for urgent and compelling requirements.

(3) Hold regular SRRBs at least twice per year and maintain proper oversight and accountability of all contractual services. One review will be held during third quarter to inform and manage fourth quarter expenditures.
One review will occur no later than quarter four of the prior fiscal year of execution to ensure that service requirements are identified prior to the commencement of the fiscal year so COMNAVRESFOR Financial Resources (N8) can allocate funding and to ensure maximum communication with the Heli by Civil Authorities (HCA) occurs to ensure contract execution.

(4) Review the CS Requirement Tripwires, enclosure (2).

(5) Consist of the COMNAVRESFOR Deputy; Executive Director; Commander, Navy Reserve Forces Command (COMNAVRESFORCOM) Chief of Staff (COS); Commander, Naval Air Force Reserve (COMNAVAIRFORES) COS, Contractual Services Manager (CSM), COMNAVRESFOR Comptroller, Manpower, and Office of Government Counsel.

(6) Capture meeting minutes, action items, key recommendations, findings, and track savings resulting from unneeded or low priority requirements that can be reduced or eliminated.

b. At the culmination of the requirements validation process, a unique services identifier (SID) will be assigned that will allow for traceability of the requirement through the services acquisition lifecycle and an initial services record for the requirement.

c. Service Requirements Package. The requiring activity has responsibility for translating the requirement need into an actionable requirement for contract award that will allow proper management and measurement of outcomes throughout contract performance. The acquisition packages should provide sufficient detail to establish a validated, funded effort with adequate acquisition planning and a clear description of the requirement. The requirement package will include:

(1) Requirements Approval. The SRRB assigned SID will be the requirements approval.

(2) Acquisition Strategy. The approved acquisition strategy will be included in the package to ensure the contracting process aligns with the approved strategy.

(3) Funding Document. A procurement action should have funding before the effort is solicited to allow for efficient workload planning and to minimize work performed on an effort that does not ultimately get funded. Funding documents will include the appropriate product service codes (PSC) and object class codes (OCC), per reference (f).

(4) Contract Line Item Number (CLIN) Level PSC. PSCs identify services being procured. Requiring activities will establish PSCs for each deliverable line item and identify it in the procurement request, so that it can be linked at the point of commitment to the object class recording in the accounting system.
If the CLIN structure or PSC assignment changes after the procurement request gets to contracting, the funding document will be amended as needed to correct the line(s) of accounting.

(5) Performance Work Statement (PWS)/Statement of Work (SOW). Service acquisitions will use a PWS, SOW, or statement of objectives that clearly defines the services the program seeks to receive. Requirement documents should be clear, concise, and performance based to the maximum extent practicable. The program manager should leverage the tools and checklists associated with the seven step process and the acquisition roadmap requirements tool provided at the service acquisition mall web site, https://www.acqisition.gov. These tools should be used to the maximum extent practical for the development of performance based requirements. PSC and OCC will be included in the PWS or the SOW.

(6) Quality Assurance Surveillance Plan (QASP). The QASP is the key government-developed surveillance process document that is applied to performance-based contracting and is used to manage contractor performance assessment by ensuring systematic quality assurance methods are utilized to validate the contractor's quality control efforts are timely, effective, and deliver the results specified in the contract or task order. The QASP directly corresponds to the performance objectives and standards specified in the PWS and details how, when, and by whom the Government will survey, observe, test, sample, evaluate, and document contractor performance results to determine whether the contractor has met the required standards for each objective in the PWS.

(7) Independent Government Cost Estimate (IGCE). The IGCE is the Government's estimate of the resources and projected cost of the resources a contractor will incur in the performance of a contract. This includes MIPRs or work orders issued to support the acquisition that did not result in a contracting action. The IGCE provides the baseline for contracting decisions, as required by the Federal Acquisition Regulation (FAR), although largely dependent on reasonable estimates of labor hours to be expended in relevant labor categories at fully burdened rates including all indirect allocations and profit. The IGCE may also be based on data from similar acquisitions, validated estimation models, and expert analysis. The IGCE should be structured to reflect comparisons to other acquisitions, market research, or combinations of these. Program managers must apply an accurate IGCE outlining these discrete costs within the overall service requirement, effective market research, and a thorough screening of the requirement against the anticipated costs of the proposed services to ensure an effective trade-off is made between mission needs, cost, and affordability. Costs of labor skill mix and categories, service levels, frequency of performance, and dictated quality levels should be considered when developing a requirement to meet mission needs. Discrete costs of that next level of service, or next-higher labor category, must be weighed against mission needs and budget constraints to ensure that the service to be acquired represents the best value to the Government and meets mission requirements.
(8) **COR Nomination.** COMNAVRESFOR will use the COR tool to electronically track COR nominations, appointments, terminations, and training certifications for service contracts. Supervisors will ensure CORs are from the requiring organization, nominated before the procurement package is submitted, properly trained, and have sufficient time to devote to their COR responsibilities. Consideration should be given to collocating CORs with projects for better oversight and rotating CORs to avoid conflicts of interest.

(9) **Contract Administration Plan.** The Contract Administration Plan facilitates effective and efficient contract administration considering contract surveillance, administration terms and conditions, contractor and Government performance milestones (i.e. for providing government furnished property (GFP) or responding to contractor plans and other required submissions), contractor reporting procedures, contract quality requirements, name, position, authority of contract administration team members, and milestones for any reports required from contract administration team members. Documentation of the plan should meet the requirements of the agency, activity, and good business practice.

(10) **Non-Personal Services Certification.** Program managers should ensure that a service contract is not written as a personal services contract, does not inadvertently become administered as a personal services contract, and complete a non-personal services certification in accordance with Defense Federal Acquisition Regulation (DFARS) 237.503 and include a copy in the contract file.

(11) **Inherently Governmental Functions Certification.** Program managers will provide to the contracting officer, concurrent with the transmittal of the SOW or PWS, a written determination that none of the functions to be performed are inherently governmental.

(12) **Procurement-Specific Requirements.** The procurement package should be tailored for the specific procurement and should include artifacts as required such as:

   (a) **Justification and Approval (J&A).** The J&A is a document required to justify and obtain appropriate level approvals to contract without providing for full and open competition as required by the FAR. If applicable, J&As will be included with the procurement package.

   (b) **Determination and Findings.** Determination and findings is defined as a special form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contracting actions. The determination is a decision that is supported by the findings. The findings are statements of fact that are essential to support the determination and must cover each requirement of the statute or regulation.
(c) **DD Form 254 Security Requirements.** The DD 254 is a contractual specification. It is the vehicle that provides the contractor with the security classification guidance necessary for the classified information to be received and generated under the contract. If there is classified information to be received and generated under the contract, the DD 254 should accompany the procurement package.

(d) **GFP List.** GFP is property in the possession of or directly acquired by the Government and subsequently furnished to the contractor for performance of a contract. GFP includes, but is not limited to, spares and property furnished for repairs, maintenance, overhaul, or modification. Any GFP provided will be identified with the procurement package to ensure traceability and management of the items. CORs, program managers, and requirements generators must ensure all mandatory GFP, FAR, and DFARS clauses are in the contract. All GFP is listed on the GFP attachment. All GFP is reported to OSD GFP repository and is tracked by the contractor and the Government. A rollup list of all GFP will be provided to the COMNAVRESFOR property manager by each COR at the completion of the fiscal year or as soon as identified via contract.

7. **Acquisition Integrity.** Separation of functions will be strictly followed. A single individual performs only one of the following functions: initiation of the requirement, placement of order, and receipt, inspection, and acceptance of supplies or services. As stewards of the national interest, all COMNAVRESFOR employees have an obligation to accept responsibility for ensuring the highest ethical conduct and will question any perceived impropriety. These high ideals will be continually emphasized to industry partners and within the acquisition community. Further information is available through the DON Acquisition Integrity Office web site, at http://ogc.navy.mil/content/aio.aspx.

8. **Responsibilities**

   a. The COMNAVRESFOR Deputy will:

      (1) Have overall responsibility for management and execution oversight of all COMNAVRESFOR CS requirements.

      (2) Verify service requirements, chair SRRBs, and facilitate timely submission of requirements to the appropriate contracting activity for contract action in a manner which promotes and permits maximum competition.

      (3) Approve bridge contracts.

      (4) Approve sole source contracts.
b. The COMNAVRESFORCOM Executive Director will:

(1) Maintain oversight of COMNAVRESFOR contracts to ensure judiciousness and oversight, including compliance with the Procurement Integrity Act, Competition in Contracting Act (CICA), applicable Federal, Department of Defense (DoD), DON Acquisition Regulations, and Joint Ethics Regulations.

(2) Designate members of the SRRB to include COMNAVRESFORCOM COS, COMNAVAIRFORCES COS, CSM, Comptroller, Manpower, and Office of Government Counsel. Ensure members submit Office of Government Ethics form 450/278e, as appropriate, annually, per reference (d).

(3) SRRBs should include the following nine items for each contract:

(a) Requirement Definition. Requirements must be clearly defined.

(b) Requirement Validation. Must be a valid requirement.

(c) Market Research. The Government must conduct market research and consult with industry experts to determine best practices for the requirement and identify opportunities for small business participation at the prime and subcontractor levels.

(d) Contract Administration. Contract performance must be monitored.

(e) Competition. Conduct research regarding the extent of competition.

(f) Contract Type. Consider if the contract type is risk-appropriate to the services required.

(g) Spend Plan. Calculate how much to be spent on each part of the contract (labor, other direct cost (ODC), etc.). Calculate the highest labor rate in the contract.

(h) Tripwire Consideration. Consider breaches to threshold metrics that may warrant further explanation.

(i) Contracting Activity. Verify that the contracting activity has authority to make the procurement for the requiring activity.

c. CSM (N4) will:

(1) Be a direct report to the COMNAVRESFORCOM Executive Director
(2) Manage, oversee, and advise senior leadership on all matters related to services acquisition

(3) Implement all applicable CS policies and regulations

(4) Establish and oversee local CS policies

(5) Develop and oversee SRRB policy and procedures for COMNAVRESFOR

(6) Publish SRRB schedule at the beginning of the fiscal year

(7) Perform financial management functions (coordinated and reviewed with the COMNAVRESFOR comptroller).
   (a) Consolidate all services plans, budgets, and conduct spend-analysis
   (b) Review CS budget submissions
   (c) Track spending against SRRB approved amounts
   (d) Respond to CS financial data calls and drills

(8) Perform Total Workforce Management Functions:
   (a) Establish and oversee process for make versus buy decisions within COMNAVRESFOR.
   (b) Coordinate and oversee validation of CS requirements
   (c) Verify CS requirements and documentation
   (d) Submit SRRB minutes to Deputy Assistant Secretary of the Navy for Acquisition and Procurement (DASN AP) per references (d), (e), and (g)

(9) Perform Acquisition functions:
   (a) Provide services acquisition guidance, knowledge, and experience
   (b) Coordinate and ensure completeness of procurement request packages
   (c) Validate CS requirements and issue SID number
   (d) Verify appropriate head of contracting activity HCA is executing procurement
(e) Conduct COR and command training on an established annual schedule

(f) Support development of acquisition strategies

(g) Research strategic sourcing options

(10) Review the procurement package prior to forwarding to HCA to provide advice and guidance to the requiring office as needed to assemble a quality procurement package, to ensure all required elements are included, to ensure that the requirement is adequately described.

9. **Records Management.** Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy (SECNAV) Manual 5210.1 of January 2012.

10. **Review and Effective Date.** Per OPNAVINST 5215.17A, COMNAVRESFOR N4 will review this instruction annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will automatically expire 10 years after effective date unless reissued or cancelled prior to the 10 year anniversary date, or an extension has been granted.

[Signature]

J. A. SCHOMMER
Deputy Commander

Releasability and distribution:
This instruction is cleared for public release and is available electronically only via COMNAVRESFOR Web site, http://www.public.navy.mil/nrh/Pages/instructions.aspx.
Criticality Code Assignment

Criticality Code. Prioritization of services requirements must be done via the assignment of a criticality code. Criticality codes must be assigned to all services requirements to assist with prioritization of requirements to reduce or eliminate lower priority requirements with savings transferred to higher priority objectives or mission requirements. Prioritization facilitates the process for identifying impacts when budget cuts are proposed and or taken. The criticality code is comprised of four elements:

1. The category which is the broad bucket that defines the relationship of the services to mission.

2. The funding level decimator that identifies the relative costs of the services requirements within a given category.

3. The mission impact discriminator that identifies the severity of the impact if a requirement is not funded or executed.

4. A rank ordered, sequential number to discriminate requirements that have the same values for the above three. This numbering scheme provides end-to-end mechanism to sort CS by criticality code, funding level, and mission impact across CS acquisition cycle.

EXAMPLE OF CRITICALITY CODE ASSIGNMENT: CS categorized as warfighting, costs $50 million to acquire and, if not acquired, will result in a severe impact to the mission.

Code: 1fC-X (where “X” is the sequential number for rank ordering in the event that there are multiple requirements that are coded as 1fC)
### Table 1 – Category Code

<table>
<thead>
<tr>
<th>CATEGORY CODE</th>
<th>CATEGORY</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CONTINGENCY/WARFIGHTING</td>
<td>All service contracts that provide direct support to critical warfighting and overseas contingency efforts.</td>
</tr>
<tr>
<td>2</td>
<td>OPERATIONAL</td>
<td>All service contracts that provide direct support to warfighter operational events.</td>
</tr>
<tr>
<td>3</td>
<td>MISSION READINESS/TRAINING</td>
<td>All service contracts that provide direct or indirect support to the warfighter’s mission readiness capabilities.</td>
</tr>
<tr>
<td>4</td>
<td>STAFF MANAGEMENT SUPPORT</td>
<td>All service contracts that provide staff management support.</td>
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### Table 2 – Discrimator Code

<table>
<thead>
<tr>
<th>FUNDING DISCRIMINATOR CODE</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Less than $.5M</td>
</tr>
<tr>
<td>b</td>
<td>$.5M to $1.0M</td>
</tr>
<tr>
<td>c</td>
<td>Greater than $1.0M but less than $5M</td>
</tr>
<tr>
<td>d</td>
<td>$5M to $10M</td>
</tr>
<tr>
<td>e</td>
<td>Greater than $10M but less than $50M</td>
</tr>
<tr>
<td>f</td>
<td>$50M to $100M</td>
</tr>
<tr>
<td>g</td>
<td>Greater than $100M</td>
</tr>
<tr>
<td>RISK CODE</td>
<td>TECHNICAL/QUALITY</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td>A</td>
<td>Moderate technical performance or quality shortfall</td>
</tr>
<tr>
<td>B</td>
<td>No remaining margin; severe technical performance or quality shortfall</td>
</tr>
<tr>
<td>C</td>
<td>No known workaround or severe quality problem; major impact to operational schedule</td>
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Contractual Services Requirement Tripwires

1. **Tripwires.** The purpose of this document is to provide initial policy in the planning and execution of service contract requirements and to provide some tools to assist in performing leadership oversight. There are several tripwires that require senior level awareness and action. These tripwires are tools to force visibility and conscious decisions at higher management levels and to ensure decisions are documented. Tripwires are not intended to preclude execution, but instead to require higher level concurrence or notifications before continuing to execute. These tripwires apply to all types of service contracts and have been identified herein.

2. **Scope.** These tripwires do not encompass all the areas of service acquisition that require oversight and risk management. However, this list is intended to raise awareness and accountability across both the requirements and acquisition communities, and initiate the vigorous implementation of actions to improve Government oversight, efficiencies, and effectiveness.

3. **Sole Source Actions.** All sole source actions require J&As. Sole source actions will be approved by COMNAVRESFOR Deputy.

4. **Bridge Contracting Actions.** Bridge contracts are defined as sole source actions entered into with the incumbent contractor to maintain support when competitive procurement cannot be processed in time to meet the required award date. Often bridges are the result of poor planning and are more costly due to a lack of competitive pricing. For bridge contracts in support of COMNAVRESFOR requirements:

   a. Bridge contracts will normally be limited to six months in duration, (never longer than 12 months) and will be approved by the COMNAVRESFOR Deputy. This 12-month limit will not be waived. J&As for all bridge contacts longer than a six month period of performance will be forwarded to the SRRB for notification and review prior to approval by COMNAVRESFOR Deputy.

   b. Only one bridge contract may be authorized. Subsequent bridge contracts will not be awarded.

   c. Each bridge contract must be limited to no more than $3 million.

   d. J&As for all bridge contracts, regardless of value, will include COMNAVRESFOR N-Code or subordinate command signature under the technical cognizance section of the J&A.

   e. COMNAVRESFOR Deputy signature under requirements cognizance section. In J&A paragraph 8, “Actions to Remove Barriers to Competition,” the requiring activity (COMNAVRESFOR N-code or subordinate command) must provide detailed explanation that includes a schedule for a competitively awarded follow-on contract.

Enclosure (2)
5. **Best Value Source Selection Premiums**

   a. In a best value competition, the Government may be willing to pay a premium in order to obtain a higher rated level of support; however, the premium still must represent a good business decision for the Government. Often requirements offices are willing to pay any premium to get to the highest rated offer, as long as they have the budget to afford it. Being able to afford something does not necessarily mean it is in the best interest of the Government to do so.

   b. Best value is a function of technical quality and cost trade-offs among competing proposals. Best value determinations are not made through mechanical calculations. As technical proposals approach equality, cost may become a more significant factor. The greater than 10 percent tripwire does not suggest there is anything impermissible with respect to paying a greater than 10 percent premium, only that additional reviews may be required, as determined by the procurement contracting officer (PCO) and source selection authority (SSA). The decision to obtain further review is subject to rules regarding the protection of source selection information, as defined in FAR subpart 3.104.

6. **Other Direct Costs (ODC)**

   a. While a service contract is appropriate when the primary purpose is to perform an identifiable task, materials are often required to perform these services. It may be appropriate for a service contractor to procure materials under a service contract; however, there are a number of considerations that enter into developing an appropriate strategy to meet any requirement.

   b. ODCs are intended to include travel and incidental miscellaneous expenses required and generally consumed in performance of the service. They are not intended to hide expensive consultants or subcontractors, or for the Government to purchase material by circumventing existing policies and procedures. Deputy Assistant Secretary of the Navy (Acquisition and Logistics Management) memorandum of 15 May 2007 emphasizes “the need to ensure that service contracts are not improperly used to acquire products or facilities not required for, or incidental to, performance of those services.”

   c. Actions required:

      (1) Prior to award. If ODCs are estimated greater than 10 percent of the total labor value or $1 million (whichever is lower) for any given contract, then the rationale for the ODC requirements must be provided to the PCO and the methods for monitoring these ODC charges must be documented in the Quality Assurance Surveillance Plan.
It is expected that individual task orders under indefinite delivery, indefinite quantity services contracts may have a disproportionate (i.e., greater than 10 percent) amount of ODCs included; however, in these instances justification and rationale shall be included in the acquisition strategy. When excessive ODCs are comprised of material items, an explanation as to why these costs are not specifically defined and managed as supply items shall be provided and documented. Generally speaking, travel and conference fees associated with representing COMNAVRESFOR at professional or technical conferences is not an acceptable ODC.

(2) Post Award. The COR must monitor monthly the use of ODCs.

7. Labor Rates and Performance. For competitive cost-type and time and materials, as appropriate, service contracts and task orders:

   a. Prior to Award. When proposed fully burdened labor rates are in excess of $300,000 per year or $155 per hour for a full time equivalent within any labor category, or $35 per hour for a “blue collar” labor category covered under the Service Contract Act, the CSM and PCO will investigate the appropriate nature of such rates as part of cost realism analysis. When multiple labor categories are contemplated in satisfying a services requirement, fully burdened labor rate caps should be applied to each standard labor category.

   b. Post Award. The COR will monitor monthly actual spend data and notify the PCO and the CSM if the amount of the invoice does not match the amount awarded in the contract, including all modifications.

8. Subcontractors

   a. Post award due diligence is required to monitor any proposed additions of subcontractors beyond those included and evaluated as part of the initial award. The Government cannot be perceived as exerting improper influence on the prime contractor to contract with specific subcontractors. The Government does not have privilege of contract with the subcontractor, only with the prime. It is the prime’s responsibility to propose a team to accomplish the requirements, and it is the prime’s responsibility to select additional subcontractors if it becomes necessary to supplement the team.
b. **Required actions:**

(1) When applicable, the proposed subcontractor addition must be reviewed first by the PCO to ensure the contractor has provided the required documentation (per Federal Acquisition Regulation, part 44.201) and that information clearly presents the business case for the addition of the subcontractor(s). If the PCO is comfortable with the business case presented by the contractor, the PCO must pass the request on to the COR, who must receive concurrence from the CSM.

(2) The COR must remain vigilant in order to identify subcontractor changes or additions that may not be covered by the contract or task order, including all modifications, or may present potential organizational conflict of interest issues.

9. **One Bids**

a. Effective competition is one of the most powerful tools the Government has to affect real efficiency and do more with less. Single offers, or “one bids”, can be the result of several factors: inadequate time to prepare a proposal, poorly described defined requirements, or evaluation factors that appear to be tailored to an incumbent or target a specific contractor.

b. When a solicitation results in a single bid offer, the PCO must either re-solicit the requirement or enter into negotiations, the result of which will be reflected in the business clearance memorandum. Business clearance memorandum approval for all one bid procurements greater than $150,000 will follow NAVSUPSYSCOM Fleet Logistic Center Norfolk policy and procedures.

c. One bid received under a competitive solicitation shall be reported by the PCO to the CSM.