Part 5304 - Administrative Matters

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DAF Contracting Compass Part 4

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Subpart 5304.1 - CONTRACT EXECUTION

5304.101 Contracting Officer’s Signature

Contracting officers are required to sign all contract actions (either via wet signature, signature as produced by CON-IT, or digital signature produced with a DoD Public Key Infrastructure certificate using a Common Access Card), ensure contractor signatures are obtained, if required or desired, and maintain signed contractual documents within the official contract file.

Contracting officers need not obtain a contractor’s written acceptance of a purchase order or modification of a purchase order for an acquisition under the 8(a) Program pursuant to 219.804-2(2). Reference DFARS 213.7002 Purchase Orders.

5304.104 Early Effective Date

Early Effective Date:

(a) The chief of the contracting office may approve use of an early effective date (i.e., effective date prior to the contract award date) subject to the following conditions:

(1) the negotiating parties have reached agreement on all terms and conditions, including price;

(2) funding is currently available; and

(3) for early effective dates established more than 30 days prior to the projected contract award date, legal review has been obtained. An early effective date shall not be used if the government intends to direct a prospective contractor, to accept benefits of the contractor’s efforts, or to make payments before the contract award date.

(b) After receiving approval to use an early effective date, the contracting officer shall notify the contractor of the early effective date in writing and include the following:

(1) agreed upon terms and conditions, including price,

(2) a statement that any costs recognized in the resulting contract must be limited to those allowable, allocable, and reasonable costs that would be recognized if incurred after contract award;

(3) a statement that if a contract is not awarded all incurred costs shall be at the contractor’s own risk;

(4) a statement that costs cannot not be invoiced or paid until after contract award; and

(5) a statement that prior to contract award the government may not direct the contractor or accept benefits of the contractor's efforts. The contracting officer should also advise the program office or requirements owner that the government cannot direct the contractor or accept benefits of the contractor's efforts until after contract award.

Subpart 5304.4 - SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

5304.402-90 General

(a) 32 CFR Part 117 and DAFMAN 16-1406V2, *National Industrial Security Program: Industrial Security Procedures for Government Activities*, clarify contracting officer responsibilities and provides guidance for implementing the Department of the Air Force's National Industrial Security Program.

(b) DAFH 16-1406 , *National Interest Determination Handbook*. This instruction clarifies responsibilities and procedures for processing National Interest Determinations (NID).

(c) Air Force Policy Directive (AFPD) 16-7 Special Access Programs establishes policies and responsibilities for the management, administration, and oversight of Special Access Programs for which the Air Force has Cognizant Authority..

(d) DAFI 10-701 , *Operations Security*, establishes responsibilities for contracting officers when there are OPSEC requirements on contract.

(e) In accordance with FAR part 4.4, DAF personnel will use the NISP Contract Classification System (NCCS) to process DD Form 254s, provided that the data submitted is unclassified. For contracts where the content of the DD Form 254 contains classified information and the classified information cannot be segregated into classified attachments or addendums, use of NCCS is not required until such time that an automated solution is available on the appropriate classified information system. NCCS is available electronically at https://www.dcsa.mil/is/nccs.

(f) Additional DD254 guidance:

(1) **Solicitation/Award DD Form 254**:

A solicitation DD Form 254 is required to be drafted, coordinated, and certified in block 17 IAW DoD and Air Force industrial security policy requirements. The coordinated and certified DD Form 254 shall be attached to the solicitation that is provided to the vendor(s). Distribution of the solicitation DD Form 254 per Air Force Industrial Security Policy is not required unless the vendor requires access to classified information during the pre-award phase of the contract. Solicitation means any request to submit offers or quotations to the Government. As such the solicitation stage includes but is not limited to: Invitation for Bid (IFB), Request for Information (RFI), Request for Proposal (RFP), Request for Quotation (RFQ), Program Research and Development Announcement (PRDA), Broad Agency Announcement (BAA), Grants, Cooperative Agreement, Other Transactions (OT) and other extraordinary actions. A new, original DD Form 254 is required to be drafted, coordinated, certified, and distributed and shall be attached to the contract award.

(2) **IDIQ**:

Basic Indefinite Delivery Vehicle (IDV) and Indefinite Delivery Vehicle Quantity (IDIQ) contracts or agreements as defined in FAR 4.601 in which there is no requirement for a breakdown by classification of the various elements of the classified effort may utilize the same DD Form 254 for the entire IDV contract. In this case, a separate DD Form 254 will not be required for delivery, task orders, or equivalent pending all the security requirements are identical for each order against the IDV contract or agreement, at the discretion of the servicing Contracting Officer and will be documented in block 13. If the security requirements for the task, delivery, or purchase order for a contract or agreement result in additional security requirements from that of the basic DD Form 254, a revised basic DD Form 254 is required. The servicing Contracting Officer will determine how to document use of the basic DD Form 254 on all delivery, purchase, or task orders for all prime contracts or agreements, if applicable. If it is determined that a DD Form 254 at the IDV contract level will not cover varying needs of the classified effort in each delivery order, then a separate DD Form 254 should still be done for each delivery/task order as long as the separate DD Form 254 does not contain security requirements above that of the basic DD Form 254.

(3) **Contract novation**:

A new original DD Form 254 is required to be drafted, coordinated, certified, and distributed upon the finalization of a contract novation. The new original DD Form 254 will identify the new vendor and prime contract number. If the new vendor does not possess the requisite level of facility clearance, the vendor will be sponsored for a facility clearance IAW Air Force industrial security policy requirements.

5304.403 Responsibilities of Contracting Officers

(a) In accordance with the FAR part 4.4, the contracting officer is responsible for reviewing all proposed solicitations to determine whether access to classified information may be required by offerors or by a contractor during contract performance.

(b) Contracting officers will require input and support from program managers, project managers, or other personnel knowledgeable of the contract requirements to perform this responsibility.

(c) The Contracting Officer will, in accordance with 32 CFR Part 117 and DAFMAN 16-1406V2, National Industrial Security Program: Industrial Security Procedures for Government Activities:

i. Verify the vendor’s facility clearance status and safeguarding capability by accessing the National Industrial Security System (NISS), unless otherwise delegated.

ii. Submit a facility clearance sponsorship request to the Defense Counterintelligence and Security Agency (DCSA) using NISS, unless otherwise delegated.

iii. Include the security requirements clause, FAR 52.204-2 and the Department of Defense Contact Security Classification Specification (DD Form 254) if access to classified information is required during the solicitation phase or award phase of a contract.

iv. Ensure the DD Form 254 is properly prepared, reviewed, coordinated and distributed in accordance with DAFMAN 16-1406V2. In the absence of exceptional circumstances that support classification, the DD Form 254 will not be classified.

v. Serve as the approving official Certifier for the DD Form 254.

vi. Ensure the DD Form 254 is distributed to:

(1) The contractor as part of the contract.

(2) All DCSA field activities listed in blocks 6c, 7c, 8c, and 10 (as applicable).

(3) All host installation Air Force Information Protection Office(s) listed as government performance locations (or Army, Navy, Marine Corps, Coast Guard equivalent where classified performance will occur).

(4) Others in accordance with local DD Form 254 processing procedures.

vii. Within 30 calendar days prior to classified work beginning to all government performance locations:

(1) Ensure the host Installation Commander is aware of the contractor's presence as a visitor on the installation normally through the installation Information Protection Office when performance is on an Air Force installation at least 30 calendar days in advance.

(2) If the certified DD Form 254 cannot be provided to the installation Information Protection Office at least 30 calendar days in advance due to contract performance commencing in less than 30 calendar days from date of contract award, then the DD Form 254 is to be provided within 72 hours after contract award.

viii. Upon receipt of notification of a contractor security violation from the DCSA, the contracting officer or designee will ensure the owner of the classified information subject to loss, compromise, or suspected compromise (e.g., Original Classification Authority (OCA) or representative) is further notified and can perform required actions to mitigate potential damage in accordance with DoDM 5200.01, Volume 3, Enclosure and DAFI 16-1404, Chapters 3 and 7.

ix. Upon notification of an adverse facility clearance action (e.g. Invalidation/Intent to Revoke) and/or receipt of a contractor being issued a less than satisfactory security review rating issued by DCSA, coordinate all potential contracting actions with the program office and/or affected government customer(s) personnel to ensure vendor mitigates all reported instances of non-compliance with FAR 52.204-2, as applicable.

(d) National Interest Determination (NID)

i. As of 1 October 2020, in accordance with Public Law 115-232, John S. McCain National Defense Authorization Act for Fiscal Year 2019, Section 842, "Removal of National Interest Determination Requirements for Certain Entities," August 13, 2018:

(1) NIDs are no longer required for National Technology and Industrial Base foreign ownership entities that require access to proscribed information and under Special Security Agreements to mitigate the foreign ownership, control, or influence.

(2) If necessary, contact the servicing Information Protection Office to verify if a NID is required prior to submitting a NID request.

ii. Upon receiving adequate written justification from the requesting program office or activity, the contracting officer reviews, validates, and processes the NID request and associated written approvals/documentation, in accordance with AFH 16-1406, National Interest Determination Handbook

iii. The contracting officer shall maintain a copy of the approved program, project, or contract specific NID package in the contract file.

5304.404-90 Additional Contract Clauses

The contracting officer must insert the clause at DAFFARS 5352.204-9002 ,*Security Incident Reporting and Procedures*, for all solicitations and contracts which require a DD Form 254. The contracting officer may change the number of days specified in DAFFARS 5352.24204-9002 upon request from the contractor and after coordination with the requirement owner. The contracting officer must insert DAFFARS 5352.204-9000, Notification of Government Security Activities for all solicitations and contract which require a DD Form 254for performance on U.S. Government installations and overseas. The contracting officer may change the number of days specified in DAFFARS 5352.204-9000(a). If less than thirty days is used, coordinate with the servicing information protection office.

Subpart 5304.6 - CONTRACT REPORTING

5304.604 Responsibilities

(a) Subsequent to each contract action, the contracting officer must reference the CARapproval date in the official contract file.

(b) Procurement Data Verification & Validation (V&V)

On a quarterly basis, SAF/AQCI will provide procurement data information to the Modernization Board (MODBOD) who shall verify and validate the information with the appropriate contracting officer. Upon completion, the contracting officer shall post the results using the V&V tool. SAF/AQCI will collect the data from the V&V tool once the data is gathered from the MODBOD members.

For additional questions: (SAF.AQ.SAF-AQCI.Workflow@us.af.mil).

Additional guidance can be found at the V&V website: AF-FPDS-NG Data Validation

Subpart 5304.8 - GOVERNMENT CONTRACT FILES

5304.802 (f) Electronic Retention of Contract Files

Contracting offices listed in KT Fileshare (KTFS) shall use it as both the working and official file, per FAR 4.802(c)(3). It shall be used to create, modify, store, access, and route documents necessary to manage the acquisition process for review and approval, over the life of the entire acquisition lifecycle, (e.g. requirements development to contract closeout.) Contracting Officers shall ensure that KTFS contains all appropriate contract documents required for the official contract file. If a contract document is maintained within the Procurement Integrated Enterprise Environment (PIEE,

https://wawf.eb.mil/), within Electronic Document Access (EDA), the Federal Procurement Data System (FPDS), or the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS), then that system is the official system of record; contracting officers are not required to duplicate the document in KTFS, unless the contracting office determines an exception applies to ensure ready accessibility to principal users (e.g., clearance reviewers, auditors) per FAR 4.802(c)(2). Examples of such exceptions, include, but are not limited to, Award Documents, and copies of Government-Furnished Property (GFP) attachments. However, contracting officers shall add screenshots of system of record documents (Reps/Certs, SAM/FAPIIS, etc.) that are dynamic/overwritten to reflect status at time of contract action. In addition, KTFS shall not be used to store documents that are not required to be part of the contract file such as CDRL submittals and annual CPARS reports.

5304.803 Contents of Contract Files

For contract offices not listed in KTFS and that maintain hard copy official contract files, SCOs may use the Air Force contract file content index templates below, or their own specific contract file content checklist or index to maintain contract files:

Operational Services and Construction

Research and Development

Systems and Logistics

5304.804 Expedite Contract Closeout.

Contracting officers shall use the clause at DFARS 252.204-7022, Expediting Contract Closeout, in all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services.

5304.805 Storage, handling, and contract files.

As part of the Financial Improvement and Audit Readiness (FIAR) program, contract files shall be retained for a period of 10 years after the final invoice in accordance with DoD 7000.14-R, Volume 1, Chapter 9.

5304.806 Storage, handling, and contract files.

Prior to disposing of contract and other procurement files under Series 63, Acquisition, or Series 64, Contracting, of the Air Force Records Disposition Schedule, contracting officers shall ensure that all records necessary to support intellectual property rights are transferred to an appropriate Air Force organization with an appropriate system of records, such as research and development (R&D) case files. These records may include, but are not limited to: contracts, especially the solicitation/contract forms, the description/statement of work, and any attached licenses or data rights assertions; the solicitation; market research; the awardee’s proposal; preliminary and critical design review slides; the integrated master schedule; and data deliverables such as technical reports or software

development plans and other procurement records that may grant the Government licenses to technical data, computer software, and other intellectual property or may be necessary to establish that a given technology was developed with Government funding, . To protect the Government's intellectual property interests, records that support the intellectual property rights may need to be retained for multiple decades following contract closeout. Certain documents evidencing the Government's rights and interests in intellectual property might also need to be recorded with other government entities, such as the U.S. Patent and Trademark Office. Consult with legal counsel and records managers as necessary.

Subpart 5304.11 - SYSTEM FOR AWARD MANAGEMENT

5304.1102 Policy

(e) For a small business concern that is an offeror submitting a proposal under the Small Business Innovation Research (SBIR) program or the Small Business Technology Transfer (STTR) program, the contracting officer is authorized to provide an opportunity to correct the offeror's SAM.gov registration prior to award of an SBIR or STTR contract where:

(1) the SBIR or STTR solicitation required registration in SAM.gov for contracts;

(2) at the time of submission of the proposal, the offeror was registered in SAM.gov for grants;

(3) the offeror is able to register in SAM.gov for contracts prior to award;

(4) the corrective registration is ministerial in nature, i.e., the offeror is not changing its ownership, place of business or organization, small business size or status, or the substance of other representations and certifications; and

(5) the contracting officer determines that the correction of the SAM.gov registration from grants to contracts is in the government's best interest and furthers the statutory policy of 15 U.S.C. 638(a) to assist small business concerns' participation in Federal research and development.

Subpart 5304.16 - [RESERVED]

5304.1600 Unique Procurement Instrument Identifiers

Contracting officers should refer to the Standard Operating Procedure (SOP) for Internal Use Software (IUS) Accountability found in DAFMAN 17-1203 when an IUS is identified by the requiring activity.

5304.1603 Procedures

(2)(ii)(1)(i) The contracting officer shall use the letter "K" in the second position of the supplementary PII number for PIOs unless separately identified below: DFARS 204.1603

L -- AFSC/Tinker

M -- AFSC/Hill OL

Q -- AFSC/Robins OL

(2)(ii)(1)(iii) Procurements which are completely administered by the purchasing office should use normal modification numbering procedures for amended shipping instructions (ASIs). All other procurements should use the letter "T" in the second position of the supplementary PII number for ASIs unless separately identified below: DFARS 204.1603

U-- AFSC/Tinker

V-- AFSC/Hill OL

Y-- AFSC/Robins OL

Subpart 5304.70 - UNIFORM PROCUREMENT INSTRUMENT IDENTIFICATION NUMBERS

5304.7003-90 Maintaining DoD Activity Address Codes (DoDAAC)

The contracting officer administering the contract must obtain a contractor DoDAAC (see DAFMAN 23-230, *Maintaining Air Force DoD Activity Address Codes (DoDAAC)*) for contracts that furnish Government property or authorize requisition from a Government supply source. The contracting officer administering the contract must provide the DoDAAC to the program management office/requiring activity to facilitate the shipment of government furnished property. The Purpose Code Management module contained within Procurement Integrated Enterprise Environment (PIEE) must be used to:

(a) Obtain the existing DoDAAC or submit a new DoDAAC request for all contracts awarded;

(b) Initiate contractor DoDAAC account changes, including extensions of contract completion dates and contract terminations;

(c) Initiate contractor DoDAAC deletion when the contract is physically complete, unless the DoDAAC covers other active contracts; and,

(d) Validate contractor DoDAACs in accordance with DAFMAN 23-230, paragraph 4.2.

Subpart 5304.71 - [RESERVED]

5304.7103-1-90 Criteria for Establishing

Exchangeable repair contracts with provisions for modifications require specific CLIN structures when there are multiple output national stock numbers permitted. Whenever a family of part numbers may be input under a specific repair and modification CLIN and the output parts may have

different NSNs, then each output NSN should have a separate subCLIN. This will permit assigning a completion date to specific reparable for delivery schedule tracking purposes.

Subpart 5304.73 - SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

5304.7303 Policy

Contracting Officers shall document in the contract file verification of the Supplier Performance Risk System (SPRS) NIST SP 800-171 summary level score.

Contracting Officers shall document acceptance or non-acceptance of receipt of a Contractor's system security plan to validate NIST SP 800-171 security requirements in accordance with DFARS 252.204-7020 NIST SP 800-171 Assessments Requirements.