DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

Office Of The Assistant Secretary

02 NOV 2001

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

FROM: SAF/AQC
1060 Air Force Pentagon
Washington, DC 20330-1060

SUBJECT: Use of Multiple Award Contracts for Services - Planning for Success
(DoDIG Draft Report, Multiple Award Contract for Services, 2001CF-0057)

The subject DoDIG audit examined the application of fair opportunity for competition of individual orders under multiple award contracts for services. The report focused on the broad discretion given to contracting officers in determining fair opportunity and the use and documentation of exemptions to fair opportunity under FAR16.505(b). The DoDIG reached the conclusion that more orders should have been competed, but were not for various reasons. There are two findings we must address:

a. Contracting personnel must conduct adequate analysis to determine if a multiple award contract is truly suitable for that specific work before adopting an acquisition strategy using a multiple award contract. CO's must comply with FAR 16.504(c)(1) in planning, awarding and administering multiple award contracts of all types. CO's must avoid situations that provide a contractor exclusive access to one area of the work, and I expect CO's to maintain competition throughout the lives of these contracts.

b. The audit discussed the use of the logical follow-on exception to fair opportunity. FAR 16.505(b)(2)(iii) states, "orders can be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original award." The logical follow-on exception applies only within a multiple award contract; a logical follow-on does not apply to prior contracts awarded outside the multiple award contract.

I firmly support maintaining our CO's latitude to make smart business choices. Our job is to provide the training, guidance and follow-up to ensure we successfully apply this important streamlining tool. To assist, we have included several documents on the AQC web page at: http://www.safaq.hq.af.mil/contracting/toolkit/part06/. These include the final audit report; training slides from an AFMC roadshow; and a service contract compliance checklist that covers fair opportunity, developed as a Special Interest Item for the AFMC/IG. Make use of these tools. Tailor the compliance checklist to your mission and incorporate it into your MAJCOM checklists to ensure we have a feedback process to examine fair opportunity under MAC's. We are adding fair opportunity and documenting ordering procedures to our contracting health assessment program to gage the success of our collective efforts. The AQC staff is available to assist in any way. My point of contact is Maj Scott Calisti, SAF/AQCP, at DSN: 425-7072 or scott.calisti@pentagon.af.mil.

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