



CHANGE 96-1  
 DEPARTMENT OF THE AIR FORCE  
 HEADQUARTERS AIR FORCE MATERIEL COMMAND  
 WRIGHT-PATTERSON AIR FORCE BASE, OHIO

JOHN H. ~~IV~~  
 STELLA  
 FYI  
 04 DEC 1995

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PK  
 4375 Chidlaw Road, Suite 6  
 Wright-Patterson AFB OH 45433-5006

BG 11.95  
 See

SUBJECT: Funding of Repair Effort

1. During a recent business clearance review, we identified a funding strategy for repair effort that raised Antideficiency Act and "Bona Fide Need" statute questions. The strategy involved up-front obligation of funds in anticipation of repairs to be generated during an ensuing period, e.g., funds would be obligated against requirements-type contract line items on an annual basis for repair effort estimated to be needed over the subsequent 12 month period. Discussions with HQ AFMC/JAQ, and SAF/AQCS consultation with SAF/GCA, confirmed that our concerns had merit.

2. Please ensure that the current contracting methodologies for repair effort in use at your center involve appropriate use of funds and proper timing of obligations. The established rules for recording obligations reflect the requirements of 31 U.S.C 1502(a) (bona fide need rule). In particular, AFR 170-8, paragraph 7c, states that contracts may be entered into or orders placed for supplies or services only with a bona fide intent that the contractor will begin work and perform the contract without unnecessary delay. In the logistics support arena, the absence at contract award of a pool of reparable spares, and/or a definitive requirement for timely delivery of replacement units for inventory, violates this criterion for proper obligation of appropriations.

3. This memorandum has been coordinated with HQ AFMC/JA.

FOR THE COMMANDER

Atch 96-1A (FAR 16) Post to FAR 16.5 by circling the reference and noting in the margin "70-41, atch 96-1A." Also post to FAR 32.7 by circling the reference and noting in the margin: "70-41, atch 96-1A filed behind FAR 16". Then file this atch behind FAR 16.

*Richard H. Roellig*  
 RICHARD H. ROELLIG  
 Brigadier General, USAF  
 Director of Contracting

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IMPACT ON LEAN LOG?

See 70-41  
 Atch 96-1A

Cal F  
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