



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

August 21, 1992

INSPECTOR GENERAL INSTRUCTION 4205.2¹

SUBJECT: Contracted Advisory and Assistance Services

References: *See* Appendix A.

A. Purpose. This Instruction implements the provisions of DoD Directive 4205.2, "Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)" (reference a), and provides guidance contained in the President's Council on Integrity and Efficiency Memorandum, "PCIE Guidelines on the IG's Use of Contractors" (reference c). It establishes policies, assigns responsibilities, defines terms, and prescribes procedures for planning, managing, evaluating, and reporting on CAAS within the Office of the Inspector General of the Department of Defense (OIG DoD).

B. Cancellation. IGDINST 4205.2, *Contracted Advisory and Assistance Services*, October 1988.

C. Applicability and Scope. This Instruction applies to the Offices of the Inspector General, the Deputy Inspectors General, the Assistant Inspectors General who report to the Inspector General, the Deputy Chief Human Capital Officer, the Dean of Instruction, the Chief of Staff, and the Equal Employment Opportunity Director, hereafter referred to collectively as the OIG Components. This guidance does not apply to reimbursable agreements with other Federal agencies. This guidance does not apply to reimbursable agreements with other Federal agencies if work is performed by Federal employees. (For example, it applies if accepting agency contracts for the work to be performed.) This guidance also does not apply to advisory and assistance services obtained by personnel appointments under the Federal Personnel Manual (reference d) procedures or from chartered Federal advisory committees (DoD Directive 5105.4, reference e).

D. Definition. CAAS are those services acquired by contract from non-governmental sources to support or improve organization policy development, decision making, management and administration, program and/or project management and administration, or to improve the effectiveness of management processes or procedures. *See* Appendices B, C, and D for CAAS reporting categories and exemptions and an illustrative list of inherently governmental functions. A definition of inherently governmental functions and other terms can be found in DoD Directive 4205.2.

E. Policy

1. The OIG DoD shall maintain organic resources to perform those types of functions considered to be inherently governmental functions. (*See* Appendix D.)

2. CAAS shall be procured only when it is essential to the OIG mission and when equivalent services are not available readily within the Government. For CAAS exemptions, *see* Appendix C.

¹ This instruction has been updated administratively to reflect the current organizational structure of the OIG DoD. No policy changes have been made. December 2004.

3. CAAS contracts shall meet the Federal Acquisition Regulation (FAR) (reference h) and Defense Federal Acquisition Regulation Supplement (DFARS) (reference i) requirements in their solicitation, award, and administration and shall be awarded through competition unless the conditions for noncompetitive award are met. CAAS contracts may be used only if the following conditions are met:

(a) CAAS can be expected to have a significant positive impact on OIG decision making or operations.

(b) The effort does not unnecessarily duplicate work already done or under way.

(c) When performance by an individual or independent group is in the interest of the OIG.

(d) Suitable in-house capability is unavailable and cannot be developed in time to meet the needs of the OIG.

(e) When development of in-house capability is not cost effective because the special skill or expertise is not required full-time.

(f) Suitable in-house technical capability is available to prescribe, monitor, and evaluate the work of the contractor. The work to be done must be specific enough so that a contract can be written describing the services required in clear and unambiguous terms.

4. Conflicts of interest where the offerer or affiliate has a collateral interest in the result of the contract shall be avoided. (*See FAR, subpart 9.5, paragraph G and Appendix F.*)

5. Making decisions to contract versus doing the work in-house shall be based on a cost comparison between the two options when contracting for:

(a) Long-term services that could be performed with OIG expertise.

(b) Services when the OIG would lack sufficient funds to hire staff.

6. Cost comparisons may not be warranted when:

(a) Contracting is for technical expertise not available within the OIG on a short-term or intermittent basis.

(b) Contracting out is necessary to meet a short-term work load for which hiring full-time staff is not feasible or cannot be done in a timely manner.

7. CAAS shall not be:

(a) Procured with grants or cooperative agreements.

(b) Awarded on a preferential basis to former Government employees.

(c) Used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

(d) Continued for more than 5 years.

F. Responsibilities

1. The **Inspector General** hereby designates:
 - a. The Director for Administration and Logistics Services, Office of the Chief of Staff (OCoS), to discharge the responsibilities of the OIG CAAS Director as required by reference a and
 - b. The CoS to adjudicate appeals of OIG CAAS proponents under appeal procedures contained in Appendix E.
2. The **OIG CAAS Director** shall:
 - a. Review and approve all CAAS procurement requests, in accordance with the procedures below, after having determined that the use of CAAS is necessary and appropriate, cannot be performed within the OIG or anywhere else within the Department of Defense or the Federal Government, and does not duplicate previously performed work.
 - b. Ensure that CAAS funds are obligated for purposes specified in the annual plan and any subsequent changes thereto.
 - c. Monitor CAAS activities to avoid unnecessary duplication and to promote CAAS information exchange.
 - d. Ensure accurate and timely reporting to the Defense Technical Information Center (DTIC) or other relevant data repositories.
 - e. Review and approve an annual CAAS plan by September 30 for the upcoming fiscal year and an annual report for CAAS undertaken (initiated, completed, or continued) by December 31 for the fiscal year ending September 30.
 - f. Ensure that adequate internal management controls are established at the functional level of accountability in compliance with DoD Directive 5010.38 (reference j).
 - g. Oversee training of OIG personnel involved with identification, acquisition, management, and use of CAAS.
 - h. Coordinate with the DoD CAAS Director on all matters of joint interest.
3. The **OIG DoD Comptroller, OCoS**, shall:
 - a. Properly identify, justify, and submit CAAS budget exhibit requirements in accordance with the Comptroller, Department of Defense, and congressional direction.
 - b. Ensure that CAAS obligations are entered properly in the accounting system.
 - c. Ensure that CAAS funds are administered in accordance with the budget plan.
 - d. Review the annual CAAS plan and annual CAAS report for accuracy, in coordination with the OIG CAAS Director.
 - e. Forward to the OIG CAAS Director for resolution any CAAS requests that deviate from the budget plan showing offsets to current funding ceilings and the annual plan.
 - f. Provide reports on CAAS program execution to the OIG CAAS Director, when required.

4. **OIG CAAS proponents (program managers, users, etc.)** shall:
- a. Have the primary responsibility for identification, reporting, and internal management control of CAAS.
 - b. Prepare and submit through the OIG DoD Comptroller, OCoS, to the OIG CAAS Director all CAAS procurement requests, annual plans, and an annual report evaluating the use of CAAS.
 - c. Ensure that each proposed CAAS procurement request package contains:
 - (1) A description of the requirement.
 - (2) A clear explicit justification of need and expected benefit.
 - (3) Cost data that reconcile with CAAS budget data. (*See Appendix F.*)
 - (4) A Statement of Work (SOW) that is complete and specifies the work to be performed and the deliverables and the specified period of performance. (*See Appendix F.*)
 - (5) Explanation of why contractual services are needed to satisfy the equipment.
 - (6) A justification and approval document, as appropriate, for noncompetitive procurement in accordance with FAR 6.3 and DFARS, subpart 206.3, and a cost comparison showing that it is more economical to contract for the service.
 - (7) When the cost of the proposed procurement is expected to exceed \$100,000 for 1 year or \$100,000 for a multiyear procurement, a cost comparison showing that it is more economical to contract for the service rather than hiring additional government employees is required. (*See Appendix D, FAR, subpart 7.3 and DoD Instruction 4100.33, Enclosure 9, titled Part IV of the Supplement to OMB Circular No. A-76, "Cost Comparison Handbook."*)
 - (8) The type of CAAS being procured as defined by the CAAS reporting categories contained in Appendix B. The appropriate category shall be designated by the requesting activity to ensure proper accounting and/or object classification.
 - (9) A statement that the DTIC and other applicable information sources have been queried and that no known existing scientific, technical, or management report could fulfill the requirement.
 - (10) Estimated cost and level of effort expressed in staff years, staff months, or staff hours.
 - (11) Proposed evaluation and selection criteria for competitive awards.
 - (12) Surveillance plans specifying how contractor performance, performance standards, and deduction schedules, as required, shall be assessed.
 - d. Ensure that Contracting Officer Representatives are appointed in writing by the cognizant contracting officer, that they understand the limits of their authority and responsibilities, and that they use a surveillance plan approved by the contracting officer to monitor and evaluate closely contractor performance.
 - e. For new out-of-cycle CAAS requirements, identify funds within current ceilings through cancellation, adjustment, or variances in previously approved items.

f. Initiate, if warranted, appeals of CAAS requests that have been denied, in accordance with the appeal procedures in Appendix E.

G. Procurement and Contract Administration Procedure

1. All CAAS procurement requests shall, as a minimum, be approved by an official at a level above the requiring element. Additionally, approval for all CAAS procurement requests initiated during the fourth quarter of the fiscal year, for award during the same fiscal year, shall be by an official at a second or higher level above the requiring element.

2. Upon approval by the OIG CAAS Director, all IG Forms 4205.2, "Request for CAAS," will be forwarded to the contracting officer for execution.

3. Approval of CAAS procurement requests estimated to cost \$50,000 or more may not be delegated below an SES manager assigned to the requesting activity.

4. An Organizational Conflicts of Interest Certificate is required for contracts over \$25,000 and shall be included in solicitations. (*See Appendix F.*)

5. Contracts will be closely monitored by the OIG proponent throughout contract implementation. If a contractor fails to comply with contract requirements, it will be considered a breach of contract and immediately brought to the attention of the administrative or procurement contracting office.

6. Appendix F contains procedures for preparing necessary documentation.

H. Effective Date. This Instruction is effective October 1, 1992.

FOR THE INSPECTOR GENERAL:



Gregg E. Bauer
Chief of Staff

6 Appendices a/s

**APPENDIX A
REFERENCES**

- a. DoD Directive 4205.2, "Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)," February 10, 1992
- b. DoD Instruction 4100.33, "Commercial Activities Program Procedures," September 9, 1985
- c. Memorandum, President's Council on Integrity and Efficiency, "PCIE Guidelines on the IG's Use of Contractors," May 15, 1992
- d. Federal Personnel Manual, current edition
- e. DoD Directive 5105.4, "Department of Defense Federal Advisory Committee Management Program," September 5, 1989
- f. DoD Directive 5500.7, "Standards of Conduct," May 6, 1987
- g. DoD Directive 7600.9, "Contracting for Audit Services," May 8, 1985
- h. Federal Acquisition Regulation (FAR), current edition
- i. Defense Federal Acquisition Regulation Supplement (DFARS), current edition
- j. DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987
- k. DoD Directive 3200.12, "DoD Scientific and Technical Information Program," February 15, 1983
- l. Office of Management and Budget (OMB) Circular A-76, "Performance of Commercial Activities," August 4, 1983
- m. Federal Information Resources Management Regulation (FIRMR) (Title 41, Code of Federal Regulations, Part 201)
- n. Section 2315 of Title 10, United States Code

APPENDIX B
CONTRACTED ADVISORY AND ASSISTANCE SERVICES (CAAS)
REPORTING CATEGORIES

The following categories group advisory and assistance services for reporting CAAS contract actions in the annual CAAS budget exhibit and in the DoD accounting system. CAAS reporting categories are:

a. **Studies, Analyses, and Evaluations.** These services are organized, analytic assessments to understand and/or evaluate complex issues to improve policy development, decision making, management, or administration. These efforts result in documents containing data or leading to conclusions and/or recommendations. Databases, models, methodologies, and related software created in support of a study, analysis, or evaluation are to be considered part of the overall effort.

b. **Management and Professional Support Services.** These services provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of DoD organizations, activities, or systems. They normally are closely related to the basic responsibilities and mission of the using organization. This category includes efforts that support or contribute to improved organization or program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, auditing, and administrative and/or technical support for conferences, and training programs.

c. **Engineering and Technical Services.** These services (for example, technical representatives) take the form of advice, assistance, training, or hands-on training (that is, direct assistance) necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness. Engineering and technical services consist of:

(1) Contract field services, which are engineering and technical services provided on-site at DoD locations by the trained and qualified engineers and technicians of commercial or industrial companies.

(2) Contract plant services, which are engineering and technical services provided by the trained and qualified engineers and technicians of a manufacturer of military equipment or components in the manufacturer's own plant and facilities.

(3) Field service representatives who are employees of a manufacturer of military equipment or components that provide a liaison or advisory service between their company and the military users of their company's equipment or components.

APPENDIX C CAAS EXEMPTIONS

The following kinds of services or activities are exempt from the purview of this Instruction:

- a. Activities that are reviewed and/or acquired in accordance with the OMB Circular A-76 program (reference l).
- b. Architectural and engineering services for construction and construction management services procured in accordance with the FAR, Part 36 (reference h). Work not related to construction as defined by Part 36 of reference h and that meets the CAAS definition under existing architectural and engineering contracts shall come under the purview of this Instruction.
- c. Day-to-day operation of facilities (for example, the Arnold Engineering Development Center and related facilities) and housekeeping services and functions (for example, building and grounds maintenance and physical security).
- d. Routine maintenance of systems, equipment and software; routine administrative services; printing services; and direct advertising (media) services.
- e. Initial training services acquired as an integral part of the procurement of weapons systems, automated data processing systems, equipment or components, and training obtained for individual professional development.
- f. Basic operation and management contracts for Government-owned, contractor-operated facilities (GOCO), for example, the Holston Army Ammunition Plant in Kingsport, TN. Any contract action meeting the CAAS definition in item b, Appendix B, and procured under the GOCO basic contract shall come under the purview of this Instruction.
- g. Clinical and medical services for direct health care.
- h. ADP and/or telecommunication functions and related services controlled in accordance with the FIRMR (reference m) and reported in Budget Exhibit 43a.
- i. ADP and/or telecommunications functions and related services exempted from FIRMR control pursuant to Section 2315 of Title 10 United States Code (reference n) and reported in Budget Exhibit 43a.
- j. Services supporting the policy development, management, and administration of the Foreign Military Sales Program that are not paid for with funds appropriated by the U.S. Congress. (Includes CAAS funded with appropriated funds and reimbursed by the foreign customer.)
- k. Services (for example, systems engineering and technical services) acquired by or for a program office to increase the design performance capabilities of existing or new systems or where they are integral to the logistics support and maintenance of a system or major component and/or end item of equipment essential to the operation of the system before final Government acceptance of a complete hardware system. Care must be exercised to avoid exempting services acquired to advise and assist the program office and/or manager for program and/or contractor oversight, and administration processes, resource management, planning and programming, milestone and schedule tracking, or other professional or administrative services necessary in performing the mission of the program office.

1. Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena.
- m. Auctioneers, realty-brokers, appraisers, and surveyors.
- n. Services procured with funds from the Defense Environmental Restoration Account.

APPENDIX D INHERENTLY GOVERNMENTAL FUNCTIONS

“Inherently Governmental functions” has the same meaning as “Governmental functions,” as defined in Section 6.e. of OMB Circular A-76 (reference 1). That section provides as follows: a Governmental function is a function that is so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities that require either the exercise of discretion in applying Government authority or the use of value judgments in making decisions for the Government. Governmental functions normally fall into two categories:

a. **The act of governing;** that is, the discretionary exercise of Government authority. Examples include criminal investigations, prosecutions, and other judicial functions; management of Government programs requiring value judgments, as in direction of the national defense; management and direction of the Armed Services; activities performed exclusively by military personnel who are subject to deployment in a combat, combat support, or combat service role; conduct of foreign relations; selection of program priorities; direction of Federal employees; regulation of the use of space, oceans, navigable rivers, and other natural resources; direction of intelligence and counterintelligence operations; and regulation of industry and commerce, including food and drugs.

b. **Monetary transactions and entitlements,** such as tax collection and revenue disbursements; control of treasury accounts and money supply, and the administration of public trusts. An inherently Governmental function involves the determination of policy and the direction and control of Federal employees or, in some cases, of activities and property of private citizens. Such functions normally do not include functions that are primarily ministerial and internal in nature, such as building security; mail operations; operation of libraries and cafeterias; housekeeping; and the maintenance of the physical plant, vehicles, or other electrical or mechanical equipment. Inherently Governmental functions do not encompass functions considered “commercial” as defined in OMB Circular No. A-76 (reference 1). The following is an illustrative list of functions normally considered to be inherently Governmental functions:

- (1) The development of OIG policy.
- (2) The development of policy, guidance, or strategy with respect to budget formulation and allocation of funds.
- (3) The determination of OIG priorities.
- (4) Approving or awarding OIG contracts.
- (5) Administering OIG contracts and approving final products.
- (6) Approving the criteria for performing cost comparisons between the costs of contracting versus work performed in-house and approving the results of such comparisons.
- (7) Making contractor conflict of interest determinations.
- (8) The conduct and management of criminal investigations.
- (9) Deciding whether to perform an audit, investigation, or inspection.
- (10) Approval of annual or long-term OIG project plans.
- (11) Approval to perform additional audit or inspection work associated with a current contract.

- (12) The final acceptance of agency responses to OIG draft reports.
- (13) The final resolution of comments when management nonconcur with final OIG findings, recommendations, or monetary benefits.
- (14) The drafting and approval of congressional testimony and/or responses to congressional correspondence.
- (15) The acceptance and issuance of draft and final OIG reports.
- (16) Signature authority on OIG reports.
- (17) Responding to FOIA and other requests for information.
- (18) Determining requirements for property or services to be procured and/or disposed of.
- (19) Participating in any meetings regarding evaluation of contractor proposals and approval of any contractual documents.
- (20) The approval of position descriptions and performance standards or any other administrative and managerial requirement associated with OIG personnel, such as selection for employment and the preparation or approval of OIG employee performance evaluations.
- (21) Supervision of OIG staff.
- (22) Decisions with respect to the conduct of litigation arising out of or affecting the operations of an OIG.
- (23) Operation of the DoD Hotline.
- (24) The conduct of administrative hearings to determine the eligibility of any person for a security clearance or involving actions that affect matters of personal reputation or basic eligibility to participate in Government programs.

**APPENDIX E
CAAS APPEAL PROCEDURES**

1. The CAAS Review Board, chaired by the CoS and including the OIG Comptroller, Director for Administration and Logistic Services, and the General Counsel and Assistant Inspector General for the Office of Legal Counsel, as required, shall meet to act on appeals of previously denied CAAS requests.
2. The Board shall resolve each appeal referred to the chair or to an individual review board member by the OIG CAAS proponent.
3. Appeals of the CAAS Review Board decisions shall be made to the Inspector General whose decision is final.

APPENDIX F
PROCEDURES FOR INITIATING AND REPORTING CAAS

1. **Requests for CAAS.** The following forms and formats are required for all CAAS requests.
 - a. Prepare IG Form 4205.2, Request for CAAS, June 1992 (Figure F-1). Enter CAAS category from Appendix B in block 9a and Object Class in block 9b. *See* Figure F-2 for Object Class list.
 - b. Prepare a Statement of Work (SOW) for each CAAS request. *See* Figure F-3 for the correct format for the SOW.
 - c. Prepare DD Form 1498, Research and Technology Work Unit Summary (Figure F-4), and attach to each CAAS request.
 - d. *See* Figures F-5 and F-6 for cost comparison format.
 - e. *See* Figure F-7 for Conflict of Interest Statement.

2. **Reporting CAAS.** The following forms and formats are required for reporting CAAS.
 - a. Use the format in Figure F-8 for draft and annual plans.
 - b. Complete “Evaluation” section of IG Form 4205.2 to report completion of CAAS initiatives. Use also for annual report to identify previously initiated or continuing CAAS efforts.
 - c. Prepare DD Form 1498, Research and Technology Work Unit Summary (Figure F-4), for each completed CAAS. Forward along with CAAS “evaluation” to the OIG CAAS Director within 30 days of CAAS initiative completion.

REQUEST AND EVALUATION FOR CONTRACTED ADVISORY AND ASSISTANCE SERVICES (CAAS) (If additional space is required, attach separate sheet and identify by block number)			
1. DATE OF SUBMISSION (YYMMDD)		2. PROJECT TITLE	
3. IS THIS A CONTRACT MODIFICATION, RENEWAL, OR EXTENSION? (x one) <input type="checkbox"/> NO <input type="checkbox"/> YES (Specify and cite appropriate contract number and contract title)			
4. REQUESTING OFFICE			
5. COGNIZANT CONTRACT OFFICER'S TECHNICAL REPRESENTATIVE (COTR) CONTRACTING OFFICER REPRESENTATIVE (COR)			
5a. NAME (Last, First, Middle Initial)		5b. ROOM NUMBER	5c. TELEPHONE NUMBER
6. BUDGET PROGRAM DATA. (ATTACH ESTIMATED COMPUTATION COST PROPOSAL)			
7. ACTIVITY TO PERFORM CONTRACTING			
8. DEFENSE TECHNICAL INFORMATION CENTER (DTIC)			
8a. WERE DTIC AND OTHER RESOURCES SEARCHED TO SEE IF SIMILAR SERVICES WERE PERFORMED PREVIOUSLY TO AVOID DUPLICATION?			
(1) YES		(3) IF NO, WHY NOT?	
(2) NO			
8b. WAS THE INITIATION OF THIS PROJECT STUDY REPORTED TO DTIC?			
(1) YES (Attach DD Form 1498)		(3) IF NO, WHY NOT?	
(2) NO			
9. CODING DATA (To be provided by sponsoring organization)			
9a. CAAS CATEGORY		9b. OBJECT CLASS	
10. PROPERTY REQUIRED BY CONTRACTOR (x as appropriate and enumerate by attachment)			10a. GOVERNMENT
			10b. OTHER
11a. IS THIS PROCUREMENT IN RESPONSE TO (x one)		11b. IS THIS PROCUREMENT (x one)	
(1) TECHNICAL REQUEST		(1) COMPETITIVE (Attach list of suggested sources in block 16)	
(2) UNSOLICITED PROPOSAL		(2) FERDC (FCRC)	
(3) OTHER (Specify)		(3) SOLE SOURCE (Identify contractor in block 16 and attach written justification)	
12. COORDINATION			
13a. TYPED NAME (Last First, MI)	13b. OFFICE DESIGNATION	13c. DATE	13d. INITIALS
(1)	Directorate		
(2)	AIG		
(3)	Director, FMD		
(4)			
(5)			
(6)			
(7)			
14. APPROVING OFFICIAL			
WHEN THIS FORM IS USED TO PROCURE CONTRACT SERVICES OUTSIDE THE GOVERNMENT, I CERTIFY THAT NO DOD OR GOVERNMENTAL SOURCES ARE AVAILABLE OR ADEQUATE TO PERFORM THE PROPOSED WORK.			
14a. OIG/CAAS DIRECTOR (Last, First, MI)		14b. SIGNATURE	14c. DATE SIGNED (YYMMDD)

IG FORM 4205.2-1, JUNE 1992 (SEE REVERSE)

Figure F-1, IG Form 4205.2, Request for CAAS (Front)

15. TERMS OF CONTRACT, SCHEDULE OF PERFORMANCE, REPORTS AND SERVICES TO BE DELIVERED, OR SERVICES TO BE ACQUIRED BY GOVERNMENT.		
16. RECOMMENDED SOURCES IF COMPETITIVE. IF SOLE SOURCE, LIST NAME AND ADDRESS OF CONTRACTOR.		
17. STATEMENT OF WORK (USE PLAIN BOND PAPER FOR ADDITIONAL SPACE)		
18. USE EVALUATION IMPACT. HOW WERE THE STUDY AND/OR RESULTS USED BY THE REQUESTING ORGANIZATION? (Be Specific and define impact) (Use plain bond paper for additional space)		
19. IF RESULTS WERE NOT USED, EXPLAIN. (Use plain bond paper for additional space)		
20. ONG CAAS DIRECTOR (Last, First, Middle (Typed))	20a. SIGNATURE	20b. DATE SIGNED (YYMMDD)

IG FORM 4205.2-1, JUNE 1992 REVERSE

Figure F-1, IG Form 4205.2, Request for CAAS (Reverse)

Object Class (OC)	Description
2521	Contract Consultants
2522	Contract studies, analyses, and evaluation. (For ADP, use OC 2566)
2523	Contract management support services.
2524	Contract engineering and technical services. (For ADP, use OC 2567)
2566	ADP studies and other services. Contracts to provide services such as management or feasibility studies, technology forecasts, requirements definition, consulting services, commercial training, and any other information technology-related service directly obtained from commercial sources but not reported in other categories
2567	ADP systems design and engineering. Contracts for design and development of services, networks, or facilities

Figure F-2, Object Class List

STATEMENT OF WORK

Part I -- SERVICES TO BE FURNISHED BY THE CONTRACTOR

1. The contractor will: (Describe clearly and specifically each part of the contractor's job: Use as many subparagraphs as necessary.)
2. End products for delivery: (If end products are to be delivered, describe each as precisely as possible.)
3. Reports required: (If the contractor is to submit reports, refer to each type of report separately; that is, interim report, special report, and final report. Unless listed on a contract data requirements list, state number of copies required, to whom to be delivered, delivery dates, and whether one copy must be in a reproducible form.)
4. Contractor's base of operations: (Give specific location or locations.)
5. Personnel: (Set forth requirements concerning qualifications of contractor employees or other personal matters.)
6. Security: (If security is a factor; state security clearance requirements for contractor personnel.)

Part II -- SERVICES TO BE FURNISHED BY THE GOVERNMENT

1. Personnel:
 - a. Contract project monitors: (Give name, address, telephone number, and duties. This person must be thoroughly familiar with the contract and with the problem or project; advises the contracting officer and may help negotiate the contract and any changes to it; is the liaison between the contractor and the organization for whom the work is being performed; may be augmented by quality assurance evaluators to determine compliance with the contract through inspection and oversight; informs the supervisor on the progress and quality of work being performed and takes or recommends corrective action when required; acts as inspection and acceptance officer for work specified in the contract; and gives the contracting officer required certification of performance when the contractor submits invoices for payment.)
 - b. Quality assurance evaluators, if necessary: (State number of persons and kinds of skills.)
2. Facilities and equipment:
 - a. Office space, furniture, equipment, and supplies.
 - b. Housing and messing.
 - c. Transportation
3. Material available: (State correspondence files, etc., will be available to contractor.)

NOTE: Although not a part of the SOW, an estimate of how much the contractor will be paid and a period of performance for the contract must be furnished to the contracting office on the purchase request (PR) or other documentation accompanying the PR and SOW. It is preferred to state the period of performance as the number of days after contract award but it may be stated as actual days. (See reverse for additional guidance.)

Figure F-3, Statement of Work (Front)

STATEMENT OF WORK ADDITIONAL GUIDANCE

1. Perhaps the most critical component of the procurement request and the resulting contract action is the Statement of Work (SOW). The SOW must:

a. Describe requirements in clear and concise language.

(1) The SOW must avoid incorporating requirements which are not essential because these will result in unnecessary costs. An example would be requiring unnecessary data or reports to be delivered.

(2) The SOW must be worded clearly. In the event of litigation, any ambiguities could be construed against the Government.

b. Be performance oriented. The SOW should tell the contractor what is to be accomplished, without dictating how the task is to be accomplished. Heavy reliance on mandatory publications, regulations, or specifications is restrictive and adds cost while reducing flexibility and innovation.

c. Be complete.

(1) The SOW should be complete when submitted for contracting action. Once the contracting officer decides on the appropriate procurement method and solicits vendors to respond to the Government's requirement, changes can be accommodated, but they are administratively costly and time-consuming.

(2) After contract award, SOW changes may not be feasible or must be negotiated in a sole source environment, and this limits the Government's ability to negotiate a fair and reasonable price.

d. Avoid the requesting of personal services. Personal services occur when, under the terms of the contract or the manner of its administration, contractor personnel are subject to direct supervision and control by the Government. Personal services are permitted only in very limited circumstances and must be authorized by specific statute. In the ordinary course of business, the contractor is expected to manage and supervise its own employees.

2. When drafting the SOW, it is important to keep in mind that proposal evaluation criteria (for competitively negotiated procurements) and the contract surveillance plan must be related directly to the SOW requirements.

Figure F-3, Statement of Work (Reverse)

TECHNICAL EFFORT AND MANAGEMENT SYSTEM				1. AGENCY ACCESSION	2. DATE OF SUMMARY	REPORT CONTROL SYMBOL DD-A&T(AR)636
3. DATE PREVIOUS SUMMARY	4. KIND OF SUMMARY	5. SUMMARY SECURITY	6. WORK SECURITY	7. REGRADING	8. DISBURSING INSTRUCTIONS	9. LEVEL OF SUMMARY A. WORK UNIT
10. NO./CODES:	PROGRAM ELEMENT	PROJECT NUMBER	TASK AREA NUMBER	WORK UNIT NUMBER		
a. PRIMARY						
b. CONTRIBUTING						
c. CONTRIBUTING						
11. TITLE <i>(Precede with Security Classification Code)</i>						
12. SUBJECT AREAS						
13. START DATE	14. ESTIMATED COMPLETION DATE	15. FUNDING ORGANIZATION		16. PERFORMANCE METHOD		
17. CONTRACT/GRANT				18. RESOURCES ESTIMATE		
a. DATE EFFECTIVE	EXPIRATION	FISCAL YEARS	a. PROFESSIONAL WORK YEARS	b. FUNDS <i>(In thousands)</i>		
b. CONTRACT/GRANT NUMBER						
c. TYPE	d. AMOUNT					
e. KIND OF AWARD	f. CUM/TOTAL					
19. RESPONSIBLE DOD ORGANIZATION			20. PERFORMING ORGANIZATION			
a. NAME			a. NAME			
b. ADDRESS <i>(Include ZIP code)</i>			b. ADDRESS <i>(Include ZIP code)</i>			
c. NAME OF RESPONSIBLE INDIVIDUAL			c. NAME OF PRINCIPAL INVESTIGATOR			
d. TELEPHONE NUMBER <i>(Include Area Code)</i>			d. TELEPHONE NUMBER <i>(Include Area Code)</i>			
21. GENERAL USE			e. NAME OF ASSOCIATE INVESTIGATOR <i>(If available)</i>			
MILITARY/CIVILIAN APPLICATION:			f. NAME OF ASSOCIATE INVESTIGATOR <i>(If available)</i>			
22. KEYWORDS <i>(Precede EACH with Security Classification Code)</i>						
23. TECHNICAL OBJECTIVE 24. APPROACH 25. PROGRESS <i>(Precede text of each with Security Classification Code)</i>						

DD FORM 1498, AUG 1999

PREVIOUS EDITION IS OBSOLETE.

Figure F-4, DD Form 1498, Research and Technology Work Unit Summary

Estimated Costs for Civilian Government Employees												
Grade/Step	CY 1990 Annual Salary	Additional Personnel Burdens					Office Space at \$20 Sq. Ft.	Other Misc. Costs	Total Annual Burdened Cost	Basic Hourly Salary	Burdened* Hourly Costs	
		Retirement at 21.70%	Medicare at 2.17%	Life/Health at 4.70%	Fringe Benefits at 1.70%	With Office Space					Without Office Space	
GM-15/5	\$67,112	\$14,563	\$1,456	\$3,154	\$1,141	\$5,600	\$1,400	\$94,426	\$32.16	\$51.01	\$47.99	
GM-14/5	57,054	12,381	1,238	2,682	970	5,040	1,400	80,765	27.34	43.63	40.91	
GS-15/5	67,112	14,563	1,456	3,154	1,141	3,640	1,200	92,266	32.16	49.85	47.88	
GS-14/5	57,054	12,381	1,238	2,682	970	3,640	1,200	79,165	27.34	42.77	40.80	
GS-13/5	48,281	10,477	1,048	2,269	821	2,520	1,000	66,416	23.13	35.88	34.52	
GS-12/5	40,601	8,810	881	1,908	690	2,520	1,000	56,410	19.45	30.48	29.11	
GS-11/5	33,875	7,351	735	1,592	576	2,520	1,000	47,649	16.23	25.74	24.38	
GS-09/5	28,001	6,076	608	1,316	476	2,520	1,000	39,997	13.42	21.61	20.25	
GS-07/5	22,887	4,966	497	1,076	389	2,520	1,000	33,335	10.97	18.01	16.65	
GS-06/5	20,596	4,470	447	968	350	2,520	1,000	30,353	9.87	16.40	15.04	
GS-05/5	18,481	4,010	401	869	314	2,520	1,000	27,595	8.86	14.91	13.55	

*Burdened hourly costs were determined by taking the total annual burdened cost and dividing it by 1,851 hours 12,087 total yearly hours, less 156 annual leave hours, less 80 administrative leave hours (training, sick leave, other) equals 1,851 hours.

Figure F-5, Cost Comparison Format - Estimated Costs for Civilian Government Employees

Comparison of Contractor Costs Versus In-House Costs					
Labor Category	Hourly Cost of Contractor Services	Equivalent Government Grade	Hourly Cost of Government Employees	Difference Between In-House Costs and Contracted Services	% Difference Between In-House Costs and Contracted Services
Management	\$82.19	15/5	\$51.01	\$31.18	37.94
Research Staff Member	62.63	14/5	42.77	19.86	31.71
Editors and Miscellaneous	39.50	13/5	35.88	3.62	9.16
Graduate Students, Research Assistant, Program Analysts	34.62	9/5	21/61	13.01	37.58
Support Staff	22.72	5/5	14.91	7.87	34.55
Total	\$241.72		\$166.18	\$75.54	31.25

Calculation of Hourly Costs for Contractor Services						
Labor Category	Hourly Rate	Overhead Rate at 40%	Fringe Benefits at 42%	General & Administrative at 6.0 %	Profit at 4.25%	Burdened Hourly Cost
Management	\$38.85	\$18.65	\$16.32	\$5.02	\$3.35	\$82.19
Research Staff Member	29.61	14.21	12.43	3.83	2.55	62.63
Editors and Miscellaneous	18.68	8.96	7.84	2.41	1.61	39.50
Graduate Students, research Assistants, Program Analysts	16.37	7.86	6.87	2.11	1.41	34.62
Support Staff	10.77	5.17	4.52	1.39	.93	22.78

Figure F-6, Cost Comparison Format - Comparison of Contractor Costs Versus In-House Costs

ORGANIZATIONAL CONFLICT OF INTEREST CERTIFICATE

ADVISORY AND ASSISTANCE SERVICES

A. Organizational Conflict of Interest. An organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. An offeror, once advised that it is the apparent successful offeror, shall provide the certified information listed below.

1. The name of the agency and the number of the solicitation in question.
2. The name, address, telephone number, and Federal taxpayer identification number of the apparent successful offeror.
3. A description of the nature of the services rendered by or to be rendered on the instant contract.
4. The name, address, telephone number of the client or client(s), a description of the services rendered to the previous client(s), and the name of a responsible officer or employee of the offeror who is knowledgeable about the services rendered to each client, if, in the 12 months preceding the date of the certification, services were rendered to the Government or any other client (including a foreign government or person) respecting the same subject matter of the instant solicitation or directly relating to such subject matter. The agency and contract number under which the services were rendered must also be included, if applicable.
5. A statement that the person who signs the certificate has made inquiry and that, to the best of his or her knowledge and belief, no actual or potential conflict of interest or unfair competitive advantage exists with respect to the advisory and assistance services to be provided in connection with the instant contract, or that any actual or potential conflict of interest or unfair competitive advantage that does or may exist with respect to the contract in question has been communicated in writing to the Contracting Officer or his or her representative.
6. The signature, name, employer's name, address, and telephone number of the person who signed the certificate.

B. Failure to Provide Certification. Failure of the offeror to provide the certification may result in the offeror being determined ineligible for award. Misrepresentation of any fact may result in the assessment of penalties associated with false certifications or such other provisions provided for by law or regulation.

Note: All information requested above is to be provided by the offeror on those CAAS procurement actions that exceed \$25,000. Format for certification is immaterial.

Figure F-7, Organizational Conflict of Interest Certificate

MEMORANDUM FOR OIG CAAS DIRECTOR

Subject: OIG DoD, FY__CAAS Draft/Annual Plan

The following information is provided in support of our CAAS procurement plan:

- a. Category: *(See Appendix B.)*
- b. Title: *(Self-explanatory)*
- c. Sponsoring Office:
- d. Point of Contact: *(Name, telephone number, address, if other than 400 Army Navy Drive.)*
- e. Requirement: *(State why this CAAS is needed.)*
- f. Objective: *(State what this CAAS will provide.)*
- g. Approach: *(State how the CAAS will be conducted.)*
- h. Reason for contracting versus in-house:
- i. Anticipated Funding Level: *(State anticipated funding for current FY and at least the next two fiscal years. Include prior year funding if CAAS is a continuation. Show Object Class. (See Figure F-4.))*
- j. Contractor and Contract Number: *(If known.)*

John Doe
Deputy Inspector General for _____

Figure F-8, Format for Draft/Annual Plan