

# **Course Objectives**

- Define and understand the elements of a Requirements Contract to procure O&M services.
- Identify the major advantages and disadvantages of Requirements contracts.
- Identify the basic input needed from the project to assist in the development of a Requirements Contract.
- Identify the basic day to day administration necessary for a Requirements Contract. Using the examples, be able to issue, modify and receive both routine and negotiated Delivery Orders.

## **Contract Description**

#### Requirements Contracts

- Provides for filling all actual purchase requirements of designated government activities for specific supplies or services during a specific contract period, with deliveries to be scheduled by placing orders with the contractor.
- For the information of offerors and contractors, the contracting officer shall state a realistic estimated total quantity in the solicitation and resulting contract. This estimate is not a representation to an offeror or contractor that the estimated quantity will be required or ordered. Funds are obligated by delivery order, not by the contract itself.

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## Advantages

- You can perform a broad range of work, including unanticipated work, with contractor.
- Allows for flexibility in ordering work to correspond to variations in weather, visitation, flood control, or other unforeseen conditions.
- It authorizes ordering authority in the field.
- Cost effective for larger labor intensive jobs (such as drift removal).
- Does not require obligating large quantity of funds up front.



## Disadvantages

- More administration needed, including inspection documentation and accounting for each delivery order.
- Greater COR liability.
- Difficult to accomplish very small jobs.
- Requires government to provide materials/supplies and coordinate dispersing to contractor.
- Flexibility may make this type contract a target for budget cuts.
- Obligated to contractor for all work that is within scope of the contract.

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# **Determining Factors**

- Estimated value of the contract.
- The nature and complexity of the item or services required.
- The period of contract performance and the quality of work required under the acquisition.
- The difficulty of estimating the government's requirements.
- The degree of risk involved for the contractor.
- The administrative costs to both parties generated by various contract types.



# **Project Input**

#### **Performance Work Statement**

- Bid schedule
- General specifications for negotiated work
- Specific specifications for fixed price items

#### **Quality Assurance Surveillance Plan**

Included with solicitation if random sampling is used

#### **Major Contract Provisions**

- Bonds
- Option years
- Competitive negotiations



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# Project Input, cont.

#### **Special Provisions**

- Site visits
- Safety plans
- Deduction Schedule

#### **Appendices**

- Tables and charts
- Maps
- Schedules
- GFI Available



#### Administration

### Four Ways to Obtain Services

- 1. D/O for Fixed Price Items
- 2. D/O for Negotiated Work
- 3. D/O for Estimated Work
- 4. Emergency Work



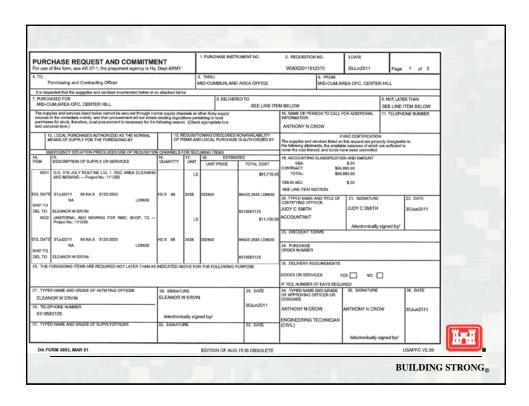
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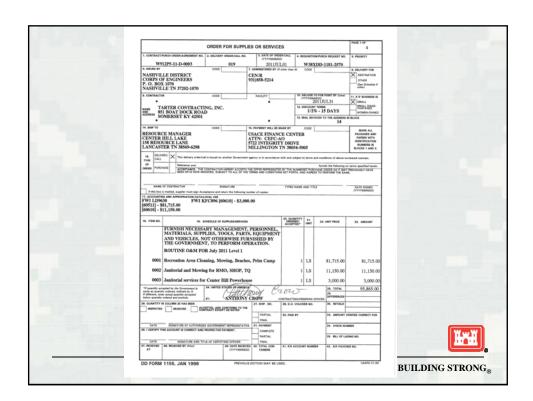
## Administration, cont.

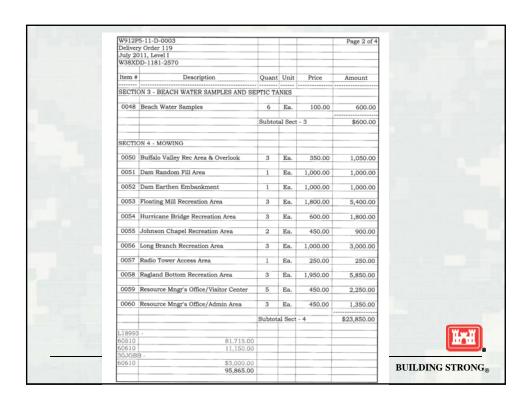
#### **Steps to Obtain Routine Work**

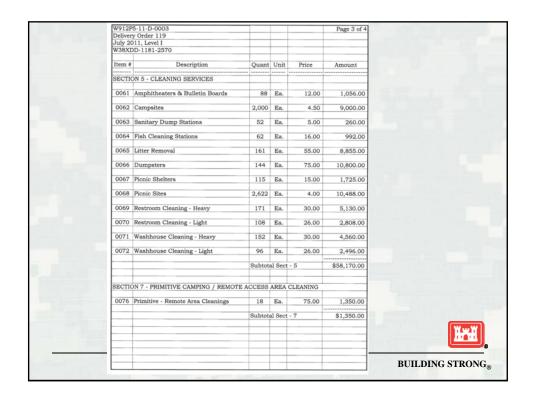
- Determine work required (line items from contract)
- Calculate total cost based upon line item costs for work items required
- Prepare, approve & certify PR&C obligating funds
- Issue DD Form 1155

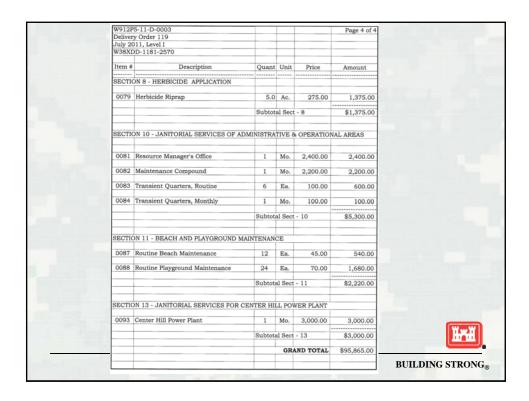












## Administration, cont.

#### **Steps to Obtain Negotiated Work**

- Determine if work is within scope of contract
- Develop Statement of Work
- Develop government estimate
- Contractor independently develops proposal and estimate
- Negotiate if necessary
- Prepare Record of Negotiations
- Issue DD Form 1155



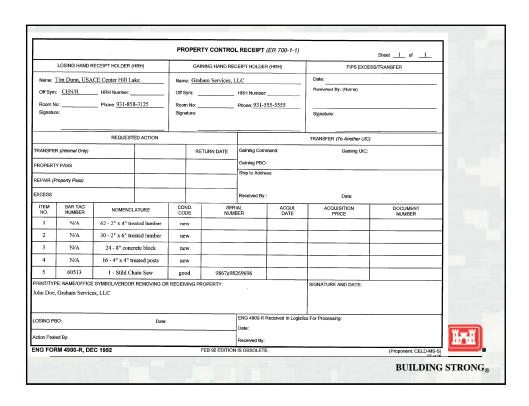
#### **Scope and Specifications Tree Removal at Various Locations Center Hill Lake** Scope of Work The general scope of work shall consist of furnishing all labor and equipment to remove and dispose of approximately 60 dead and/or hazardous trees from various recreation areas and operational areas, such as near the Resource Manager's Office and Center Hill Dam and Powerplant. The trees, which range in size from 10" to 20" in base diameter, are marked with orange flagging. The trees shall be cut flush at ground level so that vehicles, lawmowners, etc. can pass safely over them in the future. The trees shall be disposed of at locations approved by the government's representative. Location Trees to be cut and removed are located adjacent to the Resource Manager's Office and Center Hill Dam, along the Powerplant entrance road, and in Johnson's Chapel Recreation Area, Floating Mill Campground, Ragland Bottom Campground, and Hurricane Bridge Recreation Area. Ground Disturbance Ground disturbed during work shall be repaired to the satisfaction of the government. Disturbed areas include cuts, fills, and construction traffic areas. The final grade of these areas shall be constant with no dips, holes, or trenches and shall not change or impair draining patterns. Cleanup All equipment, materials, and supplies shall be kept neat and orderly while on site during the work period and all items must be completely removed from the site before final payment is made. <u>Unfavorable Weather Conditions</u> The government reserves the right to temporarily delay wok when the soil is too wet. The date of completion shall be automatically extended to compensate for lost time due to weather delays. Vehicle Use The contractor shall not drive off authorized roadways at any time without approval of the Contracting Officer's Representative. The contractor is responsible for repairing any damages that result to public property from driving off authorized roadways. The Contracting Officer's Representative shall inspect and approve the work before the job is determined to be complete and final payment made. All work shall be performed in accordance with safety requirements set forth in the Corps of Engineers All work shall be performed in accordance with safety requirements set forth in the Corps of Engineers Manual, EM385-1-1, entitled "Safety and Health Requirements Manual", Revised 03 November 2003. Any equipment not conforming to the safety manual shall be removed from Government property immediately. Work areas shall be clearly marked and taped off to keep the general public a safe distance away from potential hazards. At the end of each day, the contractor shall ensure that the work areas are free of any safety hazards. Additional care shall be taken to eliminate all safety hazards before leaving the area when it is to be left unatended during non-work days. Failure to comply with safety regulations shall be grounds for an immediate work stoppage. The contractor shall be required to submit an activity hazard analysis for approval JILDING STRONG®

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No.   Services   Onarhity   Unit   Unit   Price	Amount 1,742.4 1,607.2 1,708.8 603.6 1,445.7 1,357.8
6 Laborer, Grounds Maintenance 90 Hr. 19.36 1 Backhoe/Loader 40 Hr. 40.18 3 Chainsaw, gas 80 Hr. 21.36 4 Loader (Bobcat) 20 Hr. 30.18 5 Truck, Dump 32 Hr. 45.18 Truck, pick-up, ½ ton 44 Hr. 30.86	1,742.4 1,607.2 1,708.8 603.6 1,445.7
OVERNMENT FURNISHED ITEMS (GFI) REQUIRED – <u>Description Unit Quantity Description Unit Quantity</u>	\$8,465.6
N/A	
EPARED BY: Tonv Crow, Facility Manager 7-9-11 (Signature & Title) (Date)	
PROVED BY: Tim Dunn, Resource Manager 7-9-11 (Signature & Title) (Date)	
MARKS -	



	DELIVERY	ORDER COST	ESTIMAT	E		
Contract No.:	DACW-62-XX-X-XXXX	D.O. Cost Est. No	.: 22	Da	te: 7-09-11	
	SCRIPTION – Tree removal cordance with attached speci		ns around Co	enter Hill Lake.	Work to be	
	(Attach add'l pla	ns, specs., or other	nfo. as nece	ssary)		
2. COST ESTI	MATE- Submitted by: Gov	rernment ( ) or Con	tractor (X	) Contr. Sect. N	o.:	
tem No. 006 011 013	<u>Services</u> Laborer, Grounds Mainte Backhoe/Loader Chainsaw, gas	nance 80 80 80	Unit Hr. Hr. Hr.	Unit Price 19.36 40.18 21.36	Amount 1,548.80 3,214.40 1,708.80	
1015 1015 1016	Truck, Dump Truck, pick-up, ½ ton	26 40	Hr. Hr.	45.18 30.86	1,174.68 1,234.40	
				Tota	al: \$8,881.08	
. GOVERNM	ENT FURNISHED ITEMS	(GFI) REQUIRED	-			
Descript	ion <u>Unit</u> Quantit	y Descrip	tion	Unit	Quantity	
N/A						
PREPARED E	Y: : John Doe, Sup (Signature	erintendent & Title)		7-9-11 (Date)		
APPROVED I	BY:					
	(Signature &	& Title)		(Date)		
REMARKS -						Han.

-4111-1-12211	RECORD O	F NEGOTIAT	TIONS				
	o: DACW62-XX-X-XXXX Cos ent Representatives:	t Est. No <u>: 22</u> Contractor			2:15 p.m.		
-	Tony Crow	J	ohn Doe		<u>.</u>		
REMARI	KS: On 10 July 2011, discussion	ons were held	to revie	w the planned	l removal of		
trees from completin	n various locations around Cer ng the work. The government or was represented by John Doo	nter Hill Lake was represent	and to	negotiate a pr	rice for		
Govern that a bol	nment estimated use of a bobco bcat would not be sufficient an	at for 20 hour d that a backl	hoe wou	ld be require	d to safely		
and to inc	the work. The government ag crease the backhoe from 40 to 0	60 hours. The	line ite				
were dete	ermined to be reasonable and w	vere agreed to	by both	parties.			
	ontractor was informed that th				e issued on		
The co	ontractor was informed that th 011.	e delivery ord	ler woul	d probably b	e issued on		
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		I. CONTRACT ID CODE PAGE OF PAGES	
AMENDMENT OF SOLICITATION/MO	DIFICATION OF CONTRACT	PAGE OF PAGES	
P0001 to BAR/R-131 2	/14/93		
DEPARTMENT OF THE ARMY	7, ADMINISTERED BY	(If other than Item 6) CODE	
NASSIVILLE DISTRICT, CORPS OF ENGINI PO BOX 1070, NASHVILLE, TN 37202-		R/R	
E. NAME AND ADDRESS OF CONTRACTOR INC. severe D.C. CONTRACTING CO., INC. ROULD 2, BOX 118As.	county, State and EIF Code)	(4) SA. AMENDMENT OF SOLICITATION NO.	
Grand Rivers, KY 42045		SO. DAYED (SEE ITEM 11)	
		10A. MODIFICATION OF CONTRACT/ORDER	
		Delivery Order # BAR/R-131	
	LITY CODE LY APPLIES TO AMENDMENTS OF SO	LICITATIONS	
The above numbered solicitation is amended as set for trinded.			
submitted; or (c) By separate letter or telegram which inclu-	opies of the amendment. (b) By acknowledgin udes a reference to the unlimitation and amendi-	ig receipt of this amendment on each copy of the offer	
MÉNT TO BE RECEIVED AT THE PLACE DESIGNATED IN REJECTION OF YOUR OFFER. It by wither of this as letter, provided each telegram or letter makes, reference to it	mendment you desire to change an offer alread he solicitation and this amendment, and is rece	y submitted, such change may be made by relegram or	
96x3123 OAM CC BAR 20 82A0 0000 (	(OC)(0250)		
	ONLY TO MODIFICATIONS OF CONT ONTRACT/ORDER NO. AS DESCRIBE	D IN ITEM 14	
X Clause 68, Changes - Pixed Price	ce (Apr 1984)		
THE ABOVE NUMBERS OF CONTRACT/CONDER IT     SPECIAL CONTRACT/CONDER IT     SPECIAL CONTRACT OF THE INTERNAL CONTRACT		RATIVE CHANGES (such as changes in paying office, 43.103(b).	
D. OTHER (Specify type of motification and authority			
E. IMPORTANT: Contractor X is not, is re 14. DESCRIPTION FOR MACROBINITATION FOR REQUIREMENTS CONTRINCT — LAKE BARKE.	reanized by UCF section headings, including a	copies to the issuing office.	
MODIFICATION - Add additional miles	of Boundary Line Marking		
AMOUNT OF THIS MODIFICATION: Item Service			
Item Service 0118 Mark and Paint Boundary Lin		t Price Est. Total 360.00 \$1,800.00	
FINAL DELIVERY ORDER AMOUNT - \$10,8	00.00		
Except as provided herein, all terms and conditions of the do- and effect.	cument referenced in Herr SA or 10A, as heret	ofore changed, remains unchanged and in full force	(
ISA. NAME AND TITLE OF SIGNER (Type or print)	1/mm	OWN, Ordering Officer	174
ISE CONTRACTOR/OFFEROR	SC. DATE SIGNED IER. UNITED STATES OF	AMERICA INC. DATE SIGNED	
(Superture of person authorized to sign)		Contracting Officer)	BUILDING STRONG
PREVIOUS EDITION UNUSABLE	2-22	STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48-CFR) 53-243	ECLESIA STRONG®

## Administration, cont.

#### **Emergency Work**

- Emergency work is any work required to correct problems caused by failures or deficiencies to project facilities and property which constitute an immediate danger or health hazard or a threat to property.
- Contractor shall have qualified personnel available on call, 24 hours per day, 7 days per week for emergency work
- The name(s), address(es) and phone number(s) of the person(s) to be contacted in case of an emergency shall be submitted to the COR prior to commencement of this contract.
- This person(s) shall have the authority to act on behalf of the contractor to perform the necessary emergency work without delay.

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### Administration, cont.

#### **Emergency Work (cont.)**

- Emergency work will be initiated by notice (phone call or other means) from the COR or a designated representative and the contractor shall initiate corrective action immediately.
- The contractor shall notify the COR immediately of any emergency work which cannot be corrected within a 24hour period.
- When emergency situations are recognized by the contractor or contractor personnel, the COR shall be contacted immediately and prior to initiating action except to preserve life or avoid injury. In such cases the contractor shall perform remedial work to temporarily correct the situation and shall advise the COR of the problem within 24 hours.



# Administration, cont.

#### Receiving and Payment

- DD Form 1155
- Invoice
- Deductions
- Receiving Report (CEFMS)
- Transmittal
- Payment



## Administration, cont.

Resource Manager (COR or Alternate)
Facility Manager (COR or alternate)
Park Contract Representative
Inspector
Clerk / CE Tech

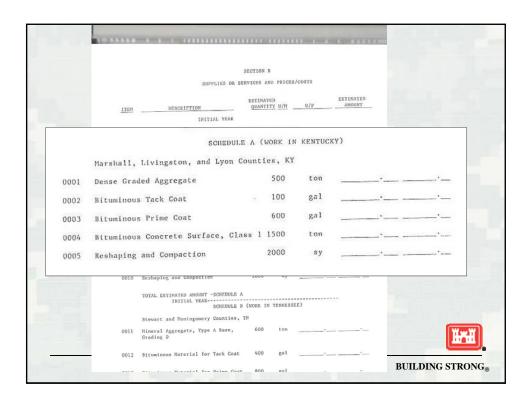


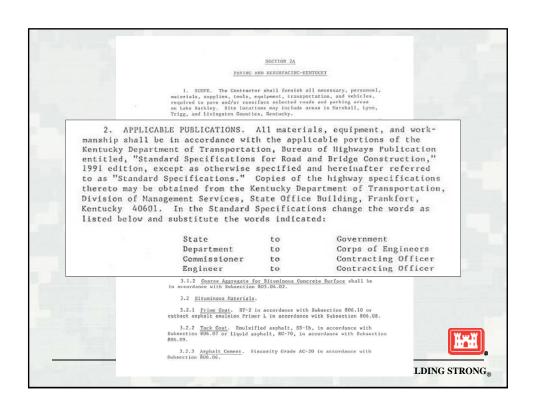
# Making It Work

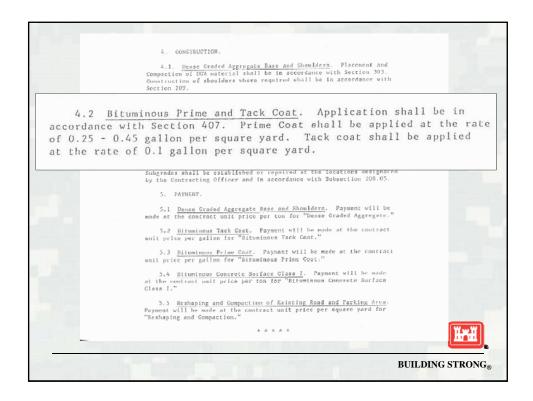
- Use more defined line items, e.g...cost per linear foot of curbing rather than cost per hour of curbing machine.
- Re-use previously negotiated items.
- Perform non-routine task in house within capabilities.
- Use separate contract or small purchase methods for non-routine items.











#### Review

- 1. List the main advantages of a Requirements contract.
- List the main disadvantages of a Requirements contract.
- 3. How do you initiate work under a Requirements contract fixed price vs. hourly rates?
- 4. How are emergencies handled?
- 5. How and when are funds authorized?



