DEPARTMENT OF THE AIR FORCE WASHINGTON, DC

NOV 13 2012

OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR ALL MAJCOM-DRU/CC

FROM: SAF/AQ

1060 Air Force Pentagon Washington, DC 20330-1060

SUBJECT: Implementation of FY11 NDAA Section 8108, Contractor Inventory

Air Force decision-makers require visibility into total manning in order to determine needs and optimize resources. In FY11, Congress mandated an annual count of contractors performing services for the Department of Defense. The following provides Air Force implementation of Section 8108 of Public Law 112-10 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011. Implementation is required for service acquisitions valued greater than or equal to the simplified acquisition threshold (SAT), acquired with appropriated funds, and where the Department of Defense is the requiring activity. This includes supply contracts with embedded service elements, architect and engineering (A&E), and research and development (R&D). All existing contract actions must be modified no later than 31 Jan 13 to require contractor data input no later than 31 Mar 13 for FY12 labor data. Implementation is not required for contracts that expire on or before 31 Dec 12 (including all options, extensions and ordering periods).

<u>Pre-solicitation</u>: Program managers/requiring activities will add the attached statement (or equivalent) to performance work statements (PWS) or statements of objectives (SOO) for all current and future requirements in the pre-solicitation phase.

Solicitation: Contracting officers will amend solicitations with the attached presolicitation PWS/SOO statement (or equivalent) where feasible. In circumstances where it is not feasible, the contracting officer will modify contracts to reflect the PWS/SOO criteria as soon as possible after award but must allow for reporting in the first year of the contract.

Post-award: Contracting officers will modify contracts to reflect the requirement as they believe most appropriate; however, the deadlines for incorporation and contractor reporting must be met to the maximum extent practicable. The Government does not anticipate this requirement will require cost or price adjustments, though contractors are entitled to an equitable adjustment if additional costs are incurred. To avoid unnecessary delays, the attached example modification language requires contractors to notify the Government in a reasonable period that additional costs will be incurred as well as submit an estimate of the additional costs. This example language should be adjusted to account for contract structures that include change order accounting, notification of changes clause, or other specific provisions that may affect the structure of the direction. Additionally, if the contractor notifies the Government that additional

costs will be incurred, the contracting officer must coordinate with their respective program manager/requiring activity to fund the modification as necessary.

This effort requires flexibility and diligence to accomplish by 31 Jan 13. I appreciate your efforts to make service acquisition and the Air Force better. Please direct any questions to Major Jason Whittle, AFPEO/CM at DSN 754-3063, (202) 404-3063 or jason.whittle@pentagon.af.mil.

CHARLES R. DAVIS, Lt Gen, USAF

Military Deputy, Office of the Assistant Secretary of the Air Force (Acquisition)

2 Attachments:

- 1. Example Contractor Manpower Reporting Language for Contract PWS
- 2. Example Modification Language