

### Guidance re O&M Funding on IAC Contracts

DTIC does not place restrictions on types of funds that may be accepted under IAC contracts. The sending organization must verify that funds are appropriate for the intended purpose (block 14 of the MIPR), citing the TAT(RMS) / Delivery Order number to ensure the funds are properly chargeable for the purposes cited in the order (per DoD FMR Volume 11A, Chap 3, 030402).

Most IAC TATs are considered to be severable, meaning that the government derives value before the entire scope of the TAT has been completed. For severable services, O&M funds must be expended within 12 months of the date of obligation (when they are placed on contract). If a particular TAT is considered non-severable, it must be fully funded upon award; in such a case, O&M funds may be used and expended over a PoP that exceeds 12 months.

Limitations on the original appropriation sent to DTIC remain; use of DTIC's RDT&E reimbursable authority does not change the conditions and limitations imposed on the use of funds (per DoD FMR Volume 11A, Chap 3, 030104).

Based on DTIC and AFMC's review of past contract actions, in the context of the above DoD guidance, we have determined that the following will apply to any O&M funds received for IAC contracts. This applies to O&M funds received for new orders, as well as incremental funding actions funded with O&M on any existing orders. The following is applicable IMMEDIATELY:

1. Each O&M MIPR must specify what tasks under the TAT SOW it is funding
2. Each O&M MIPR received will be placed on its own/separate 12-month CLIN; for example:
  - Current TAT PoP is 1JAN2010-31DEC2012
  - O&M MIPR for incremental funding is placed on contract on 1DEC2011; that MIPR will be placed on a CLIN valid 1DEC2011-30NOV2012; all funds must be expended and work completed during that period; any funds not expended may not be "rolled over" into another CLIN or used for other tasks after 30NOV2012
3. For new TATs that will be initially funded/awarded with only O&M funds:
  - Option 1: total TAT Period of Performance (PoP) will be limited to 12 months
  - Option 2: requirements will need to be separated into 12-month periods, with the total TAT PoP not to exceed 36 months; for example:  
Base Period: 1JAN2012 - 31DEC2012 (12-mo PoP)  
Option Period 1: 1JAN2013 - 31DEC2013 (12-mo PoP)  
Option Period 2: 1JAN2014 - 31DEC2014 (12-mo PoP)  
Overall TAT PoP: 1JAN2012 - 31DEC2014 (36 months)  
*Note: Under this scenario "No cost time extensions" shall not be allowed*
  - Option 3: requirements will need to be separated by tasks, each task not to exceed a 12-month PoP, with the total TAT PoP not to exceed 36 months; for example:  
Task 1-2: 1JAN2012 - 31DEC2012 (12-mo PoP)  
Optional Task 3: 1JUN2012 - 31MAR2013 (10-mo PoP)  
Optional Task 4-5: 1JAN2013 - 31DEC2013 (12-mo PoP)  
Optional Task 6-8: 1AUG2013 - 31JUL2014 (12-mo PoP)  
Overall TAT PoP: 1JAN2012 - 31JUL2014 (31 months)  
*Note: There cannot be any gap between the periods of performance of individual tasks, though the periods may overlap*

4. For new TATs that will be initially funded/awarded with only O&M funds, but which will later during the PoP be funded with RDT&E funds:
  - The initial period must not exceed 12 months, but a subsequent period to be funded with RDT&E/etc. may extend beyond 12 months; for example:
 

Task 1-2 (O&M):	1JAN2012 - 31DEC2012 (12-mo PoP)
Optional Task 3 (RDT&E):	1APR2012 - 31DEC2014 (33-mo PoP)
Optional Task 4-5 (O&M):	1JAN2013 - 31DEC2013 (12-mo PoP)
Optional Task 6-8 (O&M):	<u>1JAN2014 - 31DEC2014 (12-mo PoP)</u>
Overall PoP:	1JAN2012 - 31DEC2014 (36 months)

*Note: if RDT&E funds are not available to execute the optional task, that task may not be executed with O&M funds*
5. For new TATs that will be initially funded/awarded with both O&M and RDT&E (or other non-O&M funds):
  - Each O&M MIPR will be placed on a separate CLIN (per 1 & 2 above)
  - All RDT&E MIPRs will be placed on one CLIN with the total PoP not to exceed 36 months
  - *Note: there is no "minimum percentage" of non-O&M funding for this to apply; however, the contracting officer's discretion will determine whether the amount is sufficient to warrant a PoP exceeding 12 months, in accordance with the above guidance*

Clearly, it is imperative that customers receive this information immediately. For new efforts, early planning is essential to maximize flexibility and minimize impact on our support to our customers' mission.

For new efforts, CORs and Contracting will engage prospective IAC customers early to discuss potential requirements and prospective budget and funding information. We rely on your help to know who these prospective customers are. Just as the IAC Program Office releases an Advance Planning Matrix to our contractors under SNIM, we will ask our legacy IAC contractors to provide us advance planning information. Please identify the following as soon as you believe a customer is likely to pursue use of an IAC contract to fulfill their requirements:

- customer name, organization, email, and phone
- 2-3 sentence summary of the expected requirement/objective
- other pertinent information you may have (esp info on when they want the work to start)

The CORs will be given a template email to send to these customers, in order to establish gov-to-gov communications early in the process (including an early discussion of funding type expected). This will allow us to understand requirements and funding early enough to structure the TAT accordingly from the start.