From: Sineath CIV John
To: Adkins SSgt Garvey M; Alexander MSgt Darrin T; Baker MSgt Daniel M; Bergman CIV Alan D; Boone GySgt Nicole C; Boyd MGySgt Bryan E; Britton GySgt Dewan C; Brunson CIV Janet C; Cerka CIV Frances C; Chase Capt Kenny K; Clark GySgt Frederick A; Coetzee CIV Allie; Corcoran LtCol Eric M; Crawford Civ Dale A; Dobbins GySgt Michael W; Drury CIV Deborah A; Garza CIV Daniel R; Gaylor CIV Sherry F; Gubitti Civ Cynthia A; Hake CIV Peggy L; Henley CIV June R; Higa CIV Sakura K; Ingle Capt Steven L; Wheeler CIV Shakara M; Jones MSgt Donald J; King Maj Stephanie D; Leach CIV Andrea V; Lemmond CIV Barbara G; Long Capt Eric J; Lovett-Black Civ JoAnna; Matthews CIV Layton D; Mendez SSgt Gilbert; Michael Maj Ronnie D; Mohead CIV Kacy M; Morgan Col William; Morris CIV Robert A; Mullen CIV Melvin T; Navarro GySgt Hector M; Owens SSgt Brad E; Payne CIV Mark H; Pendley CIV Larry F; Polesnak Maj Stephanie M; Powell CIV Hollis H; Rabassi Maj Christopher E; Rego CIV Arthur J; Renfroe MSgt Telly J; Robinson LtCol Macon R (MEF FWD G-4); Ryman MGySgt Ronald T; Schmid LtCol Steven J; Smith CIV Peggy L; Stahl Maj Scott A; Stewart GySgt Robert D; Stroh CIV Linda L; Toncu SSgt Cristian; Tuzon MSgt Norman (MEF FWD G-4); Washington CIV Connie A; Watts GySgt Will W; Chatfield SSgt Randall W; Johnson Capt Talisha D;
cc: M_HQMC_LB; Romano CIV Mark; Oliver CIV R. Kaye; Daise CIV Stanley C; Kapadia, Sejal [USA];
Subject: APM 11-08 Rescission of Award Fee Contracts Memoranda
Date: Tuesday, February 15, 2011 11:12:00
Attachments: Rescission of Award Fee Contracts Memoranda.pdf

All,

BACKGROUND:

The attached DPAP memorandum dated January 26, 2011 rescinds three policy memoranda DPAP issued during March 2006 and April 2007 on award fee contracts, because some of the policy contained in these memoranda is obsolete due to changes made to Federal Acquisition Regulations (FAR) Subpart 16.4.

POLICY:

Contracting Officers shall comply with the policy in FAR 16.4, DFARS 216.4, DFARS PGI 216.4, NMCARS 5216.4, and ASN (RD&A) memorandum of 1 March 2010 when contracting for incentive fee contracts.

PROCEDURES:

a. When contracting for incentive fee contracts, Contracting Officers shall comply with the policy in FAR 16.4, DFARS 216.4, DFARS PGI 216.4, NMCARS 5216.4, and ASN (RD&A) memorandum of 1 March 2010 instead of the following three memoranda, which are rescinded due to obsolete guidance:

1. DPAP memorandum of 29 March 2006, Subject: Award Fee Contracts (FAR 16, DFARS 215, DFARS 216);
2. DPAP memorandum of 24 April 2007, Award and Incentive Fees - Data Collection; and
3. DPAP memorandum of 24 April 2007, Subject: Proper Use of Award Fee Contracts and Award Fee Provisions.

b. In addition, Contracting Officers shall ignore some of the guidance in the Navy-Marine Corps Award Fee Contracting Guide of 19 July 2004 since some of the guidance conflicts with current policy in the regulations. For example, the guide addresses the use of rollover fees which are prohibited by FAR 16.4. The DoN is in the process of updating the guide to reflect current policy and best practices, and upon issuance, will be disseminated.

Please ensure that all personnel involved in award fee contracts are aware of this APM and the policies and procedures set forth in FAR 16.4, Defense Federal Acquisition Regulation Supplement 216.4, DFARS Procedures, Guidance and Information 216.4, Navy-Marine Corps Acquisition Regulation Supplement 5216.4 and Assistant Secretary of the Navy for Research Development and Acquisition policy memorandum of March 1, 2010.

R/JS

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