

# Office of Acquisition and Property Management

January 12, 2007

## Department of the Interior Acquisition Policy Release (DIAPR) 2007-03

**SUBJECT: Class Deviation from the Federal Acquisition Regulation (FAR) 36.701(a) - Office of Surface Mining (OSM) and the Minerals Management Service (MMS)**

Reference: Federal Acquisition Regulation (FAR) Subpart 36.701(a)

### 1. *Purpose:*

The purpose of this policy release is to issue a class deviation from FAR 36.701(a) which requires the use of Standard Form (SF) 1442, "Solicitation, Offer, and Award (Construction, Alteration, or Repair)", when soliciting and submitting offers, and awarding construction or dismantling, demolition, or removal of improvements contracts expected to exceed the simplified acquisition threshold. This policy only applies to OSM and MMS acquisition personnel.

### 2. *Effective Date:*

Effective upon issuance.

### 3. *Expiration Date:*

This policy release shall remain in effect for the Office of Surface Mining (OSM) and the Minerals Management Service (MMS) until such time as these bureaus transition to the new contract writing system under the Financial Business Management System (FBMS).

### 4. *Background and Explanation:*

FAR 36.701(a) states that "Standard Form (SF) 1442, "Solicitation, Offer, and Award (Construction, Alteration, or Repair), shall be used to solicit and submit offers, and award construction or dismantling, demolition, or removal of improvements contracts expected to exceed the simplified acquisition thresholds, and may be used for contracts at or below the simplified acquisition threshold."

The Department of the Interior (DOI) is transitioning to a new financial system (SAP), as well as from one contract writing system (IDEAS) to another (PRISM) with the advent of DOI's FBMS. This transition will be implemented by bureaus, in phases, over the next few years. The implementation phase for OSM and MMS is unique in that the current contract writing system (IDEAS) will continue to be used but it will interface with the new FBMS financial system. The OSM and MMS implementation phase is scheduled for Fiscal Year (FY) 2007. The FBMS financial system requires the use of line item funding for all acquisition transactions. The IDEAS contract writing system does not have the

functionality to allow for the inclusion of a contract line item on the initial contract award of a SF 1442. The IDEAS contract writing system would have to be modified in order to accommodate this line item requirement. Providing funding to enhance a software system that is scheduled to be replaced in the short term is not fiscally prudent. The new FBMS contract writing system (PRISM) allows for the inclusion of line items on the SF 1442 and would not require a class deviation. I have, therefore, in accordance with FAR 1.404, consulted with the Chairman, Civilian Agency Acquisition Council, regarding issuance of a class deviation.

*5. Action Required:*

In accordance with FAR 1.404, I hereby authorize a class deviation from the requirements at FAR 36.701(a) for all OSM and MMS acquisition personnel using the IDEAS contract writing system. OSM and MMS acquisition personnel shall utilize the SF 33, "Solicitation, Offer and Award", in lieu of the SF 1442 until the transition to the FBMS contract writing system is complete.

OSM and MMS acquisition personnel shall ensure that all information, citations, clauses, and provisions contained in the SF 1442 but not available on the SF 33 (for example: block II-Contractor Performance, block I2-Performance and Payment bond requirements, and block 13-Additional Solicitation Requirements) are incorporated in the terms and conditions of the solicitation and the resulting contract.

This class deviation does not preclude the use of Optional Form (OF) 347, "Order for Supplies or Services", for construction or dismantling, demolition, or removal of improvements contracts that are at or below the simplified acquisition threshold, as prescribed in FAR Subpart 36.701 (b). OSM and MMS acquisition personnel may continue to utilize this form in all applicable situations.

Pursuant to Department of the Interior Acquisition Regulation (DIAR) 1401.404, "Class Deviations", a copy of this class deviation shall be referenced in the contract file.

*6. Additional Information:*

If you have questions about this matter, please contact Kate Oliver at (202) 208-3345.

/ signed Debra E. Sonderman, Director  
Office of Acquisition and Property Management