



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY

Policy Memo 10-C-08

MEMORANDUM FOR ALMAJCOM/FOA/DRU (Contracting)

JUN 04 2010

FROM: SAF/AQC  
1060 Air Force Pentagon  
Washington, D.C. 20330-1060

SUBJECT: Approval Authorities for Fair Opportunity Exceptions

The use of multiple award contracts allows the Air Force to take continuous advantage of the competitive forces in the marketplace. The result is lower prices, better quality, and improved contractor performance. These benefits manifest themselves at the task and delivery order level when we give multiple award contract holders a fair opportunity to compete for orders.

The FAR recognizes that there may be rare instances when fair opportunity cannot be applied at the task and delivery order level. Therefore, exceptions to the fair opportunity process are provided at FAR 16.505(b)(2) and DFARS 216.505-70(b)(1). However, a recent Air Force Audit Agency review of the use of these fair opportunity exceptions concluded that this is an area where we can improve our efforts to take advantage of competition.

I want to reemphasize the importance of contracting professionals carefully scrutinizing the use of fair opportunity exceptions and ensuring that each use of an exception is grounded in a sound business decision. The premise behind multiple award contracts is that all contract holders are able to provide the services required under the contract. This accommodates the expectation that when requirements materialize, the Government will have an opportunity to compete each task order among all of the contractors. This process not only provides fair opportunity but also ensures that the Air Force receives the best technical expertise and competitive pricing for each task order because the advantages provided by each offeror can be evaluated and contractually implemented.

To provide adequate oversight in the application of fair opportunity, I am changing the approval authority for certain justifications that cite the fair opportunity exceptions described at FAR 16.505(b)(2)(ii) and (b)(2)(iii). Pursuant to DFARS 216.505-70(b), the approval authority levels for justifications citing these exceptions are set out at FAR 8.405-6(h). Specifically, for a proposed order exceeding \$11.5 million, but not exceeding \$78.5 million, the justification must be approved by the SCO or SCCO who meets the criteria in FAR 8.405-6(h)(3)(ii). If a MAJCOM/DRU or AFISRA SCO does not meet the criteria in FAR 8.405-6(h)(3)(ii), then the justification must be approved by the Head for the Contracting Activity (HCA) of the Air Force (SAF/AQC).

Submit justifications requiring approval by SAF/AQC to SAF/AQCK. Allow 30 days for staffing and SAF/AQC approval.

As a reminder, tools are available to assist you in educating your customers. I recommend the DAU CLC 055, Competition Requirements for DoD Acquisition for your acquisition customers. This class will enhance their knowledge and at the same time earn them two continuous learning points. To assist in training non-acquisition professionals a power point presentation of the training is located at <http://www.acq.osd.mil/dpap/cpic/cp/docs/training/ppt>. The power point template allows you to tailor your training to each customer.

This policy memo is effective 12 July 2010. An Air Force Acquisition Circular will be issued to formally incorporate the changes into the AFFARS. If you have questions regarding this issue, please contact [REDACTED] SAF/AQCP, [REDACTED] 703-588-7007 (DSN 425).

[REDACTED]

Deputy Assistant Secretary (Contracting)  
Assistant Secretary (Acquisition)

(Changes are annotated by a vertical line in the left hand margin of the affected paragraph and "\*\*\*\*\*" indicates text omitted for brevity)

## ***I. SUBPART 5308.4 — FEDERAL SUPPLY SCHEDULES***

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### **5308.405-6 (h). Justification approvals.**

(3)(i)(A) For a proposed task or delivery order exceeding \$11.5 million, but not exceeding \$78.5 million, and citing the fair opportunity exception at FAR 16.505(b)(2)(ii) or (b)(2)(iii), the justification must be approved by the SCO or SCCO who meets the criteria in FAR 8.405-6(h)(3)(ii). If a MAJCOM/DRU or AFISRA SCO does not meet the criteria in FAR 8.405-6(h)(3)(ii), then the justification must be approved by the Head of the Contracting Activity (HCA) for the Air Force (DAS(C)/ADAS(C)).

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## ***II. SUBPART 5316.5 — INDEFINITE-DELIVERY CONTRACTS***

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### **5316.505-70. Orders under multiple award contracts.**

(b) See AFFARS 5308.405-6(h) for the approving officials for a proposed task and delivery orders using the fair opportunity exceptions at FAR 16.505(b)(2)(ii) and (b)(2)(iii).

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