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COMMENTS SOUGHT ON CONFORMING COST ACCOUNTING STANDARDS TO GAAP

The Cost Accounting Standards Board (CASB), a subdivision of the Office of Federal Procurement Policy (OFPP), is seeking public comments on a Staff Discussion Paper (SDP) on conformance of the Cost Accounting Standards (CAS) to Generally Accepted Accounting Principles (GAAP). The SDP was prepared in accordance with the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328, Section 820, Defense Cost Accounting Standards, which amended Title 41 of the United States Code, Section 1501, Cost Accounting Standards Board (41 USC 1501), to require the CASB to review the CAS and conform them, where practicable, to the GAAP. The SDP is available at <https://www.whitehouse.gov/wp-content/uploads/2019/03/2019-01-SDP-suppl.pdf>.

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The CAS consist of 19 standards that were promulgated in 1970 to achieve uniformity and consistency in the cost accounting practices used by contractors for measurement, assignment, and allocation of costs to contracts with the U. S. government (generally contracts that exceed \$7,500,000 and are either cost-reimbursement or fixed-price where price reasonableness is established through the use of certified cost and pricing data). According to the SDP, “uniformity of the standards used across contractors provides the government the ability to compare contract proposals and performance. Consistency provides the government protection from the effects of inconsistent or improper contractor cost accounting, which could result in entities shifting costs incurred in one segment to another segment or on one contract to another contract, *e.g.*, between private sector and the government contracts.”

GAAP is a set of financial accounting standards established by the Financial Accounting Standards Board (FASB) for recording and reporting financial information. The financial statements produced using GAAP focus on the financial performance of segments of the company and the entity as a whole. These financial statements are used internally to operate the business and externally by interested parties, such as shareholders (owners of the company), investment firms, banks, and other stakeholders. For example, the Securities and Exchange Commission requires publicly traded entities to file certain statements, which are made available to the public, including financial statements that are published in compliance with GAAP.

“While CAS and GAAP record and present the same costs, they do so with different perspectives and for different purposes,” the SDP continues. “CAS is focused at the contract level with a strong focus on the method of cost allocations to contracts to achieve the right recognition of costs for each contract for the benefit of the government. In contrast to CAS, GAAP is focused on reporting at a product line, segment or entity level, not by individual contract. Costs measured and assigned according to GAAP are consolidated into financial reports at these higher levels...When considering the need for CAS in 1970, Congress concluded that GAAP and other financial accounting standards could not satisfy the government’s requirements for evaluating contract costing and pricing because ‘unlike financial accounting, which concentrates on a company’s total operations for a given period, cost accounting is concerned with allocating a part of a company’s total expenses to a specific product or service’.”

Despite the differences in purpose and focus of the CAS and GAAP, there appear to be some areas of overlap that have arisen since CAS was first promulgated. This overlap has arisen as GAAP has evolved with the addition of a number of requirements related to the measurement and assignment of costs. Today, in practice, government contractors follow concurrently a mixed blend of GAAP and CAS. Where there is conflict between CAS and GAAP, the requirements of CAS supersede those of GAAP for government contract costing and pricing purposes.

The growth in GAAP content presents potential opportunities to modify or eliminate overlapping CAS requirements where GAAP standards may be applied reasonably as a substitute for CAS to support contract cost and pricing. Such reductions might help to reduce overall burden in the procurement process by allowing contractors to more heavily rely on GAAP, which they are already using to report on their daily business activities.

To effectively analyze where CAS-GAAP conformance may be beneficial, the SDP proposes: (1) guiding principles that can serve as guardrails in evaluating the benefits and drawbacks of any proposed action, and (2) a global roadmap to help the CASB prioritize where it should focus its attention from among the 19 CAS that are currently in effect. The SDP then provides a preliminary comparison of CAS to GAAP for two standards identified in the roadmap as early candidates for analysis: CAS 408, Accounting for Costs of Compensated Personal Absence, and CAS 409, Cost Accounting Standard Depreciation of Tangible Capital Assets. The requirements of each cost accounting standard are delineated in a chart that shows corresponding coverage in GAAP, if any, and initial CASB observations. Finally, the SDP discusses recent changes in GAAP that may require changes to CAS.

The CASB welcomes comments on any part of the SDP, including reactions to: (1) the cited examples of potential benefits and drawbacks of CAS-GAAP conformance; (2) the guiding principles proposed for evaluating benefits and drawbacks of actions to conform CAS to GAAP; (3) the prioritization for action, and initial thinking on where action may not be beneficial, as outlined in the global roadmap; (4) views on the initial analysis of CAS 408 and 409, including the CASB’s preliminary observations and specific questions for public feedback; and (5) the CASB’s preliminary thinking on where CAS may need to be modified to conform to GAAP.

Respondents are encouraged to submit comments electronically to **CASB@omb.eop.gov**,

Vivina McVay, Editor-in Chief

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and include name, title, organization, and reference “Case CASB 2019-01.” Respondents who are unable to submit comments electronically must submit their comments by regular mail to Office of Federal Procurement Policy, 725 17th Street NW, Washington, DC 20503, ATTN: Raymond Wong.

EPA TO PROVIDE AWARD TERM INCENTIVE POLICIES

The Environmental Protection Agency (EPA) is proposing to amend EPA Acquisition Regulation (EPAAR) subpart 1516.4, Incentive Contracts, to remove ambiguity and provide clarity on what is required for a contractor to successfully earn award terms.

Award terms are a form of incentive contract that offers additional periods of performance without a new competition, rather than additional profit or fee as a reward for achieving prescribed performance measures. Award term incentives were developed in 1997 by the Department of the Air Force and are not described in the Federal Acquisition Regulation (FAR). To assist EPA contracting officers seeking to use award term incentives, EPA believes it is necessary to amend the EPAAR to provide clear language of the requirements needed to successfully award and earn award terms.

The following are the changes that would be made by this proposed rule:

- Paragraph (b) of EPAAR 1516.401-70, Award Term Incentives, establishes the overall framework governing award term incentives. Paragraph (b) would be revised to add the *italicized* clarifying language: “(b) Award term incentives are designed to motivate contractors to *provide* superior performance. *Superior performance must be defined in the Award Term Incentive Plan.* Accordingly, the prescribed performance measures, i.e., acceptable quality levels (AQL), which must be achieved by a contractor to become eligible for an award term will be in excess of the AQLs necessary for government acceptance of contract deliverables, *unless rationale is documented that such service is beyond the contractor's capability or control.*”
- EPAAR 1516.401-270, Definition, consists of the definition for “acceptable quality level (AQL).” The second and third sentences of the definition would be amended to make the definition more definitive. Language proposed for deletion is ~~struck-through~~, and language proposed to be added is *italicized*: “~~Because~~ The performance necessary for eligibility for the award term incentive ~~may~~ *must* be in excess of that necessary for the government acceptance of contract deliverables;. ~~†~~The AQLs associated with the award term incentive ~~may~~ *shall* exceed the AQLs associated with the acceptance of contract deliverables.”

Comments on this proposed rule must be submitted no later than May 28, 2019, identified as “Docket ID No. EPA-HQ-OARM-2018-0610,” at the Federal eRulemaking Portal (<http://www.regulations.gov>).

Visit <http://www.FedGovContracts.com>

GSA ANNOUNCES AWARD FOR ENTITY VALIDATION SERVICES

The General Services Administration (GSA) has announced it has selected Ernst and Young LLP (EY) to provide entity validation services for the federal award process. The \$41,751,329 contract is for a one-year base period and four option periods extending through March 2024. GSA will use the unique entity identifier developed by EY in place of the Data Universal Numbering System (DUNS®) numbers currently used to identify entities. DUNS® are provided and owned by Dun and Bradstreet (D&B). The EY-developed identifier will be owned by the government.

The government must validate the identity of each entity (company, individual, organization, etc.) wanting to do business with the government. For decades these services were provided by D&B through its DUNS® numbers. The government required its contractors to obtain and report a unique DUNS® number as a condition for receiving a contract award. This proprietary number permitted the government to: (1) uniquely identify a contractor entity; and (2) roll-up government procurements to the ultimate parent organization to show the corporate family receiving U.S. obligations.

However, the Digital Accountability and Transparency Act of 2014 (DATA Act) (Public Law 113-101) specifically states that the data shall, to the extent reasonable and practicable, “incorporate a widely accepted, *nonproprietary*, searchable, platform-independent computer-readable format” and “include unique identifiers for federal awards and entities receiving federal awards that can be consistently applied governmentwide” (*emphasis added*).

In anticipation of D&B’s contract expiring in 2018, GSA released two Requests for Information (RFI) “for government-wide entity identification and validation services...The government has a need for assignment and maintenance of a unique numbering system to consistently identify specific commercial, nonprofit, or government entities. The overarching government requirement is for business identification and validation services associated with that unique number” (for more on the RFIs, see the March 2017 *Federal Contracts Perspective* article “GSA Looking for Alternates to DUNS® Numbers”). Following the evaluation of comments submitted in response to the RFIs, GSA prepared and issued a request for proposals (RFP) in August 2018.

In addition, the Federal Acquisition Regulation (FAR) was amended by a final rule in Federal Acquisition Circular (FAC) 2005-91 to replace “Data Universal Numbering System (DUNS) number” and “Data Universal Numbering System +4 (DUNS+4) number” with “unique entity identifier” (“a number or other identifier used to identify a specific commercial, nonprofit, or government entity”) and “Electronic Funds Transfer (EFT) indicator” (“a four-character suffix to the unique entity identifier”) (for more on FAC 2005-91, see the October 2016 *Federal Contracts Perspective* article “FAC 2005-91 Finalizes Rule on Women-Owned Small Business Sole Source Contracts”).

“Securing this five-year contract means that the federal government will have a safe, secure, and unified method for validating entities, while also simplifying the process for those who seek awards,” said GSA Office of Systems Management Assistant Commissioner Judith Zawatsky. “This award greatly improves the government’s ability to manage data and is an important step forward to competitively procuring entity validation services on behalf of the entire government award community.”

During the transition to EY, the government will receive continued service from D&B to maintain award reporting and data integrity.

AIDAR TO ADDRESS INFORMATION SECURITY

The United States Agency for International Development (USAID) is proposing to amend its USAID Acquisition Regulation (AIDAR) by adding AIDAR part 739, Acquisition of Information Technology, and corresponding clauses to incorporate a revised definition of information technology and other requirements relating to information security and information technology approvals.

USAID is proposing to address security for information and information systems that support the operations and assets of the agency, including those managed by contractors by making the following changes to the AIDAR:

- AIDAR part 739 would be added. It would consist of AIDAR 739.002, Definitions, which would contain the definition for “information technology” (“any services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency...The term ‘information technology’ includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.”

- AIDAR 752.204-72, Access to USAID Facilities and USAID’s Information Systems, would be replaced with new AIDAR 752.204-72, Homeland Security Presidential Directive-12 (HSPD-12) and Personal Identity Verification (PIV), to better implement HSPD-12, Policy for a Common Identification Standard for Federal Employees and Contractors, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, Personal Identity Verification (PIV) of Federal Employees and Contractors. (**EDITOR’S NOTE:** HSPD-12 is available at <https://www.dhs.gov/homeland-security-presidential-directive-12>; the current version of FIPS PUB 201 is available at <https://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.201-2.pdf>; and associated Office of Management and Budget (OMB) guidance M-05-24, Implementation of Homeland Security Presidential Directive (HSPD) 12-Policy for a Common Identification Standard for Federal Employees and Contractors, is available at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2005/m05-24.pdf>.)

The replacement clause would improve requirements for contractor personnel provided access to agency facilities and information systems, as well as timely monitoring of such access when an employee’s employment is terminated. The clause would require submission of staff reports listing employees that require access to USAID facilities or information systems, and would specify USAID’s authority to suspend or terminate the access to any systems and/or facilities if an “Information Security Incident” or other electronic access violation, use, or misuse incident gives cause for such action.

- AIDAR 752.204-XX, USAID-Financed Third-Party Websites, would require contractors to adhere to certain requirements when developing, launching, and maintaining a third-party website funded by USAID for the purpose of meeting the project implementation goals. This

would apply to sites hosted on environments not directly controlled by USAID policies and staff. The clause would require adherence to USAID branding requirements and would limit the contractor to collecting only the amount of information necessary to complete the specific business need as required by statute, regulation, or executive order.

- AIDAR 752.239-XX, Limitation on Information Technology, would prohibit the acquisition of information technology is obtained from the contracting officer. This would ensure that only information technology approved by the USAID Chief Information Officer (CIO) is acquired. All USAID information technology investment decisions, including software and information technology equipment, must be consistent with USAID's enterprise architecture. USAID must consider the total cost of ownership including the costs associated with risk issues, including security and privacy of data, and the costs of ensuring security of the information technology system itself.

- AIDAR 752.239-XX, Software License, would address the need to ensure that acquired software is aligned with USAID's enterprise architecture. In addition, the clause would enable USAID to consolidate licenses when appropriate.

The clause clarifies that renewal of software licenses may only occur in accordance with the mutual agreement of the parties or an option renewal clause allowing the government to unilaterally exercise one or more options to extend the term of the award. Since renewal of a software license would require the obligation of funds by the federal government, renewal must not be automatic. Commercial off-the-shelf software are offered to the public under standard agreements that may take a variety of forms, including license agreements, terms of service (TOS), and terms of sale or purchase. These standard agreements contain terms and conditions that are appropriate when the purchaser is a private party but are inappropriate when the purchaser is the federal government.

- AIDAR 752.239-XX, Information and Communication Technology (ICT) Accessibility, would require contractors to implement Section 508 of the Rehabilitation Act of 1973 (**EDITOR'S NOTE:** "Section 508" requires contractors to take affirmative action to employ and advance in employment qualified individuals with disabilities, and to treat qualified individuals without discrimination based on their physical or mental disabilities.) This clause would apply to all development, procurement, maintenance, and information communication technology for use by USAID and members of the U.S. public.

- AIDAR 752.239-XX, Use of Information Technology Approval, would require contractors to acquire only the information technology specified in the contract, and would specify a process to request approval if the contractor determines that acquisition of information technology is necessary to meet the government's requirements under the contract. This clause could ensure that only information technology approved by USAID's CIO is acquired, and that the information technology is consistent USAID's enterprise architecture.

- AIDAR 752.239-XX, Skills and Certification Requirements for Privacy and Security Staff, would require that contractor personnel filling the roles of Information System Security Officer and Information Security Specialists possess a Certified Information Systems Security

Professional (CISSP) certification, and that contractor personnel filling the role of Privacy Analysts must possess a Certified Information Privacy Professional (CIPP) credential.

Comments on this proposed rule must be submitted no later than May 20, 2019, identified as “Security and Information Technology Requirements,” by either of the following methods: (1) the Federal eRulemaking Portal: <http://www.regulations.gov>; or (2) mail: USAID, Bureau for Management, Office of Acquisition & Assistance, Policy Division, Room 867-F, SA-44, Washington, DC 20523-2052.

VAAR CLEANS UP CONSTRUCTION, A-E CONTRACT COVERAGE

The Department of Veterans Affairs (VA) continues its cleanup of the VA Acquisition Regulation (VAAR) to revise or remove any policy that has been superseded by changes in the Federal Acquisition Regulation (FAR); remove any procedural guidance that is internal to the VA; incorporate new regulations and policies; correct inconsistencies within the VAAR; remove redundant and duplicate material already covered by the FAR; delete outdated material or information; and renumber VAAR text, clauses, and provisions to conform to the FAR format, numbering, and arrangement. This final rule addresses the VAAR coverage of construction and architect-engineer contracts, primarily VAAR part 836, Construction and Architect-Engineer Contracts.

The following are the most significant changes made to the VAAR by this final rule:

- VAAR subpart 825.2, Buy American Act – Construction Materials, and the associated clauses prescribed under VAAR subpart 825.11, Solicitation Provisions and Contract Clauses (VAAR 852.236-89, Buy American Act, with its Alternates I and II), are removed as they are duplicative of coverage in the FAR.
- VAAR subpart 836.2, Special Aspects of Contracting for Construction
 - VAAR 836.202, Specifications, is renumbered and retitled as VAAR 836.202-70, Specifications – Use of Equal Products. Paragraphs (a) and (b) are removed because they consist of internal VA procedural guidance. Paragraph (c) is revised to specify that the use of VAAR 852.236-90, Restriction on Submission and Use of Equal Products, in solicitations and contracts requires approval of the justification documentation required by FAR 11.105, Items Peculiar to One Manufacturer.
 - VAAR 836.203, Government Estimate of Construction Costs, is renumbered and retitled as VAAR 836.203-70, Protection of the Independent Government Estimate – Sealed Bid, and it is revised to clarify VA procedures to protect the independent government estimate in sealed bid acquisitions when bid openings are held.
 - VAAR 836.204, Disclosure of the Magnitude of Construction Projects, revises the estimated price ranges to provide a better measure for contractors to gauge estimated construction costs for projects of the National Cemetery Administration and the Office of Construction and Facilities Management. Previously, the price ranges started at “less than

\$25,000,” then “between \$25,000 and \$100,000,” “\$100,000 and \$250,000,” all the way to “more than \$100,000,000.” The revised VAAR 836.204 starts with “between \$1,000,000 and \$2,000,000,” then “between \$2,000,000 and \$5,000,000,” all the way to “more than \$250,000,000.”

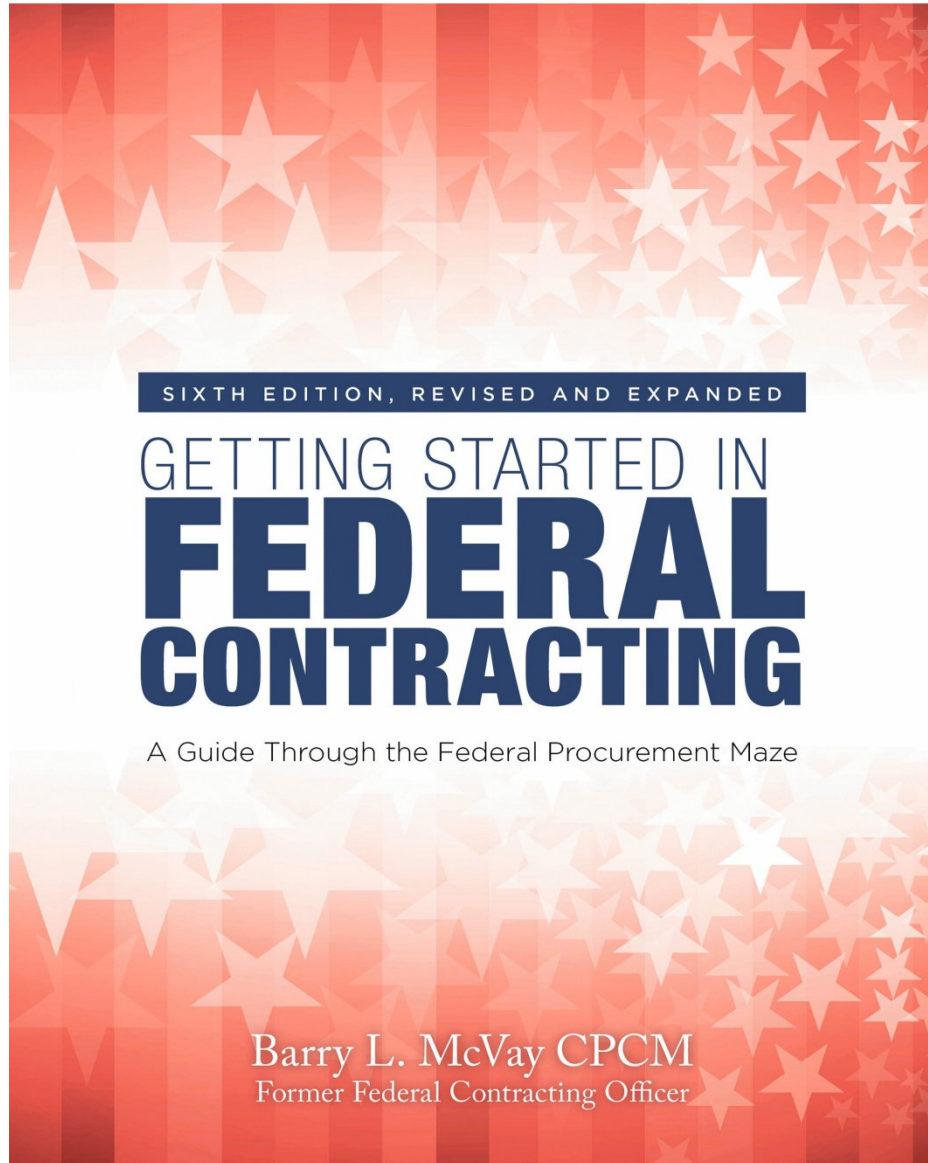
- VAAR 836.206, Liquidated Damages, is removed because the subject matter is adequately covered in the FAR.
- VAAR 836.209, Construction Contracts with Architect-Engineer Firms, is removed since it contains internal procedures. The coverage is moved to the VA Acquisition Manual (VAAM).
- VAAR 836.213-4, Notice of Award, is removed since it contains internal procedures. The coverage is moved to the VAAM.
- VAAR 836.213-70, Notice to Proceed, is removed since it contains internal procedures. The coverage is moved to the VAAM.
- VAAR subpart 836.5, [Construction] Contract Clauses
 - VAAR 836.501, Performance of Work by the Contractor, is revised to add a reference to VAAR subpart 819.70, Service-Disabled Veteran-Owned and Veteran-Owned Small Business Acquisition Program, which implements the Veterans First Contracting Program.
 - VAAR 836.513, Accident Prevention, is removed because the clause it prescribes, VAAR 852.236-87, Accident Prevention, duplicates FAR 52.236-13, Accident Prevention, so it is – removed.
 - VAAR 836.570, Correspondence, is removed because the clause it prescribes, VAAR 852.236-76, Correspondence, is being removed. The subject matter will be addressed in the VAAM by directing contracting officers to include this information in a “Notice to Proceed” letter to the contractor.
 - VAAR 836.571, Reference to “Standards”, is removed because the clause it prescribes, VAAR 852.236-77, Reference to “Standards”, is being removed. The subject matter is addressed in the VA Master Specifications at <https://www.cfm.va.gov/til/>.
 - VAAR 836.572, Government Supervision, is redesignated as VAAR 842.204, Contract Clause for Government Construction Contract Administration, because the subject matter is more appropriate in VAAR part 842, Contract Administration and Audit Services. The clause prescribed by VAAR 836.572, VAAR 852.236-78, Government Supervision, is also redesignated as VAAR 852.242-70, Government Construction Contract Administration.

- VAAR 836.573, Daily Report of Workers and Materials, is retitled “Contractor Production Report,” and the name of the clause it prescribes, VAAR 852.236-79, is retitled “Contractor Production Report” (formerly “Daily Report of Workers and Materials”).
- VAAR 836.575, Schedule of Work Progress, is removed because the clause it prescribes, VAAR 852.236-84, Schedule of Work Progress, is also being removed since its subject matter is addressed in the VA Master Specifications, Division 01, General Requirements: 01 32 16.01, Architectural and Engineering CPM Schedules; 01 32 16.13, Network Analysis Schedules; 01 16.15, Project Schedules (Small Projects – Design/Bid/Build); 01 32 16.16, Network Analysis Schedules (Design-Build Only); and, 01 32 16.17, Project Schedules (Small Projects--Design/Build).
- VAAR 836.576, Supplementary Labor Standards Provisions, is removed because the clause it prescribes, VAAR 852.236-85, Supplementary Labor Standards Provisions, is also being removed as its subject matter is addressed in FAR 52.222-6, Construction Wage Rate Requirements, and FAR 52.222-8, Payrolls and Basic Records.
- VAAR 836.577, Workers’ Compensation, is removed because the clause it prescribes, VAAR 852.236-86, Workers’ Compensation, is also being removed since it merely states that 40 USC 3172, Extension of State Workers’ Compensation Laws to Buildings, Works, and Property of the Federal Government, “authorizes the constituted authority of states to apply their workers compensation laws to all lands and premises owned or held by the United States.” Since the VAAR is not required to cite individual states’ workers’ compensation laws to make them applicable to companies performing work in individual states, the clause and its prescription are unnecessary.
- VAAR 836.580, Notice to Bidders – Additive or Deductive Bid Line Items, is added. It provides that VAAR 852.236-92, Notice to Bidders – Additive or Deductive Bid Line Items, may be included in invitations for bids when the contracting officer determines that funds may not be available for all the desired construction features at contract award. VAAR 852.236-92 is also added.
- VAAR subpart 836.6, Architect-Engineer Services
 - VAAR 836.602, Selection of Firms for Architect-Engineer Contracts; VAAR 836.602-1, Selection Criteria; VAAR 836.602-2, Evaluation Boards; VAAR 836.602-4, Selection Authority; and VAAR 836.602-5, Short Selection Process for Contracts not to Exceed the Simplified Acquisition Threshold, are removed because they consist of internal procedural information that will be revised and moved to the VAAM.
 - VAAR 836.603, Collecting Data on and Appraising Firms’ Qualifications, is amended to add “the Senior Executive Service (SES) official for Administration and Facilities for Veterans Benefits Administration” as a point of contact for filing and maintaining Standard Form (SF) 330s, Architect-Engineer Qualifications, and data files as required by FAR 36.603.

- VAAR 836.606-72, Contract Price, is removed since it contains internal procedures. The coverage is moved to the VAAM.
- VAAR subpart 836.70, Unique Forms for Contracting for Construction, Architect-Engineer Services, and Dismantling, Demolition, or Removal of Improvements, is added. It consists of: VAAR 836.7000, Scope of Subpart; and VAAR 836.7001, Unique Construction and Architect-Engineer Services Forms, which consists of instructions on the use of VA Form 6298, Architect-Engineer Fee Proposal, VA Form 2138, Order for Supplies or Services (Including Task Orders for Construction or A-E Services), and VA Form 10101, Contractor Production Report.
- VAAR subpart 842.2, Contract Administration Services, is added. It consists of VAAR 842.271, Contract Clause for Government Construction Contract Administration, which prescribes VAAR 852.242-70, Government Construction Contract Administration, for use in contracts that exceed the micro-purchase threshold for construction (\$2,000). The clause describes the role of the designated contracting officer performing contract administration and certain functions that are delegated to VA resident engineers, if assigned. This clause replaces VAAR 852.236-78, Government Supervision, which is removed.
- In VAAR subpart 846.3, [Quality Assurance] Contract Clauses, VAAR 846.312, Construction Contracts, is removed because the clause it prescribes, VAAR 852.236-74, Inspection of Construction, is also being removed since its subject matter is addressed in the VA Master Specifications.
- VAAR part 852, Solicitation Provisions and Contract Clauses
 - VAAR 852.236-71, Specifications and Drawings for Construction, is revised to make the contractor responsible for checking all drawings furnished immediately upon receipt, and for comparing them and verifying figures before laying out the work. The contractor will be held responsible for any errors that might have been avoided by complying with these requirements, for identifying errors or omissions that are necessary to carry out the intent of the drawings and specifications, and for performing such work as if fully and correctly set forth.
 - VAAR 852.236-74, Inspection of Construction, is removed (see above).
 - VAAR 852.236-76, Correspondence, is removed (see above).
 - VAAR 852.236-77, Reference to “Standards,” is removed (see above).
 - VAAR 852.236-78, Government Supervision, is removed (see above). It is replaced by VAAR 852.242-70, Government Construction Contract Administration.
 - VAAR 852.236-79, is retitled “Contractor Production Report” (formerly “Daily Report of Workers and Materials”), and revised to reflect the use of VA Form 10101, Contractor Production Report, which is based on industry reporting standards.

- Paragraph (d) of VAAR 852.236-80, Subcontracts and Work Coordination, is revised to clarify that the government reserves the right to refuse to permit employment on the work, or require dismissal from the work, of any subcontractor or subcontractor employee, who, by reason of previous unsatisfactory work on VA projects or for any other reason, is considered by the contracting officer to be incompetent, careless, or otherwise objectionable.
- VAAR 852.236-84, Schedule of Work Progress, is removed (see above).
- VAAR 852.236-85, Supplementary Labor Standards Provisions, is removed (see above).
- VAAR 852.236-86, Workers' Compensation, is removed (see above).
- VAAR 852.236-87, Accident Prevention, is removed (see above).
- VAAR 852.236-89, Buy American Act, along with its Alternates I and II, are removed (see above).
- VAAR 852.236-90, Restriction on Submission and Use of Equal Products, is revised to clarify that the submission of "equal" products is not permitted, and to specify that only brand name products listed in the fill-in clause will be authorized for use on the contract.
- VAAR 852.236-91, Special Notes, is removed since its contents are covered by the required System for Award Management (SAM – <https://www.sam.gov>) representations and certifications or the Shop Drawings, Product Data & Submittals section of the VA Master Specifications.
- VAAR 852.236-92, Notice to Bidders – Additive or Deductive Bid Line Items, is added to provide guidance on how such bid items will be evaluated to determine the low bidder (see above).
- VAAR 852.242-70, Government Construction Contract Administration, is added to replace VAAR 852.236-78, Government Supervision, because the subject matter is more appropriate in VAAR part 842, Contract Administration and Audit Services, than in VAAR part 836.
- In VAAR part 853, Forms, VAAR subpart 853.1, General, VAAR 853.107, Obtaining Forms, is revised to provide the current website where VA forms are obtained: <https://www.va.gov/vaforms/>. In addition, it is revised to eliminate the outdated practice of requesting forms in hard copy directly from the agency policy office.
- In VAAR subpart 852.2, Prescription of Forms, VAAR 853.236, Construction and Architect-Engineer Contracts is amended to revise the list of forms applicable to VAAR part 836 that are used between VA and its contractors, potential offerors or bidders, or the general public. VAAR 853.236-70, VA Form 6298, Architect-Engineer Fee Proposal, is revised to refer to VAAR 836.7001. VAAR 853.236-71, VA Form 2138, Order for Supplies or Services (Including Task Orders for Construction or A-E Services), and VAAR 853.236-72, VA Form 10101, Contractor Production Report, are added to refer to VAAR 836.7001 (see above).

REVISED AND EXPANDED!



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