

# Subpart 37.5 - Management Oversight of Service Contracts

**Parent topic:** [Part 37 - Service Contracting](#)

## 37.500 Scope of subpart.

This subpart establishes responsibilities for implementing Office of Federal *Procurement* Policy (OFPP) Policy Letter93-1, Management Oversight of Service *Contracting*.

## 37.501 Definition.

*Best practices*, as used in this subpart, means techniques that agencies *may* use to help detect problems in the *acquisition*, management, and administration of service contracts. *Best practices* are practical techniques gained from experience that agencies *may* use to improve the *procurement* process.

## 37.502 Exclusions.

(a) This subpart does not apply to services that are-

(1) Obtained through personnel appointments and advisory committees;

(2) Obtained through personal service contracts authorized by statute;

(3) For *construction* as defined in [2.101](#); or

(4) Obtained through interagency agreements where the work is being performed by in-house Federal employees.

(b) Services obtained under contracts below the *simplified acquisition threshold* and services incidental to supply contracts also are excluded from the requirements of this subpart. However, good management practices and contract administration techniques *should* be used regardless of the *contracting* method.

## 37.503 Agency-head responsibilities.

The *agency head* or designee *should* ensure that-

(a) Requirements for services are clearly defined and appropriate performance standards are developed so that the agency's requirements can be understood by potential *offerors* and that performance in accordance with contract terms and conditions will meet the agency's requirements;

(b) Service contracts are awarded and administered in a manner that will provide the customer its *supplies* and services within budget and in a timely manner;

(c) Specific procedures are in place before *contracting* for services to ensure that inherently governmental functions are performed by Government personnel; and

(d) Strategies are developed and necessary staff training is initiated to ensure effective implementation of the policies in [37.102](#).

### **37.504 Contracting officials' responsibilities.**

*Contracting* officials *should* ensure that "*best practices*" techniques are used when *contracting* for services and in contract management and administration (see OFPP Policy Letter93-1).