

# **PART 604—ADMINISTRATIVE MATTERS**

Authority: 22 U.S.C. 2651a, 40 U.S.C. 121(c) and 48 CFR chapter 1.

Source: 69 FR 19331, Apr. 13, 2004, unless otherwise noted.

## Subpart 604.2—Contract Distribution

604.202 Agency distribution requirements.

## Subpart 604.5—Electronic Commerce in Contracting

604.502 Policy.

## Subpart 604.8—Government Contract Files

604.802 Contract files.

604.803 Contents of contract files.

604.803-70 Contract file table of contents.

604.804 Closeout of contract files.

604.804-70 Contract closeout procedures.

604.805 Storage, handling, and disposal of contract files.

## Subpart 604.13—Personal Identity Verification

604.1301 Policy.

604.1303 Contract clause.

604.1303-70 DOSAR contract clause.

## Subpart 604.16—Unique Procurement Instrument Identifiers

604.1601 Policy.

## Subpart 604.70—Contract Review

604.7001 Policy.

604.7002 Procedures.

## Subpart 604.71—Procurement Quality Assurance Program

604.7101 Purpose.

604.7102 Contracting activity reviews.

604.7102-1 Peer reviews.

604.7102-2 Form and scope of review

604.7102-3 Approval.

604.7103 Review by Assistant Legal Adviser for Buildings and Acquisitions (L/BA).

Subpart 604.72—Secure Procurement for Controlled Access Areas

604.7201 Policy.

**Parent topic:** SUBCHAPTER A—GENERAL

## **Subpart 604.2—Contract Distribution**

Source: 80 FR 6915, Feb. 9, 2015, unless otherwise noted.

### **604.202 Agency distribution requirements.**

As necessary, the contracting officer shall distribute copies of the signed contract or modification to those officers/offices involved in contract administrative support functions, e.g., the Contracting Officer's Representative; the requirements office; the Post Occupational Safety and Health Officer (POSHO); the Despatch Agent or other receiving activity, particularly if it is the initial point of contact for receipt of goods or services; the financial management office; and each post or office where the contract shall be performed. Where required by the laws of a foreign country, overseas posts shall retain the original copy of the contract or modification awarded by a domestic contracting activity for performance overseas. The contracting officer shall send copies of contracts and modifications awarded as small business or 8(a) set-asides to OSDBU.

## **Subpart 604.5—Electronic Commerce in Contracting**

### **604.502 Policy.**

(b) The Assistant Secretary of State for Administration is the head of the agency for the purpose of FAR 4.502(b).

(1)

(i) *Materials not in automated format.* For solicitations containing drawings or other materials that are not in an automated format, the contracting officer shall:

(A) Post as much of the solicitation as possible on the Internet; and,

(B) Make hard copies available for those parts of the solicitation that are not in an automated format.

(ii) *Posting solicitations for overseas contracting activities.* Contracting officers at overseas contracting activities shall post competitive local guard solicitations on the Internet using the Government-wide point of entry if U.S. firms may be competing. Posting of other solicitations is

optional.

## **Subpart 604.8—Government Contract Files**

Source: 80 FR 6915, Feb. 9, 2015, unless otherwise noted.

### **604.802 Contract files.**

Heads of contracting activities shall maintain standard procedures to conform to FAR 4.802 for file location and maintenance.

(f) *Electronic files.* Offices may maintain files in electronic media provided all documentation is maintained as required by FAR subpart 4.8. Electronic files dispersed in multiple locations, or maintained with no naming convention, do not constitute adequate electronic records.

### **604.803 Contents of contract files.**

#### **604.803-70 Contract file table of contents.**

(a) It is the Department's policy that all contracts, regardless of dollar value, be properly documented so as to provide a complete record of: pre-solicitation activities; the solicitation, evaluation, and award process; and, the administration of the contract through closeout.

(b) All domestic contracting activities awarding contracts using other than simplified acquisition procedures shall use the format of Form DS-1930, *Domestic Contract File Table of Contents*, and all overseas contracting activities shall use the format of Form DS-1929, *Overseas Contract File Table of Contents*, unless an alternate format has been approved by A/OPE.

(c) Each table of contents is organized in chronological order, with six separate sections for each of the six parts of the file folder (from Section I, Pre-Solicitation, through Section VI, Contract and Modifications/Contract Closeout). Alternatively, for ease of contract administration, offices may choose to organize contract files with Section VI of the table of contents at the beginning of the folder, with Section I at the back of the folder.

(d) The format of Form DS-1928, *Contract Administration File Table of Contents*, may be used by those offices that prefer to have a separate file folder for contract modifications or delivery/task orders.

### **604.804 Closeout of contract files.**

#### **604.804-70 Contract closeout procedures.**

(a) This section sets forth procedures for closing out contracts awarded using other than simplified acquisition procedures by contracting activities and requirements offices. It is the Department's

policy to close out contracts in the time frames prescribed by FAR Part 4.

(b) Contracting activities are responsible for initiating each contract closeout. Contracting activities and requirements offices are jointly responsible for timely compliance with required contract closeout procedures.

(c) The contract closeout process shall begin as soon as possible after the contract is physically completed, which means that the contractor has delivered the required supplies and the Government has inspected and accepted them, or the contractor has performed and the Government has accepted all services required by the contract, and the base period and any option periods exercised have expired.

(d) *Specific procedures.* The normal steps for closing out a physically completed contract shall be as follows. These steps are summarized in the Contract Closeout Checklist, which shall be completed by the contracting officer and included in the contract file. The contracting officer shall indicate any items that are not applicable (e.g., patent reports, royalty reports, etc.).

(1) The contracting officer shall verify that all work under the contract has been completed; obtain the COR's assessment of the contractor's performance; and conduct an initial funds status review, *i.e.*, determine if the contract has excess funds that should be deobligated by contract modification. Contracting officers shall send a cover memo to the COR, to which should be attached the COR Completion Certificate, the applicable performance evaluation form (depending on whether the contract is for construction (SF-1420), architect-engineering services (SF-1421), or other supplies or services (DS-1771, *Contractor Evaluation Statement*)); and, a final payment and closeout memorandum. Contracting officers may require CORs to input past performance data directly into the Contractor Performance Assessment Reporting System (CPARS) as opposed to completing a paper evaluation form (see 642.1503-70).

(2) After receipt of the COR's response, and the contractor's release, the contracting officer shall send a final payment memo to the office responsible for payment of invoices/vouchers.

(3) An audit is required for cost-reimbursement contracts over \$550,000, unless available data are considered adequate for a reasonableness determination, in which case the contract file shall be documented with the appropriate rationale. Requests for audits, normally by the Defense Contract Audit Agency (DCAA) in accordance with the agreement DOS has with DCAA to conduct incurred cost audits, shall be submitted through the A/LM/AQM/BOD/QA Audit Team (see 642.101(b)). Cost-reimbursement contracts may be closed after receipt of the audit report and resolution of any issues raised. Quick closeout procedures may be followed, as prescribed in FAR 42.708. The contracting officer may request an audit of any contract, if warranted; however, audits should not be requested if the cost of the audit is likely to exceed potential cost recovery, except where fraud or misrepresentation is suspected.

(4) The contracting officer shall send a letter to the contractor requesting release of claims, using the appropriate format. In addition, a Contractor Assignment Letter is required for certain contracts. To determine which format is applicable, contracting officers shall refer to the Payments clause in the contract.

(5) The contracting officer shall reconcile the contract obligations and contractor payments, and then deobligate any excess funds remaining in the contract by issuing a contract modification on a SF-30. Close coordination with the finance office is necessary in order to receive the required information to perform a funds status review.

(6) The contracting officer shall verify that all relevant documentation is included in the contract file (see 604.803-70).

(7) Upon completion of 8(a) contracts, the contracting officer shall complete the Small Business Administration's Contract Completion Form within ten (10) days of contract completion. One copy shall be forwarded to SBA, one copy shall be retained in the contract file, and one copy shall be sent to OSDDBU.

(8) For classified contracts, the contractor is required to return to the Department all classified material received or generated under the contract, or to destroy all classified material, unless retention is requested and authorized by the Department. The contracting officer shall notify DS/PRD/IN of contract completion, final delivery of goods or services or the termination of the classified contract. The contracting officer shall ensure that any classified material contained in the contract file is properly marked and accounted for.

(9) Closeout documents are available on the Intranet at the A/OPE Web site.

(e) Contract files that have been closed out shall be retained in accordance with the schedule in FAR 4.805.

(f) Contract files for contracts using simplified acquisition procedures are considered closed when the contracting officer receives evidence of property/services and final payment. Disposal of such files shall be as prescribed in FAR 4.805.

### **604.805 Storage, handling, and disposal of contract files.**

Heads of contracting activities shall prescribe procedures for handling, storing, and disposing of contract files. Additional guidance on records management may be found in 5 FAM.

## **Subpart 604.13—Personal Identity Verification**

Source: 76 FR 20250, Apr. 12, 2011, unless otherwise noted.

### **604.1301 Policy.**

The DOS official responsible for verifying contractor employee personal identity is the Assistant Secretary for Diplomatic Security.

### **604.1303 Contract clause.**

#### **604.1303-70 DOSAR contract clause.**

The contracting officer shall insert the clause at 652.204-70, Department of State Personal Identification Card Policy and Procedures, in solicitations and contracts that require contractor employees to perform on-site at a DOS location and/or that require contractor employees to have

access to DOS information systems.

## Subpart 604.16—Unique Procurement Instrument Identifiers

Source: 80 FR 6916, Feb. 9, 2015, unless otherwise noted.

### 604.1601 Policy.

(c)

(1) *Procurement Instrument Identifier (PIID)*. Uniform numbers shall be assigned to all DOS procurement instruments, domestic and overseas. The numbering system applies to all contracts, purchase orders, and other related instruments, including solicitation documents and delivery orders. This includes instruments executed by DOS contracting officers on behalf of other federal agencies. It does not include requisitions submitted to a contracting activity, or to instruments awarded under Federal assistance arrangements, e.g., grants, cooperative agreements, and loans. Numbers shall be placed in appropriate spaces on government forms and appear on all documentation intended to support official contract files.

(2) *Responsibility*. Heads of contracting activities are responsible for enforcing compliance with the uniform numbering system. Heads of contracting activities shall develop and maintain a system for assigning and recording contract numbers that conforms to this section.

(3) *Instrument identification numbers*. A 13-character “alpha-numeric” designator shall be assigned to all DOS procurement instruments. Positions (beginning at the left) one through six shall identify the purchasing office; positions seven and eight, the fiscal year in which the number is assigned; position nine, a symbol designating a type of procurement instrument; and positions ten through thirteen, a four-position serial number.

(i) The first six positions shall commence with “S” to designate a DOS-issued contract. The remaining five characters shall identify the activity preparing the instrument. Domestic and overseas contracting activities shall assign the character codes using the five-digit designator from the listing at [http://www.aoeprocurementreports.com/ReportServer\\_OPEMS2008/Pages/Repo...](http://www.aoeprocurementreports.com/ReportServer_OPEMS2008/Pages/Repo...). DOS organizations not listed shall contact A/OPE for assignment of an office code.

(ii) The seventh and eighth positions shall be the last two digits of the fiscal year in which the number is assigned.

(iii) The ninth position shall be a capital letter assigned to indicate the type of instrument, as follows:

(A) Blanket Purchase Agreement A

(B) Invitation for Bids B

(C) Contract (includes letter contracts, contracts incorporating basic agreements and basic ordering agreements)	C
(D) Indefinite Delivery Contract	D
(E) Reserved. Do not use	E
(F) Delivery/Task Order (includes orders placed against all U.S. Government contracts, whether issued by DOS or another agency)	F
(G) Basic Ordering Agreement	G
(H) Basic Agreement	H
(I) Request for Information/Comment	I
(J) Reserved. Do not use	J
(K) Reserved. Do not use	K
(L) Orders under Blanket Purchase Agreements	L
(M) Purchase Order	M
(N) Reserved. Do not use	N
(O) Do not use this letter	O
(P) Personal services contract	P
(Q) Request for Quotations	Q
(R) Request for Proposals	R

(iv)

(A) The tenth through thirteenth positions shall be the serial number for the instrument. A separate set of serial numbers may be used for any type of instrument listed in paragraph (c)(3)(iii) of this section. Each series of numbers for the same activity shall begin with the number 0001 at the start of each fiscal year.

(v)

(A) The following illustrates a properly configured contract number for the first number assigned to a fiscal year 2015 contract awarded by the Department of State, Embassy Ottawa:

SCA525-15-C-0001

(B) Use of the dashes to separate the individual elements of the series is optional; however, when reporting individual contract actions to the Federal Procurement Data System (see FAR subpart 6.4), dashes shall not be used.

(C) Contracting activities are authorized to use the first digit of the serial number (position 10) to establish discrete series of numbers. For example, the "1000" series may be reserved for Bureau of Consular Affairs requirements (domestic), or the "1000" series may be reserved for Economic section requirements (overseas). Use of discrete series is appropriate generally for activities handling large numbers of transactions and can provide useful management information.

(4) *Solicitation amendment and contract modification numbers.* Solicitation amendments are to be numbered sequentially, beginning with the alpha designator "A," e.g., A001. Contract modifications shall also be numbered sequentially, beginning with the alpha designator "M," e.g., M001.

## **Subpart 604.70—Contract Review**

Source: 80 FR 6916, Feb. 9, 2015, unless otherwise noted.

### **604.7001 Policy.**

The contracting officer shall review each proposed contractual document and its supporting file for completeness and accuracy. Each contract file shall contain all pertinent information applicable to the proposed action. Each contract file should be in sufficient detail to permit reconstruction of all significant events by any subsequent reviewer without referral to the individual responsible for the contractual action.

### **604.7002 Procedures.**

(a) *Overseas contracting activities.*

(1) A/OPE reviews all procurements that exceed the warrant levels of post contracting officers. Post contracting officers may request A/OPE review and assistance for transactions below this level.

(2) *Personal services agreements.* Prior A/OPE approval is not applicable to personal services agreements, as they are not subject to procurement statute and regulation.

(b) *Domestic contracting activities and Regional Procurement Support Offices.* A/OPE reviews domestic acquisitions as described in the A/LM/AQM Quality Assurance Plan.

(c) *Delegation or waiver.* The Procurement Executive may delegate or waive the review requirements. In such instances, the Procurement Executive shall provide to each head of the contracting activity, as appropriate, a written delegation or waiver of these requirements.

# **Subpart 604.71—Procurement Quality Assurance Program**

Source: 80 FR 6916, Feb. 9, 2015, unless otherwise noted.

## **604.7101 Purpose.**

A procurement quality assurance program is essential to the effective operation of each domestic contracting activity. Each domestic contracting activity and RPSO shall develop a quality assurance plan for review and approval of contract actions to ensure that all requirements of law, regulation, Departmental policy, and sound procurement practices are met, the taxpayer's interests are adequately protected, and the Department's mission is well-served. Post quality assurance includes A/OPE review of actions exceeding warrant levels and Staff Assistance Visits (SAVs).

## **604.7102 Contracting activity reviews.**

### **604.7102-1 Peer reviews.**

All contract actions above the simplified acquisition threshold shall be independently reviewed by at least one other qualified contracting professional. This includes solicitations, contracts, contract modifications, and delivery/task orders. This requirement is waived for overseas posts and RPSOs that have only one qualified contracting professional.

### **604.7102-2 Form and scope of review**

(a) The review shall focus on both compliance with statutory/regulatory requirements as well as good contracting practices. Reviews shall be included in the official contract file along with documentation regarding the actions taken in response to the review.

(b) Reviews should be limited in time to prevent unnecessary procurement lead-time, but thorough in scope, considering all documents in the contract file and all relevant contracting issues. Checklists may be used to facilitate a thorough review, as appropriate.

### **604.7102-3 Approval.**

The solicitation, contract, or contract modification being reviewed shall not be issued until all review comments requiring corrective action are satisfactorily resolved. Waivers shall not be granted except in unusual circumstances, and shall be approved in advance by the head of the contracting activity.

## **604.7103 Review by Assistant Legal Adviser for Buildings and Acquisitions (L/BA).**

(a) L/BA shall review solicitations, contract awards, and delivery orders against GSA Federal Supply Schedule contracts exceeding \$1 million that are generated by domestic contracting activities, including RPSOs. L/BA shall also review domestic contract modifications exceeding \$1 million if the scope or ceiling of the contract may be in question. This review is not required for modifications exercising priced options, incremental funding modifications, and similar actions that do not involve questions regarding the scope or ceiling of the contract.

(b) L/BA shall also review and approve any nonpersonal services contract, purchase order or blanket purchase agreement to be awarded to an individual who is a U.S. citizen.

## **Subpart 604.72—Secure Procurement for Controlled Access Areas**

### **604.7201 Policy.**

A/LM issues procedures for the acquisition of secure items that are needed by overseas posts. Posts shall contact A/LM/AQM regarding secure procurement matters, and shall consult the periodic guidance issued by A/LM on this subject.