

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS

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January 15, 2002

CODSIA Case No. 14-01

Ms. Laurie Duarte
General Services Administration
FAR Secretariat (MVP)
1800 F Street N.W.
Room 4035
Washington, D.C. 20405

Re: Progress Payment Requests Under Indefinite-Delivery Contracts (FAR Case 2001-006)

Dear Ms. Duarte:

The undersigned members of the Council of Defense and Space Industry Associations (CODSIA) appreciate the opportunity to comment on the proposed FAR rule regarding progress payment requests under indefinite-delivery contracts (FAR Case 2001-06), which published in the *Federal Register* on November 14, 2001 (66 Fed. Reg. 57294).

Formed in 1964 by industry associations with common interest in the defense and space fields, CODSIA is currently comprised of seven associations representing over 4000 member companies across the nation. Participation in CODSIA projects is strictly voluntary; a decision by any member association to abstain from participating in a particular activity is not necessarily an indication of dissent.

We do not see the need for the adoption of the rule, particularly since the prescription in FAR 32-502-4(e) already directs the contracting officer to provide special contract instructions for severable work where accounting segregation would be maintained; furthermore, FAR 32.503-5 (c) already provides guidance to treat task orders under existing IDIQ contracts as if they were separate contracts. Nevertheless, for the reasons outlined below, we recommend that further changes be made to the rule if it is to be finalized.

In the proposed changes to FAR 32.503-5(c), the FAR Council makes no change to the only sentence of the existing FAR coverage. However, to fully implement the policy changes of the proposed rule, we recommend revising the first sentence of the existing coverage by adding after the phrase "unless agency procedures" the phrase "or the contract".

The newly proposed second sentence of FAR 32.503-5(c) directs the contracting officer to properly coordinate the administration of progress payments with the contract administration office of another federal agency "if the awarding agency wants the administration ... to be on a

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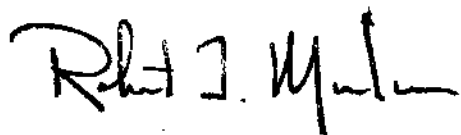
basis other than order-by-order." Rather than basing this coordination on "wants" or "desires", we recommend such coordination "when the awarding agency's procedures, the contract administration office's procedures, or the contract," require the contract administration to be on a basis other than order-by-order.

In the proposed addition of 52.232-16(l), the FAR Council recognizes the appropriateness of special attention to the terms of the contract, but fails to take into account any special agency procedures that may exist and that are covered under existing FAR 32.503-5(c). To fully implement the policy and maintain consistency within the FAR, we recommend revising the phrase "unless otherwise specified in the contract" to "unless agency procedures or the contract provide otherwise."

Thank you for this opportunity to provide our comments. If there are any questions, or if we can be of assistance, please contact Alan Chvotkin, the CODSIA Project Officer for this case, at (703) 875-8059.

Sincerely,

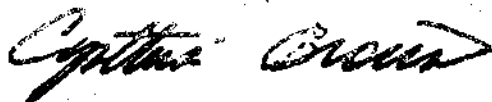
(SEE ATTACHED CODSIA SIGNATORIES)



Robert T. Marlow
Vice President, Government Division
Aerospace Industries Association



Lorraine M. Lavet
Chief Operating Officer
American Electronics Association



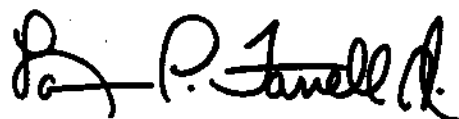
Cynthia Brown
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Lt. Gen. Lawrence P. Farrell, Jr., USAF (Ret.)
President and CEO
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Alan Chvotkin
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