

FOREST SERVICE HANDBOOK  
WASHINGTON

FSH 6309.11 - CONTRACT ADMINISTRATION HANDBOOK

Amendment No. 6309.11-91-1

Effective January 31, 1991

NEW POSTING NOTICE. This amendment is the first in a new numbering series corresponding to the year in which material was amended. Since this amendment replaces all text except Interim Directives (ID), do not check for the last transmittal received for this title. Replace the entire title text except ID's. Place this transmittal sheet at the front of the title and retain until the first transmittal of the next calendar year is received.

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| (Entire title except ID's)<br>00--1 thru 52 | 35 |
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Amendments Covered

2, 2/87

| Document Name     | New<br>Pages           |
|-------------------|------------------------|
| 6309.11 Contents  | 7                      |
| 6309.11 Zero Code | 6                      |
| 04.1 Exhibit 01   | 1 (posted on internet) |
| 10                | 4                      |
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| 30                | 4                      |
| 34 Exhibit 01     | 1 (posted on internet) |
| 40                | 5                      |
| 50                | 4                      |

Digest:

6309.11 - Please read the new posting notice carefully. These directions apply to this transmittal only.

Entire text, except ID's, is replaced. New text corresponds with text located in the National Information Center.

The electronic document names are shown above for ease in accessing them from the National Information Center.

Amendment numbers and dates noted above are listed for historical purposes only.

All subsequent amendments will be issued by document.

04.1 - Revises exhibit 01 to reflect current electronic Form-6300-6.

04.6 - Changes the contracting unit's title from the National Aircraft Contracting Unit to the Fire and Aviation Support Branch. Contract responsibilities for mobile food and shower services and bulk retardant are added.

04.7 - Changes the reference in FSH 6309.32 for Administrative Contracting Officers.

04.8 - Adds designation of Contracting Officer's Technical Representatives (COTR's) for mobile food and shower services contracts.

05 - Expands the definition of COTR's to include designations for national contracts in addition to the aircraft contracts.

12.11 - Adds direction to include the Contracting Officer's Representative (COR) as a participant in prework conferences.

12.12 - Adds direction on discussing cooperation and discrimination at prework conferences. Adds direction to document prework conferences.

12.12a - Changes reference from 25.1 to 23.1.

21.1 - Adds new direction for reporting objectionable behaviors.

32 - Changes the title of this section to "Payments."

32.1 - Includes notice to avoid interest penalties.

32.11 - Revises direction on progress payments so that it applies to construction projects. Adds direction on time for payment and contractor certification. Revises exhibit 01 to reflect current electronic Form FS-6300-30. Adds exhibit 02 to show an example of the second payment estimate.

32.12 - Deletes direction for requiring contractor's signature. This direction is covered in 32.1.

34 - Revises direction for when a contract release is required. Revises exhibit 01 to reflect current electronic Form FS-6300-16.

35 - Revises direction for when a contract release is required.

41 - Adds direction on granting time extensions in exchange for consideration.

42.3 - Adds direction on constructive changes for failure to stop work.

43.1 - Adds direction to consider costs of termination before making the decision to terminate a contract.

43.21a - Adds direction to provide prompt notice of contractor's progress

43.21b - Adds direction to review the default clause.

44 - Defines when liquidated damages are appropriate.

45 - Adds direction on mitigation of actual damages.

F. DALE ROBERTSON  
Chief

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This handbook provides uniform instructions to Contracting Officer's (CO's), designated Contracting Officer's Representatives (COR's), and others for administering contracts. It includes material that applies to tasks prior to the advertising and award, as well as to the actual procurements. Terms, abbreviations, and definitions commonly used in contract administration are explained.

## 01 - AUTHORITY.

1. Federal Property and Administrative Services Act of 1949, as amended. Provides for the procurement of supplies and services by the civilian agencies.

2. Title 7, Code of Federal Regulations, Part 2.76. Describes the delegation of authority from the Secretary of Agriculture through the Assistant Secretary for Administration to the Director, Office of Operations.

3. Federal Procurement Regulations - FSH 6309.31. Describes the delegation of authority to the Secretary of Agriculture for the acquisition of supplies and services by contract. Applicable to all contracts entered into prior to April 1, 1984.

4. Federal Acquisitions Regulations - FSH 6309.32. Describes the delegation of authority to the Secretary of Agriculture for the acquisition of supplies and services by contract. Applicable to all contracts entered into after April 1, 1984. Also contains delegations of authority to the Contracting Officer and designated representatives to conduct official business with a contractor in the administration of a contract (exhibit 01).

## 01 - Exhibit 01

SEE THE PAPER COPY OF THE MASTER SET.

02 - OBJECTIVE. To provide uniform and effective contract administration in support of the Line Officer's objectives.

## 04 - RESPONSIBILITY.

04.1 - Contracting Officers. Contracting Officers are legally responsible for the administration of official business and may not redelegate their contracting authority. Contracting Officers (CO's) are also legally responsible for the actions of the Contracting Officer's Representative (COR). Specifically CO's are responsible for:

1. Designating COR's to deal directly with the contractor at the work site to administer the contract (Form FS-6300-6, Designation of Contracting Officer's Representative (COR), (ex. 01), based on recommendations of line officers, and furnishing copies of form FS-6300-6 to contractors.

2. Establishing and maintaining direct lines of communication with COR's to resolve contract administration questions.

3. Signing all correspondence with COR's and contractors as Contracting Officer.

4. Rendering decisions on questions involving adjustments in contract price or contract time, or on any other area of contract administration.

5. Ensuring adequate staffing of qualified individuals for contract administration.

#### 04.1 - Exhibit 01

FS-6300-6 (10/90)

[EXHIBIT 01 IS A SEPARATE DOCUMENT.]

#### 04.2 - Line Officers. Line officers (staff role by delegation) shall:

1. Recommend Contracting Officer's Representatives (COR's), and replacement and interim COR's, to the Contracting Officer (CO).

2. Notify the CO when a COR is leaving the work unit or is otherwise unable to perform the assigned COR duties.

3. Notify the CO of annual programs of work and planned contracting workload.

#### 04.3 - Technical Staff. Technical staff personnel shall advise and assist COR's and CO's on the technical aspects of contracts.

04.4 - Contracting Officer's Representatives. Designation as a Contracting Officer's Representative (COR) is an operational assignment that has no effect on responsibilities and relationships to supervisors in such matters as hours of work, use of vehicles and equipment, clerical assistance, and so forth. Under the Contracting Officer (CO), the COR administers contracts within authority and limitations specified on Form FS-6300-6, Designation of Contracting Officer's Representatives (COR), and in accordance with this handbook. The COR shall:

1. Furnish the office issuing the bid the information for bid preparation or modification (optional).

2. Ensure prospective bidders are able to inspect the job site (designate access roads, identify area of work, organize "show-me" trips).

3. Advise the Contracting Officer (CO) when conditions are appropriate to issue a notice to proceed.

4. Designate project inspectors and provide copies of the designations to the contractor and the CO.

5. Inspect work and materials as the contract work progresses.

6. Make decisions or recommend actions necessary to the day-to-day administration of the contract.

7. Inform the CO of contract work progress and recommend administrative actions to the CO.

8. Initiate payments and keep current record of progress or partial payments. Provide copies to the contractor.

9. Issue orders to suspend or resume work and notify the CO.

10. Provide instructions relating to compliance with contract specifications, plans, and provisions to the contractors or their designated representatives.

11. Initiate contract modifications.

12. Receive and audit the weekly payrolls for construction of public works to assure proper job classifications, hours, and rates. Initial and date each copy and forward to the CO.

13. Advise the CO of wage problems.

14. Maintain the Contract Daily Diary, Form FS-6300-20 and Form FS-6300-21 on the entire project. Avoid unwarranted allegations and innuendos. Because this document is available to the public, include only facts concerning the contract. The Contract Daily Diary may also be used by the Board of Contract Appeals or the courts if a Contractor appeals a Contracting Officer's decision.

15. If provided for in the contract, conduct preliminary conceptual discussions with the contractor concerning any potential Value Engineering Proposal (VEP), receive the VEP, and immediately notify the CO.

16. Notify line officer and CO if unable to fulfill COR assignment.

17. Maintain a file of all documents incidental to administration of the contract (chapter 50).

04.5 - Project Inspectors. Contracting Officer's Representatives (COR's) designate project inspectors to secure compliance with the terms and conditions of the contract. Project inspectors shall:

1. Represent the COR in securing compliance with contract specifications, drawings, and provisions.

2. Notify the contractor of deviations from contract requirements.

3. Notify the COR when the contractor fails to take corrective action.

4. Issue Notice of Noncompliance (Form FS-6300-12, Work Order and Notice of Noncompliance, ex. 01).

5. Maintain Contract Daily Diaries (Forms FS-6300-20 and FS-6300-21) and copies of work orders and inspection records (provide copies to COR).

6. Keep record of quantity measurements for each pay item and provide copies to the COR.

7. Chart project progress and compare to contract schedule.

8. Anticipate change orders and inform the COR.

9. Arrange periodic conferences with the contractor or the contractor's representative.

10. Issue suspend work orders when safety hazards occur and are not immediately corrected.

#### 04.5 - Exhibit 01

SEE THE PAPER COPY OF THE MASTER SET.

04.6 - Fire and Aviation Contracting Unit. The Washington Office Procurement and Property Staff, Fire and Aviation Support Branch, located at Boise Interagency Fire Center, is responsible for procurement of national aircraft services, mobile food and shower services, and bulk retardant. Aircraft services include interregional airtankers, Type 1 and Type 2 helicopters, large transport category fixed-wing aircraft, smokejumper aircraft, and aircraft related services. Administration of these contracts is a joint responsibility of the Washington Office and the using Regions.

04.7 - Administrative Contracting Officers. For Administrative Contracting Officer (ACO) designation procedures, see FSH 6309.32, 4G42.202.

04.8 - Contracting Officer's Technical Representatives. Contracting Officer's Technical Representatives (COTR's) are designated to inspect or coordinate inspections of nationally contracted aircraft. COTR's are also designated to provide technical field support for the national mobile food and shower contracts.

#### 05 - DEFINITIONS.

1. Administrative Contracting Officer (ACO). A contracting officer who has been assigned contract administration responsibilities after the award of a contract.

2. Actual Damages. (Chapter 40.)

3. Contracting Officer (CO). A person with the authority to enter into, administer, and/or terminate contracts, and make related determinations and findings.

4. Contracting Officer's Representative (COR). An individual designated by the Contracting Officer to perform day-to-day administration of the contract within specific authority and limitations as specified in the delegation.

5. Contracting Officer's Technical Representative (COTR). Designation used only for national contracts. An individual designated by the Contracting Officer to provide technical support for the contract within specific authority and limitations as specified in the delegation.

6. Deductions from Payment. Examples of deductions from payment are: actual damages, liquidated damages, funds deducted as directed by the Department of Labor, loss or damaged Government property, and so forth. Deductions from payment must be authorized by the Contracting Officer.

7. Intermediate Payment. Any payment other than the final payment. Includes partial or progress payments.

8. Liquidated Damages. See chapter 40.

9. Progress Payment. Payments based on a percentage or stage of completion or on the basis of costs incurred. Progress payments do not mean or imply acceptance of supplies and services.

10. Partial Payment. Payments made for accepted supplies and services.

11. Contract Modification. Any written change in the terms of a contract. Must be signed by a Contracting Officer.

12. Quality Assurance. Performed by the Government. Various functions and inspections performed to determine whether a contractor has fulfilled the contract obligation pertaining to quality and quantity.

13. Quality Control. The recurrent and on going observation and/or testing necessary to assure that contractor performance conforms to contract requirements. Conducted by the Government and/or the contractor.

14. Substantially Complete. Point of performance when the supply or service is available for use as intended.

15. Value Engineering Proposal (VEP). A proposed change that requires a change to the instant contract to implement and results in reducing the overall cost to the Government without impairing essential functions or characteristics.

16. Change Order. A written order, signed by the Contracting Officer, directing the contractor to make a change that the Changes clause authorizes the Contracting Officer to order without the contractor's consent.

## 06 - REFERENCES.

06.1 - Forms Needed for Contract Administration. See chapter 50 for list of forms and completion/distribution instructions.

06.2 - Other Handbooks. See FSH 1109.12, Directive System Index, section 2.1 for a listing of other Forest Service Handbooks that may contain policy, standards, direction, and guidance applicable to the work of your contract.

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CHAPTER 10 - CONTROL OF WORK

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## 11 - INSPECTIONS.

11.1 - Pre-Use Inspection. Inspect vehicles and aircraft rented under contract before they are used to:

1. Ensure the equipment meets the requirements of the contract.
2. Document the condition of the equipment prior to use.

These inspections are important from a safety standpoint and for settling any damage claims at the end of the contract.

### 11.2 - National Air Services Contracts.

11.21 - Initial Inspections. After award of the contract, or any renewals, the National Inspection Team, consisting of aircraft services specialists, and headed by the Contracting Officer's Technical Representative, shall conduct initial inspections of all the contractor's aircraft, pilots, and related facilities to ensure compliance with the contract requirements and specifications.

11.22 - Follow-up Inspections. The National Inspection Team notifies the Contracting Officer and the Administrative Contracting Officer (ACO) (section 04.6) of any deficiencies and presents the contractor with a written list of such deficiencies. The National Inspection Team or Regional Aircraft inspectors perform a followup inspection to ensure correction of the deficiencies.

## 12 - PREWORK CONFERENCE.

12.1 - Timing. After award and before work begins, the Contracting Officer (CO) or a designated representative meets with the contractor to review the contract.

12.11 - Participants. At a minimum, the CO, the Contracting Officer's Representative (COR), the project inspectors, and the contractor or designated representative should attend the meeting. Others indirectly involved with the contract (such as the Forest Supervisor, members of the Forest staff, or District Ranger) should be encouraged to also attend.

12.12 - Topics. Review the general provisions and technical specifications in the contract, the contractor's schedule of work, authorities of the COR and Inspector, the relationship of other Forest Service personnel to the contractor, safety (sec. 23.1), and other administrative and technical phases of the contract.

The CO or designated representative shall preside over the meeting and discuss the administrative provisions of the contract. The CO shall stress the importance of cooperation during contract administration. Both the Government and the contractor have the responsibility for ensuring that their employees' work environments are free from interference and hostility. The CO should further emphasize that any acts of discrimination on the basis of race, sex, religion, age, or national origin shall not be tolerated.

The COR shall discuss the technical specifications, the method of measurement, the basis of payment for each item in the contract, and the methods of testing and inspection the inspectors

shall use. The COR shall also discuss quality control and contractor measurement when applicable.

In the contract file, document the discussion of the topics and the names of participants in the prework conference.

12.12a - Topics for Aircraft Services Contracts. For aircraft services contracts, discuss the following:

1. Base operation plan.
2. Dispatch procedures.
3. Local restrictions on aircraft activity.
4. Safety procedures (section 25.1).
5. General operating procedures (other agency procedures, unique situations).

### 13 - CONTRACT TIME AND OFFICIAL NOTICES.

13.1 - Notice to Proceed. The Contracting Officer (CO) issues the initial notice to proceed, Form FS-6300-8, Notice to Proceed, Suspend, and Resume Work Order. When authorized by the CO, the Contracting Officer's Representative (COR) may issue the Notice to Proceed (ex. 01).

13.1 - Exhibit 01

[SEE THE PAPER COPY OF THE MASTER SET]

13.2 - Progress Schedule. The contractor shall develop and the CO approve a progress schedule for most service and all construction contracts.

The COR periodically checks the contractor's progress against the proposed schedule to determine if the work is on schedule. The COR notifies the CO any time the contractor's actual performance departs from the proposed schedule. The CO then notifies the contractor in writing when scheduled work progress is not maintained, and the contractor is required to update the progress schedule.

13.3 - Hours of Work. Contractors do not always work regular 8 hours per day, Monday through Friday. If the project requires an inspector the COR must assign an alternate inspector to the project during the inspector's off-duty time or must request approval for overtime. The contractor's working time does not have to conform with the Government's administrative requirements unless so provided in the contract.

13.4 - Suspend or Resume Work Orders. A suspend work order is a written order requiring the contractor to cease operations either in whole or in part. Work may not be resumed until a written resume work order is issued. Form FS-6300-8 shall be used to document these actions and shall be numbered consecutively (ex. 01).

There are two types of suspend work orders: partial and total. Under a partial suspension, the contractor may proceed with work not related to the cause of suspension. If only minor work or protective procedures can continue and the reason for the suspension is not the fault of the contractor, a full suspension should be issued and the count of contract time shall cease. Contractor noncompliance with either specifications or administrative contract conditions is cause for a partial or total work suspension, whichever is appropriate. In these cases, the count of contract time continues. A work suspension is never issued solely for the benefit or convenience of the contractor, however in many cases there is mutual benefit derived from a work suspension.

When contemplating issuing a suspend work order, consider the effect of the suspension in relation to the Contractor's rights under the contract.

Indicate the effective date of any suspension and the reasons, therefore, such as "at the close of work on April 27, 1979" and "Contract specification cannot be met because of weather conditions." Form FS-6300-8 is issued to be effective at the close or beginning of work on a given date.

When a partial suspension is not the fault of the contractor, the COR shall check the block on the form FS-6300-8 indicating that there is an adjustment of contract time for the partial suspension. When the conditions that caused the suspension of work have ceased and the contractor can reasonably resume, issue a Resume Work Notice to the contractor and recommend the daily percentage of work affected by the suspension including any contract time adjustment. The CO reviews the COR's recommendations and makes an appropriate contract time adjustment (ex. 02).

#### 13.4 - Exhibit 01

[SEE THE PAPER COPY OF THE MASTER SET]

#### 13.4 - Exhibit 02

[SEE THE PAPER COPY OF THE MASTER SET]

#### 13.5 - Time Extension. See chapter 40.

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CHAPTER 20 - METHODS OF WORK

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## 21 - CONTRACTOR'S PERFORMANCE.

### 21.04 - Responsibility.

21.04a - Contracting Officer's Representative. The Contracting Officer's Representative (COR) has the authority to reject work that does not meet specifications, but must ensure that the contractor has been properly notified when deficiencies in methods of performance or product occur. When the Contractor fails to comply with specifications the COR or inspector issues a Form FS-6300-12, Work Order and Notice of Noncompliance, which specifically indicates the failure, and the section of the contract affected.

21.1 - Workforce and Equipment. Unsatisfactory progress due to an inefficient workforce or inadequate equipment shall be immediately called to the contractor's attention by the COR. Discuss the lack of progress with the contractor and follow up with a letter to the contractor if unsatisfactory conditions are not corrected. Do not take any action beyond this point but refer the matter to the CO and keep information in the Contract Daily Diary (FS-6300-20 and 6300-21) on circumstances if a claim arises or if the contractor opposes assessment of damages.

Report uncooperative and objectionable behavior immediately to the CO and document these occurrences in the daily diary. Objectionable behavior includes acts of racial or sexual discrimination. The CO may require, in writing, that the contractor remove any employees responsible for the objectionable behavior from the project (the CO's authority to set this requirement is in FSH 6309.32 - FAR 52.236.5, Material and Workmanship).

21.2 - Work Orders and Notice of Noncompliance. Use Form FS-6300-12, Work Order and Notice of Noncompliance, to confirm oral notices or directions to the contractor that do not involve an adjustment in the contract time or price. The COR can not make contract changes unless specifically authorized by the CO.

Only an authorized representative of the CO may issue form FS-6300-12. Identify these by letter using a separate alphabetical series for each project (ex. 01).

Give Form FS-6300-12 directly to the contractor, or an authorized representative. Ask the contractor or representative to sign and date the form, to establish receipt. If the contractor refuses to sign the form, document the attempts to deliver it in the project diary, and on the face of form FS-6300-12 and distribute copies as if the contractor had acknowledged the form. Examples of Work Orders and Notice of Noncompliance include:

1. Orders requiring compliance with fire control restrictions.
2. Rejections of unsatisfactory work or materials not meeting specifications.
3. Orders to perform work for which unit prices are available, and where the contract makes provisions for such adjustments.
4. Orders to enforce compliance with safety or sanitary provisions that the contract requires.
5. Record of COR approval for the contractor to proceed with new segments or items of work when the specifications require such approval.

## 21.2 - Exhibit 01

[SEE THE PAPER COPY OF THE MASTER SET]

22 - SUBCONTRACTING. When required by the contract the contractor must obtain approval by the Contracting Officer of all subcontractors before they can work at the project site. Requests to subcontract any part of the work must be submitted in writing by the contractor. The Contracting Officer's Representative forwards such requests to the Contracting Officer with a recommendation regarding the proposed subcontractor.

## 23 - SAFETY.

23.1 - Safety Discussion at the Prewrite Conference. The Contracting Officer's Representative (COR) shall discuss the following laws, regulations, and other factors relating to safety with the contractor at the prework conference. The COR shall:

1. Advise the contractor of any potentially hazardous conditions at or near the project site.
2. Advise contractors that Occupational Health and Safety Administration regulations, as well as the contract, impose the responsibility upon them to ensure that their employees' working conditions are not unsanitary, hazardous, or dangerous to their health and safety.
3. Advise the contractor that Forest Service employees will not inspect or accept the work under conditions where hazards or unsanitary conditions have not been mitigated to the extent required by the Occupational Health and Safety Administration.
4. Advise the contractor that any subcontract entered into pursuant to the contract shall similarly provide a work environment that is sanitary and not hazardous.
5. Advise the contractors that they must initiate and maintain an accident prevention program, which includes frequent and regular inspections of the project site, materials, and equipment.
6. Advise contractors that all accidents resulting in death, occupational disease, disabling injury, or property damage must be reported to the Contracting Officer.

## 23.2 - Safety Responsibilities of Forest Service Employees.

1. Receive, review, and promptly forward to the Contracting Officer any accident reports submitted by the Contractor.
2. Do not normally conduct comprehensive inspection and documentation programs specifically for the purpose of monitoring contractor safety. If during the course of normal duties, the COR or Inspector become aware of hazardous conditions which result from the Contractor's violation of OSHA regulations, notify the contractor immediately. If there is insufficient response by the contractor to verbal notice, document hazardous conditions and deliver it to the contractor and the Contracting Officer.

3. When a life threatening condition, resulting from the Contractor's operation, is observed, order the Contractor to immediately correct the situation. Follow up verbal with written confirmation (Form FS-6300-12, Work Order and Notice of Noncompliance). In addition, suspend that portion of the work until the hazard is corrected (Form FS-6300-8, Notice to Proceed, Suspend and Resume Work Order).

4. Do not directly or indirectly assume control, direction, or responsibility for the Contractor's safety program. In advising the Contractor of apparent unsanitary or hazardous conditions, do not prescribe corrective measures or procedures unless they are specifically described in the contract specifications.

5. Do not perform inspection or other duties in an unacceptably unsafe environment. If the unsafe environment is under the control of the contractor, advise the contractor that the work cannot be inspected nor accepted until the unsafe condition is corrected.

## 24 - INSPECTIONS.

24.02 - Objectives. Perform inspections to ensure that: supplies, services, or construction purchased by the Government comply with the contract requirements; nonconforming supplies, services, materials, or processes are identified and rejected in a timely manner; and the Government receives full value for the dollars spent. The type, intensity, and frequency, of Government inspection will vary from contract to contract, depending both on the type of procurement and the obligation placed on the contractor by the contract provisions and specifications, to ensure that the product or service meets the contract requirements (FSH 6309.32, Federal Acquisition Regulations, 46.101 and 46.2).

COR's and inspectors shall perform day-by-day inspection and contract administration. The Contracting Officer may also make inspections throughout the prosecution of the contract work as necessary. The COR and staff personnel familiar with the work being performed shall accompany the CO on these inspections.

### 24.03 - Policy.

1. Conduct inspections efficiently and do not unduly hinder the contractor's operations.
2. Act promptly and take corrective and appropriate action when needed.
3. Request assistance when it is needed.

### 24.1 - Types of Inspections.

24.11 - Quality Control Inspections. Inspection for Quality Control (QC) is the recurrent and on going observation and/or testing necessary to assure that all the contractor's products, services, or construction conform to the contract requirements.

Either party to the contract may be responsible for quality control inspections. Program managers determine the responsibility of both the Government and Contractor for inspections during contract preparation, as the result of considering risk, complexity, availability of inspection resources, and cost. Define the extent of the contractor's responsibility for inspection in the contract provisions and specifications.

24.12 - Quality Assurance (QA). The Government performs Quality Assurance inspections. Quality Assurance means "the various functions, including inspection, performed by the Government to determine whether a contractor has fulfilled the contract obligations pertaining to quality and quantity."

QA inspections are random and test the contractor's work to monitor or validate the contractor's quality control inspection and testing.

24.2 - Performing Inspections. To perform inspections properly, COR's and Inspectors must: understand the technical processes involved in performance of the work; plan so that inspections are thorough and timely; and understand the contract process so that dealings with the contractor are fair and equitable.

Questionable techniques or products should be discussed with technical personnel and the CO before rejection. All dealings with the contractor must be timely so that the Government maintains control of the work and the contractor is not subjected to unnecessary and costly rework. Faulty and substandard work must be promptly rejected since failure to do so could imply acceptance.

24.21 - Inspection Activities. Use the following lists as a reminder of important tasks to perform as part of inspections.

24.21a - How to Prepare.

1. Read and understand the contract.
2. List inspection activities to be performed by the Government.
3. Identify needed inspection skills and capability of personnel assigned to the contract so that assistance can be requested when needed.
4. Identify critical phases of the work so that inspection skills will be available in the amount and at the time needed.

24.21b - Communication with the Contractor.

1. Establish clear lines of communications with the contractor.
2. Keep the CO and program personnel advised of all significant problems as they develop.
3. Settle difficulties with the contractor as soon and as near the ground as possible.
4. Keep up to date with documentation.
5. Administer the contract as it is written.
6. Monitor the progress of all payment documents to ensure payments are timely.

#### 24.21c - What to Check For.

1. Examine the following areas if no extraordinary specifications are involved: type and kind, quantity, damage, operability, and packaging and marking.
2. In addition to the list in item 1, check contractor conformance to particular technical specifications by examining: measurements, samples, specified tests, critical points, records and documentation.

24.3 - Final Inspections. The Contracting Officer (CO) or designated representative makes final inspection with the Contracting Officer's Representative (COR) before final acceptance of work under a contract. When a contract is substantially complete, the COR notifies the CO of the probable completion date to arrange for the final inspection. Schedule the inspection enough in advance of actual completion so that the contractor still has equipment on the site to correct any deficiencies noted in the final inspection.

Before the final inspection, the COR and contractor together review the project to eliminate as many deficiencies as possible. Make no commitment regarding the final acceptance of the project. The Contracting Officer's final inspection and acceptance relieves the contractor of further work, except for latent defects in material or workmanship that could not have been detected readily at the time of final inspection. The CO may make final acceptance with a list of deficiencies consisting of minor items that the contractor must complete.

24.31 - Documentation of Final Inspections. Include the following in the final inspection report and provide a copy of the report to the contractor at the conclusion of the inspection:

1. The inspection date, location, and party members.
2. If needed, a detailed list of deficiencies.
3. Recommend acceptance of the contract:
  - a. Without further work; or
  - b. Upon the correction of all deficiencies.

24.32 - Verification of Corrections. If the final inspection recommends acceptance upon correction of certain deficiencies, the COR verifies the corrections and notifies the CO that the work has been completed.

24.33 - Determination That Work is Substantially Complete. The Contracting Officer may determine work to be substantially complete and stop the count of contract time when it is possible to utilize the project as intended. This concept applies primarily to the construction of public works.

24.34 - Approval of Occupancy by the Government Before Completion of all Work. Occasionally, the needs of the Government are best served if the Government uses portions of the contracted project prior to final acceptance of the entire project. Whenever this situation exists, the Contracting Officer's Representative (COR) secures prior approval of the Contracting Officer (CO). Do not approve occupancy or use without the written consent of the contractor

unless the contract allows the Government to take possession and use portions of the work. Prior to taking possession of any uncompleted work, a formal inspection must be made and a list of all work necessary for acceptance prepared.

If the CO has not made final acceptance and the Forest Service occupies or uses any portion of the project without the contractor's consent, the Government is in effect "trespassing." Avoid occupancy that may have the effect of premature acceptance of the work under the contract. This concept also applies primarily to construction projects.

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CHAPTER 30 - MEASUREMENT AND PAYMENTS

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31 - MEASUREMENT. Follow the established method of measurements as provided in the contract.

If the contract is to be paid on a lump-sum basis and the contractor requests intermediate payments, the contractor must submit a breakdown of the lump-sum price for the Government to use as a basis of measurement.

If there is a disagreement between the contractor and Contracting Officer's Representative (COR) on the method of measurement, or if a method of measurement is not provided for in the contract, the COR shall immediately notify the Contracting Officer (CO) and request a determination.

The CO may approve construction contract payment at the contractor's invoice price for materials delivered to the site that conform to contract requirements but that are not yet incorporated in the work. When specifically authorized by the contract the CO may also approve payment for materials purchased that have not been delivered to the site. List payments for materials separately on the pay request and adjust future payments accordingly as the installation of material progresses (ex. 01 and ex. 02).

31 - Exhibit 01

SEE THE PAPER COPY OF THE MASTER SET.

31 - Exhibit 02

SEE THE PAPER COPY OF THE MASTER SET.

32 - PAYMENTS.

32.1 - Prompt Processing of Payment Estimate and Invoice. Make payments in a timely manner to avoid placing hardships on the contractor that may result in defaults, contract claims, breaches of contract, and complaints about the Forest Service. Process payment estimates immediately to also avoid interest penalties. Prompt payments often contribute to the success in securing future bids. After the contractor and the Contracting Officer's Representative (COR) have signed the payment estimate, the COR promptly submits the estimate to the Contracting Officer (CO). Form FS-6300-30, Contract Payment Estimate and Invoice (section 31, ex. 01 and ex. 02) may be used for payment processing.

32.11 - Progress Payments on Construction Projects. Progress payments under construction contracts generally must be paid within 14 days after receipt of the payment request. With each progress payment request, contractors must certify that payments to subcontractors have been properly made (see FSH 6309.32 - FAR 52.232-5, Payments under Fixed-Price Construction Contracts).

32.12 - Retention of Funds. Some contracts permit the retention of funds until the project is complete; however, do not utilize retention in place of appropriate contract administration. Include in the contract file an explanation of the need to retain earned funds. The Contracting Officer is responsible for approving any reduction in the retention.

32.13 - Deductions From Payments. The COR indicates any other deductions such as excess administrative costs and liquidated damages from the contractor's payments on Form FS-6300-30, Contract Payment Estimate and Invoice, or other agency authorized form, and explains the deductions in a "Remarks" block. Only the CO may approve deductions.

32.14 - Forms for Payment of Air Service Contracts. For air service contracts the COR processes payments at the intervals specified in the contract. The COR shall summarize Form FS-6500-122, Daily Flight Report - Invoice (Report FS-6500-CF), on Form FS-6300-49, Cumulative Aircraft Use Payment Summary. Submit Form FS-6300-49 with the originals of Form FS-6500-122 for each payment to the Designated Payment Office.

1. National Transport Category Helicopters. The COR or inspector shall complete a separate form FS-6500-122 for each day of the contract period showing number of days, availability earned, flight performed, and all other contract allowances and deductions.

2. National Transport Category Fixed Wing Aircraft. The COR or inspector completes a separate form FS-6500-122 for each day of the contract period for each aircraft showing daily availability rate, flight time, and any other allowances or deductions, including add-ons. The COR submits payment summaries with flight invoices to the Boise Interagency Fire Center (BIFC). At intervals specified in the contract, make fuel adjustments with and changes to flight rates.

3. National Contract Air Tankers. Since air tankers are subject to immediate dispatch, COR's must maintain daily contact with the tanker crew and alternate Base Manager to reconcile any problems that may occur. The COR shall maintain forms FS-6500-122 at the designated base for each day of the contract period regardless of the tanker location. If designated contract personnel are not available to sign payment documents, notify the contractor to reach agreement on the method of processing such as mailing to the contractor or waiting for the return of the tanker.

33 - CERTIFICATE OF FINAL INSPECTION. When contractor performance is acceptable, the Contracting Officer's Representative (COR) executes Form FS-6300-15, Certificate of Final Inspection. This certifies to the Contracting Officer that all contract requirements, including payroll submission by the contractor when required by the contract, have been properly fulfilled (exhibit 01).

33 - Exhibit 01

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34 - FINAL PAYMENT AND RELEASE FROM CONTRACT. The Contracting Officer's Representative (COR) prepares the final payment as soon as all work and the final inspection are complete.

Do not make any deductions on the final payment unless specifically authorized by the Contracting Officer.

Request the contractor to sign a Form FS-6300-16, Contract Release, for all construction and service contracts (ex. 01). The contractor shall be required to sign a contract release if the contract contains the standard construction payment clause (FSH 6309.32 - FAR 52.232-5) or if another contract release provision is written into the contract. The contract release is used to

identify potential claims or to establish that no claim exists. Present Form FS-6300-16 to the contractor for signature along with the final payment.

When the contractor does not wish to sign a contract release because of a claim that the contractor may wish to submit, identify the claim(s) on the contract release from under "Reservations." The COR should explain to any contractor reluctant to sign the release that by identifying claims under the reservations section, the contractor will receive payment and preserve the right to pursue the claim and any additional monies due the contractor.

34 - Exhibit 01

EXHIBIT 01 IS A SEPARATE DOCUMENT.

35 - FINAL CLOSING DOCUMENTS. The COR submits final payment and all closing documents to the Contracting Officer (CO) concurrently, including: Form FS-6300-15 (Certificate of Final Inspection) and Form FS-6300-16 (Contract Release), if required. Upon receipt of these documents, the CO prepares a letter of final acceptance notifying the contractor and surety, if any, that the contractor has no further obligation under the contract except for guarantees, warranties, or latent defects. The COR sends the COR file to the CO at this time.

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CHAPTER 40 - CONTRACT MODIFICATIONS AND TERMINATIONS

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41 - TIME EXTENSIONS. Do not grant extensions of contract time for the contractor's convenience or without justification. Consider the effect on contract time of all contract modifications and justify any adjustment in a written statement attached to Form SF-30, Amendment of Solicitation/Modification of Contract (ex. 01). The granting of additional contract time is of value to the contractor and also a change to contract terms and conditions; therefore, it may be granted only in exchange for consideration to the Government. A price reduction, or another form of consideration, should be negotiated when the contract time is extended. In negotiating the reduction, calculate additional COR and inspector costs, including travel expenses for the extended time to administer the contract and any other costs to the Government attributable directly to the time extension.

#### 41 - Exhibit 01

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#### 41 - Exhibit 01--Continued

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##### 41.04 - Responsibility.

41.04a - Contracting Officer. Contracting Officers (CO) have the authority to grant extensions of contract time and may not delegate this authority to others.

41.04b - Contracting Officer's Representative. The Contracting Officer's Representative (COR): Receives requests for time extension in writing from the contractor. Ensures that requests shall specify the length of extension needed and the circumstances warranting the extension. Forwards requests, along with recommendations, to the CO for a determination.

42 - CONTRACT MODIFICATION. As defined in the Federal Acquisition Regulations, Part 43, a "contract modification" means any written change in the terms of the contract (FAR 43.101). Modifications that affect drawings, plans, specifications, time, method of performance, Government furnished items, directed acceleration, or price are the most common type of modification.

##### 42.04 - Responsibility.

42.04a - Contracting Officer's Representative. The Contracting Officer's Representative (COR) shall develop preliminary modifications, secure approval of the Contracting Officer and line officer, and assist the CO in negotiations with the contractor.

##### 42.1 - Steps in Contract Modification.

1. Develop a preliminary description of the work requiring modification, cost estimate, and a justification for the modification.

2. Contact the Contracting Officer (CO) for a determination of the propriety of the proposed action within the terms of the contract, and discuss modification in general terms with the contractor.

3. If the CO gives oral approval then:

- a. Secure Forest line, technical, and budget approval of the proposed modification.

- b. If granted:

- (1) Prepare draft modification, justification statement, and final cost estimate based upon materials, labor, disruption or changes in contractor scheduling, and so forth.

- (2) Verify funds are available to cover the cost.

(3) Gain CO approval of wording for the modification.

c. Secure the contractor's acceptance of proposed modification within stated limitations or guidelines if requested to do so by the CO.

d. Contact the CO to determine who needs to be present at negotiations with the contractor.

4. After negotiations with the contractor are complete, obtain the following signatures:

a. Contractor or designated representative.

b. Contracting Officer's Representative (COR).

c. Responsible program personnel or their designated acting, on either the "recommended" line or the "recommended fund availability" line, as applicable.

5. Forward the modification to the CO for final approval and distribution.

When conditions necessitate immediate approval of a modification the COR may obtain oral approval of the preceding outlined steps from the CO; otherwise, the COR shall not permit work to begin under the modification until after having obtained all the required signatures.

42.2 - Unilateral Changes. If it is necessary to have extra work performed on which it is not possible to reach an agreement with the contractor, the Contracting Officer (CO) may, if in the interest of the Government and within the scope of the contract, issue a unilateral change directing that the contractor proceed with the work. If the CO takes this action, the COR must keep accurate records of the work performed for use in connection with any disputes that may arise.

42.3 - Constructive Changes. A constructive change occurs when a contractor performs work different from that prescribed by the terms of the contract, and the Government ordered such work by other than formal change order, or such work was the result of an error by the Contracting Officer (CO) or designated representative. A contractor may consider an oral order to be a constructive change. If the COR or CO fails to stop a contractor from performing extra and unnecessary work, the Government in some cases may be required to accept and pay for such work under a constructive change. COR's shall immediately forward to the CO any written notification from the contractor that indicates that the contractor has considered an oral order to be a change. The CO then informs the COR of any needed action.

42.4 - Force Account Work. If the Government requires a contractor to do work by force account the Government must pay for the work at the unit prices or lump sum as stipulated in the order. Work by force account may be done only if authorized in the contract.

Keep accurate records of the work performed if the Government is to make payment based on unit prices. Upon completion of the work agreement must be reached on final payment.

42.5 - Advance Agreement. Execute a priced document describing time allowances for all changed work whenever possible. The Government is in a very poor negotiating position once a contractor has completed work and costs have been incurred.

42.6 - Value Engineering. Prior to preparation of a formal Value Engineering Proposal (VEP) the contractor will usually discuss the concept of the proposal with the Contracting Officer's Representative (COR) to determine its potential for acceptance. If the contractor elects to present a formal proposal, the contractor will request environmental reports, design data, computations and any other information in Government files which may aid in preparing the proposal. The Government is obligated to allow the contractor access to the requested information and to provide copies of material which must be removed from Government premise for reference in preparing the proposal.

The receipt and processing of VEPs vary with the type, value, and provisions of the contract. Unless otherwise provided in the contract, the contractor is required to submit VEPs to the COR. The COR shall immediately make two copies and transmit the original proposal to the Contracting Officer (CO) and one copy to the benefiting Forest Staff function for preliminary review. Further processing will be in conformance with Regional instructions. If the VEP is accepted by the CO, prepare an appropriate contract modification for execution by the contractor and the CO.

#### 43 - TERMINATION.

##### 43.04 - Responsibilities.

43.04a - Contracting Officers. Only Contracting Officers have authority to terminate contracts.

43.1 - Termination for Convenience of Government. The Government may wish to terminate a contract when there is no fault with the contractor's performance, in which case the contractor may be entitled to compensation. To ensure that contract termination is in the Government's best interest, the Contracting Officer and technical personnel should carefully consider all anticipated costs of termination for convenience prior to making the decision to terminate the contract.

43.2 - Default. Forest Service contracts authorize the Contracting Officer (CO) to terminate the contractor's right to proceed for failure to prosecute the work with enough diligence to ensure its completion within the time specified in the contract.

##### 43.21 - Steps to Avoid Default.

43.21a - Contracting Officer's Representative. If the contractor falls behind the work schedule, the Contracting Officer's Representative (COR) shall take the following actions:

1. Discuss the situation with the contractor. Explore the possibility of a time extension. If the CO believes an extension is not justified, or if the contractor's progress does not improve following oral discussion, the CO writes a letter (cure notice) to the contractor advising of the time elapsed and percentage of the project completed, and requires a revised progress schedule showing how the work will be accomplished in the time remaining.

2. Keep the CO advised. It is imperative that the COR promptly inform the CO of the contractor's progress so that the CO can take timely action in correcting any problems. Do not advise or direct the contractor to add more personnel or equipment since such action could be construed as acceleration, which could become the basis for a legitimate claim against the Government.

43.21b - Contracting Officer. The CO shall:

1. Issue specific instructions to the COR for each contract in default.
2. Review the default clause of the contract and issue cure notices when appropriate. Failure to issue cure notices may result in waiving the right of the Government to terminate for default.
3. Rather than terminating a contract for default, take any of the following courses of action when it is in the best interest of the Government:
  - a. Permit the contractor, the surety, or the guarantor to continue performance of the contract under a revised delivery schedule.
  - b. Permit the contractor to continue performance of the contract by means of a subcontract or with an acceptable third party, provided the rights of the Government are adequately preserved.
  - c. Execute a no-cost termination settlement agreement if the supplies and services specified in the contract are no longer required and if the contractor is not liable to the Government for damages.

44 - LIQUIDATED DAMAGES. Liquidated damages are used when actual damages cannot be determined and the time for completion is so important that the Government would suffer damages if the contractor is delinquent. Liquidated damage calculations should be a part of the original Request for Contract Action (Form FS-6300-4) submitted by the technical staff. When the contract provides for liquidated damages and the Government does not terminate the contractor's right to proceed, the Contracting Officer shall withhold the accumulated amount of such liquidated damages from the contractor's payment.

45 - ACTUAL DAMAGES. If the Government does not terminate the contractor's right to proceed, and there is no provision for liquidated damages in the contract, the contractor may be liable for any actual damage to the Government resulting from failure to complete the contract within the specified time. Under these circumstances, it is the Contracting Officer's Representative's responsibility to keep accurate and complete records of incurred damages and develop support documentation. The Government is responsible for mitigation of actual damages charged against the contractor.

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CHAPTER 50 - RECORDS AND REPORTS

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## 51 - CONTRACTING OFFICER'S REPRESENTATIVES RECORDS.

51.1 - Contracting Officer's Representatives Files. The Contracting Officer's Representative (COR) shall maintain a separate file for each contract. At a minimum the file must contain a copy of:

1. The contract, drawings, and related materials.
2. Correspondence between the contractor and the COR relating to the contract, plus copies of any other correspondence provided to the COR.
3. Reports received and submitted.
4. Payment records (Form FS-6300-30, Contract Payment Estimate and Invoice, or other agency authorized form).
5. Contract modifications (Form SF-30, Amendment of Solicitation/Modification of Contract).
6. Notice to Proceed, Suspend, and Resume Work Orders (Form FS-6300-8, Notice to Proceed, Suspend, and Resume Work Order).
7. Work Orders and Notices of Noncompliance (Form FS-6300-12, Work Order and Notice of Noncompliance).
8. Contract Daily Diaries (Form FS-6300-20, Contract Daily Diary).
9. Field notes and computations, records and reports of materials test reports, and any "as-built" drawings.

51.11 - Correspondence. The Contracting Officer's Representative (COR) shall send the Contracting Officer a copy of all correspondence. The COR shall forward any incoming correspondence covering matters outside his/her authority to the Contracting Officer for action.

51.12 - Disposition of Records. Upon completion of the project, the COR sends the COR file to the Contracting Officer for consolidation with the Official file.

51.2 - Daily Diary. The Contracting Officer's Representative (COR) and inspectors shall complete Form FS-6300-20, Contract Daily Diary, (ex. 01) for each day that they are on the project. In general, COR's and inspectors submit diaries for each contact. The COR submits diaries weekly to the Contracting Officer (CO). Inspectors submit their diaries through the COR who initials them prior to submission to the CO. The COR's and inspectors should include the following information in diaries, where applicable:

1. Detailed data regarding the weather for each reported day during the life of a contract.
2. Soil or other physical conditions that materially affect the work.
3. Number of workers and equipment on the job each day, the area in which work is performed, and the number of observed hours each worked.

4. Estimated quantities and/or percentage of work accomplished during the day. Note the individual item or unit of work completed. Where possible, refer to the location where work was in progress.

5. Contract materials delivered to or removed from the job.

6. Problems encountered and corrective measures taken.

7. Significant orders or instructions given to the contractor including a reference to work orders issued.

8. Disputes, disagreements, or agreements with the contractor. Provide detailed supplementary report of the situation to the CO whenever the circumstances warrant.

9. Time lost by the contractor and the cause of delays.

10. Deviations or variations from plans, clauses, or specifications.

11. Names of visitors, the time they spent at the site, and any recommendations or comments they made.

12. To assist the CO in recording contract progress, a record of the time expended and estimated percentage of work completed.

13. The COR's and inspectors must keep their project diaries so that complete information is available should a claim arise from any disagreement.

51.2 - Exhibit 01

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51.3 - Aircraft Performance Report. The Contracting Officer's Representative (COR) must prepare Form FS-6300-48, Aircraft Performance Report Form, at the end of each season for each aircraft (ex. 01).

51.3 - Exhibit 01

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51.4 - Forms Distribution Summary. Exhibit 01 illustrates the distribution of forms used in contract administration by the Contracting Officer's Representative (COR) and Inspector(s).

51.4 - Exhibit 01

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51.4 - Exhibit 01--Continued

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52 - MAKING GOVERNMENT RECORDS AVAILABLE TO THE PUBLIC. The Contracting Officer's Representative (COR) may provide any individual the following information after award of the contract (FSM 6231.7):

1. Name and address of contractor.
2. Name and address of any subcontractor or supplier.
3. Dollar amount of the award (by item if requested). Dollar amount of other bids or proposals received.
4. The amount of the surety bonds and the name and address of the surety.
5. Unless classified, any of the actual specifications in the contract, or contract clauses that were part of the solicitation.

The contractor's proposal may be subject to the Freedom of Information Act (FSM 6271). Therefore, the COR shall forward any request for information from a contractor's proposal to the Contracting Officer before releasing any information.

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