



**DEPARTMENT OF THE NAVY**

CHIEF OF NAVAL EDUCATION AND TRAINING  
250 DALLAS ST  
PENSACOLA FLORIDA 32508-5220

CNETINST 4200.3  
OS3

07 MAY 2001

CNET INSTRUCTION 4200.3

Subj: ADMINISTRATION OF SERVICE CONTRACTS

Ref (a) FAR Part 37, Service Contracting  
(b) SECNAVINST 4200.31C, Acquiring and Managing Consulting Services  
(c) NAVSUPINST 4205.3B, Contracting Officer's Representative  
(d) CNETINST 5200.6C, Management Control Program  
(e) CNETINST 5000.4B, Command Evaluation Program and Local Audit Function Within the Naval Education and Training Command

Encl: (1) Sample Technical Assistant Appointment Letter  
(2) Sample Contracting Officer's Representative Nomination Letter

1. Purpose. To provide procedures for administering service contracts, ensuring that services are received as described and in the timeframes called for in the contract.

2. Scope. This instruction applies to all service contracts required and used by Chief of Naval Education and Training (CNET) headquarters (HQ) and Naval Education and Training Command (NAVEDTRACOM) field activities.

3. Background. The NAVEDTRACOM requires a broad spectrum of services in order to complete its training and base operating support missions. The Navy systems commands and their field contracting system activities have been delegated responsibility for entering into contracts for materials and services. The NAVEDTRACOM role in the contracting process is to properly and completely describe our minimum requirements; provide required funding; assist the contracting activity during the contracting process through award of a service contract; and then participate in the post-contract award administration process to ensure the services are delivered as described and within required timeframes.

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4. Policy. NAVEDTRACOM HQ and subordinate commands will neither acquire personal services nor administer contracts in a manner so as to change them into personal services contracts. Procedures for developing service requirements and working with the contracting offices to place those requirements under contract are contained in the CNET Acquisition Guide and references (a) and (b).

5. Definitions

a. Business Sensitive Information. Information generated by government personnel or information submitted by contractors that, if released or disclosed to the public without authorization, might jeopardize the competitive procurement process or cause substantial competitive harm.

b. Contracting Officer's Representative (COR)/Alternate COR. The government official is appointed in writing by the Procuring Contracting Officer (PCO) and serves as liaison between the government and the contractor for technical aspects of a contract, monitors contract performance, and provides technical advice to the contracting officer. The COR may be supported by a designated technical assistant (TA). Reference (c) provides additional detailed information on contracting officer's representatives, their duties and training requirements. The alternate COR performs in the absence of the COR. A sample TA appointment letter is attached as enclosure (1). A sample COR nomination letter is attached as enclosure (2).

c. Inherently Governmental Functions. As a matter of policy, a function that is so intimately related to the public interest as to mandate performance by government employees. This definition is a policy determination, not a legal determination. An inherently governmental function includes activities that require either the exercise of discretion in applying government authority, or the making of value judgments in making decisions for the government. Governmental functions normally fall into two categories: the act of governing, i.e., the discretionary exercise of government authority, and monetary transactions and entitlements.

d. Personal Services. An employer-employee relationship created when a contract that, by its express terms or as administered, makes contractor personnel appear, in effect, to be government employees.

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e. Service Contract. A service contract is a contracting vehicle that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task, rather than to furnish an end item of material. A service contract may be either a non-personal or personal contract with services performed by either professional or non-professional personnel on an individual or organization basis. Reference (a) provides detailed information on service contracts.

f. TA or Representative. Assigned by the requiring activity (CNET HQ or NAVEDTRACOM activity) responsible for providing technical assistance and support to the COR in contract administration. The TA may not modify contract terms or otherwise obligate CNET, a NAVEDTRACOM activity, or the Navy with respect to any matter concerning the contractor. A sample appointment letter with assigned duties is attached as enclosure (1).

6. Post-Contract Award Administration. NAVEDTRACOM activities will take the following actions to ensure that service contracts are properly administered:

a. Ensure the command has at least one complete copy of the service contract. The command's designated COR must have this document to be familiar with the contractor's obligations and performance timeframes.

b. Ensure the contracting officer's representative has received formal, written appointment to this position. This appointment should come from the contracting officer and describe the duties and responsibilities of the position. These appointments should be coordinated based on the nomination of a COR by the requiring command using a nomination letter similar to enclosure (2). Note: Commands such as Chief of Naval Air Training (CNATRA) that have warranted administrative contracting officers on site may not need to have a COR appointed. Commands should coordinate both the appointment and training of the COR with the contracting officer. Some service contracts are so complex in nature that the COR may require the assistance of one or more individuals who are cognizant on the technical details of the program involved in the service contract. Such technical assistants are appointed locally. Their duties and a sample appointment letter are attached as enclosure (1).

c. Ensure that all command personnel working with contractor personnel are trained on the general "do's and don'ts" in

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managing service contracts. Following is a summary of these issues:

(1) Contractor personnel are not government employees. Contractors are responsible for performing discreet tasks and providing specific deliverables. Problems with contractor performance and deliverables should be addressed to the contracting officer or administrative contracting officer (if post-award contract administration duties have been delegated) via the designated COR. Any attempt by government personnel to directly supervise contractor employees or manage the process by which contract deliverables are produced constitutes creating a personal services contract. As noted earlier, the NAVEDTRACOM will not engage in personal services contracts.

(2) Ensure contractor personnel are provided access to business sensitive information only as required and defined within the contract. Business sensitive information is further defined and discussed in the CNET Acquisition Guide.

(3) Ensure the contractor is provided only those government facilities, material/equipment, and services required by the contract. The contractor's bid price is based on the details of the contract's statement of work. Providing facilities, equipment, and services not required by the service contract's terms and conditions may result in the government in effect paying twice for such items--once because the contract calls for the contractor to provide these items with government reimbursement and the second time when the government directly pays the bill for facilities, material/equipment and services. Contractor personnel will not be provided with government office space without the approval of Vice CNET (for HQ contract requirements) or the commander/commanding officer/head of a NAVEDTRACOM field activity. Requests must contain justification for the request and demonstrate a clear cost advantage to the government and a compelling reason for locating the contractor on-site. For example, acceptable justification would include the fact that the contractor is performing secretarial services to government personnel that must be performed on-site.

7. Management Control Program. Controls are designed to ensure commands are receiving deliverables as provided for under the contract. Service contracts are designated as an annual mandatory assessable unit for the NAVEDTRACOM management control program. According to the guidelines of reference (d), managers are required to annually review and test their contract-related

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processes. When necessary take the appropriate corrective actions.

#### 8. Action

a. NAVEDTRACOM field activity commanders, commanding officers, and activity heads and CNET staff division directors/special assistants are responsible for ensuring that all personnel in their organization involved with service contracts are familiar with the contents of this instruction and the references contained herein. To ensure compliance, conduct a periodic in-house review of certain contracts based on the value, risk, or visibility as identified in the annual command evaluation plan. The periodic review will be conducted under the guidelines of reference (e). The review of specific contracts will be performed annually and an assessment of internal procedures for managing contracts will be conducted at least **every 2 years** by an independent third party within the command. To assist in this effort, a review/audit guide is available from CNET (Code 00GR).

b. Effective immediately all CNET HQ and NAVEDTRACOM personnel shall follow the guidance provided in this instruction and applicable references. If immediate compliance is not practicable because of the ongoing nature of an acquisition, or for other reasons, the division director/special assistant or requiring office head must provide an impact statement to Vice CNET together with a proposal for conformance. Any waiver to the policies outlined above, for ongoing or future procurements, shall require Vice CNET level authorization, be documented in the contract file, and be reported to CNET.

  
D. L. BREWER, III  
Vice CNET

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SAMPLE TECHNICAL ASSISTANT APPOINTMENT LETTER

4205

Ser \_\_\_\_\_

(Date)

From: [Commander/Commanding Officer/Activity Head/Division  
Director/COR]

To: [NAVEDTRACOM Employee]

Subj: APPOINTMENT AS TECHNICAL ASSISTANT (TA) TO THE  
CONTRACTING OFFICER'S REPRESENTATIVE (COR)

Ref: (a) Federal Acquisition Regulations, Part 37.104

1. You are hereby appointed as a TA to the COR for:

Contract Number: \_\_\_\_\_

Contractor: \_\_\_\_\_

COR: [Name, Organization, Code, Telephone No./E-mail Address]

2. As TA, you are assigned to provide technical assistance and support to the COR in administration of the [type of services] contract described above. [If appropriate, the sentence should read " ... to the COR in administration of the Task Order(s) for (type) of services procured through the (type of services) contract described above."] You may assist the COR in executing assigned inspection and monitoring duties; however, you may **not** provide any technical direction or clarification directly to the contractor. Any need for technical direction or clarification should be brought to the attention of the COR for appropriate action. You are to perform your duties in accordance with any instructions or guidance issued by the cognizant contracting office or above-named COR and any amplifying instructions provided herein. In accomplishing your duties as a TA you are cautioned to review and comply with reference (a) to ensure the contract does not become a personal services contract through your actions.

3. You are **not** authorized, either by this letter or by reference (a), to take any action, either directly or indirectly, that could result in a change in the cost/price, quantity, quality, place of performance, delivery schedule, or any other terms or conditions of the contract (or task order), or the accomplishment of effort which would exceed the scope of the basic contract (or task order). You may be held personally

Enclosure (1)

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liable for any unauthorized acts. When there is the potential that discussions may impact any of the areas described above, immediately stop discussions and notify the COR.

4. Your specific duties are as follows:

a. Notify the COR of contractor deficiencies.

b. Review contract/task order deliverables, recommend acceptance/rejection, and provide the COR with documentation to support the recommendation.

c. Assist in preparing the final report on contractor performance for the applicable contract/task order in accordance with the format and procedures prescribed by the COR.

d. Notify the COR of contractor noncompliance with reporting requirements.

e. Evaluate the contractor's proposals for specific task orders and notify the COR of problems/areas of concern/issues to be discussed during negotiations.

f. Review contractor status and progress reports, notify the COR of deficiencies, and provide the COR with recommendations regarding acceptance, rejection, and/or government technical clarification requests.

g. Review invoices for the appropriate mix of types and quantities of labor, materials, and other direct costs. Compare hours billed to hours actually worked and provide concurrence with or report discrepancies to COR. Provide the COR with recommendations to facilitate COR (or functional title named in the contract) certification of the invoice.

h. Provide the COR with timely input regarding technical clarifications for the statement of work, possible technical direction to provide the contractor, and recommend corrective actions.

i. Provide the COR with detailed written reports of any trip, meeting, or conversation subsequent to any interface between the TA and the contractor.

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By direction

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Copy to:  
[Contracting Officer]  
[COR]

I acknowledge my appointment and have read and understand the duties and restrictions described above.

\_\_\_\_\_  
TA Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Alternate TA's Signature

\_\_\_\_\_  
Date

SAMPLE CONTRACTING OFFICER'S REPRESENTATIVE NOMINATION LETTER

4205  
Ser \_\_\_\_\_  
(Date)

From: Commanding Officer, Requiring Activity  
To: Contracting Officer, Contracting Activity

Subj: NOMINATION OF CONTRACTING OFFICER'S REPRESENTATIVE

Ref: (a) NAVSUPINST 4205.3B, Contracting Officer's  
Representative (COR)  
(Note: Change to applicable reference for non-NAVSUP  
contracting activities)

1. Pursuant to reference (a), I hereby nominate Mr./Ms.  
\_\_\_\_\_ as the Contracting Officer's Representative  
(COR) for the contract resulting from requisition number  
\_\_\_\_\_ to acquire \_\_\_\_\_ supplies/  
services in support of \_\_\_\_\_.

2. Mr./Ms. \_\_\_\_\_ qualifications are:

3. Mr./Ms. \_\_\_\_\_ title, organization code, mailing  
address, phone number, and e-mail address are \_\_\_\_\_  
\_\_\_\_\_.

4. In case of any problems, disagreements, or other questions  
pertaining to the COR's performance of duties you may contact  
\_\_\_\_\_.

5. Mr./Ms. \_\_\_\_\_ has/has not completed Navy approved  
COR training. He/she attended/is scheduled to attend the  
following COR course \_\_\_\_\_ on (month, year).

6. The individual performance rating elements of Mr./Ms.  
\_\_\_\_\_ include/do not include the COR function. (If not,  
explain why not.)

7. If an alternate COR is to be appointed to act in the absence  
of the COR, also provide the information contained in paragraphs  
1-6 above for that individual. If no alternate COR (ACOR) is  
nominated, so state.

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8. I recommend the COR be assigned the following duties:

a. Control all government technical interface with the contractor.

b. Ensure that a copy of all government technical correspondence is forwarded to the contracting officer (ordering officer) for placement in the contract (delivery/task order) file.

c. Promptly furnish documentation on any requests for change, deviation or waiver, whether generated by the government or the contractor, to the contracting officer (and ordering officer) for their action.

d. Determine the causes when the contract is not progressing as expected and make recommendations to the contracting officer for corrective action.

e. Monitor contractor performance to ensure individual contractor employees are of the skill levels required and are actually performing at the levels charged against the contract during the performance period.

f. Monitor contractor performance to ensure that the labor hours charged against the contract are consistent and reasonable for the effort completed and that any travel charged was necessary and actually occurred.

g. Monitor government-furnished property. Ensure that the property provided to the contractor is authorized by the contract.

h. Complete the COR report of Contractor's Performance (for NAVSUP issued contracts or similar document for other contracts) in accordance with the schedule established in the contract administration plan for the contract.

9. Any changes to these recommended duties must be discussed with the undersigned prior to issuing the letter of appointment.

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Signature of the commanding  
officer or designee