



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
200 STOVALL STREET
ALEXANDRIA, VA 22332

IN REPLY REFER TO
ACQ 021
12 Nov 98

MEMORANDUM FOR DISTRIBUTION

Subj: REPORTING SEVERABLE SERVICE CONTRACTS THAT CROSS FISCAL YEARS
PURSUANT TO SECTION 801 OF FY98 DEFENSE AUTHORIZATION ACT (98-56)

Ref: (a) NAVFAC memo ACQ 021 (98-27) of 3 Jun 98
(b) NAVFAC memo ACQ 021 (98-45) of 23 Sep 98

Encl: (1) ASN(RD&A)ABM memo of 6 Oct 98

1. Reference (a) authorized the use of Section 801 of the FY 1998 Defense Authorization Act for the award of severable service contracts that cross fiscal years. Reference (b) furnished the guidelines and format for reporting on a quarterly basis all contracts let under this authority.

2. Enclosure (1) provides further clarification as to the information on "severable" contract services that must be reported.

a. "Severable services" are continuing and recurring services that must be charged to the FYs in which they are rendered. The report must include information on the procurement severable services for a period that begins in one fiscal year and ends in the next if (without any option to extend the period of the contract) the contract period does not exceed one year.

b. "Source of funds" means the top-level appropriation account and year of funds (e.g., FY98 O&MN).

c. "Types of services" means the general category of services (e.g. CAAS, building maintenance, etc.)

d. The reasons "why authority was required to be used" means the reasons why the authority was, in fact, used (i.e., what benefits were expected to be achieved—including, for example, administrative convenience of work stoppages between fiscal years, etc.).

3. If you have any further questions regarding this reporting requirement, please call Ms. Angela Naill at (202) 685-9148.

A handwritten signature in black ink, appearing to read "Michael F. Howard".

MICHAEL F. HOWARD
Director, Strategic Operations/
Community Management

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
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ASN-RDA:
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October 6, 1998

MEMORANDUM FOR DISTRIBUTION

Subj: REPORTING SEVERABLE SERVICE CONTRACTS
THAT CROSS FISCAL YEARS PURSUANT TO 5 § 801
OF FY98 DEFENSE AUTHORIZATION ACT

Encl: (1)  [DDP memo of Sept 29, 1998; Subject: Report
Requirement for Section 801 of FY 98 Defense Authorization
Act](#)

Ref: (a) ABM memo of May 18, 1998, Subj: Authority to Award
Severable Service Contracts that Cross Fiscal Years

Enclosure (1) identifies a requirement to submit a report addressing the award of severable service contracts that cross fiscal years pursuant to the authority of Section 801 of the FY 1998 Defense Authorization Act. Reference (a) provided guidance concerning the use of this authority and advised that a reporting requirement would be forthcoming. In order for the Department of the Navy to comply with the requirement, you are requested to provide this office with each element of required information listed in enclosure (1) for all FY 1998 awards made pursuant to Section 801 by contracting activities under your cognizance.

The required elements of information are taken verbatim from language included in the Conference Report accompanying the Act. Since the intent of these elements is not totally clear, you may assume the following:

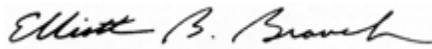
a) The "sources of funds" means the top-level appropriation account and year of the funds (e.g., FY 98 O&MN).

b) The "types of services" means the general category of services

(e.g., CAAS, building maintenance, etc).

c) The reasons "why the authority was required to be used" means the reasons why the authority was, in fact, used (i.e., what benefits were expected to be achieved--including, for example, administrative convenience, avoidance of work stoppages between fiscal years, etc).

Your FY 1998 report should be submitted to Ms. Kris Wright of this office no later than Tuesday, October 13, 1998. It may be submitted electronically to Ms. Wright at wright.krishana@hq.navy.mil or by FAX on (703) 602-2117. Negative responses are requested. Ms. Wright's telephone number is (703) 602-2806.



Elliott B. Branch
Executive Director
Acquisition & Business
Management

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OFFICE OF UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
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ACQUISITION AND
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SEPT 29, 1998

DP/CPA

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Report Requirement for Section 801 of FY 98 Defense
Authorization Act

Pursuant to a requirement contained in the conference report accompanying the FY 98 Defense Authorization Act (Section 801), military departments, defense agencies and other OSD components must submit a report on "severable" contract services not later than 15 days after the end of both fiscal years (FY) 1998 and 1999. "Severable services" are continuing and recurring services that must be charged to the FYs in which they are rendered. The report must include information on the procurement of severable services for a period that begins in one fiscal year and ends in the next if (without any option to extend the period of the contract) the contract period does not exceed one year. The report shall contain the following information:

- (1) the total amount and sources-of funds obligated under the authority of Section 801 of the FY 98 Defense Authorization Act,
- (2) the types of services procured under that authority,
- (3) when the services were ordered and when provided, and
- (4) the reasons in each case why the authority was required to be used.

The report (Report Control Symbol is DD-A&T(A)2055) should be submitted to Steven Cohen of my staff. His mailing address is OUSD(A&T)DP/CPA, Room 3C838, 3060 Defense Pentagon, Washington, DC 20301-3060. He can also be reached by fax at (703) 614-1254, by phone at (703) 695-8571, and by e-mail at scohen@acq.osd.mil.

Eleanor R. Spector
Director of Defense Procurement

DISTRIBUTION:

Deputy Director, Procurement Policy, ASA(RD&A)/SARD-ZP
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