



DATE: August 6, 2013

TO: Procurement Directors

FROM: Director
Contract and Financial Assistance Policy Division
Office of Policy
Office of Acquisition and Project Management

SUBJECT: Acquisition Letter 11- Non-Management and Operating (Non-M&O) Contractor Business Systems Clauses for Section H

SUMMARY: This Acquisition Letter (AL) implements compliance enforcement mechanisms in the form of business systems clause and related clauses that requires the contractor to have acceptable business systems that comply with system criteria. The contractor will be required to have acceptable business systems for cost estimating, accounting, earned value management, purchasing and property management. When a contractor's business system contains identified significant deficiencies, the contracting officer will be able to withhold a percentage of payments in accordance with the applicable system clause.

This AL applies to DOE and NNSA for non-M&O contracts in support of Capital Assets (as prescribed in DOE Order 413.3 B or latest version), or non-capital asset projects (other than M&O).

When the threshold and contract type are met, the contracting officer will negotiate bilaterally with the contractor who hold affected contract to incorporate the clauses of this AL into the affected contract within 90 days. The contracting officers will also incorporate the clauses of this AL into affected contracts before extending them or exercising options under them by negotiating bilaterally with the contractors.

There is a Notice of Proposed Rulemaking to implement these clauses in the DEAR.

This Flash will be available online at the following website:
<http://energy.gov/management/office-management/operational-management/procurement-and-acquisition/policy-flashes>.

Questions concerning this policy flash should be directed to Barbara Binney, (MA-611) at (202) 287-1340 or Barbara.binney@hq.doe.gov.

Attachments