

# Subpart 5117.90 - Job Order Contracts

**Parent topic:** [Part 5117 - Special Contracting Methods](#)

## 5117.9000 Scope of subpart.

A Job Order Contract (JOC) is an indefinite-delivery, indefinite-quantity contract and an alternative contracting method to fulfill repair, maintenance, and minor construction requirements on a variety of projects ranging from sustainment, restoration, and modernization, simplified acquisition of base repair requirements, civil works operations and maintenance, small renovations, real property repair and maintenance with an estimated value more than the micro-purchase threshold for acquisitions of construction. A JOC includes a comprehensive collection of detailed repair, maintenance, and minor construction task descriptions or specifications, units of measure, and pre-established unit prices for discrete tasks. Each JOC order is comprised of several pre-described and pre-priced tasks. In general, proposed projects valued at or below the micro-purchase threshold for acquisitions of construction are considered inappropriate for ordering under a JOC because of the administrative costs associated with processing JOC orders and the simplified purchase methods available for these actions.

## 5117.9001 Definitions.

As used in this subpart –

“JOC Price Book” (JOCPB) means the compilation of repair, maintenance, and minor construction tasks, associated units of measure and unit prices that are used in job order solicitations and a JOC. JOC unit prices include direct material, labor and equipment costs, but not indirect costs or profits which are addressed in the coefficient(s). The use of labor-only line items is appropriate for use when proper internal controls are in place and incidental to construction. Labor line items are not to provide services, typically performed under a separate service or requirements contract. The JOCPB reflects the current local costs in detail for construction tasks expected to be performed in the geographical area of the base contract with the primary use of developing a detailed line item price. For CONUS, the JOCPB shall be developed using commercially available pricing tools to ensure consistent and comprehensive pricing of tasks unless the Contracting officer determines the use of a commercially available pricing tool is not in the best interest of the government.

“Coefficient” means a numerical factor that represents costs (generally indirect costs) not included in JOCPB unit prices (e.g., general and administrative and other overhead costs, insurance costs, bonding and alternative payment protection costs, protective clothing,

## 5117.9002 Applicability.

(a) A JOC may be used to execute repair, maintenance, and minor construction requirements for the requiring activity and are subject to the requirements in other parts of the FAR, DFARS, and this regulation.

(b) A JOC must only be used for the projects covered at AFARS 5117.9000. The requiring activity’s

reoccurring facilities engineering support services, such as utility plant operation, custodial, grounds maintenance, refuse collection and disposal, and similar work shall not be acquired using a JOC. Architect-engineer services as defined in FAR 36.102 and Design-Build requirements as defined in FAR 36.3 shall not be acquired under a JOC. However, informal (shop) and as-built drawings, incidental to the job, reflecting the plan of action and the completed project, are anticipated under a JOC.

## **5117.9003 Use of job order contracts.**

### **5117.9003-1 Planning and coordination.**

(a) A JOC should be considered when the workload is anticipated to be of such a yearly volume that benefits derived from a JOC utilization are greater than the costs of the Government resources and contractor overhead associated with establishing and using a JOC. These costs include the total Government resources required to award, use, monitor, and administer the JOC and JOC orders, and management oversight and functional support of the entire JOC process. The calculated workload for a potential JOC should exclude -

- (1) Work normally reserved for 8(a) or set aside for small businesses; and
- (2) Work that can be effectively and economically accomplished by in-house resources.

## **5117.9004 Procedures.**

### **5117.9004-1 Presolicitation.**

(a) To solicit for a JOC, the Government must develop task specifications and a JOCPB tailored to the needs of the requiring activity to be supported. Any special range pricing (to get quantity discounts) of units associated with the requirements of known JOC projects to be ordered must be specified.

### **5117.9004-2 Solicitation.**

(a) The Contracting officer must ensure that the specifications and the JOCPB have undergone technical review and validation and are tailored to meet the projected requirements of the requiring activity and local economic conditions.

(b) The JOC solicitation must include realistic and reasonable annual minimum and maximum dollar amounts for projected requirements to encourage competition and lower coefficients. Generally, the higher the minimum is, the lower the coefficient proposed will be.

(c) The solicitation must explain the make-up of the Government unit prices and specify what types of costs, as a minimum, must be covered by the coefficient. Offerors may have multiple coefficients and must specify what additional types of costs are included in their coefficients in their proposal. These additional costs may be incorporated in the contract, if appropriate, and may preclude later disagreements over non-pre-priced tasks. Multiple coefficients may be used for normal working

hours and other than normal working hours.

(d) The solicitation must explain that there will be no separate repayment(s) for bond premiums because the bond premium is repaid through the coefficient, and the coefficient is paid as an indirect cost under progress payment or other standard payment provisions.

(e) JOC solicitation and contracts must use either annual coefficient adjustments or an annually updated JOCPB, but not both. AFARS clause 5152.237-9000, Adjustments to Contractor's Coefficient for Option Years, can be used in JOC contracts in accordance with this paragraph when annual coefficient adjustments are used.

### **5117.9004-3 Ordering.**

(a) Except as otherwise specified in this subpart, orders must be executed in accordance with FAR 16.505(a).

(b) *Statement of work.*

(1) The SOW for the proposed order must contain sufficient detail to enable the Government to develop an independent government estimate (IGE), in accordance with FAR 36.203 and to ensure that the contractor can properly prepare a responsive and cost-effective proposal with a minimum of non-pre-priced tasks.

(2) The SOW must be updated before issuing the order to reflect the negotiated agreement's details and to include significant quantities, methods of construction, quality levels, and the number of days to complete the work.

(c) *Limitations.*

(1) Except as provided in paragraph (2), the value of non-pre-priced work under an order must not exceed 10 percent of the value of the pre-priced work.

(i) The value of the pre-priced work must be computed by multiplying the coefficient(s) times the appropriate unit price(s) in the JOCPB.

(ii) When the contract allows, indirect costs and profit for non-pre-priced work may be attributed by the application of a solicited and pre-agreed rate to be applied to the unburdened labor, equipment, and material costs of the non-pre-priced work.

(iii) Description of non-pre-priced work must not be manipulated or forced to fit under a pre-priced line item, either to avoid including non-pre-priced line items in the order or to reduce the value of non-pre-priced line items in an attempt to circumvent the limitation in (c)(2).

(2) Normally, if the value of the non-pre-priced work exceeds 10 percent, then the non-pre-priced work should be reduced, eliminated, performed in-house, or the job must be acquired using other contracting methods. However, Contracting officers may exceed the 10 percent if justified and approved in accordance with FAR 6.302. The Contracting officer shall negotiate the modification and make a determination that the price is fair and reasonable.

(d) *Distribution.* A copy of all JOC orders must be sent to the contracting office appointing ordering officers, the Finance and Accounting Office, the office or individual assigned responsibility for inspection and technical administration of the contract, and any appointed COR. The Contracting

officer must maintain the permanent record of each transaction, and administration shall be done in accordance with the contracting activity procedures.

## **5117.9005 JOC ordering officers.**

(a) *Appointment.* A "JOC ordering officer" appointment is authorized, but is only required when the Contracting officer will not be executing all task orders. Appointments of ordering officers under each JOC must be minimized. The JOC ordering officer shall be obtained in accordance with AFARS 5101.603-1, The Contracting officer is the appointing authority for each individual job order that is within the JOC ordering officer authorities. The requiring activity may recommend JOC ordering officers. The JOC ordering officer shall be appointed by letter similar to that in [5153.303-2 Sample ordering officer appointment](#). (see [5101.602-2-92 Ordering officer appointments](#).), tailored for JOC.

(b) *Training.* All JOC ordering officers must receive specific training and orientation from the responsible contracting office at least annually and must document completion in PCF. This training must cover policy and procedures for the operation of a JOC and shall specifically address the ordering officer's authority, limitations, and responsibilities, including ethics, conflict of interest, and potential pecuniary liabilities. JOC ordering officers shall, at a minimum, meet contracting activity COR training requirements.

(c) *Authorization and limitations.*

(1) JOC ordering officers are authorized to sign task orders on behalf of the Government between the micro-purchase threshold for acquisitions of construction and the Simplified Acquisition Threshold (SAT) as long as the value of the non-pre-priced item(s) does not exceed five percent of the total order to include contract modifications.

(2) The HCA may authorize JOC ordering officers to sign task orders of greater value than SAT. However, the delegated authority may not exceed the thresholds specified in 10 U.S.C. 2805(c) and may only be authorized when the HCA determines, in writing it is necessary to realize the benefits of a JOC, and provided that -

(i) adequate management controls are in place (e.g., Contracting officer oversight);

(ii) adequate training is provided;

(iii) the Contracting officer approves; and

(iv) the value of any non-pre-priced item(s) does not exceed 5 percent.

(3) JOC ordering officers may execute modifications to existing task orders provided that -

(i) the Contracting officer delegates explicitly this authority in the JOC ordering officer appointment letter;

(ii) the absolute value of the order as modified does not exceed the ordering officer's authority; and

(iii) pricing is accomplished by using the JOCPB.

(iv) modifications shall be limited to changing quantities of JOCPB items in the existing order unless the Contracting officer signs an in-scope determination.

(4) JOC ordering officers must notify the Contracting officer immediately of any modifications. The Contracting officer shall execute any modification outside of paragraph 3 above.

(d) *Responsibilities.* JOC ordering officers--

(1) Are responsible for ensuring that all proposed JOC project descriptions and task orders express the Government's actual requirements, validated in accordance with the requiring activity's procedures;

(2) Must obtain concurrence from the Contracting officer that sufficient capacity exists on the JOC before issuing of a task order;

(3) Must obtain a valid Purchase Request and Commitment (PR&C) from resource management to ensure that adequate and proper funds are available for the project before issuing an order and/or modification;

(4) Must notify the Contracting officer of any additional bonding requirements associated with new orders or changes in the value of existing orders;

(5) As the principal point of contact for technical and engineering issues, must respond to requests for technical clarification from the JOC contractor, documenting both the request and the response, and conduct the joint pre-proposal site survey, assuring that the contractor is provided access to all required facilities, plans, and other documents required for full knowledge of the scope and conditions of the required job;

(6) For orders estimated to exceed the JOC ordering officer's signature authority, the JOC ordering officer shall conduct an initial evaluation of contractor proposals; may be authorized to solicit such proposals and clarify and negotiate units and quantities of pre-priced tasks; and shall assist the Contracting officer, as requested, in negotiations, and resolution of variances between the IGE and the contractor's proposal;

(7) Must maintain a contract file in PCF and complete contract documentation for each order and modification executed, including a record of all related correspondence and actions taken before award of the order and in the order administration phase; and

(8) Is responsible, along with a COR, if appointed, for assisting the Contracting officer in technical monitoring of the contractor's performance of orders issued under a JOC to include --

(i) Monitoring compliance with the SOW and schedule;

(ii) Ensuring contractor or supplier compliance with the clause at FAR 52.225-5, Trade Agreements (Nov 2023);

(iii) Ensuring compliance with the Wage Rate Requirements (Construction) statute (40 U.S.C. Chapter 31, Subchapter IV, formerly known as the Davis Bacon Act, subpart 22.4);

(iv) Assessment and validation of percentage of completion for progress payment purposes;

(v) Recommending to the Contracting officer changes to existing orders, beyond the ordering officer's authority;

(vi) Documenting and quickly reporting to the Contracting officer systemic or recurring problems in contractor performance;

- (vii) Prioritization of orders when required (in coordination with the requiring activities), provided no increase in cost is involved;
- (viii) Submitting performance evaluation reports (see AFARS 5136.201), as applicable; and
- (ix) Providing to the requiring activity documents required for continuing customer responsibilities (e.g., as-built drawings and warranties).

## **5117.9006 Contracting officer responsibilities.**

- (a) At least once a year, the Contracting officer must ensure that ordering officer files and procedures are reviewed and that a representative sampling of orders is selected for tracking from initiation of the requirement to final payment and close-out of the order.