

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.

Parent topic: [5117.9004 Procedures.](#)