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*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

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## Defense Logistics Agency

### Cooperative Agreement Procedures

**AGENCY:** Defense Logistics Agency (DLA), DoD.

**ACTION:** Cooperative Agreements; Technical Revisions to Procedures.

**SUMMARY:** These procedures implement Title 10, United States Code, Chapter 142, as amended, which authorizes the Secretary of Defense, acting through the Director, Defense Logistics Agency, to enter into cost sharing cooperative agreements to support procurement technical assistance programs established by state and local governments, private nonprofit organizations, Tribal organizations, and Indian-owned economic enterprises. Subpart III of this issuance establishes the administrative procedures to be implemented by DLA to enter into such agreements for this purpose. These technical revisions expand and clarify these procedures.

**EFFECTIVE DATE:** April 1, 1997.

**FOR FURTHER INFORMATION CONTACT:** Mr. Sim Mitchell, Program Manager, Office of Small and Disadvantaged Business Utilization (DDAS), Defense Logistics Agency, 8725 John J. Kingsman Rd., Suite 2533, Fort Belvoir, VA 22060-6221, Telephone (703) 767-1650.

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#### I. Background Information

The Procurement Technical Assistance Cooperative Agreement Program (PTACAP) was established by the Fiscal Year (FY) 1985 Department of Defense (DoD) Authorization Act, Public Law 98-525. The Public Law amended Title 10, United States Code (U.S.C.), by adding Chapter 142. Title 10, U.S.C., as amended, continues to authorize the Secretary of Defense, acting through the Director, Defense Logistics Agency (DLA), to enter into cost sharing cooperative agreements to support procurement technical assistance (PTA) programs established by eligible entities.

DoD's efforts to increase competition in the private sector have been supplemented by many state and local governments, and other entities that operate PTA programs. The DoD PTACAP provides assistance to eligible entities by sharing the cost of establishing new and/or maintaining existing PTA programs.

The enabling legislation placed the following limitation on the use of funds allocated to the program:

A. DoD's share of an eligible entity's net program cost shall not exceed 50%, unless the eligible entity proposes to cover a distressed area. If the eligible entity proposes to cover a distressed area, the DoD share may be increased to an amount not to exceed 75%. In no event shall DoD's share the net program cost exceed \$150,000 for programs providing less than statewide coverage or \$300,000 for programs providing statewide coverage.

B. For the American Indian program, DoD's share of net program cost shall not exceed 75% or \$150,000, whichever is less, for programs providing services on reservations within one Bureau of Indian Affairs (BIA) service area. For programs providing services to 100% of the reservations located within one BIA service area and at least 50% of the reservations located within another BIA service area (multi-area coverage), DoD's share of net program cost shall not exceed 75% or \$300,000, whichever is less.

C. No funds available to DoD may be provided by grant or contract to any institution of higher education that has a policy of denying, or which effectively prevents, the Secretary of Defense from obtaining for military recruiting purposes—

1. Entry to campuses or access to students (individuals who are 17 years of age or older) on campuses; or

2. Access to directory information pertaining to students.

D. No funds appropriated or otherwise available to the Department of Defense may be obligated by contract or by grant (including a grant of funds to be available for student aid) to any institution of higher education that, as determined by the Secretary of Defense, has an anti-ROTC policy and at which, as determined by the Secretary, the Secretary would otherwise maintain or seek to establish a unit of the Senior Reserve Officer Training Corps or at which the Secretary would otherwise enroll or seek to enroll students for participation in a unit of the Senior Reserve Officer Training Corps at another nearby institution of higher education. The term "anti-ROTC

policy" means a policy or practice of an institution of higher education that—

1. Prohibits, or in effect prevents, the Secretary of Defense from maintaining or establishing a unit of the Senior Reserve Officer Training Corps at that institution, or

2. Prohibits, or in effect prevents, a student at the institution from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

The purpose of the proposed revised procedure is to make available to all eligible entities the prerequisites, policies and procedures that will govern the award of cooperative agreements by DLA. Also, this procedure establishes the guidelines that will govern the administration of cooperative agreements.

Although this procedure will affect all eligible entities desiring to enter into a DLA awarded cooperative agreement, DLA has determined that this procedure does not involve a substantial issue of fact or law, and that it is unlikely to have a substantial or major impact on the nation's economy or large numbers of individuals or businesses. This determination is based on the fact that these technical revisions of the cooperative agreement procedure implements policies already published by the Office of Management and Budget (OMB) pursuant to Title 31, U.S.C., Chapter 63, Using Procurement Contracts and Grants and Cooperative Agreements. In addition, DLA cooperative agreements will be entered into pursuant to the authorities and restrictions contained in the annual DoD Authorization and Appropriation Acts.

#### II. Other Information

The language contained in the current cooperative agreement procedure limited the period of coverage to the FY 96-98 Programs in that it addressed the FY 96 Authorization Act requirements in specific terms. These technical revisions to the procedures will expand and clarify the general guidance for cooperative agreements entered into by the DLA and will become a permanent document for the duration of the FYs 97 and 98 Programs.

#### III. Technical Revisions to DLA Procedure—Cooperative Agreements

##### 3-1 Policy

A. Applications for cooperative agreements are obtained through the issuance of a DLA solicitation for cooperative agreement applications (hereafter referred to as a SCAA). The contents of this procedure shall be incorporated, in whole or in part, into

the SCAA to establish administrative requirements to execute and administer DLA awarded cooperative agreements. The SCAA may include additional administrative requirements that are not included herein.

B. The SCAA is issued by the PTACAP Manager (hereafter referred to as Program Manager) of the DLA Office of Small and Disadvantaged Business Utilization every third fiscal year, i.e., FY 96, FY 99, etc. The Program Manager will respond to any SCAA questions that may arise.

C. Only one application will be accepted from a single eligible entity. An entity that submits more than one application, or is listed as a subagreement applicant in another entity's application will not be considered for an award.

D. Applications will not be accepted from applicants that apply as coequal partners or joint ventures. Only one organization can take the lead and primary responsibility for the proposed program. In other words, only one eligible entity can submit an application.

E. Applications will not be accepted from applicants who propose to provide less than county or equivalent (i.e., parish, borough) coverage. For example, if an applicant proposes to service any part of a county or equivalent, the applicant must service the entire county or equivalent.

F. Cooperative agreements will be awarded on a competitive basis consistent with the SCAA. It is DLA's policy to encourage fair and open competition when awarding cooperative agreements.

G. Letters of support and recommendation from Members of Congress are not necessary and will not be considered in the evaluation and selection of applications to receive cooperative agreement awards.

H. The SCAA shall be given the widest practical dissemination. It will be made available to all known eligible entities and to those that request copies after its issuance. All eligible entities interested in submitting an application as a new start under the SCAA are invited to participate in a pre-application conference scheduled for 20 March 1997 at DLA Headquarters, 8725 John J. Kingman Road, Ft. Belvoir, Virginia, beginning at 9:00 AM. Potential attendees should notify Mr. Sim Mitchell, (703) 767-1663, if they plan on attending.

I. The SCAA shall not be considered to be an offer made by DoD. It will not obligate DoD to make any awards under this Program.

J. In the event that insufficient funds are available to award all applicants that meet the minimum requirements, only those applicants found to be the most meritorious will be funded for an award.

K. If selected for an award, the applicant is bound to perform the services described in its application when the application is incorporated into the cooperative agreement award document.

L. DoD is not responsible for any monies expended or expenses incurred by applicants prior to the award of a cost sharing cooperative agreement. However, actual travel expenses incurred by FYs 97 or 98 award recipients to participate in a FYs 97 or 98 pre-application and/or postaward training conference may be reimbursed under the appropriate cooperative agreement award (i.e., Fys 97 or 98) subject to the provisions of the applicable cost principles.

M. The award of a cooperative agreement under this Program shall not, in any way, obligate DoD to enter into a contract or give preference for the award of a contract to a business or firm which is or becomes a client of a DLA cooperative agreement recipient.

N. Cooperative agreement recipients must give special emphasis to assisting small disadvantaged business (SDB) firms and any historically black colleges and minority institutions that participate or aspire to participate in DoD prime and subcontracting opportunities. A concerted effort must be made by recipients to identify SDB firms and provide them with marketing and technical assistance, particularly where such firms are referred for assistance by a DoD component, other Federal agencies, and state and/or local governments.

O. Award recipients are not required to obtain or retain private, profit and/or nonprofit consultants to support the program. Any subcontract costs being proposed for consulting services shall not exceed 10% of total program cost for the general program or 25% of total program cost under the American Indian program. Applications containing subcontracting costs for consultant services in excess of 10% of total program cost for the general program and 25% of total program cost for the American Indian program, will be removed from consideration for an award.

P. Reasonable quantities of government publications, such as "Selling to the Military," may be furnished to award recipients at no cost, subject to availability. All requests for such publications must be submitted to

the cognizant Deputy for Small Business.

Q. Each cooperative agreement recipient's area of performance will be limited to the county(ies) or equivalent specified in its cooperative agreement award. Recipients may voluntarily service clients outside their area of performance provided that the client's location is not being serviced by another PTA recipient. For the American Indian program, the recipient's area of performance will be limited to the reservation(s) specified in its cooperative agreement.

R. For the American Indian program, if a tribal organization is to perform services benefiting other Indian tribe(s), written approval must be obtained by the eligible entity from each Indian tribe it plans to service. Approval will consist of a written statement (signed by a responsible official authorized to legally bind the Indian tribe it plans to service) indicating that the Indian tribe approves and agrees to accept the services to be provided by the tribal organization.

S. Cooperative agreement awards shall not be made to entities listed in the General Services Administration's (GSA) "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs." Cooperative agreements will not be awarded to entities who employ any person listed in GSA's "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs."

T. Applications submitted in response to the SCAA shall cover a 12 or 24-month period. All other applications proposing different periods will not be considered for an award.

U. To be considered during the evaluation process, part-time PTA program employees must be employed by the PTA program a minimum of three calendar months per year for the base year and each of the option years. Time employed must be performed continuously or incrementally for each 12-month period.

V. Cooperative agreement recipients shall not purchase nonexpendable tangible personal property with a delivery date later than 90 days prior to the expiration of the cooperative agreement's effective period. Cost of non-expendable tangible personal property delivered later than 90 days prior to the expiration of the cooperative agreement's effective period will be disallowed.

W. Cooperative agreement recipients will be authorized to use GSA's subscription schedules. Usage will be limited to subscription services only.

X. Cooperative agreement recipients are required to provide information to

their clients relating to the objectives of the Government's Electronic Commerce/Electronic Data Interchange (EC/EDI) initiatives which are as follow:

1. Exchange procurement information such as solicitations, offers, contracts, purchase orders, invoices, payments, and other contractual documents electronically between the private sector and the Federal government to the maximum practicable extent;

2. Provide businesses, including small, small disadvantaged, and women-owned businesses with greater access to Federal procurement opportunities;

3. Ensure that potential suppliers are provided simplified access to the Federal government's electronic commerce system;

4. Employ nationally and internationally recognized data formats that serve to broaden and ease the electronic interchange of data. (These formats are the ANSI X-12 and UNEDIFACT formats); and

5. Use agency and industry systems and networks to enable the Government and potential suppliers to exchange information and access Federal procurement data.

Y. The recipient may add funds to its program after all program funds are properly expended and before expiration of the cooperative agreement's effective period. In the event funds are added to the program, the reimbursable ratio will not be affected and the funds will not require allocation by object class category. However, total funds expended during the effective period must be reported on the DLA Form 1806, Procurement Technical Assistance Cooperative Agreement Performance Report. The expenditure of additional funds shall be made in accordance with the applicable cost principles.

Z. If the recipient charges or plans to charge a fee or service charge for PTA given to business firms/clients, or receives any other income as a result of operating the PTACAP, the amount of such reimbursement must be added to total program cost.

### 3-2 Scope

This procedure implements Title 10, U.S.C., Chapter 142, as amended, and establishes procedures and guidelines for the award and administration of cost sharing cooperative agreements entered into between DLA and eligible entities. Under these agreements, financial assistance provided by DoD to recipients will cover the DoD share of the cost of establishing new and/or maintaining existing PTA programs which furnish PTA to business entities.

### 3-3 Definitions

The following definitions apply for the purpose of this procedure.

A. Act. The enabling legislation that authorizes the establishment and continuation of the PTA Cooperative Agreement Program each fiscal year.

B. Administrative Grants Officer (AGO). A person with the authority to administer grants or cooperative agreements consistent with the authority delegated by the Grants Officer.

C. Agency. A field office, of one of the twelve service areas, as published by the Bureau of Indian Affairs (BIA), US Department of the Interior.

D. American National Standards Institute (ANSI) Standard. A document published by ANSI that has been approved through the consensus process of public announcement and review. Each of these standards must have been developed by an ANSI committee and must be revisited by that committee within five years after approval for update.

E. Cash contributions. The recipients cash outlay, including the outlay of money contributed to the recipient by third parties.

F. Civil jurisdiction. All cities with a population of at least 25,000 and all counties. Townships of 25,000 or more population are also considered as civil jurisdictions in four States (Michigan, New Jersey, New York, and Pennsylvania). In Connecticut, Massachusetts, Puerto Rico and Rhode Island where counties have very limited or no government functions, the classifications are done for individual towns.

G. Client. A recognized business entity, including a corporation, partnership, or sole proprietorship, organized for profit or nonprofit, which is small or other than small, that has the potential or is seeking to market its goods and/or services as a prime or subcontractor to DoD, other Federal agencies, state and/or local governments. For the American Indian program, the client must be located on a reservation.

H. Commercial Item.

1. Any item, other than real property, that is of a type customarily used for nongovernmental purposes and that—

a. Has been sold, leased, or licensed to the general public; or,

b. Has been offered for sale, lease, or license to the general public;

2. Any item that evolved from an item described in paragraph 1. of this definition through advances in technology or performances and that is not yet available in the commercial

marketplace, but will be available in the commercial market place in time to satisfy the delivery requirements under a Government solicitation;

3. Any item that would satisfy a criterion expressed in paragraphs 1. or 2. of this definition, but for—

a. Modifications of a type customarily available in the commercial marketplace; or

b. Minor modifications of a type not customarily available in the commercial marketplace made to meet Federal Government requirements. "Minor" modifications means modifications that do not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final product. Dollar values and percentage may be used as guideposts, but are not conclusive evidence that a modification is minor;

4. Any combinations of items meeting the requirements of paragraphs 1., 2., 3., or 5. of this definition that are of a type customarily combined and sold in combination to the general public;

5. Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraphs 1., 2., 3., 4. of this definition, and if the source of such services—

a. Offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions; and

b. Offers to use the same work force for providing the Federal Government with such services as the source uses for providing such services to the general public;

6. Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions. This does not include services that are sold based on hourly rate without an established catalog or market price for a specific service performed;

7. Any item, combination of items, or service referred to in paragraphs 1. through 6., notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a contractor; or

8. A nondevelopmental item, if the procuring agency determines the item was developed exclusively at private expense and sold in substantial

quantities, on a competitive basis, to multiple State and local governments.

I. Consultant services. Marketing and technical assistance obtained from private nonprofit and/or profit making individuals, organizations or otherwise qualified business entities to augment the capabilities of the PTA center.

J. Cooperative agreement. A binding legal instrument reflecting a relationship between DLA and the recipient of a cooperative agreement when the principal purpose of the relationship is to transfer a thing of value of the recipient to carry out a public purpose of support of stimulation authorized by a law of the United States instead of acquiring property or services for the direct benefit or use of the U.S. Government. Substantial involvement is expected between DLA and the recipient when carrying out the activity contemplated in the agreement.

K. Cooperative agreement Application. An applicant's response to the SCAA describing its planned PTA program.

L. Cooperative agreement award recipient. An organization receiving financial assistance directly from DLA to carry out a PTA program. Awards will only be made to legal entities recognize under the laws in the State in which the entity is organized.

M. Cost matching or sharing. The portion of project or program costs or borne by the Federal Government.

N. Counseling session. A documented counseling session (telephone call, correspondence or personal discussion) held with a business firm/client, where professional guidance is provided to assist the business firm/client in marketing its goods and/or services to DoD, other Federal agencies, and state and local government. This includes, but is not limited to, providing advice and assistance such as:

1. Assisting business firms by providing marketing and technical assistance in selling their goods and/or services to DoD, other Federal agencies, and state and local governments;
2. Assisting with understanding specifications;
3. Preparing applicants to be placed on solicitation mailing lists;
4. Preparing offers;
5. Providing postaward assistance in areas such as production, quality system requirements, finance, engineering, transportation and packaging; and
6. Providing information to business firms/clients on the DoD Mentor-Protege Pilot Program; Defense Conversion, Reinvestment and Transition Assistance Act of 1992; The Metric Conversion Act; Electronic Commerce/Electronic Data

Interchange (EC/EDI); and commercial item acquisitions.

The distribution of publications, specifications, bid matches or simply referring business firms/clients to another source for advice or assistance is not a counseling session.

O. Direct cost. Any cost that can be identified specifically with a particular final cost objective. No final cost objective shall have allocated to it as a direct cost any cost, if other costs incurred for the same purpose, in like circumstances, have been included in any indirect cost pool to be allocated to that or any other final cost objective.

P. Distressed area. The geographical area to be serviced by an eligible entity in providing PTA to business firms physically located within an area that:

1. Has a per capita income of 80% or less of that State's average;
  2. Has an unemployment rate that is one percent greater than the national average for the most recent 24-month period in which statistics are available; or
  3. Is a "reservation" which includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.
- Q. Duplicate coverage. A situation caused by two or more applicants offering to provide marketing and technical assistance to clients located within the same county(ies) or equivalent within the same geographic area.

R. Electronic Commerce (EC). The end-to-end, paperless business environment that integrates electronic transfer and automated business systems. EC includes EDI, FAX, Bar Coding, Electronic Funds Transfer, etc.

S. Electronic Commerce in Contracting (ECIC). Refers to electronic procurement transactions.

T. Electronic Data Interchange (EDI). A subset of EC. EDI is the computer-to-computer exchange of routine business transactions.

U. Eligible entities. Organizations qualifying to submit an application as follows:

1. General Program:
  - a. State government. Any of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, exclusive of local governments. The term does not include any public and Indian housing agency under the US Housing Act of 1937.

b. Local government. A county, municipality, city, town, township, local public authority (including any public and Indian Housing agency under the US Housing Act of 1937), school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under State law), any other regional or interstate government entity (such as regional planning agencies), or any agency or instrumentality of a local government. The term does not include institutions of higher education and hospitals.

c. Private, nonprofit organizations.

(1) A business entity organized and operated exclusively for charitable, scientific, or educational purposes, of which no part of the earnings inure to the benefit of any private shareholder or individual, of which no substantial part of the activities is carrying on propaganda or otherwise attempting to influence legislation or participating in any political campaign on behalf of any candidate for public office, and which are exempt from Federal income taxation under section 501 of the Internal Revenue Code.

(2) American Indian Program:

(a) Indian Economic enterprise. Any Indian-owned (as defined by the Secretary of the Interior) commercial, industrial, or business activity established or organized, whether or not such economic enterprise is organized for profit or nonprofit purposes: Provided, That such Indian ownership shall constitute not less than 51 per centum of the enterprise.

(b) Indian/Tribal Organization. The recognized governing body of any Indian tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body, or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: Provided, that in any case where a cooperative agreement is made to an organization to perform services benefitting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such cooperative agreement.

V. Existing program. Any PTA program that had a cooperative agreement with DLA for one or more years.

W. Federal funds authorized. The total amount of Federal funds obligated by the Federal government for use by the recipient.

X. Follow-up counseling session. A counseling session held with a client subsequent to the initial counseling session.

Y. Grants officer. An official with the authority to enter to, administer, and/or terminate grants or cooperative agreements.

Z. Indian. Any person who is a member of any Indian tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the BIA and any "Native" as defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*).

AA. Indian tribe. Any Indian tribe, band, group, pueblo, or community, including Native villages and Native groups (including corporations organized by Kenai, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C. Section 1601 *et seq.*), which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

AB. Indirect cost. Any cost not directly identified with a single final cost objective, but identified with two or more final cost objectives or an intermediate cost objective. An indirect cost is not subject to treatment as a direct cost.

AC. Initial counseling session. The first counseling session held by a recipient with a business firm. The initial counseling session may determine that the business firm has no potential to do business with a Federal agency and/or state and local government.

AD. In-kind contributions. The value of noncash contributions provided by the eligible entity and non-Federal parties to the PTA Program. Only when authorized by Federal legislation may property or services purchased with Federal funds be considered as in-kind contributions. In-kind contributions may be in the form of charges for real property and nonexpendable personal property and the value of goods and services directly benefiting and specifically identifiable to the project or program.

AE. Integrated automated information environment. Computer-to-computer exchange of public standard formatted messages through use of a VAN.

AF. Multi-area coverage. A PTA program that proposes to service 100% of the reservations located within one BIA service area and at least 50% of the reservations located within another BIA service area.

AG. Net program cost. The total program cost from all authorized sources—less any program income and/

or other Federal funds not authorized to be shared.

AH. Networking. A method of providing assistance throughout the area to be serviced. Examples include:

1. Locating assistance offices in area of industrial concentration;
2. Establishing and/or maintaining data links with other organizations; and
3. Creating data exchanges.

AI. New start. An eligible entity that is not an existing program.

AJ. Non-profit agencies representing the blind and severely disabled. A qualified nonprofit agency for the blind or the severely disabled which produces a commodity for, or provides a service to, the Government. For the PTACAP workshops may be treated as small businesses.

AK. Other Federal funds. Federal funds such as those provided by Federal agency(ies) other than the DoD PTA Cooperative Agreement Program. When authorized by statute, Federal funds received from other sources, including grants, may be used as cost sharing and/or cost matching contributions.

AL. Outlays/expenditures. Charges made to the PTA program. They may be reported on a cash or accrual basis.

1. Cash basis. For reports prepared on a cash basis, outlays are of the sum of:

- a. Cash disbursements for direct charges for goods and services;
- b. The amount of indirect expense charged;
- c. The value of third party in-kind contributions applied; and
- d. The amount of cash advances and payments made to subrecipients.

2. Accrual basis. For reports prepared on an accrual basis, outlays are the sum of:

- A. Cash disbursements for direct charges for goods and services;
- b. The amount of indirect expense incurred;
- c. The value of in-kind contributions applied;
- d. The net increase (or decrease) in the amounts owned by the recipient for goods and other property received, for services performed by employees, contractors, subrecipients and other payees; and
- e. Other amounts becoming owed under programs for which no current services or performance are required.

AM. Per capita income. The estimated average amount per person of total money income received during the calendar year for all persons residing in a given political jurisdiction as published by the U.S. Department of Commerce, Bureau of the Census.

AN. Prior approval. Written approval given by an authorized official evidencing prior consent as required by

the cooperative agreement award document.

AO. Procurement Technical Assistance Cooperative Agreement Program (PTACAP). A program established to generate employment and improve the general economy of a locality by assisting business firms in obtaining and performing under DoD, other Federal agency and state and local government contracts.

AP. Program income. Gross income earned by the recipient or subrecipient from cooperative agreement-supported activities. Program income includes fees for services performed, and the use or rental of personal property acquired with cooperative agreement funds. Except as otherwise provided in program regulations or the terms and conditions of the award, program income does not include the receipt of principal, interest or loans, rebates, credits, discounts, refunds, etc., or interest earned on any of them.

AQ. Public Standard Format. A data exchange format which includes the ANSI format ASC X-12 and/or the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UNEDIFACT).

AR. Reservation. Includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act [43 U.S.C.A., Section 1601 *et seq.*].

AS. Service area. Any one of twelve area offices, as published by the U.S. Department of the Interior, BIA, to include: Aberdeen, Albuquerque, Anardako, Billings, Eastern, Juneau, Minneapolis, Muskogee, Navajo, Phoenix, Portland and Sacramento.

AT. Small business (SB). As used in this solicitation, a business, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as SB under the criteria and size standards in 13 CFR 121.

AU. Small disadvantage business (SDB). As used in this solicitation, a SB concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantage, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such

individuals. This term also means a SB concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian organization, or publicly owned business that has at least 51 percent of its stock unconditionally owned by one of these entities, that has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian organization that meets the requirement of 13 CFR 124.

AV. Solicitation for cooperative agreement applications (SCAA). A document issued by DLA containing provisions and evaluation factors applicable to all applicants which apply for a PTA cooperative agreement.

AW. Statewide coverage. A PTA program which proposes to service at least 50% of a State's counties or equivalent and 75% of the States's labor force.

AX. Subrecipient. The legal entity to which a written subagreement is awarded and which is accountable to the recipient of a cooperative agreement for DLA and any modification(s) thereto.

AY. Third party in-kind contributions. The value of non-cash contributions provided by non-Federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the PTACAP.

AZ. Total program cost. All allowable costs as set forth in OMB Circular A-21, A-87 and A-122, as applicable.

A1. Total program outlays. All charges made to the PTA program. These charges include cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received for services performed by employees, contractors and other payees, and other amounts becoming owed under programs for which no current services or performances are required.

A2. Unliquidated obligations. For financial reports prepared on a cash basis, means the amount of obligations incurred by the recipient that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the recipient for which an outlay has not been recorded.

A3. *Unobligated balance*. The portion of the funds authorized by DLA that has

not been obligated by the recipient which is determined by deducting the cumulative obligations from the cumulative funds authorized.

A4. Value added network (VAN). A commercial telecommunications service provider which passes electronic commerce traffic between a government entity and a commercial, private sector vendor.

A5. Woman-owned small business (WOB). A small business concern—(i) which is at least 51 per centum owned by one or more women; or in the case of a publicly owned business, at least 51 per centum of the stock of which is owned by one or more women; and (ii) whose management and daily business operations are controlled by one or more women.

### 3-4 Program Purpose and Requirements

A. The purpose of the PTACAP is to generate employment and to improve the general economy of a locality by assisting business firms in obtaining and performing under Federal, state and local government contracts.

B. Each PTA center must meet these minimum requirements set forth below. Failure to meet any of these requirements will be cause to deny or terminate an award.

#### 1. Service Area.

Analyze the service area to identify its geographic and demographic characteristics. The applicant must maintain and provide information regarding the characteristics of the local economy (distressed or nondistressed) and the type of business firms located in the service area (SB, WOB, SDB, OTSB). Information must include:

a. An explanation how the business community will be made aware of the PTA Program; the types of assistance being offered to clients; what is required from a business firm to become a PTA center's client; and the impact the PTA center will have in generating employment within the service area.

b. The total number of counties or equivalent within the State and the identification of each county the applicant plans to service.

c. The average unemployment level for each county the applicant plans to service.

d. The average per capita income of the State and each county the applicant plans to service.

e. The total number of procurement outreach conferences the applicant plans to sponsor.

f. The total number of procurement outreach conferences the applicant plans to participate in other than as a sponsor.

g. The state's total population and the percent of the population that the applicant plans to service.

h. The total number of SB, WOB, SDB, and OTSB the applicant plans to service.

#### 2. Counseling and Client Information.

Applicants must provide clients with counseling and information regarding marketing their goods and services to DoD, other Federal agencies, and state and local governments. The applicant shall:

a. Analyze the types of business firms within their geographic area to determine the types to be counseled (by product or service offered).

b. Shall maintain regulations and publicaitons (or identify sources for obtaining) that govern Federal, state and local government procurement, as applicable.

c. Identify marketing opportunities for clients consistent with their products and services.

d. Assist and advise clients concerning post award functions.

e. Educate clients in the following areas:

(1) DoD mentor-protege Pilot Program.

(2) Defense Conversion, Reinvestment and transition Assistance Act of 1992.

(3) The Metric Conversion Act

(4) The requirements and procedures used by DoD and other Federal agencies in the acquisition of commercial products.

f. Maintain records to document services provided during all counseling sessions (initial and follow-up) to include preparation of bidders mailing list applications.

#### 3. Electronic Commerce/Electronic Data Interchange.

EC/EDI—Applicant must provide its clients with information pertaining to Electronic Commerce in Contracting (ECIC), including the routine computer exchange of procurement information such as solicitations, offers, contracts, purchase orders, invoices, payments, and other contractual documents electronically exchanged between the private sector and the Federal Government, to the maximum extent practicable, using ANSI ASC X-12 standards. Information to be provided to the client should include:

a. An explanation of how the business community will benefit from using EC/EDI.

b. A complete understanding of the Federal Government EC/EDI program to include:

(1) An identification and explanation of the functions of the various components of EC/EDI, such as Value Added network (VANs) and Value Added Services (VASs), Government

gateways and networks, translation software, necessary hardware, and the Central Contractor Registration (CCR) system.

(2) An explanation of current OSD and Federal policies regarding ECIC.

(3) An explanation of transaction sets and implementation conventions.

(4) An explanation of the impact and applicability of the Internet on ECIC, including identification of Government home pages, electronic catalogs, electronic bulletin boards and other relevant net sites.

(5) Explanation of FACNET requirements and DoD and Federal efforts (and status) on meeting these requirements.

#### 4. Postaward Assistance.

Applicant must assist, as appropriate, their clients with understanding Federal, state and local government requirements applicable to contracting for services, manufacturing, construction or other markets. As a minimum, the assistance should include but is not limited to:

- a. Production
- b. Quality System
- c. Accounting system requirements, and contract payments
- d. Transportation
- e. Packaging
- f. Subcontracting
- g. Property

#### 5. Performance Reporting.

The PTA center shall collect sufficient information from its clients to supplement information maintained in its files to report current, complete and accurate information required by the Procurement Technical Assistance Cooperative Agreement Performance Report (DLA Form 1806). The DLA Form 1806 shall be submitted to the cognizant contract administration activity on a semiannual basis. The PTA center shall:

a. Segregate data by origin of award (DoD, other Federal agency, state and local government) and type of business (small and other than small) and socioeconomic status of the business receiving the award (SB, SDB, WOB, OTSB).

b. Have on file:

(1) A minimum of five success stories attesting to the PTA provided to DoD clients during the base and each option year. Each success story must be verified by a letter from the applicant's client stating that the story is true and has resulted from substantial effort on behalf of the client by the PTA center. Success stories involving DoD non-appropriated fund activities (Army/Air Force exchange service, etc.) can be used to satisfy this requirement.

(2) The number and dollar value of prime and subcontract awards received.

(3) A means of validating the number and dollar value for prime and subcontract awards received.

(4) A signed statement from the client confirming that the reported prime and/or subcontract awards were obtained as a result of the assistance provided by the PTA center.

(5) When requested by the reviewing activity, obtain detailed information such as: the contract awarding activity; name and telephone number of the point of contact at the contract awarding activity; and the contract number and dollar value of prime and/or subcontract awards from the client to support the information reported on the DLA Form 1806, when the information is not available in the PTA center's files.

c. Have on file for the PTA center the number of jobs generated and/or retained for the base and each option year resulting from the assistance provided by the PTA center.

#### 6. Client Satisfaction.

Clients serviced by the award recipient shall be surveyed annually, as a minimum, to document client satisfaction with the assistance provided by the PTA center. The client shall be requested to assess the performance of the PTA center and its personnel in terms of:

- a. Timeliness and responsiveness to general and specific client needs;
- b. Flexibility and ability to change with evolving client circumstances;
- c. Commitment to the client's stated goals;
- d. Training offered and received, as appropriate; and,
- e. Overall capability to provide relevant advice and assistance to the client.

Clients shall rate the PTA center as satisfactory or unsatisfactory. The file will reflect, in sufficient detail, the PTA center's efforts to overcome areas of client dissatisfaction. The above information will be compiled, documented and maintained as a part of each client's permanent file, and as a collective report for the entire PTA center. The client rating information shall be made available to the Grants Officer or designated representative for review upon request.

#### C. PTA Center Operating Hours.

1. The recipients shall operate their PTA centers on a forty (40) hour week basis, or during the normal business hours of the state or local government or PTA center's parent organization throughout the effective period of the cooperative agreement. Vacation benefits and holidays allowed to the staff of the recipient and subrecipient(s)

shall conform to the policy of the state or local government or PTA center's parent organization.

2. The subrecipient shall provide PTA on a daily basis during the normal business hours of the subrecipient's parent organization throughout the effective period of the cooperative agreement. Vacation benefits and holidays allowed to the staff of the subrecipient shall conform to the policy of the subrecipient's parent organization.

#### 3-5 Procedures

A. The SCAA and selection criteria are developed and prepared by the Headquarters (HQ), DLA PTA Cooperative Agreement Program Manager (hereafter referred to as Program Manager). The SCAA and selection criteria are approved by the HQ DLA PTA Cooperative Agreement Program Policy Committee (hereafter referred to as Policy Committee). The Policy Committee is comprised of representatives from HQ DLA. The Director, office of Small and Disadvantaged Business utilization, serves as the Policy Committee Chairman.

B. The Policy Committee is the final administrative appeal authority for disputes and protests.

C. Grants Officer (GO) as used herein refers to the GO assigned to HQ DLA Office of Small and Disadvantaged Business Utilization.

D. Applications and revisions received after the deadline for receipt of applications, as specified in the SCAA, will not be evaluated unless acceptable evidence is provided by the applicant. Acceptable evidence to support an otherwise late application or revision received after the closing time and date shall consist of:

1. An original US Post Office receipt for registered or certified mail showing the date of mailing not later than five calendar days before the date specified for receipt of applications and revisions; or

2. When sent by US Postal Service Express Mail Next Day Service—Post Office to Addressee, the date entered by the Post Office receiving clerk on the "Express Mail Next day Service—Post Office to Addressee" label and the postmark on the envelope or wrapper and on the original receipt for the US Postal Service. The postmark date must be two working days prior to the date specified for receipt of applications. The term working days excludes weekends and Federal holidays. Applicants should request the postal clerk to place a legible hand cancellation "bull's-eye"



postmark on both the receipt and envelope or wrapper.

3. If the application or revision is hand delivered, the specified time and delivery date shall be supported by a receipt given by the GO or designated representative.

E. The evaluation of applications and selection of award recipients resulting from responses to the SCAA shall be conducted as detailed below:

1. The GO will evaluate each application received to determine if the application: (i) offers at least a county or equivalent coverage; (ii) contains sufficient management, technical, cost, and other required information; (iii) has been signed by a responsible official authorized to bind the eligible entity; and (iv) otherwise meets the requirements of the SCAA. Applications that fail to meet the requirements of the SCAA will be removed from further consideration for an award and the applicant will be promptly notified of the reason for removal. The applicant's application will be retained with any other unsuccessful application(s) by the GO.

2. Program status classification. The GO will review and verify the accuracy of the applicant's program status stated in item 8, "Type of Application" of the Standard Form (SF) 424. If the GO considers the program status misclassified, the matter will be reviewed with the applicant. If the applicant and the GO cannot agree, the GO will determine the applicant's program status based upon the information contained in the application at the time the solicitation closed. The GO's decision regarding the program's status is final.

3. Minor informalities and mistakes. The GO shall provide an applicant the opportunity to cure any deficiency resulting from a minor informality or irregularity contained in the offer or waive the deficiency, whichever is to the advantage of the Government. A minor informality or irregularity is one that is merely a matter of form and not of substance. It also pertains to some immaterial defect in an offer or variation of an offer from the exact requirements of the solicitation that can be corrected or waived without being prejudicial to other applicants. The defect or variation is immaterial when the effect on program quality is negligible when contrasted with the program's total cost. Two examples of minor informalities include the failure of the applicant to: (i) return the required number of copies of its application; and (ii) execute the certifications required by the SCAA clauses.

a. In cases of apparent mistakes and in cases where the GO has reason to believe that a mistake may have been made, the GO shall request verification from the applicant that the offer "should read as stated; calling attention to the suspected mistake. Any clerical mistake apparent in the offer may be corrected by the GO. Examples of apparent mistakes are: (i) obvious misplacement of a decimal point; (ii) incorrect transposition of numbers; and (iii) obvious mistake in identifying the program status (existing versus new start program). The GO shall obtain from the applicant a written verification of the offer intended.

b. Correction of a mistake by the GO shall be effected by attaching the verification to the original offer. The GO shall not make corrections on the application. Corrections shall be restated in the cooperative agreement award document, if the applicant received an award.

c. If an applicant request permission to correct a mistake, and clear and convincing evidence establishes the existence of the mistake, the GO may make a determination permitting the applicant to correct the mistake. The determination to allow correction of mistakes will be made provided that both the existence of the mistake and the application actually intended are established by clear and convincing evidence from the solicitation and application.

4. Notification of application removal from consideration for an award. The GO will notify the applicant by certified mail (return receipt requested) if its application is removed from further consideration for an award.

5. Duplicate coverage. An application shall not duplicate more than 25%, or an individual or cumulative basis, any of the counties or equivalent (for the general program) or any of the reservations (for the Indian program) proposed by other applicants. When the GO determines that two or more applicants are proposing to provide duplicate coverage in excess of 25%, selection priority will be given to the applicant that is determined to be best qualified by the evaluation team. Only one statewide program (under the general program) will be awarded in a state.

6. Each application will be reviewed by an evaluation team consisting of two procurement functionals, one technical functional, and one small business functional. Each evaluation factor will receive individual adjectival ratings (highly acceptable, acceptable, marginally acceptable, and unacceptable) based on the merit of the

applicant's support for the particular evaluation element. The team will then collectively assess the overall application, taking into consideration the strengths and weaknesses of the application as it relates to each individual evaluation factor. A single adjectival rating will be assigned to the application which will be used to determine final award status. Applicants should be aware that ultimate award and inclusion into the DLA PTACAP may depend on funding limitations and constraints placed upon the Agency.

7. Award. The award recommendations are approved by the Program Manager and executed by the GO.

### 3-6 Evaluation Plan

#### A. Selection Procedures

1. This section outlines the procedures the Government will use during the selection process for the FYs 97 and 98 PTACAP. The Government contemplates that multiple awards will be made from the applications submitted for the PTACAP. The Government at its discretion may select multiple applicants to perform PTACAP requirements at statewide and other than statewide coverage levels provided that any individual application shall not duplicate any counties or equivalent in excess of 25 percent (general program), or reservations in excess of 25 percent (Indian program), proposed by other applicants.

2. The section entitled Evaluation Criteria describes the criteria the Government will use to select those applicants that provide the best overall value to satisfy PTACAP requirements. Evaluation criteria (in order of importance) are:

- a. Past Performance (Existing Programs Only);
- b. Management;
- c. Technical Qualifications;
- d. Service Area (geographic and demographic characteristics); and
- e. Cost Realism.

3. Information provided regarding past performance will be evaluated by the Government to determine the applicant's ability to perform PTACAP requirements. Applicants selected for the basic award will be considered for award of option(s) if their demonstrated performance is equal or better than that required by the base year or first option year cooperative agreement award and a satisfactory or better performance rating is received from the cognizant contract administration activity. In the absence of acceptable performance by the original awardee, other applicants may



be selected to complete the option period(s).

4. Although cost realism is of lesser importance, the importance of cost realism could increase among applicants that are rated equally or nearly equal. Should applicants become equal or nearly equal in terms of the factors shown above, other factors listed below may be used as discriminating elements for determining the selection of applications among otherwise substantially equal applicants. These factors in descending order of importance are:

- a. Duplication of effort;
  - b. Demographic make-up, to include population, unemployment, and labor surplus area coverage;
  - c. Alternative methods employed to stimulate outreach efforts aimed at small disadvantaged businesses; and
  - d. Other strengths and weaknesses of note demonstrated in the application.
5. The recommendation of applicants to participate in the PTACAP will be made by the Evaluation Team based on an integrated assessment of all applications submitted in response to the solicitation and other terms and conditions agreed upon prior to award. The integrated assessment will involve a determination by the Government of the overall value of each proposal judged in terms of the applicant's capability. Throughout the evaluation process, the Government will independently identify deficiencies within the applications. The team will collectively assess the overall application, taking into account the strengths and weaknesses of the application as it relates to each individual evaluation factor. A single adjectival rating will be assigned to the application, which will be used to determine final award status.

#### B. Evaluation Criteria

##### 1. Past Performance (existing Programs only).

a. The Government will evaluate the quality of the applicant's past performance. The assessment of the past performance will be used in two (2) ways:

(1) First, the assessment of the offeror's performance will be used as one means of evaluating the credibility of the applicant's application. A record of marginal or unacceptable past performance may be considered and indication that the representations made by the applicant are less than reliable. Such an indication may be reflected in the overall assessment of the applicant's application.

(2) Second, the assessment of the applicant's past performance will be

used as one means of evaluating the relative capability of the applicant and the other applicants to meet the performance requirements of the PTACAP. Thus, an applicant with an exceptional record of past performance may receive a more favorable evaluation than another whose record is acceptable, even though both may have otherwise equally acceptable applications.

b. In investigating an applicant's past performance, the Government will consider the information in the applicant's proposal and information obtained from other sources, such as past and present clients, other Government agencies, and others who may have useful information.

c. Evaluation of past performance will be a subjective assessment based on a consideration of all relevant facts and circumstances. It will not be based on absolute standards of acceptable performance. The Government is seeking to determine whether the offeror has consistently demonstrated a commitment to client satisfaction and timely delivery of quality service at reasonable costs. This is a matter of judgment. Applicants may be given an opportunity to address especially unfavorable reports of past performance, and the applicant's response or lack thereof will be taken into consideration.

d. By past performance, the Government means the applicant's record of conforming to the PTACAP requirements, including the administrative aspects of performance, reputation for reasonable and cooperative behavior, commitment to client satisfaction, and generally, the applicant's businesslike concern for the interests of the client.

##### 2. Management.

a. The proposed management team will be rated to determine the degree of experience offered by the team proposed and the likelihood of successful management under the PTACAP.

b. Management will be evaluated to determine whether it meets the PTACAP requirements.

c. The application will be evaluated to determine the financial strength and soundness of the organization. The availability of resources under the application will also be assessed. The strength of the plan will be assessed to determine the adequacy of the plan proposed.

##### 3. Technical Qualifications.

Understanding of and ability to meet PTACAP requirements by the personnel involved for this factor will be evaluated to determine the extent to which it meets the program requirements and the likelihood of success of the PTACAP as

it relates to these requirements. Benefits will be evaluated in terms of management substance and achievability.

##### 4. Service Area (geographic and demographic characteristics).

a. The service area will be evaluated based upon the population to be serviced as well as the unemployment conditions in the area to determine the scope and nature of the coverage proposed.

b. Demographic characteristics will be evaluated including the total population of the state and the percentage of the population to be served and the unemployment conditions in the area. The unemployment rate for the most recent 24 month period for which statistics are available will be used in this process.

c. Service area will be evaluated to assess the extent to which the program maximizes coverage and achieves PTACAP requirements and objectives.

##### 5. Cost Realism.

Cost realism will be evaluated on the basis of the applicant's ability to project cost which indicates an understanding of the nature and scope of the work required. The costs proposed will also be evaluated for reasonableness. Reasonableness is a judgment of the proposed program costs as compared to expected needs of the PTACAP, appropriate indices and other relevant measures. Implicit in the assessment is the need to establish that any application considered for an award must also be realistic with respect to the relationship of the cost to the level of performance proposed. This determination is critical to determining the offeror's understanding of the PTACAP requirements and probability of successful performance. Upon a determination of cost realism, a comparison of proposed costs will be made to the other evaluation factors and the Evaluation Team will make a decision as to which applications represent the best value to the Government. It is to be noted that this assessment will be a subjective judgement as to the relative value of the applications received. The Government reserves the right to verify any and all aspects of each applicant's application.

#### 3-7 Evaluation Factors

Applications will be evaluated for merit and compliance with the PTACAP's solicitation requirements. In order to provide full consideration of the applicant's qualification for an award, each applicant should ensure that the information furnished is factual, current, accurate, and complete. The content should be presented in a

manner that will allow evaluators to determine the applicant's understanding of the SCAA, the operating environment desired in PTA centers, and how the applicant's overall concept meets requirements of the SCAA. Failure to provide the information requested may result in a determination that the application is unacceptable and will be removed from further consideration for an award. The Government reserves the right to verify information provided by the applicant for evaluation purposes and to request additional supporting information, if needed. The evaluation factors (in their order of importance) are:

#### A. Past Performance (Existing Programs Only)

Applicants having no record of past performance under a DLA PTACAP will receive a neutral rating for this evaluation factor. A neutral rating for new programs will have no adverse effect on the determination for award. Each applicant will be evaluated on its most recent 12-month performance period (prior to 1 April 1997 or 98) under the existing solicitation regarding compliance with requirements; management of the program; and, ability to account for the document associated costs. The applicant must summarize the requirements in its most recent 12-month performance period and describe how its program satisfied those requirements to include jobs generated and/or retained and justification for any funds that were or will be deobligated. Evaluation of past performance will be a subjective assessment based on a consideration of all relevant facts and circumstances. The most recent copy of the cognizant contract administration activity's evaluation report must be provided. The following criteria will be used to evaluate the application:

1. Highly acceptable—The application must demonstrate a high degree of success in satisfying all PTA Program requirements during the most recent 12-month performance period. The cognizant administration activity's evaluation report must substantiate that the applicant has an above average program.

2. Acceptable—The application must demonstrate that the applicant has met all PTA Program requirements during the most recent 12-month performance period. The cognizant administration activity's evaluation report must substantiate that the applicant has an adequate program.

3. Marginally acceptable—The application must demonstrate that the applicant has satisfied most of the PTA Program requirements during the most

recent 12-month performance period. The cognizant administration activity's evaluation report must substantiate that the applicant has implemented most program requirements.

4. Unacceptable—The applicant has fulfilled few of the PTA Program requirements during the most current 12-month performance period. The cognizant administration activity's evaluation report must substantiate that the applicant has an inadequate program.

Note: Limit this discussion to 4 single-spaced, type-written pages.

#### B. Management

Each applicant will be evaluated on its management approach to successfully implement the PTA Program. The applicant shall describe the methods and procedures it plans to employ to manage the PTA Program in an efficient and effective manner. The applicant's approach will be rated to determine the degree of experience offered and the likelihood of successful management under the concept proposed. In addition, the evaluation will include an assessment of the overall strength and soundness of the organization. The following criteria will be used to evaluate the application:

1. Highly acceptable—The applicant has fully demonstrated that the techniques and methodology it intends to employ will enable it to exceed all PTA Program requirements during the period of performance.

2. Acceptable—The applicant has demonstrated that the techniques and methodology it intends to employ are adequate and that its management approach will enable it to satisfy all PTA Program requirements.

3. Marginally acceptable—The applicant has minimally demonstrated that the management techniques and methodology it intend to employ will satisfy most of the PTA Program requirements.

4. Unacceptable—The applicant has not demonstrated an adequate understanding of the management techniques and methodology needed to successfully operate a PTA Program and satisfy requirements.

Note: Limit this discussion to 3 single-spaced, type-written pages.

#### C. Technical Qualifications

Each applicant will be evaluated on the qualifications of its personnel regarding the number of years of procurement experience, including government and industry experience, procurement related training, and education. The applicant must describe

how its personnel fulfills these requirements. The following criteria will be used to evaluate the application:

1. Highly acceptable—The majority of the applicant's professional personnel have at least four years of procurement experience; a baccalaureate degree, preferably in business related subject; and, have experience in operating a PTA Center or equivalent type organization.

2. Acceptable—The majority of the applicant's professional personnel have at least two years of procurement experience; a baccalaureate degree, preferably in business related subject; and, have experience in operating a PTA Center or equivalent type organization.

3. Marginally acceptable—The majority of the applicant's professional personnel do not have more than one year of procurement experience; have a baccalaureate degree, preferably in business related subject; and, have at least some experience in operating a PTA Center or equivalent type organization.

4. Unacceptable—The majority of the applicant's professional personnel do not have at least one year of procurement experience; do not have a baccalaureate degree; and, have no experience in operating a PTA Center or equivalent type organization.

Note: Limit this discussion to 2 single-spaced, type-written pages.

#### D. Service Area (Geographic and Demographic Characteristics)

Each applicant will be evaluated on the population base the applicant identifies and the unemployment level in the area to be serviced. Demographic characteristics will be evaluated using the total population of the state, the percentage of the population to be served and the unemployment conditions in the area. The following criteria will be used to evaluate the application:

1. Highly acceptable—The applicant must meet the following: (a) The applicant will service an area that consists of the lesser of either: (i) at least one million residents or (ii) at least 75% of the state's available labor force or (iii) 75% of the population of the state, or (b) the level of unemployment in the area to be serviced is at least 1.25% above the national unemployment rate for the most recent 24-month period for which statistics are available.

2. Acceptable—The applicant must meet the following: (a) The applicant will service an area that consists of the lesser of either: (i) at least five hundred thousand residents or (ii) at least 50% of the state's available labor force or (iii) 50% of the population of the state, or (b) the level of unemployment in the area

to be serviced is at least 1% above the national unemployment rate for the most recent 24-month period for which statistics are available.

3. Marginally acceptable—The applicant must meet the following: (a) the applicant will service an area that consists of the lesser of either: (i) one hundred fifty thousand residents or (ii) at least 25% of the state's available labor force or (iii) 25% of the population of the state, or (b) the level of unemployment in the area to be serviced is not more than 1% below the national unemployment rate (e.g., national average minus 1%) for the most recent 24-month period for which statistics are available.

4. Unacceptable—Applicants who do not meet the criteria in subparagraphs 1, 2, or 3 above are unacceptable.

Note: Limit this discussion to 1 single-spaced, type-written page.

#### E. Cost Realism

Each applicant's response to this element will be evaluated for reasonableness and realism in managing cost. Implicit in the assessment is the need to demonstrate the relationship of the estimated overall program cost to the proposed level of performance. The applicant shall describe the measures intended to control, account for, and document relevant costs. For example, describe the ratio of program management cost to counselor cost and the ratio of program management cost to total program cost, with an objective of optimizing the percent of total program cost to be spent on direct counseling and assistance to clients. Unrealistic cost reflected in the application will be deemed indicative of the applicant's inability to perform the PTA Program. Such applications may also reflect lack of understanding of the complexity or the risks in scope of the requirement. As such, they will no longer be considered eligible for award.

The following criteria will be used to evaluate the application:

1. Highly acceptable—The applicant must demonstrate that its approach to cost management satisfies all PTA Program requirements in an above average manner.

2. Acceptable—The applicant must demonstrate that its approach to cost management is adequate to satisfy all PTA Program requirements.

3. Marginally acceptable—The applicant must demonstrate that it has the capability to satisfy the majority of the PTA Program requirements.

4. Unacceptable—The applicant has indicated through its response to this element that its cost management

approach is inadequate to fulfill minimum PTA Program requirements.

Note: Limit this discussion to 1 single-spaced, type-written pages.

#### 3-9 Cost Sharing Limitations

##### A. General program.

1. The DoD share of net program cost shall not exceed 50%, except in a case where an eligible entity meets the criteria for a distressed area. When the prerequisite conditions to qualify as a distressed area are met, the DoD share may be increased to an amount not to exceed 75%. In no event shall the DoD share of net program cost exceed \$150,000 for programs providing less than statewide coverage or \$300,000 for programs providing statewide coverage.

2. Consultant services provided by private nonprofit and/or profit making individuals, organizations or otherwise qualified business entities may be used to augment a cooperative agreement recipient's internal capabilities subject to the 10% total program cost limitation.

##### B. American Indian program.

1. The DoD share shall not exceed 75% of net program cost or \$150,000 for a program providing service on reservations within one BIA service area, or \$300,000 for a program providing multi-area coverage.

2. Consultant services provided by private nonprofit and/or profit making individuals, organizations or otherwise qualified business entities may be used to augment a cooperative agreement recipient's internal capabilities subject to the 25% total program cost limitation.

C. The type and value of third-party in-kind contributions is limited to no more than 25% of total program cost. Third-party in-kind contributions shall meet the requirements set forth by subparagraphs 3-10E and 3-10F below.

D. Indirect cost and/or indirect rate used in the application are subject to downward revision only.

E. The applicant shall submit a copy of the current negotiated indirect rate memorandum issued by its cognizant Federal agency.

F. Indirect cost incurred by educational institutions (recipients and subrecipients) shall be charged in accordance with the most current version of applicable OMB Circulars to include any limitation set forth therein.

#### 3-10 Cost Sharing Criteria

A. Cost contributions may be either direct or indirect costs, provided such costs are otherwise allowable in accordance with the applicable cost principles. Allowable costs which are absorbed by the applicant as its share of costs may not be charged directly or indirectly or may not have been

previously charged, in part or in whole, to the Federal Government under other contracts, agreements, or grants.

B. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant.

C. Program income or other Federal funds, that are not authorized for use by Federal statute (excluding loan guarantee agreements since these do not provide for disbursement of Federal funds) are not acceptable for use as the applicant's cost matching funds.

Inclusion of other Federal funds in the program as part of total program cost is subject to authorization by Federal statute and the terms of the instrument containing such funds or written advice obtained from the agency awarding the Federal funds. Any Federal funds used by the eligible entity, other than the DoD PTA Cooperative Agreement Program funds, must be disclosed and identified in the eligible entity's application.

D. Neither costs nor the values of third party in-kind contributions may count toward satisfying a cost sharing or matching requirement of the SCAP if they have been or will be counted toward satisfying a cost sharing or matching requirement of another Federal grant, a Federal procurement contract, or any other award of Federal funds.

E. All applicant contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria: (1) are verifiable from the records of recipients, subrecipients, or cost-type contractors (these records must show how the value placed on third party in-kind contributions was derived and to the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocability of regular personnel costs); (2) are not included as contributions for any other federally-assisted project or program; (3) are necessary and reasonable for proper and efficient accomplishment of the project or program objectives; (4) are allowable under the applicable cost principles; (5) are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching; (6) are provided for in the budget; and (7) conform to other provisions for uniform administration requirements under the applicable OMB Circular.

F. Third party in-kind contributions may satisfy a cost sharing or matching requirement only when the payments

would be allowable costs if the party receiving the contributions were to pay for them. Some third party in-kind contributions are goods and services that would have been an indirect cost if the recipient, subrecipient or contractor had been required to pay for them. Cost sharing or matching credit for such contributions may be given only if the recipient, subrecipient or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

G. Where distressed funding (greater than 50%) is requested and the civil jurisdiction(s) which the applicant plans to service is both distressed and nondistressed, two budgets must be submitted identifying the anticipated distribution of total program cost between these two areas. In addition, the recipient's accounting system must segregate and accumulate costs in each of the two budget areas.

H. Recipients of PTA cooperative agreements are required to maintain records adequate to reflect the nature and extent of their costs and expenditures, and to ensure that their required cost participation is achieved.

### *3-11 Option To Extend the Term of the Cooperative Agreement*

A. A SCAA will be issued every third fiscal year, i.e., 1996, 1999, etc. Cooperative agreements will be awarded for a base year or for a base year with one option period of twelve months.

B. The awarding of a cooperative agreement for a base year with one or two option periods of twelve months each does not guarantee the recipient that an option(s) will be exercised. The Government at its sole discretion may elect not to exercise an option(s), to exercise an option(s) or to replace an existing program with either another existing or new start program. The determination to exercise or not to exercise an option will be made on a program by program basis. Duplicate coverage, the number of DLA funded PTA centers operating in a state and DoD funds available may be considered when deciding to or not to exercise an option.

C. An option may be exercised by the Government providing the recipient's:

1. Level of demonstrated performance in these areas (past performance, management, technical qualifications and cost realism) is acceptable or better.
2. Technical capability is equal or better than that required by the base year or first option year cooperative agreement award.
3. Cost matching funds are available.

4. Five client success stories that resulted from the substantial effort of the PTA center are verified by the Government and—

5. No other new application(s) (existing or new start) are received by DLA that can provide similar or better services at a lower cost to the Government.

D. The Government shall give the cooperative agreement recipient a preliminary written notice of its intent to extend the cooperative agreement performance period no later than 120 calendar days prior to the end of the Government's current fiscal year (1 October thru 30 September). The preliminary notice does not commit the government to an extension. The Government may extend the effective period of the cooperative agreement by giving written notice to the cooperative agreement recipient no later than 105 calendar days after issuance of the preliminary notice.

E. New applications for cooperative agreements must be submitted no earlier than 1 April and received no later than 30 April of calendar years 1997 and 1998. The application shall be prepared in accordance with the most recent solicitation for cooperative agreement application. Generally, awards will be made during the month of September.

1. Applications received prior to April 30, 1996, if selected to receive an award, will be awarded for a base year with two option periods of twelve months each.

2. Applications received prior to April 30, 1997, if selected to receive an award, will be awarded for a base year with one option period of twelve months.

3. Applications received prior to April 30, 1988, if selected you receive an award, will be awarded for a base year only.

4. The base year application submitted prior to 30 April 1996 or 1997, unless otherwise extended, must include separate SF 424s and SF 424As for the option year(s). Detailed budget information for the option year(s) is not required to be submitted with the base year application. However, the net program cost and geographic area of coverage shall be the same for the option period(s) as that provided for the base year.

F. The notice of award for the base year will provide funding for a 12-month period only. Option year(s) are subject to the availability of funds as set forth by the clause entitled "Availability of funds."

G. Option Year(s) requirements. Upon receipt of the Government's preliminary written notice of its intent to extend, at least 120 calendar days prior to the end of the Government's

current fiscal year, the cooperative agreement recipient that desires exercising of the option, shall prepare and submit, to the Grants Officer no later than 30 calendar days after receipt of the Government's preliminary notice, the following:

1. Completed SF 424A for the option year with a complete narrative justification for budgeted costs.
2. Completed goal work sheet.
3. Copy of its current negotiated indirect cost rate agreement, if there are any changes.
4. Certification of cost match.
5. Updated personnel form.
6. Five client success stories that resulted from the substantial effort of the PTA center.

7. The number of jobs generated and/or retained resulting from the procurement technical assistance provided by the recipient.

8. A summary of its most recent 12-month performance period, description of how its program satisfies the criteria set forth below and justification for any funds that were deobligated.

H. Evaluation of past performance will be a subjective assessment based on a consideration of all relevant facts and circumstances. The most recent copy of the contract administration activity's Evaluation Report must be provided.

1. Highly acceptable—The application must demonstrate a high degree of success in satisfying all PTA Program requirements during the most current 12-month performance period. The evaluation report must substantiate that the applicant has an above average program.

2. Acceptable—The application must demonstrate that the applicant has met all PTA Programs requirements during the most recent 12-month performance period. The evaluation report must substantiate that the applicant has an adequate program.

3. Marginally acceptable—The application must demonstrate that the applicant has satisfied most of the PTA Program requirements during the most recent 12-month performance period. The evaluation report must substantiate that the applicant has implemented most program requirements.

4. Unacceptable—The applicant has fulfilled few of the PTA Program requirements during the most recent 12-month performance period. The evaluation report must substantiate that the applicant has an inadequate program.

Note: Limit this discussion to 3 single-spaced, type-written pages.

### 3-12 Administration

A. Cooperative agreements with state and local governments, nonprofit organizations and Indian economic enterprises will be assigned to the cognizant Defense Contract Management Command for administration. Cooperative agreements with educational institutions will be assigned to the Office of Naval Research for administration.

B. The organization having cognizance for post award administration will periodically review the recipient's performance under the cooperative agreement to include:

1. Management control systems;
2. Financial management systems;
3. Progress being made by the recipient in meeting its program requirements; and
4. Compliance with certifications, representations and other performance factors.

The cognizant Deputy for Small Business will be the focal point for the Administrative Contracting Officer for small business issues and for all recipient publication and training requests.

C. For recipients covered by OMB Circular No. A-102, Grants and Cooperative Agreements with State and Local Governments, or OMB Circular No. A-110, Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-profit Organizations, the administrative requirements specified in those circulars will apply.

D. Each state and local entity that receives Federal funding is required to have audits performed in accordance with the requirements of OMB Circular A-128. Nonprofit organizations and institutions of higher education are required to have audits performed in accordance with the requirements of OMB Circular A-133. Indian economic enterprises (for profit only) will have audits performed in accordance with the requirements of OMB Circular A-133. Recipients shall submit one copy of any audit report that results from any audit performed pursuant to the requirements of the PTA cooperative agreement to the Office of the Assistant Inspector General for Audit, Policy and Oversight, Office of the Inspector General, 400 Army-Navy Drive, Room 1076, Arlington, VA 22202-2884.

E. The following OMB Circulars will be used to determine allowable costs in performance of the program.

1. OMB Circular No. A-21, Principles for Educational Institutions;
2. OMB Circular No. A-87, Cost Principles for State and Local Governments; and
3. OMB Circular No. A-122, Cost Principles for Nonprofit Organizations.

This circular will also be used by for-profit organizations.

[FR Doc. 97-6570 Filed 3-14-97; 8:45 am]

BILLING CODE 5000-03-M

## DEPARTMENT OF THE ARMY

### Corps of Engineers

#### Intent To Prepare a Draft Supplement to the Final Environmental Statement (DSFES) for the Operation and Maintenance Program Wister Lake, Poteau River, OK

**AGENCY:** U.S. Army Corps of Engineers, Department of Defense.

**ACTION:** Notice of intent.

**SUMMARY:** The purpose of the DSFES is to address raising the top of conservation pool since filing of the Final Environmental Statement on 13 October 1973.

**FOR FURTHER INFORMATION CONTACT:** Mr. David L. Combs, Chief, Environmental Analysis and Support Branch, Tulsa District, U.S. Army Corps of Engineers, P.O. Box 61, Tulsa, Oklahoma 74121-0061 or telephone 918-669-7660.

**SUPPLEMENTARY INFORMATION:** Wister Lake was authorized by the Flood Control Act of 1938 and is operated for flood control, water supply, low flow augmentation, water conservation, and sedimentation. Construction was initiated 10 April 1946 and the project was placed in operation in October 1949.

Wister Lake is located in the northern foothills of the Kiamichi Mountains adjacent to the Ouachita National Forest in LeFlore and Latimer Counties of Oklahoma. The damsite is on the Poteau River approximately 2 miles south of the town of Wister, Oklahoma. As originally authorized at conservation pool elevation 471.6 feet National Geodetic Vertical Datum (NGVD), the lake contained 27,000 acre-feet of water storage with a surface area of 4,000 acres.

In 1974, an operational plan was implemented at Wister Lake to seasonally raise the conservation pool from elevation 471.6 to 478.0 feet NGVD between June and December. This seasonal increase in elevation continued each year thereafter on a temporary basis until it was made permanent in 1978. In 1983, Public Law 98-63 directed the Chief of Engineers to raise the permanent conservation pool level from elevation 471.6 to 474.6 feet NGVD and to raise the conservation pool seasonally between 1 June and 1 December to 478.0 feet NGVD. The Water Resources Development Act of 1996 further modified the project and

permanently raised the top of conservation pool to elevation 478.0 feet NGVD.

#### Reasonable Alternatives To Be Considered Include

- a. No action
- b. Continued operation of the project with environmental compliance

#### Significant Issues To Be Addressed In the (DSFES) Include

The potential impact of raising the top of conservation pool on other project purposes, fish and wildlife resources, water quality, recreation, cultural resources, Federally listed threatened and/or endangered species, and mitigation requirements.

#### List of Affected Parties

A mailing list has been developed for various notices concerning preparation of this supplement. This list includes local, state, and Federal officials having jurisdiction, expertise, or other interests in the action: environmental interest groups, native American tribal governments, and local news media.

#### Scoping

Comments received as a result of this Notice of Intent will be used to assist the Tulsa District in identifying potential impacts to the quality of human and natural environments. Individuals or organizations may participate in the scoping process by written comment or by attending a scoping meeting. The time and location of the scoping meeting will be announced in local newspapers and by public notice sent to parties indicated in the previous paragraph. Written comments may be forwarded to the above noted address. To be considered in the DSFES, comments and suggestions should be received no later than 15 days following the public scoping meeting.

Timothy L. Sanford,

Colonel, EN, Commanding.

[FR Doc. 97-6576 Filed 3-14-97; 8:45 am]

BILLING CODE 3710-39-M

## Department of the Navy

#### Notice of Intent To Prepare a Draft Environmental Impact Statement for the Proposed Disposal and Reuse of Naval Air Warfare Center, Aircraft Division, Trenton, Ewing Township, NJ

**SUMMARY:** Pursuant to Council on Environmental Quality regulations (40