

**ORDER**

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WESTERN-PACIFIC REGION

WP2500.25

RECEIVED

NOV 2 2001

Systems Management  
Branch, AWP-420

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ACTION					

**SUBJ:** Western-Pacific Region Operations Reimbursable Agreement

1. **PURPOSE:** This order restates and alters portions of existing policy and procedures for the region to negotiate, prepare, and execute reimbursable agreements covering services and material provided to other Federal and non-Federal parties within the Western-Pacific Region (AWP).

2. **DISTRIBUTION:** This order is distributed to the division level in the Regional Office, to the branch level in Accounting, Airway Facilities, and Logistics Divisions, the Los Angeles NAS Implementation Center (ANI-900), and all Airway Facilities Systems Management Office Managers.

3. **CANCELLATION:** This Order cancels Order WE 2500.19C, Western-Pacific Region Reimbursable Agreements, dated July 2, 1980.

4. **BACKGROUND:** This order establishes policy and procedures governing reimbursable agreement, cost recovery, billing/payment, modification, renewal, and termination processes to agree with present AWP practices. Additionally, the order puts forth policy and procedures pertaining only to AWP-Operations (OPS) reimbursable agreements as well as addresses the change impacts to the Logistics Division (AWP-50), Accounting Division (AWP-20) and Airway Facilities Division (AWP-400). Also this order applies to agreements that cross Airway Facilities (AF) Systems Management Offices (SMO) boundaries. The Regional Cost Recovery procedures are addressed in AWP-20 sponsored Order WP 2700.29A, thus should be followed when Regional cost recovery is required in accordance with National agreements. This order addresses processes practiced in the Western-Pacific Region; thus, it does not govern national reimbursable agreement policies. This replacement order is in agreement with:

- a. The Federal Aviation Administration (FAA) Acquisition Management System (AMS) Procurement Guidance/T3.8.1 portion addressing agreements, issued July 1999.
- b. The Department of Transportation (DOT) Order 2500.35C, Reimbursable Agreements Covering Services and Materiel Provided by the FAA, dated 7/25/79.

5. **RESPONSIBILITIES:**

a. **AIRWAY FACILITIES (AF), OPERATIONS BRANCH (AWP-470)** informs the Contracting Officer of an agreement requirement in writing. This request will use a completed Procurement Request (PR) form. The request form must include the listed information. The designated AF Operations Branch (AWP-470) Coordinator works with and aids the participating SMO to obtain a completed PR, with attachments, from the participating SMO organization.

**Distribution:** A-X (AC/LG/AF)-3; A-FAF-2 (1 each)

**Initiated By:** AWP-420

- (1) The agreement customer/provider itemized requirements. This includes a written detailed Scope-of-Work. An agreement draft should be attached to the PR form.
- (2) Cost estimate for each itemized requirement and supporting items. The yearly fiscal cost estimate should be included in the agreement draft.
- (3) Cost Center Code(s) (CCC) that support the agreement. The Cost Center Code(s) should also be listed on the PR form.
- (4) Cost Center Code debit accounting string that supports the agreement.
- (5) Point-of-Contact (POC) list identifying customer / provider personnel associated with the agreement, including their function, phone numbers and mailing addresses. This POC list must specifically identify the "customer" POC to receive the agreement. This POC list is entered on the PR form. PR block 6 identifies the customer's POC who has received, signed, and approved the agreement. The AF Operations Branch (AWP-470) obtains the above listed information from the participating SMO designates as outlined below. The participating information sources are listed below.

b. AF SMO PROVIDES:

- (1) An itemized list of SMO requirements needed to fulfill the customer request. Requirements will include the participating SMO's input to the AWP-470 drafted Scope-of-Work statement, that is acceptable to both the customer and all FAA participants.
- (2) The cost estimate for each itemized requirement and supporting items. The AWP-470 assists one or more SMO designate(s) to develop a DRAFT cost estimate.
- (3) Points of-Contact (POC) list identifying customer/provider personnel associated with the agreement, including their function, phone number and mailing addresses. AWP-470 aids one or more SMO designate(s) to develop a DRAFT POC list.
- (4) The SMO MPS and/or Administrative Officer (AO) adds the accounting Cost Center Code(s) (CCC). The appropriate, SMO established, CCC's are used by AWP-20 to collect all charges associated with the agreement. These charges accumulated by CCC for customer billing, and for AWP-423 to reimburse the appropriate participating SMO, by CCC, each fiscal year. The participating SMO forwards the listed information to the participating AWP-470 OPS reimbursable agreement coordinator. Currently an assigned member of the AWP-473 organization performs the overall AWP-400 OPS reimbursable agreements coordination functions.
- (5) The SMO SSC/SSU Managers responsibilities are:
  - (a) The execution fulfillment of the agreement's contracted Scope-of-Work.

(b) Performing the contracted Scope-of-Work within the agreement's contracted cost estimate.

(c) It is the specific responsibility of each SMO-SSC/SSU Manager to immediately notify the designated AF Operations Branch (AWP-470) Reimbursable Agreements Coordinator, if an agreement's contracted Scope-of-Work and/or cost estimate requires alterations/modifications. The agreement requires immediate modification or replacement when;

1. The customer requests a FAA service that is out of the contracted written Scope-of-Work.

2. The SMO-SSC/SSU can not fulfill the written contracted Scope-of-Work within the agreement's cost estimate.

3. Clarifications: When a SMO-SSC/SSU exceeds the contracted cost estimate to comply with the contracted agreement's written Scope-of-Work, the SMO is expending efforts with cost of recovery loss. AWP-20 (accounting) can not legally bill the customer an amount greater than the agreement's cost estimate. If the cost estimate requires alteration, the agreement requires modification or replacement.

4. In addition, if an agreement's contracted written Scope-of-Work is requested to be altered by the customer, the agreement requires modification.

(d) It is the specific responsibility of each SMO-SSC/SSU Manager to immediately notify the designated AF Operations Branch (AWP-470) Reimbursable Agreements Coordinator, when any agreement is to be terminated, and/or replaced.

(e) It is the specific responsibility of each SMO-SSC/SSU Manager to initiate an agreement modification, alteration, replacement, and/or termination process using a Purchase Request (PR) form process as outlined to establish an agreement.

c. AF OPERATIONS BRANCH, (AWP-470)

(1) Reviews the agreement package for content and cost estimate correctness.

(2) The designated branch employee coordinates with the participating SMO MPS and/or SMO designate(s) to resolve information omissions, and resolve issues.

(3) Identifies, establishes, resolves situation issues pertaining to agreements requiring cost estimate(s) from more than one SMO-SSC/SSU. These situations arise when an agreement's scope-of-work pertains to geographic locations within more than one SMO jurisdiction.

(4) Coordinates with the Operations Resource Management Branch (AWP-420) designated Operations Reimbursable Agreements Coordinator to resolve issues pertaining to item (3) above, Cost Center Code assignments, and associated individual SMO "cost recovery" issues.

(5) When an agreement is a Reimbursable agreement between the FAA and the Department of Defense (DOD), where the FAA is furnishing FAA services and materiel for reimbursement from the DOD, the designated AF Operations Branch OPS Reimbursable agreements coordinator interfaces with the responsible SMO-SSC/SSU Manager, and/or SMO designate, SMO-MPS/AO, AWP-55 Contracting Officer, the AWP-20 organization designate, and the identified agreement customer to assure that a Military Interdepartmental Purchase Request (MIPR) process is established prior to the execution of this agreement type. The MIPR process must be established prior to forwarding an agreement package to the AWP-55 organization. An established MIPR process is a mandatory prerequisite prior to the AWP-20 (accounting) organization having the ability to bill the FAA customer.

(6) When the draft agreement PR package is complete, the package is forwarded to the designated AWP-55 organization Contracting Officer. A copy of the PR package is provided to the designated Operations Resource Management Branch (AWP-420) Operations Reimbursable Agreements Coordinator.

d. OPERATIONS RESOURCE MANAGEMENT BRANCH (AWP-420)

(1) Designates an Operations Reimbursable Agreements Coordinator, responsible for the duties as outlined in items 5d (2) thru (7).

(2) Maintains AWP-400 organization's Operations Reimbursable Agreements files.

(3) Reviews draft agreement PR packages for content completeness, with specific emphasis on Cost Center Code(s) (CCC)'s, Debit CCC accounting string numbers, with particular emphasis on resolution of any potential Cost Recovery issues. Coordinates with the appropriate designated AWP-20 organization member.

(4) Coordinates with the designated AF Operations Branch (AWP-470) member and SMOs to resolve issues.

(5) When the FAA / customer approved agreement is received by the AF Division from AWP-55, the designated Operations Resource Management Branch (AWP-420), Operations Reimbursable Agreements Coordinator distributes copies of the approved agreement to the listed organizations.

- (a) Participating SMO MPS and AO
- (b) Participating SMO SSC/SSU

(6) Maintains current data within the AWP-420 Operations Reimbursable Agreements STATUS/TRACKING database. The purposes of this STATUS/TRACKING database are; maintain specific knowledge of each tracked agreement for coordination with the AWP-55, AWP-20, -473, SMO organizations to assure timely and accurate cost recoveries.

(7) The Operations Resource Management Branch (AWP-420) designated Operations Reimbursable Agreements Coordinator establishes the annual status review of each AF Operations Reimbursable Agreement. During the annual review process, the responsible AWP-55 organization Contracting Officer is consulted to offer disposition action recommendations. It is AWP-420 organization's responsibility to initiate an annual review of each of the SMO's reimbursable agreements. The review should address the validity of each agreement's scope of work and corresponding cost estimate.

e. CONTRACTING OFFICER

(1) Is a Logistics Division, AWP-50, organization designated employee that has contracting authority identified by the Regional Logistics Division Manager, and is responsible for the negotiation, preparation, and execution of reimbursable agreements.

(2) Receives the agreement PR information package from the AF Operations Branch (AWP-470).

(3) Reviews given package.

(4) Determines appropriate clauses and reviews contractual conformity of draft agreement.

(5) Coordinates with the AF Operations Branch (AWP-470) and Resource Management Branch (AWP-420) to resolve issues.

(6) Finalizes agreement text.

(7) Uses the Clearance Record process and/or cc:Mail processes, distributes the final draft agreement for concurrence by the listed organizations:

- (a) AF Operations Branch
- (b) AF Resource Management Branch
- (c) Participating SMO's
- (d) Airway Facilities Division
- (e) Accounting Division
- (f) Financial and Management Resources Division
- (g) Logistics Division

(8) After listed FAA approvals, sends agreement to the participating customer for approval signature. The send to customer name and mailing address is identified in the POC list.

(9) The customer signature approval agreement is returned to the Contracting Officer.

(10) Executes the agreement and distributes copies to:

- (a) Airway Facilities Division
- (b) Accounting Division
- (c) Financial & Management Resources Div.
- (d) Logistics Division
- (e) Participating AF SMO-MPS
- (f) FAA customer

f. LOS ANGELES NAS IMPLEMENTATION CENTER establishes and fulfills ANI/F&E Reimbursable Agreements in accordance with established ANI policies and procedures. These agreements generally establish equipment installations. Installations may or may not require AF Operations and/or SMO SCC/SSU maintenance services. When ANI agreements installation completions require AF Operations services, the installing ANI Installation Center (IC) must notify the AF Operations (AWP-470) and Operations Resource Management (AWP-420) branches with a copy of the installation reimbursable agreement. To maintain accurate and separate ANI and AWP-OPS accounting practices, when an IC customer requires FAA Operations to maintain equipment and/or perform additional services via a Reimbursable Agreement basis, an additional FAA/customer Reimbursable agreement must be established stating specific AWP-OPS scope-of-work, cost estimates, etc.

## 6. REQUIREMENTS:

a. AGREEMENTS MANAGEMENT Each AF SMO-SSC/SSU Manager has the responsibility for the management of their respective agreements. This responsibility includes, but is not limited to the performance of the listed tasks.

(1) Assurance that the contracted agreement requirements are performed in accordance with each agreement as written.

(2) Recording / tracking of all resource expenditures that pertain to each individual agreement.

(3) Assure that all resource expenditures are charged to the Cost Center Code(s) identified/listed on the agreement PR that originated the agreement.

b. COST RECOVERY: It is an individual SMO team effort to successfully perform the Cost Recovery process accurately and timely. The SMO-AO requires accurate information from individual SMO-SSC/SSU Managers. It is the direct responsibility of each individual AF SMO-MPS/AO to perform the listed tasks.

(1) Complete required Cost Recovery forms # 2700-88, in accordance with the AWP-20 organization's DOT/FAA order number WP 2700.29A, "Operations Reimbursable Agreement Cost Recovery Report" process. Order WP-2700.29C is in the process of being reviewed for alteration. The affectivity of this order alteration may effect this paragraph. The policies and procedures of the AWP-20 order WP-2700.29C remain in effect until the alteration affectivity date is established.

(2) Each individual agreement's terms and conditions must be individually assessed by a SMO MPS/AO. Not all Operations Reimbursable Agreements require the submittal of Cost Recovery sheets in accordance with AWP-20's order WP-2700.29C. Agreement's Cost Recovery sheet submittals should be submitted at the end of each fiscal year (FY) quarter. For each FY 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters, the AWP-20 organization expects to receive the quarterly cost recovery sheet submittals not later than two weeks past the last day of each of the FY first three quarters. To accommodate AWP-20's each FY end accounting processing, each 4<sup>th</sup> quarter's cost recovery sheet submittals must be received not later than two weeks prior to FY end close, September 15<sup>th</sup>. each FY. It is recommended that each SMO MPS/AO consult with the AWP-423 and AWP-20 designated employees to determine what Operations Reimbursable Agreements require Cost Recovery sheet submittals.

(3) Send completed Cost Recovery forms to the listed organization's designates.

(a) Accounting Division, AWP-20

(b) AF Operations Resource Management Branch (AWP-420).

c. OPERATIONS REIMBURSABLE AGREEMENTS COST RECOVERY PROCESSING IN THE R.O.

(1) The AWP-20's designate performs the customer billing process based upon timely accurate cost recovery sheet submittals.

(2) The AWP-420/-423 designate coordinates with the AWP-20 designate to resolve any cost recovery issues.

7. NUMBERING AGREEMENTS: Reimbursable Agreements initiated within the Western-Pacific Region will be assigned a nine digit identification number by AWP-55. This number consists of a prefix (WPM or R), a hyphen, a sequence number, (sequential within a fiscal year (FY)), a two digit FY number, and a suffix identifier. Appendix 1 lists Examples for Numbering Agreements. Some existing Western-Pacific Region agreements may have alternate numbering systems that were established prior to this order's affective date.

8. ENVIRONMENTAL IMPACT STATEMENTS: The FAA office sponsoring the agreement is responsible for assuring that environmental procedures and policies are followed in accordance with FAA Order 1050.1C, "Policies and Procedures for Considering Environmental Impacts".

9. DISTRIBUTION OF AGREEMENTS: Agreements executed in the Western-Pacific Region are distributed by the Logistics Division.

10. ANNUAL REVIEW: All Operations Reimbursable Agreements require an annual review by the SMO Manager, SMO-MPS/AO, and appropriate SMO-SSC/SSU Managers. The purpose of the review is to determine whether each agreement is to be retained as written, modified, renewed, replaced, and/or terminated. In addition, each agreement's financial situation

is to be assessed. Both the AF Operations Branch (AWP-470) and the AF Operations Resource Management Branch (AWP-420) Reimbursable agreement's coordinators will aid the SMO's with these annual review assessments. The review process will include the AWP-20 organization representative, offering a financial oversight assessment, and a AWP-55 organization representative, offering the contractual assessment. It is recommended that this annual review be conducted by each SMO during the 1<sup>st</sup> quarter of each FY.

a. Agreements which contain an automatic renewal clause may require changes to the appropriations code, (i.e., Cost Center Code(s)), and/or debit accounting string number.

b. Reviews should be accomplished whenever deemed necessary, but not later than a period specified in an agreement's termination article.

c. Problems which arise as a result of each review, should be brought to the attention of the appropriate Contracting Officer. If for any reason, collections are not made for the performance of a reimbursable program (agreement), the FAA must charge it's own appropriations for obligations incurred.

*William C. Withycombe*  
William C. Withycombe  
Regional Administrator

## APPENDIX 1

## EXAMPLES FOR NUMBER AGREEMENTS

WPM-001-01-1

WP = An agreement initiated within the Western-Pacific Region

M = Executed by the Logistics Division, Procurement Branch

001 = First agreement executed in FY-2001

01 = FY that the agreement was initiated

1 = An AF Operations services/materiel agreement

WPM-002-00-(Alpha charter)

WP = same as above

M = same as above

002 = 2<sup>nd</sup> agreement executed in FY-2000

00 = same as above

(Alpha character) = An ANI-900/F&E services/materiel agreement

WPR-003-98-1

WP = same as above

R = Executed by the Logistics Division, Real Estate and Utilities Team

98 = same as above

003 = 3<sup>rd</sup> agreement executed in FY 1998

1 = same as 1<sup>st</sup>