



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS AERONAUTICAL SYSTEMS CENTER (AFMC)  
WRIGHT-PATTERSON AIR FORCE BASE, OHIO

MEMORANDUM FOR ASC WING COMMANDERS/DIRECTORS  
ASC SENIOR FUNCTIONALS

3 Jul 2008

FROM: ASC/CC

SUBJECT: Undefinitized Contractual Actions (UCAs) (ASC/CC Policy Memo #08-009)

1. The use of UCAs has dramatically increased in the last several years, especially at ASC. The procedures set forth below and the guidance (Attachment 1) are designed to improve management and control of UCAs and to maintain good business practices. These procedures will also ensure compliance with regulations and statutory requirements, including Section 809 of the FY08 NDAA.
2. There are times when the use of a UCA is necessary to meet Global War on Terror realities, Foreign Military Sales (FMS) requirements, or other urgent situations. A UCA should be issued only upon determining that it's the sole means available to meet program requirements, and then only upon approval at the level specified in AFMC FAR Supplement 5317.7404-1. The initiator must ensure the request package justifies the need for a UCA and explains why a definitive contract action is not possible. A staff package must document the adverse impact to the mission should a UCA not be issued. The package shall also include a schedule to reach definitization within 180 days after UCA issuance. In accordance with DFARS 217.7404-3, this definitization date may be extended, but not to exceed 180 days after the contractor submits a qualifying proposal. Use the AFMC FAR Supplement 5317.7404-1(f) mandatory template to document this required information. All UCA packages for AFPEO/AC or designee approval must include a chronological list of the requesting Wing's open UCAs by issue date.
3. Pursuant to AFFARS Mandatory Procedure 5317.7404-3, field offices must report any UCA that is not definitized within 180 days after the contractor submits a qualifying proposal. Accordingly, Wings shall track and report monthly to ASC/PKC the age of all UCAs from both the issuance date and the qualifying proposal receipt date. ASC/PK will report monthly to ASC/CC on the 25 oldest ASC UCAs (see Attachment 2 with notes). Additionally, weekly forecasts of UCAs  $\geq$  \$25M to be issued within 4 weeks shall be provided by each Wing to ASC/PKC for inclusion in the ASC Program Execution Review.
4. Approval authority for all FMS UCAs at or above the AFPEO/AC approval threshold is hereby delegated to ASC/CV in accordance with AFMC FAR Supplement 5317.7404-1.
5. The contracting POC is Mr. Rick Buschagen, ASC/PKC, (937) 255-8541, and the program management POC is Mr. Howard Marks, ASC/AE, and (937) 255-8642.

*John L. Hudson*  
JOHN L. HUDSON  
Lieutenant General  
Commander

2 Attachments:

1. UCA Guidance
2. 25 Oldest ASC UCAs (Format Chart)

UCA GUIDANCE  
AFPEO/AC PROGRAMS  
ASC/CC Policy Memo #08-009  
Attachment 1

The following guidelines are provided to facilitate good business practices for management and control of Undefined Contractual Actions (UCAs).

■ OBLIGATIONS:

- When possible and in order to discourage extended periods of performance prior to definitization, contracting officers should avoid obligating the maximum permissible funding at the time of UCA issue. Obligation of up to 50% of the not-to-exceed (NTE) price, though permitted for most UCAs, should not be automatic. The amount obligated should be based on the contractor's spend plan and should be consistent with what the contractor anticipates spending before the scheduled UCA definitization date. The resulting amount may be much less than 50%.
- The amount obligated on a UCA cannot be increased to 75% of the NTE price unless or until a qualifying proposal is received. A qualifying proposal is defined as one that contains sufficient information for the government to do complete, meaningful analyses and audits.

■ TOOLS TO ENCOURAGE TIMELY DEFINITIZATION: Timely definitization of UCAs is imperative. Failure of a contractor to submit a qualifying proposal by the date established in the UCA constitutes failure to meet a material element of the contract. Remedial actions, such as reducing or suspending progress payments, should be considered. It may be appropriate to note proposal submittal and quality issues in your Contractor Performance Assessment Report.

■ PROFIT/FEE: During definitization, profit/fee negotiations must consider actual costs incurred and the resulting diminished risk for remaining effort to be accomplished. Per DFARS 215.404-71-3(d)(2), contract-type risk should be regarded to be low when costs have been incurred prior to definitization. The contracting officer may assign a contract-type value as low as 0%, regardless of contract type, if a substantial portion of the costs has been incurred prior to definitization.

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <h2 style="margin: 0;">25 Oldest ASC UCAs</h2> <p style="margin: 0;">As Of 31 Mar 08</p> <p style="margin: 0; font-size: small;"><i>Dominant Air Power: Design For Tomorrow...Dellver Today</i></p> </div> </div>										
Contract # Contractor	NTE	% NTE Obt	Approval Auth	Event	Date	Age (Days)	Delay Code	Action/ Status	POC	
F33657-00- D-XXXX- 0011 Acme, Inc.	\$5M	50%	C17SG / CC	Award Date	3/13/06	750	A E G	C-17 Program Radar Upgrade	Org	C17SG
				Qual Prop'l Due	7/13/06	--			PM	D. Jones
				Qual Prop'l	3/13/07	382			CO	S. Smith
F33657-02- C-XXXX- P00005 Widget Tooling	\$68M	35%	ASC/CC	Award Date	6/1/06	670	F G	C-5 Program Cockpit Upgrade	Org	C5SG
				Qual Prop'l Due	5/15/07	--			PM	B. White
				Qual Prop'l	1/30/08	90			CO	D. Brown

Delay codes:

A – Late/Inadequate Proposal (other than Subcontractor data)	E – Delayed Audits
B – Late/Inadequate Subcontractor data	F – Planned delay
C – Lack of Contractor Manpower to support IPT/negotiation process	G – Requirement Change
D – Lack of Grp/Sqdn/ASC Resources	

**Previously Reported “oldest” UCAs:**

1. ASC/PKC will identify 25 oldest UCAs from issue date and obtain information as necessary. Organizations will follow the instructions below.
2. Please review the details for your UCA
3. Update
  - a. NTE value at award
  - b. The amount obligated (as a percent of NTE) to date
  - c. Approval Authority
  - d. Date of award
  - e. Number of days since award
  - f. Due date for Qualifying Proposal
  - g. Date of Receipt of Qualifying Proposal (if available)
  - h. Number of days since receipt of Qualifying Proposal
  - i. Your organization, the cognizant program manager, and the cognizant contracting officer.
4. Enter the primary cause(s) of delay --Use the Delay Codes to document reasons for delay – enter up to three codes
5. Enter a description of the action and issues, if any. Consider adding estimated completion dates for your definitization.
6. Mark as awarded any UCAs that have been definitized since the last report.