03/04/2005DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

MAR 04 2005

SAAL-PP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Accounting for Contract Services

1. **Purpose.** Contractor Manpower Reporting (CMR) will be implemented 8 March 2005 in order to obtain better visibility of the contractor service workforce from contractors supporting the Army. This Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-M&RA) initiative is supported by the Secretary of the Army memorandum, "Accounting for Contract Services" dated 7 Jan 2005 (enclosure 1).

This memorandum will provide:
(a) guidance on the implementation of the Contractor Manpower Reporting initiative for Army Acquisition activities; and
(b) guidance to define the information requirements.

2. **Background.** The Department of Defense Business Initiatives Council (BIC) adopted the initiative, "Improve Visibility of Contact Services". The Army was selected for a pilot study to test a business process designed to collect data regarding the labor costs associated with the contract workforce and the organizations and missions that contract for workforce support. Implementation was approved by the Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-M&RA) and OMB approved data collection pursuant to the initiative for a three year period on November 24, 2003.

This initiative is the only process that captures information on funding source, contracting vehicle, organization supported, mission and function performed, and labor hours and costs for contracted efforts. Because service contracts account for over 50% of DoD's procurement spending, this initiative is a key element in helping us determine what we are buying with those dollars.

Contractor Manpower Reporting (CMR) will enable the Army to:
(a) Fully understand the composition of the total Army workforce-military, civilian, and contractor and allow for more informed workforce staffing and funding decisions;
(b) Provide better oversight of our workforce; avoid duplication of effort or shifting of in-house reductions to contract; and
(c) Ensure the Army is getting full value from our contract workforce.

3. **Applicability.** This reporting requirement applies to all Army contracting activities that initiate or receive acquisition procurement packages after 8 March 2005 for services, as defined by:
Procurement coding manual at
http://www.dior.wjhs.mil/peidhome/guide/mn02/mn02.htm; and the Army data collection web site at https://contractormanpower.army.pentagon.mil; and

Defense Finance and Accounting Service 73-100-XX for EOR codes 23-25 and 32, where IO code is for private sector support.

4. **Requiring Activities.** Army requiring activities are defined as the organizational units that submit a written requirement or statement of need for services that are to be satisfied by a contract. Army requiring activities shall include the Accounting for Contract Services reporting requirements as a requirement in every performance work statement (PWS). The implementation language for PWS is as follows:

> "The Office of the Assistant Secretary of the Army (Manpower & Reserve Affairs) operates and maintains a secure Army data collection site where the contractor will report ALL contractor manpower (including subcontractor manpower) required for performance of this contract. The contractor is required to completely fill in all the information in the format using the following web address: https://contractormanpower.army.pentagon.mil. The required information includes: (1) Contracting Office, Contracting Officer, Contracting Officer's Technical Representative; (2) Contract number, including task and delivery order number; (3) Beginning and ending dates covered by reporting period; (4) Contractor name, address, phone number, e-mail address, identity of contractor employee entering data; (5) Estimated direct labor hours (including sub-contractors); (6) Estimated direct labor dollars paid this reporting period (including sub-contractors); (7) Total payments (including sub-contractors); (8) Predominant Federal Service Code (FSC) reflecting services provided by contractor (and separate predominant FSC for each sub-contractor if different); (9) Estimated data collection cost; (10) Organizational title associated with the Unit Identification Code (UIC) for the Army Requiring Activity (the Army Requiring Activity is responsible for providing the contractor with its UIC for the purposes of reporting this information); (11) Locations where contractor and sub-contractors perform the work (specified by zip code in the United States and nearest city, country, when in an overseas location, using standardized nomenclature provided on website); (12) Presence of deployment or contingency contract language; and (13) Number of contractor and sub-contractor employees deployed in theater this reporting period (by country). As part of its submission, the contractor will also provide the estimated total cost (if any) incurred to comply with this reporting requirement. Reporting period will be the period of performance not to exceed 12 months ending 30 September of each government fiscal year and must be reported by 31 October of each calendar year. Contractors may use a direct XML data transfer to the database server or fill in the fields on the website. The XML direct transfer is a format for transferring files from a contractor's systems to the secure web site without the need for separate data entries for each required data element at the web site. The specific formats for the XML direct transfer may be downloaded from the web site."

CMR applies to service requirements provided the organization that is receiving or benefiting from the contracted services is an Army organization. It includes requirements identified by the requiring activity for its own use or any service requirement received from another Army agency or command where the

requiring activity is tasked to be responsible for developing the requirement and monitoring the acquisition of services. The requiring activity is responsible for resources, including funding, associated with the collection and reporting of data. The requiring activity is also responsible for monitoring the contractor's reporting of required information. Requiring activities with questions about the application of this guidance to a given service requirement may call the help desk at 703-377-6199.

5. **Contracting Officer.** The contracting officer shall review service acquisition requirements packages for the inclusion of this data requirement, negotiate a fair and reasonable price for the collection and reporting of the data, and include the requirement in the PWS and Section B of the solicitation and any resultant contract. The Contracting Officer shall include the requirement to monitor the contractor's reporting of required information in the Contracting Officer's Representative (COR) appointment letter. Delegation of contract administration to DCMA will include the monitoring of this requirement

6. **Contracting Officer's Representative.** The Contracting Officer's Representative shall ensure that contractors report the required information, as sent forth in the COR appointment letter and surveillance plan.

7. **Contractor.** Contractors will report the required information to the CMR System, web address: https://contractormanpower.army.pentagon.mil or through the requiring activity, as defined in the PWS. Contractors may direct questions to the help desk at 703-377-6199.

8. **Questions and Points of Contact**. The "Frequently Asked Questions and Answers" (enclosure 2) that resulted from CMR planning and discussions with users are attached to this guidance for your convenience. Please contact the Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-M&RA) with any technical or implementation question on CMR at 703-614-8247 or 703-697-5290; the Contractor Manpower Reporting System web site at contractormanpower@hqda.army.mil; and the CMR help desk number at 703-377-6199.

Emily H. Clarke
Director
Procurement Policy and Support

Enclosures
as

SUBJECT: Accounting for Contract Services

DISTRIBUTION:
ASSISTANT SECRETARY OF THE ARMY (ACQUISITION, LOGISTICS AND TECHNOLOGY), ATTN: SAAL- ZB/SAAL-ZT/SAAL-ZG/SAAL-ZL/ SAAL-ZP/SAAL-ZS/SAAL-ZR/SAAL-ZC/SAAL-ZN
DEPARTMENT OF THE ARMY, OFFICE OF THE DEPUTY GENERAL COUNSEL (ACQUISITION)
CHIEF INFORMATION OFFICER (CIO)/G-6, OFFICE OF THE SECRETARY OF THE ARMY
DEPUTY CHIEF OF STAFF FOR LOGISTICS, UNITED STATES ARMY
DEPUTY CHIEF OF STAFF FOR PERSONNEL, UNITED STATES ARMY
CHIEF OF ENGINEERS, UNITED STATES ARMY CORPS OF ENGINEERS
THE SURGEON GENERAL, OFFICE OF THE SURGEON GENERAL, UNITED STATES ARMY
THE JUDGE ADVOCATE GENERAL, UNITED STATES ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT, UNITED

UNITED STATES ARMY
COMMANDERS:
U.S. ARMY FORCES COMMAND
U.S. ARMY TRAINING AND DOCTRINE COMMAND
U.S. ARMY MATERIEL COMMAND, ATTN: AMCCG
US ARMY EUROPE & 7TH ARMY
EIGHTH US ARMY
U.S. ARMY CORPS OF ENGINEERS
US ARMY SPECIAL OPERATIONS COMMAND
U.S. ARMY MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND
US ARMY CRIMINAL INVESTIGATION COMMAND
U.S. ARMY MEDICAL COMMAND/THE SURGEON GENERAL
US ARMY INSTALLATION MANAGEMENT ACTIVITY
U.S. ARMY INTELLIGENCE AND SECURITY COMMAND
U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND
US ARMY NETWORK, ENTERPRISE, TECHNOLOGY COMMAND
US ARMY HUMAN RESOURCES COMMAND
US ARMY TEST AND EVALUATION COMMAND
U.S. ARMY RESERVE COMMAND, ATTN: AFRC-DC

U.S. ARMY AVIATION AND MISSILE COMMAND
RESEARCH, DEVELOPMENT AND ENGINEERING COMMAND
U.S. ARMY LIFE CYCLE COMMUNICATIONS-ELECTRONICS COMMAND
U.S. ARMY FIELD SUPPORT COMMAND
U.S. ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND

DIRECTOR, ARMY NATIONAL GUARD
DEFENSE CONTRACTING COMMAND-WASHINGTON

PROGRAM EXECUTIVE OFFICERS:
AVIATION, ATTN: SFAE-AV
AIR, SPACE AND MILLILE DEFENSE
COMMAND, CONTROL AND COMMUNICATION SYSTEMS (TACTICAL)
COMBAT SUPPORT AND COMBAT SERVICE SUPPORT, ATTN: SFAE-CSS
SIMULATION, TRAINING AND INSTRUMENTATION
CHEMICAL & BIOLOGICAL DEFENSE, ATTN: JPEO-CBD,
AMMUNITION, ATTN: SFAE-AMO-P
SOLDIER, ATTN: SFAE-SDR
TACTICAL MISSILES, ATTN: SFAE-MSL
COMBAT SUPPORT/COMBAT SERVICE SUPPORT
INTELLIGENCE, ELECTRONIC WARFARE AND SENSORS,
ATTN: SFAE-IEW&S
ENTERPRISE INFORMATION SYSTEMS
GROUND COMBAT SYSTEMS, ATTN: SFAE-GCS

CHEMICAL MATERIALS AGENCY, ATTN: AMSCM-D
PM TACTICAL APPLICATIONS
MISSILE DEFENSE AGENCY
U.S. SPECIAL OPERATIONS COMMAND, ATTN: AOFI4-
DIRECTOR, ARMY ACQUISITION SUPPORT CENTER
DIRECTOR, ARMY RESEARCH LABORATORY
U.S. DEVELOPMENTAL TEST COMMAND

PRINCIPAL ASSISTANTS RESPONSIBLE FOR CONTRACTING:
U.S. ARMY AVIATION AND MISSILE COMMAND, ATTN: AMSAM-AC
U.S. ARMY RESEARCH, DEVELOPMENT AND ENGINEERING COMMAND
ACQUISITION CENTER, ATTN: AMSRD-AC
U.S. ARMY COMMUNICATIONS-ELECTRONICS LIFE CYCLE MANAGEMENT
COMMAND, ATTN: AMSEL-AC-C
U.S. ARMY FIELD SUPPORT COMMAND, ATTN: AMSFS-CC
U.S. ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND,
ATTN: AMSTA-AQ
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND,
ATTN: AMCCP-O
U.S. ARMY CONTRACTING AGENCY, ATTN: SFCA
U.S. ARMY CONTRACTING AGENCY, SOUTHERN REGION,
ATTN: SFCA-SR
U.S. ARMY CONTRACTING AGENCY, NORTHERN REGION,
ATTN: SFCA-NR,
U.S. ARMY CONTRACTING AGENCY, INFORMATION TECHNOLOGY,
E-COMMERCE AND COMMERCIAL CONTRACTING CENTER (ITEC4),
ATTN: SFCA IT

U.S. ARMY CONTRACTING COMMAND, EUROPE, ATTN: SFCA-EC
U.S. ARMY CONTRACTING COMMAND, KOREA, ATTN: SFCA-KC
U.S. ARMY CONTRACTING ACTIVITY, PACIFIC, ATTN: SFCA-PR-5-
U.S. ARMY CONTRACTING AGENCY, SOUTHERN HEMISPHERE, ATTN: SFCA-SH
U.S. ARMY CONTRACTING COMMAND, SOUTHWEST ASIA, ATTN: SFCA-SA
DEFENSE CONTRACTING COMMAND-WASHINGTON
U.S. ARMY MEDICAL COMMAND, ATTN: MCAA
U.S. ARMY INTELLLIGENCE AND SECURITY COMMAND, ATTN: IAPC
U.S. ARMY MEDICAL RESEARCH AND MATERIEL COMMAND, ATTN: MCMR-AAZ-A
SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND, ATTN: BMTAQ
U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND, ATTN: SMDC-CM (PARC)
U.S. ARMY CORPS OF ENGINEERS, ATTN: CEPR-ZA
NATIONAL GUARD BUREAU, ATTN: NGB-AQ

Accounting for Contractor Services

Frequently Asked Questions and Implementing Guidance

1. Q - Is there a threshold above which the data is collected?

A – No, the decision by M&RA at his time is to collect data for all service contracts, regardless of dollar amount or length of the service.

2. Q – This requirement starts on 8 March 2005, and is for prospective contracts – at what point must it be added into an ongoing prospective procurement?

A – For any requirement that has not been solicited by March 8, 2005, requiring activities shall add Accounting for Contract Services to their requirement packages that are provided to the contracting officer.

3. Q - What about existing contracts?

A – Army organizations acquiring contracted services shall include the Accounting for Contract Services requirement in newly issued contracts, task/delivery orders and bi-laterally modified contracts.

4. Q – When is the data collected?

A – Data may be entered into the CMR system at any time during the contract's period of performance, however data must be accurate and complete and entered into CMR during the data gathering period of 1 October through 15 November for every year, or part of a year, for which the contract is in force.

5. Q - Is there a dollar threshold exclusion?

A- No. Requiring activities with questions about the application of this guidance to a given service requirement may call the help desk at 703-377-6199.

6. Q - Does the reporting CLIN have to be priced separately?

A - No. The solicitation will include the requirement in the PWS and a CLIN in Section B. The contractor will determine to price or not-separately-price the requirement.

7. Q- If Army MIPRs funds to another agency to contract for the Army, does the requirement still applies.

A – Yes.

8. Q – How has this policy been promulgated?

A – The Secretary of the Army memorandum, Accounting for Contract Services, dated 7 Jan 05, has been promulgated to all MACOMs. It will be used in the PPBS process to affect MACOM resources.

9. Q – Will this requirement require a Contract Data Requirement List in the contract and task orders?

A – No.

10. Q – Where does the contractor get information about entering data into the web site?

A –The web address is: https://contractormanpower.army.pentagon.mil.

11. Q – How is the contractor's information protected?

A – Information from the secure web site is considered to be proprietary in nature when the contract number and contractor identity are associated with the direct labor hours and direct labor dollars. At no time will any data be released to the public, with the contractor name and contract number associated with the data. For internal Army analysis, the reports and queries from the database shall not contain proprietary data.

12. Q - Does this apply to Grants and Other Transactions?

A – No.

13. Q – What criteria should be used to determine if the contractor's proposed cost for this requirement are fair and reasonable?

A – It is estimated that a one time set up of XML schema is 20 hours per contractor.

14. Q - What rate is to be entered into the web site, fully loaded or direct labor rate?

A – The Secretary of the Army memo states that the information to be reported includes estimated direct labor dollars and total payments.

15. Q – On a contract that contains a combination of supplies and services, in which case over 50% of the contract cost is for supplies and is therefore coded with an FSC of 5895, is the contractor required to report to the manpower website?

A - Yes.

16. Q - On a contract that has a period of performance of less than 12 months, is the contractor required to report (i.e. 1 month period of performance (POP) for decontamination services of hazardous material suites?

A - Yes.

17. The language that is to be incorporated into the PWS states that the reporting period is "the period of performance not to exceed 12 months ending September 30th." If the POP is for 14 months, is the contractor required to report twice (after 12 months and then again after the two additional months in the next fiscal year?)

A - Yes.

18. Q - For Delivery Order type contracts, does the contractor report for each separate delivery order when awarded, or does the contractor just keep amending the information for the basic contract on the website (e.g. Does an IDIQ contract with 34 delivery orders get entered 34 separate times on the manpower website or just get entered once while getting updated each time a delivery order is awarded under that basic contract)?

A – Each task/delivery order shall be reported.

CMR applies to Army organizations that receive or benefit from contracted services. Please contact the Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-M&RA) with any technical or implementation question on CMR at 703-614-8247 or 703-697-5290; the Contractor Manpower Reporting System web site at contractormanpower@hqda.army.mil; and the CMR help desk number at 703-377-6199.