

Instructions to Offerors for the Development of CLIN Structures/Payment Milestones/Detailed Project Schedules

This guidance is being provided to communicate Army expectations for the development of contract line item (CLIN) structures and the correlation with the subsequent development of payment milestone schedules and detailed project schedules. This guidance is not intended to remove contractor flexibility. The examples provided are for illustration purposes only and are not intended to be inclusive of all acceptable approaches.

Contracts for the acquisition of services are funded in stages that are economically or programmatically viable. CLINs provide a means for funding economically or programmatically viable stages by identifying the items or services to be acquired as non-severable contract deliverables. Services may be for more than one, but not more than five program years. Contract line items (CLINs) shall provide a firm fixed price for separately identifiable contract deliverables. Each CLIN shall have its own delivery schedule or completion date expressly stated. For example: Achieve [performance objective] for [site number(s)] by [day month year].

CLINs may be further subdivided into sub-CLINs that identify information that relates directly to, and is an integral part, of the CLIN but is subdivided for administrative purposes to facilitate payment or other management purposes. For example:

- o [site number(s)] RI/FS through RD/RA by [day month year] (if CERCLA)
- o [site number(s)] CMS through CMI-C by [day month year] (if RCRA)

Each separately identified contract sub-CLIN shall have its own firm fixed price and delivery schedule or completion date. Sub-CLIN prices and completion dates must not exceed the value or completion date of the CLIN. Because the amount of available program funding is unpredictable, the use of sub-CLINs provides the Army with the flexibility to match options to be exercised with available funding.

CLINs shall consist of four numeric digits 0001 through 9999 but should not use numbers beyond 9999. The item numbers shall be sequential, but need not be consecutive. Once a CLIN number has been assigned, it shall not be assigned to another contract line item in the same contract. Sub-CLINs shall use alpha characters running AA through ZZ. For example, if the CLIN number is 0001, the first three sub-CLIN items would be 0001AA, 0001AB, and 0001AC. All 24 available alpha characters should be used in the second position before selecting a different alpha character for the first position. For example, use AA, AB, AC, through AZ before beginning BA, BB, and BC. Alpha characters I and O should be avoided due to the potential for confusion with numeric digits 1 or 0.

Payment milestones shall not represent a "progress" payment or a "monthly" payment for level of effort expended. For any performance objective, a milestone payment shall be for completion of a definable and measurable point considered integral and necessary to completion of the performance objective. For example, if the Performance Objective is to achieve Remedy-in-Place (RIP) or Response Complete (RC) and work required to achieve RIP or RC includes RI/FS, PP, ROD, Remedial Design (RD), and Remedial Action (RA), then potential interim milestone payments could be:

- o Army Approval of Draft RI/FS;
- o Regulator approval of RI/FS;
- o Army Approval of Draft PP;
- o Regulator approved PP;
- o Signed ROD;
- o Completion of X% of RA;
- o Completion of RA;
- o Army Approval of Draft Construction Complete Report;
- o Regulatory Approval that Site Close-Out is achieved.

Contractor proposed milestone payments for Army approval of draft documents requires sufficient funds to remain associated with the final document to ensure completion of the performance objective. Payment milestone ranges could be as low as 60% but shall not exceed 80% of the total payment for that CLIN/Sub-CLIN prior to achievement of the final deliverable for the CLIN. Army acceptance of contractor proposed draft milestones, or the proposed percentage of the payment milestone as compared to the total payment for that CLIN/Sub-CLIN, is discretionary and negotiated on a case-by-case contract basis between the Army and selected offeror. The QASP should highlight key quality control activities or events that the COR will use to determine when Army (COR or Contracting Officer (KO)) inspections can be conducted to assess completion of milestones. Activities identified in the QASP should be appropriately coded in the project schedule to allow for planning of QA inspections.

An example illustrating the progression of CLIN structure to detailed project schedule follows.

EXAMPLE CLIN STRUCTURE (Army approval required prior to Task Order award)

CLIN/SUB-CLIN	CLIN/SUB-CLIN DESCRIPTION	CLIN/SUB-CLIN AMOUNT
2001	ENVIRONMENTAL REMEDIATION SERVICES FFP Services in accordance with the performance work statement in Section C	\$0
2001AA	Project Management Plan (PMP) and Quality Assurance Surveillance Plan (QASP)	\$10,000
2001BA	Achieve RIP for CSWP-001 Fire Training Area 1 by 30 Jun 07	\$200,000
TOTAL		\$210,000

EXAMPLE PAYMENT MILESTONE SCHEDULE (Negotiated between the Army and the selected offeror and approved by the Army)

CLIN/SUB-CLIN	CLIN/SUB-CLIN/PAYMENT MILESTONE DESCRIPTION	CLIN / SUB-CLIN AMOUNT	PAYMENT MILESTONE AMOUNT
2001	ENVIRONMENTAL REMEDIATION SERVICES FFP Services in accordance with the performance work statement in Section C	\$0	
2001AA	Project Management Plan (PMP) and Quality Assurance Surveillance Plan (QASP)	\$10,000	
	Army Approval of Draft PMP/QASP		\$6,000
	Army Approval of Final PMP		\$4,000
2001BA	Achieve RIP for CSWP-001 Fire Training Area 1 by 30 Jun 07	\$200,000	
	Army Approval of Draft Feasibility Study		\$30,000
	Army Approval of Final Feasibility Study		\$20,000
	Army Approval of Draft Record of Decision		\$6,000
	Army Approval of Final Record of Decision		\$4,000
	Army Approval of Draft Remedial Action Work Plan/Remedial Design		\$62,000
	Army Approval of Final Remedial Action Work Plan/Remedial Design		\$38,000
	Army Approval of Draft Remedial Action Completion Report (RACR)		\$30,000
	Army Approval of Final Remedial Action Completion Report (RACR)		\$10,000
TOTAL		\$210,000	\$210,000

Payment Milestones

NOTE: Payment milestone ranges could be as low as 60% but shall not exceed 80% of the total payment for the CLIN/SubCLIN prior to achievement of the final deliverable. In the example above, 80% of \$200,000 = \$160,000, therefore RACR (draft + final) = \$40,000 or 20% of Sub-CLIN 2001BA

EXAMPLE DETAILED PROJECT SCHEDULE (Army approval required as part of the PMP)

ACTIVITY ID #	ACTIVITY DESCRIPTION	DURATION	START	FINISH
2001	Task Order Award	1 day	1 Oct 07	1 Oct 07
2001AA0001	Kick-Off Meeting	1 day	15 Oct 07	15 Oct 07
2001AA0002	Prepare Draft PMP and QASP	30 days	1 Oct 07	31 Oct 07
2001AA0003QA	Army Review of Draft PMP/QASP	30 days	1 Nov 07	1 Dec 07
2001AA0004PM	Army Approval of Draft PMP/QASP	1 day	1 Dec 07	1 Dec 07
2001AA0005	Respond to Army Review Comments on Draft PMP	30 days	2 Dec 07	1 Jan 08
2001AA0006QA	Army Review of Final PMP	30 days	2 Jan 08	1 Jan 08
2001AA0007PM	Army Approval of Final PMP	1 day	1 Feb 08	1 Jan 08

NOTE: Army quality assurance surveillance activities precede all payment milestones. Per the PWS, activities are coded (designated by the suffix QA in the activity ID #) in the project schedule.