

## Accounting for Contractor Services (June 14, 2005)

**NOTE:** This updates March 17, 2005, April 6, 2005, April 18, 2005, and May 24, 2005, June 10, 2004 version of Frequently Asked Questions by adding question 29.

### Frequently Asked Questions and Implementing Guidance

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

A - Data regarding contracts below \$25,000 need not be reported. However, individual delivery/purchase orders under \$25K must be reported if they are part of contract that is valued is at more than \$25K.

2. Q – This requirement starts on 8 March 2005– at what point must it be added into an ongoing 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. **Existing contracts must be modified by September 30, 2005 to include this reporting requirement, except where it is anticipated that no additional work will be performed after September 30, 2005.** The reporting shall take place prospectively from the date the requirement is added to the contract. **An Army organization's compliance with this requirement will be a factor considered in assessing an organization's justification of its current resources, or requests for additional resources in departmental decisions.**

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 October 31 for every year, or part of a year, for which the contract is in force.

5. 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.

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

A – Yes.

7. 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.

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

A – No.

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

A –The web address is: <https://contractormanpower.army.pentagon.mil>. It contains a User's Manual, answers to frequently asked questions, help desk and facilities for arranging for training.

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

A –Contract number and contractor identity will be treated as proprietary information when they 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.

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

A – No.

12. 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 should not exceed 20 hours per contractor. If a contractor provides a larger estimate, it is likely they do not properly understand the nature of the requirement and should be referred to the CMR help desk at the web site for training or reference. The CMR help desk will encourage contractors to centralize their set up of an XML schema

uploading data from their existing payroll systems at the corporate level, rather than setting up separate XML schema's in each contractor's field office. Once the XML schema is set up, there should not be a direct charge for recurring reporting.

13. Q - What rate is to be reported, fully loaded or direct labor rate?

A – **No labor “rates” are reported for various labor categories.** The information is reported at an aggregated level of detail, that is, by Federal supply and service code function and location (i.e., zip code where the work is performed by the contractor or their sub-contractors). Instead of rates, the following is to be reported: the number of direct labor hours performed **for the reporting period**; the associated direct (unloaded) labor dollars **for the reporting period**; and total payments **for the reporting period**. The hours and dollars are to include **sub-contractors**. It is anticipated that the total payments for that reporting period under that contract will include loadings and other direct (non-labor) costs. In addition, total payments include what has already been paid to the contractor and what the contractor expects to be paid for the reported services.

14. 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 a Federal supply and service code of 5895, is the contractor required to report to the manpower website?

A – Yes. The percentage of a contract that is a service is irrelevant. The requirement applies for **any** service that is not an incidental service covered in overhead (such as progress reports).

15. 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.

16. Q - For Delivery Order type contracts, does the contractor report for each separate delivery order when awarded?

A – No data is reported until the performance that takes place during the reporting period is completed. All reporting is annual no later than October 31, 2005 for the period ending September 30. Reported information is based on discrete services by function, location and requiring activity. Task/delivery order number is one of the associated data elements required for these discrete

services reported by function, location, requiring activity, and period of performance.

17. Q – Are any functions covered under the Federal Supply and Service Codes (FSC) for services excluded from reporting?

A- Utilities are excluded.

18. Is data “entered” into the web site?

A - **No**. Each data element is **not** keyed into separate fields in the web site. Rather, a standardized XML format is used to upload the data into the web portal from a contractor’s payroll and accounting systems, with associated contract data. No data base is maintained at the web site. The web site is simply a data collection portal.

19. What if a contractor does not have the technical ability to use an XML format to upload their data?

A – An alternative means of providing data is to use Microsoft Excel 2003 to generate an XML. Earlier versions of Microsoft Excel can not be used because the XML functionality was released with version 2003. See the User’s Manual on CMR web site for further details on using excel. If a contractor lacks the technical ability to deal with Excel, the Requiring Activity can take report the data using the XML format or Excel. Again, this process is described in more detail in the User’s Manual.

20. Is the current CMR effort a continuation of an earlier effort to account for contract support to the Army which was terminated in 2000?

A – No. The prior effort used a non-standard clause; web-based data entry; required monthly reporting; and reported different data elements. The current effort is implemented as a requirement in the statement of work; uses an XML format to report the data; and is reported annually.

21. The CMR effort applies to Army requirements funded by non-Army appropriations or reimbursable funding sources. Are any reimbursable funding sources funding Army requirements excluded from the CMR reporting requirement?

A—Foreign military sales and civil works are excluded from the reporting requirement.

CMR applies to Army organizations that receive or benefit from contracted services. Please contact the Office of the Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-M&RA) with any policy questions on CMR

at 703-614-8247 or 703-697-5290; Please contact the Contractor Manpower Reporting System web site at [contractormanpower@hqda.army.mil](mailto:contractormanpower@hqda.army.mil); and the CMR help desk number at 703-377-6199 for any technical implementation questions.

22. Are service contracts in classified or "black programs" to be reported?

A -- Yes. However, these kinds of classified contracts are not to be reported to CMR web site but separate arrangements must be made to report the data to U.S. Army Force Management Support Agency (FMSA) at their SIPRNET address, attention Steve Croall or LTC Wyler. Mr. Croall's number is 703-805-4188. His DSN prefix is 655. His STU number is 4331.

23. How does this system relate to the procurement of commercial items?

A -- Many services are procured as commercial items. They are not excluded. The information requested is not being used by contracting officers to make acquisition decisions but is being provided for Department of Army management information purposes and will not be linked to contractor name or number when analyzed at Departmental level. Therefore, the manner of procurement (often chosen in name of expediency) should not be basis for excluding a service from reporting.

24. One of our contractors has asked how far down does he have to report on subcontracts? He does not have visibility for every single lower tier.

A.. Every tier is included in the reporting. Any contractor with a payroll system has the capability to provide the information, subject to slight modifications to facilitate reporting. This is a requirement that the government is paying for. The requirement is not being used to second-guess sub-contracting decisions.

25. My Federal Service Code does not match anything within your system. What should I do?

A. Fill in the FSC field with 'XXXX' and state in the Comments field what kind of services that your organization provides the government.

26. Who is expected to put subcontractor information into the CMR system?

A - Prime contractors are expected to report all the data for their sub-contractors. Page 7 of the Users Manual on the web site states: "Although the site contains information for the sub-contractor, the prime contractor, or Army requiring activity inserts all information." Page 27 of the same Users Manual states: "Labor hours and costs from different sub-contractors may be aggregated so long as they perform work within the same FSC code function or in the same location. (Names of individual sub-contractors need not be reported). The sub-contractors are depicted in Figure 35 'Location Hierarchy within CMR' merely to emphasize that prime contractors must include sub-contractor labor hours in their report."

27. Must labor associated with manufacturing hardware or supplies be reported?

A. Labor hours expended in manufacturing supplies or hardware are not included in this reporting requirement. However the labor associated with training support, program management, engineering support or maintenance services pertaining to the supplies being purchased must be reported.

28. Must a contractor manpower report containing labor hour and cost information be submitted along with a bid or proposal?

A. No. A report is only submitted annually for work actually performed during the period ending 30 September of each year. No report of any kind is required at the solicitation phase of the procurement, although a bidder/offeror may be asked to price the contract line item pertaining to the report or agree to deliver the report pursuant to the contract.

29. Does the requirement for a contractor to report the zip code of locations where work is performed apply to routine travel?

A. No. The intent of reporting the zip code of the location where work is performed is to assist the Army in identifying the various Army organizations that are customers benefiting from contract support, when those organizations are distinct from the requiring activity. When the customer is simply the requiring activity, only the zip code of the requiring activity need be reported. The only exception to these points is when there is travel by contractor employees into one of the theaters for which tracking of contractor employees is currently required (See table .. in Users Manual for a list of those countries).

30. Q. Does this reporting requirement apply to GSA schedule contracts?

A. Yes. The reporting requirement must be included in contracts using GSA pricing awarded internally by the Army and in Government Wide Acquisition Contracts (GWAC) awarded by GSA for the Army. Army requiring activities must include the reporting requirement in the statements of work sent to GSA for use in GWACs.