



U.S. Department of
Transportation

Office of the Secretary
of Transportation

ORDER

DOT 4200.12B

2-10-86

Subject: REVIEW OF PROPOSED CONTRACT ACTIONS

1. PURPOSE. This Order establishes policy guidelines for review of proposed contract actions.
2. CANCELLATION. DOT 4200.12A, Review of Proposed Contract Awards, of 12-10-78.
3. SCOPE. The provisions of this Order are applicable to all proposed contracts and modifications. This Order does not affect the procurement prenotification review.
4. POLICY. It is the policy of the Department of Transportation (DOT) to ensure that all contracts are appropriately reviewed for conformance with applicable laws, established policies and procedures, and sound business practices.
5. RESPONSIBILITY. Heads of the contracting activities, as defined by the Transportation Acquisition Regulation, are responsible for ensuring compliance with the foregoing policy.
6. ESTABLISHMENT OF CONTRACT REVIEW PROCEDURES.
 - a. The head of the contracting activity shall establish procedures for reviewing proposed contracts and modifications at various stages during the contracting process. These reviews shall be accomplished with a level of detail commensurate with the dollar value and complexity of the action. For contracts over \$100,000, these reviews shall include, as a minimum, a presolicitation review, in-process reviews as appropriate, and a preaward review. Reviews by the Assistant Secretary for Administration will be conducted in accordance with paragraph 7 below.
 - b. The head of the contracting activity shall require documentation of all reviews in writing. The documentation shall be made a part of the permanent contract file. Documented Source Evaluation Board procedures, which satisfy equivalent preaward review requirements, need not be duplicated.
7. OFFICE OF THE SECRETARY REVIEW.
 - a. The Assistant Secretary for Administration shall approve the following types of proposed contract actions awarded

DISTRIBUTION: All Secretarial Offices
All Operating Administrations

OPI: Office of
Installations
and Logistics

under the Department's direct procurement program.

- (1) All proposed competitively derived contracts in the amount of \$1,000,000 or more, including options.
 - (2) All proposed noncompetitive contracts in the amount of \$500,000 or more, including options.
 - (3) All proposed modifications to any contract, which would increase the contract amount by \$500,000 or more.
 - (4) All contracts which are to be awarded prior to resolution of a protest to the General Accounting Office, or where a decision is made to proceed with contract performance notwithstanding notice of a protest.
 - (5) All proposed letter contracts or unpriced modifications with an estimated cost to definitize of \$500,000 or more, including options.
 - (6) All definitizations of letter contracts, or unpriced modifications, in the amount of \$500,000 or more, including options.
- b. The Office of Installations and Logistics (M-60) shall review all contract documents prior to submission to the Assistant Secretary for Administration for approval.
- c. The head of the contracting activity shall ensure that copies of the following documents accompany any request for contract award or modification approval, as applicable, and shall immediately make the complete contract file available for review when requested.
- (1) A copy of the proposed contract or modification;
 - (2) Approved procurement prenotification;
 - (3) Price negotiation memorandum;
 - (4) Justification for other than full and open competition; and
 - (5) Certification of legal sufficiency by their Counsel's Office, if obtained.

- d. M-60 will require normally five working days for preaward reviews.
- e. M-60 shall notify the submitting office of contract approval and shall forward the public and Congressional notification form, entitled "Proposed Award of Contract or Grant," to the Office of the Assistant Secretary for Public Affairs for public release. The submitting office shall be responsible for complying with the public affairs release requirements.
- f. The following actions are exempt from the approval requirements set forth in paragraph 7.a. above:
 - (1) Construction contracts resulting from sealed bidding;
 - (2) 8(a) contracts awarded by the Small Business Administration;
 - (3) Utility service contracts;
 - (4) Awards against GSA schedule;
 - (5) Awards using source selection procedures, set forth in DOT Order 4200.11A, Source Selection, of 10-18-81, when the Source Selection Official is in the Office of the Secretary (OST); and
 - (6) Interagency agreements.
- g. All requests for Office of the Secretary approval must specifically address the applicability of DOT Order 4200.9A, Acquisition Review and Approval, of 8-29-78 and DOT Order 4200.14B, Major Systems Acquisition Review and Approval, of 1-6-83.
- h. A copy of the award approval, signed by the Assistant Secretary for Administration, will be forwarded to the submitting office for inclusion in the permanent contract file within one working day of approval.

8. AUTHORITY TO CHANGE OST REVIEW THRESHOLDS. The Assistant Secretary for Administration may alter the review thresholds set forth in paragraph 7.a. The Heads of Operating Administrations should present any request in writing detailing reasons which justify the requested change.

FOR THE SECRETARY OF TRANSPORTATION:



Jon H. Seymour
Assistant Secretary
for Administration