



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

AUG 29 2007

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contract Administration Services (CAS) Fee for U.S. Army Corps of Engineers (CoE) Foreign Military Sales (FMS) Contracts (DSCA 07-33) [SAMM E-Change 86]

REFERENCE: DSCA Memorandum I-060185/90, 25 July 1990

The Corps of Engineers (CoE) performs quality assurance and inspections and other contract administrative services on their contracts. The reference memorandum recognized that these services were included in the CoE supervision and administrative rate and directly charged to the FMS case funding the contract. The memo acknowledged the Contract Administration and Quality Assurance and Inspection portions of CAS were inappropriate for CoE FMS cases.

In recognition of this longstanding policy, the SAMM, Table C9.T2. section on FMS Contract Administration Services Surcharges is updated as provided in the attachment. This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 86.

If you have any questions concerning this change please contact Jan Rakickas, DSCA/DBO/FPA, 303-676-6172, DSN 926, email jan.rakickas@dfas.mil or Patti Higgins, 703-604-6570, DSCA/DBO/FPA, email patricia.higgins@dsc.mil.


Ann Cataldo
Principal Director
Business Operations

Attachment
As stated

CAS Changes to SAMM Table C9.T2

Charge	Description	How Priced	Applied by - for billing	References
<p>Contract Administration Services (CAS) Surcharge</p>	<p>Contract is comprised of three basic elements: (1) quality assurance and inspection; (2) contract management; and (3) contract audit.</p> <p>For cases implemented on or after 1 Oct 2002 that have contracts administered overseas an additional element (OCONUS CAS) applies.</p> <p>For Corps of Engineers contracts, quality assurance and inspections and other contract administrative services costs are included in its supervision and administration costs charged to the case line.</p>	<p>Included in value of procurement line items (Source of Supply (SOS) of "P" or "X") on the LOA.</p> <p>A surcharge applies to each element. May be waived if reciprocal agreements exist.</p> <p>For cases implemented before 1 Oct 2002, a surcharge of .5% applies to each element for a maximum of 1.5% if all elements apply to a given FMS case.</p> <p>For cases implemented on or after 1 Oct 2002, a surcharge of .65% applies to contract administration/management, .65% to quality assurance and inspection, .20% to contract audits, for a total of 1.5%. For contracts administered overseas an additional .20% (OCONUS CAS) applies to the entire case.</p> <p>For Corps of Engineers (CoE) cases implemented before 1 Oct 2002, a surcharge of .5% for contract audit is applied.</p> <p>For CoE cases implemented on or after 1 Oct 2002, a surcharge of .2% for contract audit is applied. The .2% OCONUS CAS does not apply to CoE contracts administered overseas.</p>	<p>DFAS Denver</p>	<p>AECA, section 21(h) DoDFMR, Volume 15, Chapter 7, paragraph 070405</p>

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