Acquisition Approval Request (AAR) Obligation Amount

Flash No.: 2022-2

Any questions/clarifications concerning the Acquisition Flash should be sent to the POD’s Procurement Analysts at Procurement.Operations@usda.gov. See the Flashes on the POD website at https://www.dm.usda.gov/oppm/pod/index.htm.

Clarification of the Acquisition Approval Request (AAR) obligation amount.

USDA Contracting Desk Book, v3.0 ($407.104, Information Technology, page 63) states:

The Contracting Officer must not release the award unless an approved AAR number has been granted for the full obligated amount of that contract action. Note: AARs are required for every contract action, unless there are substantive changes to the original approved acquisition planning. IAS will prevent IT contract award unless valid AAR number(s) are provided. The AAR requirement does not prohibit the contracting office from accepting the requisition, issuing a solicitation, and collaborating with the requiring office in the development of the award.

TO CLARIFY:

To release an award, the CO must have an approved AAR(s) for the full obligated amount of that contract action. For example, if the contract is a base with 2 option years, and the base CLIN will obligate $5M, the AAR must be approved for at least $5M (+/- 10% variance); same will apply if obligating any optional/surge CLINS or option periods amounts on the contract. If under Continuing Resolution (CR), the base CLIN is $5M, but the CR funding is to obligate $1M, the AAR must be approved for $1M (+/- 10% variance).

Note Worthy:

1. The committed funds on the requisition must not exceed the AAR amount (incl. the 10% variance).
2. If there is no “financial” tied to the contract action (e.g., no funds IAS obligating to FMMI), then no AAR is needed. The AAR(s) must cover the full obligated amount for every action when the CO is obligating funds.