



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH AND MATERIEL COMMAND
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MCMR AAP-A

30 January 2006

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Procurement Advisory Notice (PAN) 06-02
Telecommuting for Federal Contractors

1. **Introduction.** On October 5, 2004 (69 FR 59701) an interim rule was published in the Federal Register that amended the Federal Acquisition Regulation (FAR) to implement Section 1428 of the Services Acquisition Reform Act of 2003 (Title XIV of Public Law 108-136), permitting Federal contractors the opportunity to provide services in a telecommuting mode.

2. **Background.** The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council initiated this change to make it easier for small businesses to recruit and maintain employees to work on Government contracts.

3. **Regulatory Changes.** Four regulatory amendments concerning telecommuting by federal contractors were made to the FAR by the interim rule denoted in paragraph 1: FAR 7.108 pertaining to acquisition planning; FAR 11.002(g) describing agency needs; FAR 13.106-2 evaluating quotations and offers; and FAR 15.304(c)(6) evaluating offers with factors and significant sub-factors.

4. **Effect.** A federal agency shall generally not discourage a contractor from allowing its employees to telecommute in the performance of Government contracts. Therefore, agencies shall not include in a solicitation a requirement that prohibits an offeror from permitting its employees to telecommute unless the Contracting Officer first determines that the requirements of the agency, including security requirements, cannot be met if telecommuting is permitted. The Contracting Officer shall document the basis for the determination in writing and specify the prohibition in the solicitation. Additionally, when telecommuting is prohibited, the Contracting Officer shall address the evaluation procedures of the solicitation as it relates to this subject.

When telecommuting is not prohibited, a federal agency shall not unfavorably evaluate an offer because it includes telecommuting, unless the Contracting Officer first determines that the requirements of the agency, including security requirements, would be adversely impacted if telecommuting is permitted. The Contracting Officer shall document the basis for the determination in writing and address the evaluation procedures in the solicitation.

5. **Point of Contact:** Raegon B. Clutz, Chief, Policy and Quality Assurance Branch,
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