DATE: October 6, 2008

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: Acquisition Letter 2009-01, "Management Reserve and Contingency"

SUMMARY: The Department has issued Acquisition Letter 2009-01, "Management Reserve and Contingency" (attached). The intent of the Acquisition Letter is to provide contract cost/pricing guidance for pre-award and contract administration actions to contracting officers on the distinctions between the Federal Acquisition Regulation (FAR) term "contingency" and the program/project management terms "management reserve" and "contingency." In addition, this AL addresses the profit/fee as it relates to FAR contingency.

This Flash may be viewed online within a day at the following website: http://management.energy.gov/policy_guidance/policy_flashes.htm.

Questions should be directed to Michael Righi at michael.righi@hq.doe.gov.

Michael P. Fischetti, Director
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Attachment