




# Purpose Restriction

- **31 U.S.C. §1301**
  - Agencies may obligate and expend funds only for their statutory purpose.
  - Different appropriations have different purposes and therefore *they can not have the same work scope*
- **Two points in time pertain to ensure compliance**
  - Contract Award (obligation)
  - Payment (expenditure)
- **NAVAIRINST 7040.14D is aimed at ensuring compliance upon contract award/obligation**

**Compliance with 31 U.S.C. §1301 attaches upon obligation and continues through expenditure**



# What are Contract Line Items (CLINS)?

- CLINs are the means of identifying items or services being procured on a contract.
- CLINS have CONTRACTUAL SIGNIFICANCE – they impose duties, responsibilities and obligations upon the parties to the contract.
- DFARS 204.7103-1—each CLIN shall have
  - SINGLE unit price
  - SINGLE work scope 
  - SINGLE delivery schedule
  - SINGLE line of accounting
- CLINS shall be numbered from 0001 through 9999.  
DFARS PGI 204.7013-2
- Costs collected and tracked at CLIN level

**31 U.S.C. §1301**  
Different appropriations have different purposes and therefore they can not have the same work scope

**Compliance with 31 USC §1301 and FAR/DFARS necessitates segregation of CLIN tasking by appropriation AND by work scope/tasking**



# CLIN EXAMPLE

## (One Appropriation, One Customer)

CLIN	Description	Qty	Unit	Unit Price	Total Price
0001	Program Management Support	1	Lot	\$1000.00	\$1000.00
0002	Travel	1	Lot	\$500.00	\$500.00
0003	ODCs	1	Lot	\$100.00	\$100.00



Work scope levied and costs collected at this level

**Compliance with 31 USC §1301 and FAR/DFARS necessitates segregation of CLIN tasking by appropriation AND by work scope/tasking**



# CLIN EXAMPLE (Multi Appropriation, Multi Customer)

CLIN	Description	Qty	Unit	Unit Price	Total Price
0001	Program Management Support (RDT&E)				
0001AA	Program Management Support (RDT&E) V-22	1	Lot	\$500.00	\$500.00
0001AB	Program Management Support (RDT&E) H-60	1	Lot	\$500.00	\$500.00
0002	Program Management Support (APN)				
0002AA	Program Management Support (APN) V-22	1	Lot	\$250.00	\$250.00
0002	Program Management Support (APN) H-60	1	Lot	\$250.00	\$250.00



Work scope levied and costs collected at this level

**Compliance with 31 USC §1301 and FAR/DFARS necessitates segregation of CLIN tasking by appropriation AND by work scope/tasking**



# Key Take Aways

- Minimize overall complexity by utilizing the most effective and efficient contract type for the work to be performed
  - Utilization of C-type contracts in situations best supported by IDIQ contract structures can dramatically increase the number of CLINs
- CLIN and Statement of Work Alignment Decision Tree available to assist when structuring contract action