

# Turnkey Specifications

In accordance with FAR 22.401, "Construction, alteration, or repair" means all types of work done by laborers and mechanics employed by the construction contractor or construction subcontractor on a particular building or work at the site thereof, including without limitations—

(1) Altering, remodeling, installation (if appropriate) on the site of the work of items fabricated off-site;

(2) Painting and decorating;

(3) Manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work;

(4) Transportation of materials and supplies between the site of the work within the meaning of paragraphs (1)(i) and (ii) of the "site of the work" definition of this section, and a facility which is dedicated to the construction of the building or work and is deemed part of the site of the work within the meaning of paragraph (2) of the "site of work" definition of this section; and

(5) Transportation of portions of the building or work between a secondary site where a significant portion of the building or work is constructed, which is part of the "site of the work" definition in paragraph (1)(ii) of this section, and the physical place or places where the building or work will remain (paragraph (1)(i) in the "site of the work" definition of this section).

FAR 22.4 implements statutes which prescribe labor standards for non-construction contracts involving some construction work, in excess of \$2,000.00. HTME contracts are supply contracts for high-tech medical equipment, therefore they do not contain the FAR 22.4 statutes, terms and conditions. As a result, turnkey modifications that involve construction and are valued at over \$2,000.00 fail to meet the mandated FAR requirements.

In accordance with FAR 22.402(b)(2), the requirements of FAR 22.4 do not apply if—

"(i) The construction work is incidental to the furnishing of supplies, equipment, or services (for example, the requirements do not apply to simple installation or alteration at a public building or public work that is incidental to furnishing supplies or equipment under a supply contract; however, if a substantial and segregable amount of construction, alteration, or repair is required, such as for installation of heavy generators or large refrigerator systems or for plant modification or rearrangement, the requirements of this subpart apply); or

(ii) The construction work is so merged with non-construction work or so fragmented in terms of the locations or time spans in which it is to be performed, that it is not capable of being segregated as a separate contractual requirement."

Effective immediately, to ensure compliance with mandatory FAR guidelines, all turnkey modification requests will be thoroughly reviewed to ensure added work is only that which is required for the proper installation and operation of the equipment. Requests will be limited to that work which is incidental to the furnishing of equipment and is not capable of being segregated as a separate contractual requirement. Any construction work required above and beyond this (e.g. HVAC, painting, building of restrooms and/or waiting rooms) must be completed as a separate requirement by a contracting office that has the proper authority to write construction contracts.

## **THE FOLLOWING APPLY TO ALL MODALITIES:**

INSTALLATION - WITHIN 30 DAYS OF EQUIPMENT DELIVERY ADO

EXTENDED/TURNKEY INSTALLATION - WITHIN 30 DAYS OF EQUIPMENT DELIVERY ADO