



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

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Office of the Assistant Secretary

26 NOV 2003
Contract Policy Memo 03-C-14

MEMORANDUM FOR ALMAJCOM/FOA/DRU (CONTRACTING)

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Oversight and Management Process for Services Acquisitions

The FY02 National Defense Authorization Act (NDAA), Section 801 mandates DoD develop an oversight and management process. On 1 Oct 03, DoD released an interim rule, DFARS Case 2002-D024 implementing the FY02 NDAA.

This policy memo incorporates the requirements of the FY02 NDAA to develop an oversight and management process for services acquisitions. These requirements include (1) defining and incorporating Management and Oversight of the Acquisition of Services Process (MOASP); (2) defining and identifying a Services Designated Official to approve all services acquisitions that are not performance-based; (3) defining the AF process for obtaining approvals for services acquisitions awarded by an agency other than DoD; (4) outlining authorities for special interest acquisitions; and (5) adding AFAE reporting requirements for acquisitions greater than \$2B.

Interim changes to Parts 5304 and 5337 of the AFFARS are at Attachment 1 and are effective immediately. The changes will remain in effect for one year from the date of this memorandum or until incorporated formally into the AFFARS, whichever occurs first. Our action officer for this contracting issue is Ms. Betsy Matich, SAF/AQCP, DSN 425-7026 or (703)-588-7026.

MAUREEN M. CLAY, Col, USAF
Associate Deputy Assistant
Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachment:
Interim Changes to Parts 5304 and 5337

PART 5337 — SERVICE CONTRACTING

[Revised Per Policy Memo 03-C-14]

SUBPART 5337.1 — SERVICE CONTRACTS - GENERAL

5337.101 Definitions.

“Services Designated Official” means the individual authorized IAW the FY02 National Defense Authorization Act (NDAA), Section 2330(a)(2)(A) to exercise responsibility for the management and oversight of the acquisition of services. These responsibilities include certifying services acquisitions are performance-based; approving, in advance, any acquisition that is not performance-based; and approving the acquisition of services procured through the use of a contract or task order being awarded by an agency other than DoD.

“Management and Oversight of Acquisition of Services Process (MOASP)” means the document outlining the process the PEOs and MAJCOM Services Designated Officials will use to provide management and oversight of the acquisition of services in accordance with the FY02 NDAA, Section 801.

5337.104 Personal services contracts.

(b)(i) For “Other Contracting,” the installation commander is authorized to approve the determination and findings at DFARS 237.104(b)(i). For PEO and DAC programs and acquisitions, the PEO/DAC is authorized to approve this determination and findings.

5337.170-3 Approval requirements

(a) The Services Designated Official (5337.503) is responsible for approving any services acquisition purchased through a DoD contract or task order that is not performance based. The purchase request shall contain one of the following statements:

“The attached Performance-Based Work Statement is being provided IAW Section 801, 10 USC 2330. Any contract or task order resulting from this request is to be acquired using performance-based principles.” or

“IAW Section 801, 10 USC 2330, the Services Designated Official has approved the attached non-performance-based work statement. Any contract or task order resulting from this request is to be acquired using performance-based principles to the maximum extent practical.”

(b) The Services Designated Official must approve the acquisition of services through any contract or task order awarded by an agency other than DoD before being issued to the acquiring activity. The purchase request shall contain the following statement below. A copy of the determination and finding required at 17.5 shall accompany the purchase request.

“The attached purchase request is approved by the Services Designated Official for procurement outside of DoD. This acquisition has been determined to be in the best interest of the government IAW FAR 17.5, as supplemented.”

SUBPART 5337.5 — MANAGEMENT OVERSIGHT OF SERVICE CONTRACTS

5337.503 Agency-head responsibilities.

~~In accordance with Section 801 of the National Defense Authorization Act of 2002, AFPEO/SV is the Air Force’s designated official for services acquisitions. AFPEO/SV is responsible for the oversight of and provides direction for the following, unless they are within another PEO’s portfolio of programs:~~

- ~~(1) acquisition of services greater than \$100M.~~
- ~~(2) cost comparisons performed pursuant to OMB Circular A-76 that involve 300 or more Full Time Equivalents (FTEs).~~

5337.503-90 Services Designated Official(s). The designated official is responsible for the oversight and management of services acquisitions within their portfolio. For services acquisitions:

(a) Air Force Program Executive Office for Services (AFPEO/SV) is responsible for

- (1) Acquisitions in excess of \$100,000,000 (not in another PEO portfolio).
- (2) All A-76 studies involving 300 or more Full Time Equivalents (FTEs).

(b) All other PEOs are responsible for programs in their portfolio, except those designated as special interest.

(c) HCAs are responsible for acquisitions with a total value of \$100M or less, and A-76 studies involving less than 300 FTEs.

5337.503-9000 Special Interest Authorities.

(a) A services acquisition can be designated special interest by the organizations identified below. The official designating a services acquisition special interest is responsible for the management and oversight of that acquisition.

- (1) OSD and AFAE, regardless of the total planned value or program affiliation.
- (2) AFPEO/SV, regardless of total planned value for those acquisitions not in another PEOs portfolio.

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PART 5337 — SERVICE CONTRACTING

(3) The Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) and Air Force Chief Information Officer, for information technology.

5337.503-9001 AFAE reporting requirements:

(a) SAF/AQ shall notify OSD (AT&L) before approving the acquisition strategy with a total planned value equal to or greater than \$2,000,000,000.

(b) SAF/AQ shall notify OSD (AT&L) of actions to address significant cost, schedule or performance problems on acquisitions equal to or greater than a total value of \$2,000,000,000.

5337.503-9002 Management of Oversight of the Acquisition of Services Process (MOASP)

Oversight and management of all services acquisitions for the Air Force will be performed IAW the Air Force MOASP, as supplemented.

SUBPART 5337.6 — PERFORMANCE-BASED CONTRACTING

5337.601 General.

The contracting officer shall refer to AFI 63-124, Performance-Based Services Acquisition (PBSA), for additional requirements.