



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE MATERIEL COMMAND
WRIGHT-PATTERSON AIR FORCE BASE, OHIO

107 JAN 1994

FROM: HQ AFMC/LG
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SUBJ: AFMC Depot Maintenance Competition Workload Administration Guide

TO: See Distribution

1. The AFMC Depot Maintenance Competition Workload Administration Guide has been balloted and approved through the Support and Industrial Operations (S&IO) Mission Element Board (MEB). The attached Depot Maintenance Competition Workload Administration Guide is effective policy upon receipt. It has been developed in coordination with all Centers and selected organizations in the headquarters. It will be utilized by all ALC/CB offices.

2. This guide will eventually be incorporated into AFMCR 65-17, Management of Depot Maintenance Program, as a separate chapter. This regulation is currently under major rewrite. It is not expected to be back out into the field in the near future. As a result we are issuing this guide as policy in the interim until the new AFMCR 65-17 is published.

3. My project officer for this effort is Capt Mary Cooley, HQ AFMCLGPW, DSN 787-5969.

FOR THE COMMANDER

WILLIAM J. KOHLER Jr., Col, USAF
Deputy Director
Directorate of Logistics

1 Atch
AFMC Depot Maintenance Competition Workload
Administration Guide

Atch 94-23I (FAR 17)

Post to AFMCFARS 5317.95 where
Depot Maintenance Competition was
previously covered. Then file
this atch behind sups to FAR 17.

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AFMC DEPOT MAINTENANCE COMPETITION WORKLOAD ADMINISTRATION GUIDE

1. GENERAL.

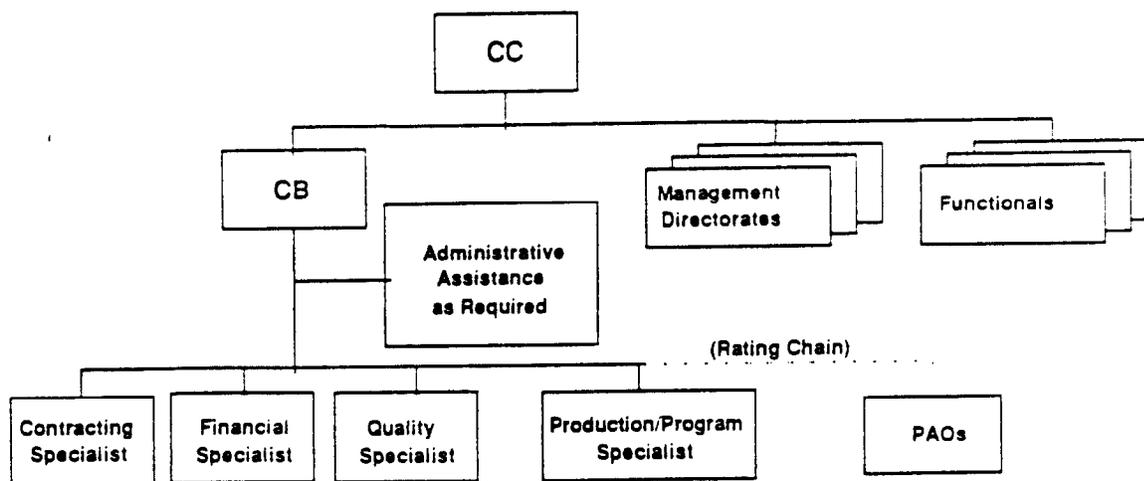
This guide implements procedures for administration of competitive workload assignments made to AFMC industrial facilities. Use this guide for competitive assignments from other Services unless otherwise directed by that Service. It provides instructions for monitoring and reporting compliance with the terms of the Workload Assignment Document (WAD) as specified by the requiring activity. It also identifies the process for resolution of disagreements between the requiring and performing activities. The guide provides a disciplined approach to post assignment administration by establishing an auditable trail of performance history. In addition, the duties and responsibilities of the Project Administration Officer (PAO) and the Center Project Administration Office (ALC/CB) staff are outlined in this document.

2. POLICY.

a. "CB" is the office symbol for the Center Project Administration Office. The Project Administration Office is responsible for managing the independent oversight of all Depot Maintenance Competition (DMC) workload assigned to an Air Logistics Center (ALC). This organization is responsible for developing implementation procedures for monitoring DMC assignments at the ALC, overseeing WAD compliance, and administering the WAD.

b. ALC/CB will be established on the center commander's staff per the AFMC Objective Center structure. It will be composed of a small staff to include an office chief, administrative support, and appropriate functional expert staff members experienced in the areas of quality assurance, contracting, production/program management, and financial management.

PROJECT ADMINISTRATION OFFICE RECOMMENDED ORGANIZATION



It is not intended that all required personnel reside within the same office. The numbers of administrative support workers will depend on the magnitude and complexity of the program. The number of PAOs assigned to a workload by the ALC/CB chief will be based on workload size and complexity. The

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performing activity will report the status of workload performance to the requiring activity and to the PAO PAO. The PAO will report this status to the ALC/CB chief. PAOs will report to the ALC/CB chief, but continue to be physically located with the repair line to perform the daily oversight role and review of work progress made under the WAD. The PAO will represent the requiring activity (buyer) and will be independent of the management control of both the requiring activity and the performing activity (seller). The performing activity will provide facilities to accommodate the needs of the PAO.

c. Quality assurance will be monitored to ensure compliance with the quality requirements in the WAD. A surveillance plan will be developed and coordinated with the requiring activity in accordance with the ALC/CB implementing procedures. Quality deficiencies that could impact program cost, performance, or schedule will be reported to the requiring activity.

d. The duties of the ALC/CB chief are, in addition to specific duties assigned, to coordinate the activities of all support personnel necessary to provide the required oversight. The ALC/CB chief will ordinarily be the final authority for resolving any appeals arising from disputes between the requiring activity and the performing activity. Functional expertise support to the PAOs will come from the appropriate functional offices as required.

e. WAD administration and oversight will generally cover:

- (1) The authority to stop the repair line
- (2) Approval of all over and above work requests
- (3) Cost Monitoring
- (4) In/out of scope determinations
- (5) Schedule Tracking
- (6) Quality Assurance
- (7) Advising/Coordination on all WAD changes
- (8) Other duties as assigned in the WAD

3. EXPLANATION OF TERMS.

a. **CENTER PROJECT ADMINISTRATION OFFICE (ALC/CB) CHIEF:** The chief of this office serves as the advisor to the Center Commander and is responsible for the administration and oversight of all depot maintenance workloads won through competition.

b. **CONTRACTOR FURNISHED MATERIAL (CFM):** All material not furnished by the requiring activity that is required to perform the specified work and shall be provided by the performing activity.

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c. **DEPOT MAINTENANCE PERFORMANCE TRACKING SYSTEM (DMPTS):** A procedure for the reporting of cost and schedule performance to ensure conformity with the terms of the Workload Assignment Document (WAD).

d. **MAINTENANCE REVIEW TEAM (MRT):** The group, which reviews handscripted or unplanned work cards to determine the necessity of performing the work, and to determine whether the work is a part of the negotiated work package, or an over-and-above requirement.

e. **PERFORMING ACTIVITY:** The organizational activity within a Service assigned to perform depot repair, rework, or overhaul of weapon systems, systems, or equipment or to produce components and other defense related items. In generic terms, this activity is the seller.

f. **PROJECT ADMINISTRATION OFFICER (PAO):** A representative of the requiring activity who is functionally aligned with the Center Project Administration Office (ALC/CB). They report to the ALC/CB chief but are collocated near the production area with the performing activity.

g. **REQUIRING ACTIVITY:** The organization within a Service assigned program management responsibility. In the case of depot maintenance, the requiring activity is that organization assigned responsibility and accountability for decisions and resources in overall program execution of a military system. In generic terms, this activity is the buyer.

h. **SINGLE MANAGER (SM):** For the Air Force, SM refers to one of the following individuals: the System Program Director (SPD), the System Support Manager (SSM), the Program manager (PM), the Materiel Group Manager (MGM), the Product Group Manager (PGM). In the case of other Services, the individual who is responsible and accountable for decisions and resources in overall program execution.

i. **WORKLOAD ASSIGNMENT DOCUMENT (WAD):** The WAD is an agreement containing specific terms and conditions that were agreed to by the requiring activity and the performing activity. Examples of such documentation include project orders, Depot Maintenance Interservice Support Agreements (DMISAs), Memoranda Of Agreement (MOA), and conditions of the Request For Proposal (RFP).

4. DUTIES OF THE PROJECT ADMINISTRATION OFFICE (ALC/CB) CHIEF.

The Project Administration Office (ALC/CB) chief is responsible for the independent oversight of all DMC workload assigned to an ALC. The ALC/CB chief is assisted by a staff possessing functional expertise in the areas of quality assurance, contracting, production/program management, and financial management.

a. General responsibilities of the ALC/CB chief will include the following:

(1) Negotiate the post assignment administration MOA with the requiring activity defining oversight responsibilities.

(2) Develop implementation procedures for the administration of all DMC workload assigned to the ALC.

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((3) Oversee WAD compliance for competitive Air Force workload assignments and for other Service workloads unless Defense Contract Management Command (DCMC) has been designated by the requiring activity.

(4) Act as the reviewing authority in accordance with local CB procedures for any changes made to the WAD.

(5) Support the PAOs during negotiations between the requiring activity and the performing activity for changes to the WAD.

(6) Function as the intermediate decision authority in appeals to a dispute between the requiring and performing activities.

(7) Negotiate MOAs as necessary with product directors to provide for functional alignment of PAOs.

(8) Responsible for PAO and ALC/CB personnel appraisals in accordance with applicable guidance.

(9) Work with functional home offices to ensure ALC/CB staff and receives all required training. Provide functional and ancillary training for PAOs.

(10) Ensure the ALC/CB staff is afforded equal opportunities for proper career progression.

(b. The ALC/CB chief's responsibilities in the area of production/program management will be as follows:

(1) Implement and manage schedule/production oversight policy.

(2) Monitor reporting of schedule compliance or variance.

c. The ALC/CB chief's responsibilities in the area of financial management will be as follows:

(1) Direct financial specialist to provide system level surveillance of the financial system.

(2) Verify and validate cost reviews and summaries performed by subordinate analysts, FM, and the performing activity. Take whatever action is required to correct analysis methods and issue guidance.

(3) Make work assignments and define tasks performed by the financial management specialist. Review work in progress and completed projects to determine compliance with established policy and guidance.

(4) Plan studies and inquiries to identify and assess cost and schedule performance of DMC assigned workloads and verify proposed corrective actions on negative variances.

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d. The ALC/CB chief's responsibilities in the area of quality assurance (QA) will be as follows:

- (1) Assure QA oversight is accomplished on all DMC assigned workloads.
- (2) Arbitrate quality disputes that cannot be resolved at lower organizational levels.
- (3) Monitor the Deficiency/Discrepancy Notices program

e. The ALC/CB chief's responsibilities in the area of contracting will be as follows:

- (1) Ensure compliance with applicable terms and conditions.
- (2) Ensure appropriate documentation is incorporated into the WAD administration file as required in paragraph 10.

5. DUTIES OF THE ALC/CB PROJECT ADMINISTRATION OFFICER (PAO).

a. Responsible for providing input to the WAD administration file in accordance with requirements specified in paragraph 10.

b. The PAO will ensure documentation showing that final inspection and acceptance have occurred in accordance with the WAD is included in the WAD administration File.

c. Responsible for monitoring and ensuring compliance with the terms and conditions of the WAD.

d. Forward analysis of cost, schedule, and performance problems to the ALC/CB chief and to the requiring activity.

e. When the need for a change to the WAD is identified (Appropriate functional staff elements may be consulted as needed):

(1) Determine the proposed workload changes to be within or outside the requirements of the WAD. If the change is determined to be within the requirements of the WAD, no change to the WAD is necessary.

(2) For workload determined to be outside the requirements of the WAD but within the general scope, negotiate the equitable adjustment necessitated by the addition or deduction of such workload.

(3) Workload determined to be outside the general scope of the WAD should be treated as new workload.

(4) On behalf of the requiring activity, negotiate over and above work with the performing activity.

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(5) Advise and coordinate on additive or deductive modifications to the WAD to ensure proper reflection of all such changes as determined above. The modification to the WAD is executed by the requiring and performing activities.

f. Document the rationale justifying the hours, prices, schedule adjustments, etc., compensating the performance activity for the addition or deduction of such work. Include a memorandum in the WAD administration file as part of the modification to the WAD authorizing the addition or deduction of work.

g. Ensure financial reporting is accomplished in accordance with the WAD.

h. Ensure the performing maintenance organization complies with the requirements of the Depot Maintenance Performance Tracking System (DMPTS).

i. Issue determinations in matters of dispute.

j. Ensure that the performing activity has procedures in place which ensure adequate funding is available prior to performing work.

6. DUTIES OF THE ALC/CB PRODUCTION/PROGRAM SPECIALIST.

a. Ensure required depot maintenance production planning occurs.

b. Maintain continuous evaluations of DMC assigned workloads.

c. Report variance in manpower, equipment, and facilities needed to meet WAD requirements.

d. Monitor phase-in for new DMC assigned workloads.

e. Support the PAO in negotiations for over and above workloads.

f. Report actual or projected schedule compliance problems.

g. Report production status to the ALC/CB chief.

h. Responsible for implementing production oversight policy.

i. Responsible for providing input to the WAD administration file in accordance with requirements specified in paragraph 10.

7. DUTIES OF THE ALC/CB FINANCIAL SPECIALIST.

a. Serve as the staff financial management point of contact on project administration for DMC assigned workloads.

b. Analyze cost reports submitted to PAOs by performing activities to track performance on DMC assigned workloads.

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- c. Review variance analysis reports and evaluate performing activities' analysis of causes for variance and their plan to correct negative variances.
- d. Provide the ALC/CB chief with summary level status reports on DMC assigned workloads.
- e. Ensure financial reporting is accomplished in accordance with the WAD.
- f. Ensure that the performing activity has procedures in place which ensure adequate funding is available prior to performing work.
- g. Assist PAO and ALC/CB in determining equitable adjustment requests and baseline changes.
- h. Provide the ALC/CB chief with technical guidance concerning the Depot Maintenance Performance Tracking System (DMPTS).
 - (1) Monitor cost overruns.
 - (2) Track cost baseline performance.
- i. Serve as liaison with the financial management directorate when further guidance and assistance is required.
- j. Provide input to the WAD administration file in accordance with requirements specified in paragraph 10.

8. DUTIES OF THE ALC/CB QUALITY ASSURANCE SPECIALIST.

- a. Responsible to the ALC/CB chief for oversight of quality compliance in accordance with WAD requirements for DMC assigned workloads.
- b. Develop implementing procedures to be used in monitoring all quality requirements applicable to all DMC assigned workloads.
- c. Provide functional expertise through the PAO to QA resources in complying on post award administration.
- d. Assist the PAOs, as required, in resolving quality compliance disputes between the requiring activity and the performing activity.
- e. Report quality process status.
- f. Manage the Deficiency/Discrepancy Notices program
 - (1) Issue Deficiency/Discrepancy Notices to performing organizations
 - (2) Issue requirement for performing organizations to identify corrective action in response to Deficiency/Discrepancy Notices.

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(3) Approve performing organization's corrective action plan

g. Provide input to the WAD administration file in accordance with requirements specified in paragraph 10.

9. DUTIES OF THE ALC/CB CONTRACTING SPECIALIST.

a. Assist the PAO in negotiating requests for equitable adjustment.

b. Assist the PAO in execution of additive or deductive modifications to the WAD to properly reflect changes in scope.

c. Review rationale and documentation of WAD modification negotiation memoranda.

d. Review rationale and documentation of all in or out of scope determinations made by the PAO and provide guidance when necessary.

e. Provide WAD administration guidance, which is consistent with that of applicable contract administration guidance.

f. Assist the PAOs in the oversight of WAD execution.

g. Provide input to the WAD administration file in accordance with requirements specified in paragraph 10.

10. MAINTENANCE AND DOCUMENTATION OF WORKLOAD ASSIGNMENT

DOCUMENT (WAD). The ALC/CB staff shall maintain the official WAD administration file. Documentation of the WAD is a continuing requirement. A properly documented WAD administration file provides complete performance history.

a. The documentation shall be sufficient to:

(1) Provide a complete background for informed decisions at each step of WAD performance.

(2) Support actions taken.

(3) Provide information for reviews, audits and investigations.

b. The following are examples of the records normally contained in the WAD administration file:

(1) WAD and all modifications, together with supporting documents.

(2) Post assignment administration Memorandum Of Agreement (MOA).

(3) Evidence of availability of funds.

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- (4) Evidence of required security clearances (if applicable).
- (5) Post assignment conference minutes.
- (6) Cost and pricing data and other related documentation.
- (7) Delivery schedule surveillance records.
- (8) Expediting surveillance records.
- (9) Quality assurance data.
- (10) Material management and utilization data.

(11) Cross reference to other pertinent documents maintained by other members of the ALC/CB staff.

(12) Documentation showing that final inspection and acceptance of each unit have occurred in accordance with the WAD.

(13) Additional documents reflecting actions taken pertinent to the WAD.

(14) Negotiation memoranda

c. Modifications to the WAD:

- (1) Will be sequentially numbered and maintained in a log in the WAD administration file.
- (2) Will include the operation number (such as found on the AFMC Form 173).

d. Distribution of the WAD and any subsequent changes will be as follows:

- (1) Performing activity 1 copy
- (2) Requiring activity 1 copy
- (3) PAO 1 copy
- (4) Center/FMP 1 copy
- (5) Center/FMI 1 copy
- (6) Center/DFAS-DAO 1 copy
- (7) ALC/CB 1 copy
- (8) Other copies may be distributed as appropriate.

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11. DISPUTES AND APPEALS.

a. **PURPOSE:** This process is designed to provide an organized way to settle differences in interpretation of the requirements of the WAD. It provides for discussion of work requirements that are considered within the scope of the agreement as well as the ability to address the need to incorporate workload that is outside the scope of the WAD. A flow diagram of the dispute and appeal process is provided as attachment 1.

b. EQUITABLE ADJUSTMENT PROCESS:

(1) Seller requests an equitable adjustment. Seller presents request to the PAO.

(2) PAO evaluates the request with input from the maintenance review team (MRT) and concurs or nonconcurs with the request. The PAO must determine whether the requested adjustment is in or out of the scope of the WAD. Additionally, if the work is determined to be within the scope of the WAD, the PAO must decide if the request is included in the fixed price portion of the agreement. Requested adjustments considered within the scope and already priced would result in a nonconcurrence with the request. If the requested adjustment is evaluated as being outside the scope of the WAD, it would be necessary to do the work under a different agreement. The SM determines if this work will be done under the same or different agreement. Inclusion in an existing WAD would have to be adequately justified as being in the best interest of the government.

(3) If the PAO concurs with the seller's request, the PAO will present the request to the Single Manager (SM) with a request for funding. The SM will either concur or non concur with the request with written support for the decision. If the SM concurs with the request, funding will be provided. The PAO will then negotiate an equitable adjustment that will lead to a modification to the WAD.

(4) If the SM non-concurs with the request and withholds funding, the seller will be notified. If the seller agrees, no further action occurs. If the seller disagrees, they may pursue satisfaction under the disputes provisions.

(5) If the PAO disagrees with the seller's request, the seller will be notified. If the seller agrees with the PAO's position, there will be no further action. If the seller disagrees with the PAO's position, the seller may exercise his right under this dispute procedure.

c. **DISPUTES:** The seller may exercise dispute procedures when, in the normal course of business, PAO or SM decisions on requests for equitable adjustments are considered to be unfairly denied and/or are contrary to terms and conditions contained in the WAD.

(1) To initiate dispute provisions the seller must present the PAO with formal written notification. The notification must be accompanied by supporting documentation outlining the background of the issue. It must also note the reasons for continuing to pursue the matter including specific language outlining disagreement with previous PAO decisions or guidance. Justification must be a matter of verifiable fact and must be submitted within 30 calendar days from receipt of the PAO's or SM's decision denying the seller's request.

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(2) The PAO will review and render a determination on the disputed issue within 30 calendar days of official notification. The PAO will use, as necessary, available resources as advisors to assist in evaluation of the disputed issue, i.e., Single Manager (SM), Judge Advocate (JA), Maintenance Review Team (MRT), Financial Management (FM), Contracting (PK) and Maintenance Requirements Review Board (MRRB).

(3) The PAO will issue a dispute determination to the seller. If the seller agrees, no further action is necessary. If the seller disagrees, the seller has the right to enter an appeal to the ALC/CB chief. If the PAO determination supports the seller's claim, funding will be requested from the SM. If funding is available, an equitable adjustment will be negotiated. If the SM does not concur, the PAO will elevate the matter to the ALC/CB Chief who will resolve the issue with the SM.

d. APPEALS:

(1) The seller may appeal to the center ALC/CB chief within fourteen calendar days of an adverse determination by the PAO. The seller will provide all previous documentation as well as a statement, based on fact and evaluation of fact, outlining their reason for appeal. The ALC/CB chief will render a determination within 30 calendar days of receipt of the appeal. In consultation with the SM, the PAO will determine if the seller will be directed to continue work while the appeal is being processed. If it is determined to direct the seller to continue work, sufficient funds must be reserved in case the seller is successful in the appeal process.

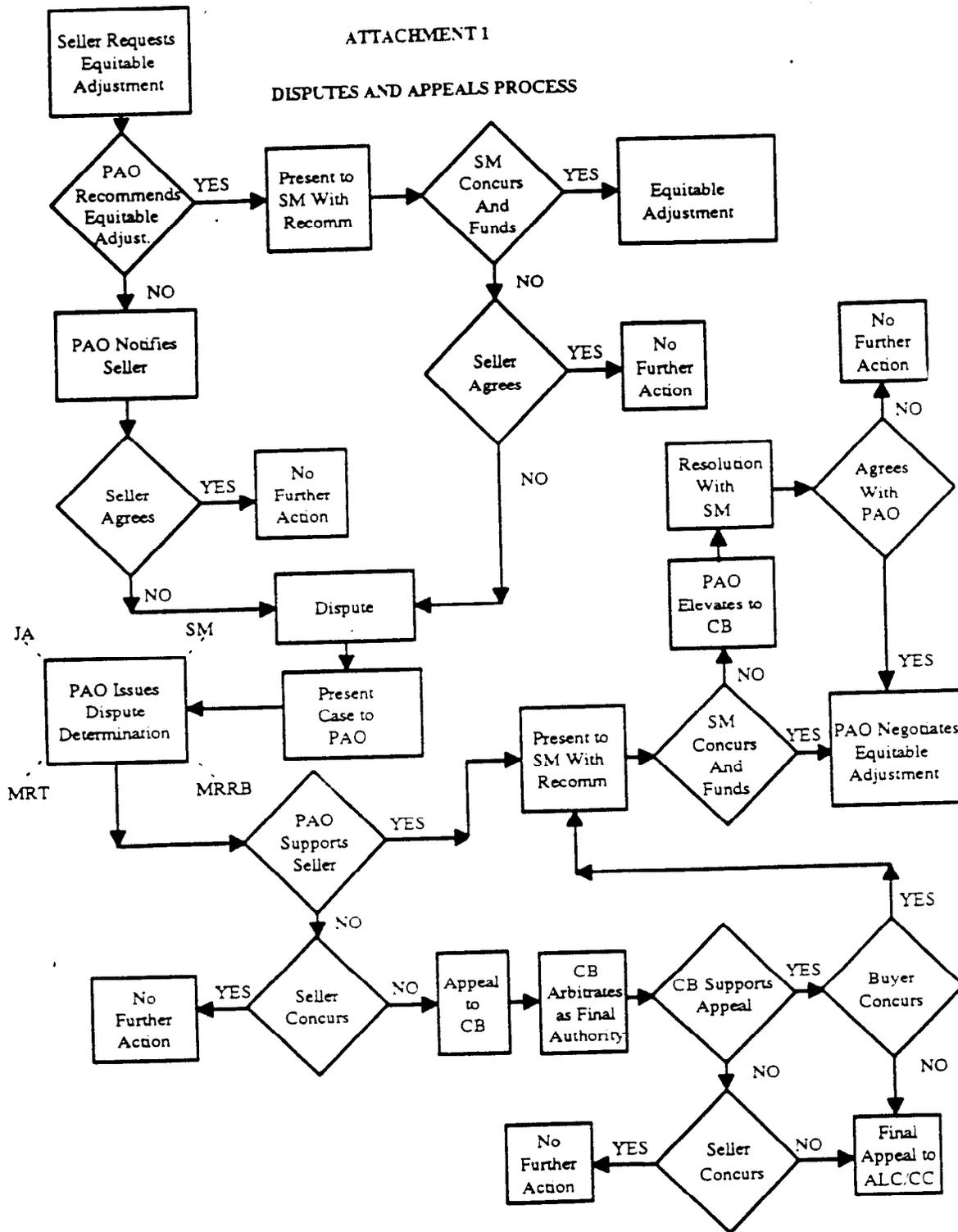
(2) The ALC/CB chief will draw on any center resource deemed necessary when evaluating the appeal.

(3) Determinations of the ALC/CB chief are appealable in accordance with paragraph 11.e. below.

e. FINAL APPEAL PROCESS: When the ALC/CB chief issues an opinion, both the buyer and seller have 7 days to appeal to the performing ALC/CC. If no appeal is made within that timeframe, then the ALC/CB decision is final. If an appeal is made, the ALC/CC decision is final. All decisions rendered must be documented and become part of the WAD administration file.

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