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MEMORANDUM FOR SEE DISTRIBUTION

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

SUBJECT: Program Management Office (PMO)/Defense Contract Management Command (DCMC) Memorandum of Agreement (MOA) Template and Guidance (SAF/AQ Memo, 18 Oct 1996)

Subject memo directed all system program directors and program managers with ACAT programs to pursue MOAs with cognizant DCMC organizations. Additionally, we encouraged the establishment of MOAs with DCMC offices supporting major subsystems and important non-ACAT programs. To assist our PMOs, an MOA guidance document and template are attached.

We strongly encourage you to take full advantage of these tools. While MOAs should be uniquely tailored to meet the requirements of each weapon system and the capabilities of the organizations involved, there is some common structure that is found in all agreements.

Existing MOAs should not be reaccomplished solely to follow this guidance. As updates are made to MOAs, and new relationships are established, please consider using the attached. However, regardless of the method of development, programs without agreements with DCMC organizations will be required to document the reasons during portfolio reviews.

As our resources become more scarce, it is vital that we ensure program/contract management efforts are not duplicated. Defining AFMC and DCMC roles and responsibilities will lead to more executable contracts. If PMOs have questions regarding the attached, they should contact their cognizant DCMC organization or local DCMC liaison.

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ARTHUR L. MONEY
Assistant Secretary of the Air Force
(Acquisition)

Attachments:
1. MOA Template
2. MOA Guidance Document

cc:
AFMC/CC
DCMC/CC

99-6-M

SAMPLE MEMORANDUM OF AGREEMENT (MOA)
PROGRAM MANAGEMENT OFFICE/
CONTRACT ADMINISTRATION OFFICE (PMO/CAO)

(Note: This is a sample! MOAs will be tailored to meet the needs of the involved PMO and CAO.)

MEMORANDUM OF AGREEMENT (MOA) BETWEEN PROGRAM MANAGEMENT OFFICE AND DEFENSE CONTRACT MANAGEMENT COMMAND
(CONTRACTOR) (CITY & STATE)

PURCHASING ACTIVITY: (MILITARY DEPARTMENT/COMMAND)

DEFENSE CONTRACT MANAGEMENT DISTRICT: _____

PROGRAM: _____

1. PURPOSE. This MOA establishes the CAO functions and responsibilities in support of the unique requirements of the _____ program.

2. SCOPE

a. The CAO will perform the CAS functions identified in Federal Acquisition Regulation/ Defense Federal Acquisition Regulation (FAR/DFARS), unless additional functions are delegated in accordance with FAR 42.202(c) or withheld by the PMO. The MOA will clarify or emphasize, as necessary, CAS responsibilities contained in FAR/DFARS or DLA functional policies, procedures, and practices publications. Additionally, the MOA will include any support/responsibility agreements made during the "Early CAS" phase of the acquisition. It will also document PMO responsibilities associated with keeping the CAO informed and involved, as necessary, to ensure effective support to the PMO.

b. This MOA is applicable to all elements of the _____ program including all functional personnel to whom program management authority has been delegated.

c. This MOA applies to all contracts for this program and subsequent contracts which may be assigned to the CAO for administration except _____(list excluded contracts)_____.

The CAO will provide appropriate guidance and delegations to other offices.

d. Should inconsistencies exist between this MOA, FAR/DFARS, and the contract, the contract terms and conditions will take precedence.

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e. A Program Integrator (PI) is assigned at the CAO with the responsibility to support _____ program for efforts involving the CAO and contractor organizations, including major/critical subcontractors, Government Furnished Equipment suppliers, and Inter-Departmental Work Authorization sites.

3. COMMUNICATIONS

a. Copies of formal correspondence between the contractor and the PMO will be sent to the CAO. Copies of formal correspondence between CAO and contractor, which relate to or effect a specific program, will be sent to the appropriate PMO. Recurring reports are excepted. Requests for Defense Contract Audit Agency assistance will be forwarded through the CAO.

b. The CAO PI will serve as the CAO focal point for program management matters. Direct communication between PMO and CAO functional organizations is encouraged; however, significant correspondence originated by the CAO will be coordinated with the PI prior to release.

c. The PI will be the central point of contact for any PMO teams for Technical Representatives assigned at the contractor location.

4. TRAVEL. The PMO/CAO (select one) will fund the travel for the CAO personnel when their attendance is required for program reviews, review teams, etc. (This paragraph will be used to reflect funding agreements reached between the PMO and the CAO, such as the one used in this sample.)

5. TERMS OF MOA

a. This MOA is effective upon signature by the _____ program manager and the CAO Commander. It will be reviewed annually by the PMO and CAO. Changes to this MOA will be made, as needed, by mutual consent.

b. The points of contact for matters affecting this MOA are listed in annex _____.

c. The following annexes are attached to this MOA: (When a program contract(s) has been awarded to multiple primes such as in a joint venture or a team arrangement, annex I of the MOA between the lead CAO and the PMO will be an MOA negotiated between all involved prime contractor CAOs. Determination of the lead CAO will be based on the contractual arrangement (i.e., the lead contractor). Other annexes will be attached, as required, to clarify, emphasize, expand, or limit specific functional responsibilities. Examples of major CAO functions and of specific areas of support within major functions which may be appropriate for inclusion as annexes are listed below.)

FUNCTION	ANNEX
MOA Between DCMC (Name) and DCMC (Name)	I
Program & Technical Support	II
PI	
Systems Engineering	
Manufacturing	
C/SCSC - C/SSR	
Contract Management	III
Delegation of Authority	
Contractor Purchasing System	
Transportation	
Packaging	
Quality Assurance	IV
Flight Operations	V
Resident Integrated Logistics Support	VI
Technical Representatives	VII
Visit Control Procedures	VIII
Points of Contact	IX

Approved: _____ Date: _____
Program Manager

Approved: _____ Date: _____
CAO Commander

Defense Contract Management Command (DCMC)/
Program Management Office (PMO)
Memorandum of Agreement (MOA) Guidance

Background

The MOA between a PMO and a Contract Administration Office (CAO) is a negotiated document that establishes a formal agreement of services to be provided by the CAO in support of the program. Its primary purpose is to prioritize, clarify, or add to the normal Contract Administration Services (CAS) listed in section 42.302 of the Federal Acquisition Regulation (FAR).

When an Acquisition Category (ACAT) I program is assigned to a CAO for surveillance, DoD 5000.2-R requires a program support plan/MOA be jointly developed and signed by the PMO and CAO. When a program managed contract other than ACAT I (i.e., an ACAT II, ACAT III, or programmed depot maintenance contract) is assigned to a CAO for surveillance, it is strongly recommended that an MOA be developed. Additionally, an 18 Oct 96 SAF/AQ memorandum (Subject: Early Contract Administration Services (CAS)) directed all PMOs with "... ACAT programs initiate a MOA or similar document with the cognizant DCMC office within 90 days after contract award ... Updates to these MOAs should be done annually or upon assignment of a new SPD/PM." Benefits of such agreements include maximum use of limited resources through elimination of duplicated efforts and clear understandings of roles and responsibilities. Successfully establishing working relationships at the earliest opportunity is critical to achieving and maintaining effective program support/surveillance.

An MOA is intended to be *unique* and portray the relationship between a specific CAO and PMO. It should identify key individuals, special reporting requirements, coordination activities, and other topics deemed appropriate for inclusion by members of the respective organizations. An MOA applies to all active contracts assigned to a CAO on a specific acquisition program. Should inconsistencies between an MOA and the contract occur, the contract terms and conditions will take precedence and the MOA will be revised to be consistent with the contract.

Overview

Negotiation and development of an MOA provides an opportunity to establish effective working relationships at the earliest possible time (please note Early CAS section on page 5 of this document). Such relationships are critical to effective program support/ surveillance and can be facilitated by clearly documenting the functions and responsibilities of each organization. The MOA should not repeat CAS responsibilities contained in the FAR and Defense Federal Acquisition Regulation (DFARS).

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(5 pgs)

The CAO and PMO will jointly share in the responsibility for drafting the MOA. The MOA should consider as a minimum the following topics for inclusion:

a. Documentation of agreements made between involved CAOs when multiple prime contractors perform contracts in support of a major program. When a program managed contract(s) has been awarded to multiple primes such as in a joint venture or a team arrangement, the first annex of the MOA between the lead CAO and the PMO should be an MOA negotiated between all involved prime contractor CAOs. The lead CAO will be determined based on the lead contractor as identified in the contractual arrangement.

b. Functional area roles and responsibilities of the CAO and PMO. This should include reporting requirements, specific surveillance activities, and support of meetings/reviews. Functional areas may include, but not be limited to:

Program & Technical Support

PI
Systems Engineering
Manufacturing
Cost and Schedule

Contract Management

Contractor Purchasing System
Contractor Payments
Negotiation of Rates and Factors
Transportation
Packaging

Quality Assurance

Flight Operations

Logistics

Specifically describe high risk areas requiring special attention such as critical technologies, high cost segments of the program, software development, delivery schedules, and contractor cost/schedule performance.

c. The identification of major/critical components and their subcontractors.

d. Administrative procedures for keeping each organization current on program specific issues and ensuring effective contract administration is achieved and maintained.

e. Frequency and due dates, content, format, transmission/routing instructions, etc., for reports that are to be provided by the CAO to the PMO.

f. Points of contact for each functional area within both the PMO and CAO.

g. Procedures, to include funding, for CAO personnel to travel in support of the program.

An MOA represents a mutual commitment and becomes effective upon signature by the CAO Commander and Program Manager (PM). Changes to an MOA will be made by mutual consent.

An MOA will likely be referred to frequently during program surveillance activities and should be maintained current and complete at all times. It should be updated as changes occur with minor changes requiring only PMO/CAO coordination. Major changes will require negotiating and signing a new agreement. As a minimum, an MOA should be reviewed and updated annually, or upon assignment of a new SPD/PM, to ensure it is current and that contracts covered are still active.

If either the CAO, PMO, or both do not consider an MOA necessary for a non-ACAT program, a Memorandum for Record (MFR) should be prepared by each organization that documents each party's position and corresponding rationale. Each MFR should be kept on file at its respective organization and made available for review if requested. Programs without agreements with DCMC will be required to document the reason to SAF/AQ during portfolio reviews.

General Process for Developing an MOA

Phase I - Determine Contents

a. The PMO representatives meet with the CAO representatives to determine the appropriate contents of the MOA. During this phase, the following top-level factors may be considered: (Note: Normally the PI, ACO, PM, and PCO will be the four major contributors to the MOA. They should be responsible for ensuring all other appropriate activities provide input.)

(1) Acquisition Category
(2) Program Phase/Critical Milestones
(3) Delivery Schedule
(4) Contract Type (cost or fixed price)
(5) High Cost Segments of the Program
(6) Contractor Past Performance
(7) Critical Technologies
(8) Software Risks and Concerns
(9) Extent of Subcontracting
(10) Multiple Sources
(11) Unique Aspects of the Program
(12) Availability of Manpower
(13) PMO/CAO/Contractor Weaknesses
(14) PMO/CAO/Contractor Strengths
(15) Foreign Participation

b. In parallel with this activity, the basic contract and its annexes should be evaluated to identify contractually specific topics for possible inclusion in the MOA. Potential areas include:

(1) Preliminary/Final Inspection of Deliverable Line Items
(2) Special Inspections and Time Frame for Sending Results
(3) DD Form 250 Signature Authority
(4) Inspection and Acceptance of Engineering Drawings
(5) Provisions of Progress Payments
(6) Provisions of Government Furnished Property
(7) Requirements for Certificates of Conformance
(8) Military Standards
(9) Work Requests and Associated Responsibilities
(10) Special Contract Clauses

c. Finally, both the PMO and CAO should consult other sources for proposed MOA content to ensure the most effective and full service agreement can be reached. These sources include:

(1) Contractor PM
(2) Defense Contract Audit Agency (DCAA)
(3) PMO/CAO Functional Elements
(4) Government Personnel Who Have Previously Dealt With the Contractor

Note: During this phase, the PMO should receive a summary from the CAO outlining the normal CAS the CAO will perform to comply with FAR and DFAR requirements. At this time, the PMO should identify/request any additional support that is desired on the program.

Phase II - Collect Inputs and Write Draft MOA

The PMO and CAO collect the various inputs, determine necessary support activities and identify the appropriate office of primary responsibility, ensure all annexes/documentation of agreements have been accounted for, and draft the MOA. The PMO and CAO then ensure the draft MOA is coordinated and ultimately accepted by the cognizant DCMC Commander and SPD/PM.

Phase III - Coordinate with PM and Sign

The PMO and CAO coordinate the draft MOA to ensure it accurately reflects the program support previously discussed. Changes are made as needed and the MOA is finalized. The CAO Commander and the SPD/PM then sign the MOA and distribution is made.

Early CAS

Traditionally, DCMC/PMO MOAs have focused on post-award functions and services. However, DCMC's corporate knowledge in contract management, and experiences with specific contractors, should be leveraged during preaward activity. For instance, DCMC can assist PMOs early in the acquisition process to:

a. Construct More Effective Solicitations
b. Identify Potential Performance Risks
c. Provide Insight Concerning Contractor Capabilities
d. Develop Contracts that are Easily Administered with Less Risk of Costly Modifications

Additionally, DCMC can make significant contributions to acquisition strategy development and planning, RFP preparations, source selections, proposal evaluations, and performance risk identification. For these reasons, strong consideration should be given to the development of preaward MOAs which identify and describe early CAS to be provided to the PMO. Also, early CAS should be included in traditional post-award MOAs to describe program support which will be needed for follow-on contract awards within a specific acquisition program.