



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS WARNER ROBINS AIR LOGISTICS CENTER (AFMC)

AE

7 June 2004

MEMORANDUM FOR SEE DISTRIBUTION

FROM: WR-ALC/CC

SUBJECT: WR-ALC Management and Oversight of Acquisition of Services Process
(MOASP)

1. This memorandum establishes WR-ALC policy for pre- and post-award management and oversight of services contracts. The AFMC MOASP (Atch 1), dated 11 Feb 04, is effective immediately and applies to all AFMC services acquisitions (Other Contracting). PEO acquisitions will continue to use the guidance found in the USAF MOASP (Atch 2) unless the PEO issues a separate MOASP or authority is delegated to WR-ALC. This guidance is applicable to services procured through contracts or task orders issued within or outside (e.g., issued by GSA) the Department of Defense.
2. The process set forth in the AFMC MOASP identifies AFMC Center Commanders as "Designated Officials" (DO) and permits delegation of this responsibility to allow for greater flexibility. (The responsibilities of the DO are described in the AFMC MOASP and summarized in the next paragraph.) Therefore, I hereby delegate DO authority for all WR-ALC center level (Other Contracting) services acquisitions to the two letter requiring organization responsible for the services acquisition from $\geq \$5M$ to $\$100M$ unless designated as a special interest item. The two letter may redelegate DO authority from $\geq \$5M$ to $\leq \$10M$ to the three-letter program organization except for Information Technology (IT). **For 78 ABW services acquisitions, I hereby delegate DO authority to the 78 ABW Commander from $\geq \$5M$ to $\$100M$ unless designated as a special interest item. The 78 ABW Commander may redelegate DO authority from $\geq \$5M$ to $\leq \$10M$ to the 78 ABW group commanders or deputies except for IT.** No further delegation is authorized. For all IT service acquisitions, the two-letter DO authority from $\geq \$5M$ to $< \$32M$ is WR-ALC/IT, unless designated as a special interest item.
3. Each DO at WR-ALC shall approve, in advance, all services acquisitions. If the requiring activity for the services acquisition is not required to conduct an Acquisition Strategy Panel and prepare an Acquisition Plan based upon current thresholds, an equivalent plan should be prepared in accordance with Attachment 1 of the AFMC MOASP and approval obtained to proceed from the DO. Any resultant solicitation and contract will be reviewed and approved by the DO prior to release and award to ensure that the finalized metrics and performance based requirements are included. Each DO shall also conduct a post-award review in accordance with paragraph 6.(b) of the AFMC MOASP and report any significant negative variations to cost, schedule and/or other performance metrics as requested by the Center commander or headquarters.
4. We shall continue to use existing processes to manage and oversee services acquisitions $>$ Simplified Acquisition Threshold (SAT) (see FAR 2.101, generally is $\$100K$) to $< \$5M$. These processes include the MIPR approval procedures contained in the WR-ALC Process Guide for



Outgoing MIPRs, the Business Planning Process contained on the WR-ALC Business Planning Page (<http://pkec.robins.af.mil/BusiPlan/BusiPlan.htm>), A&AS approval process and procedures for performance-based services acquisitions contained in AFI 63-124. WR-ALC Guidance for Services Acquisition and Management will be developed and will be accessible on appropriate organizational webpages to provide details of the local MOASP process as well as comprehensive information on other WR-ALC processes involved in managing services. Attachment 3 provides a summary of the DO approval thresholds discussed above.

5. WR-ALC/AE is OPR and WR-ALC/PK is OCR to develop procedures and policy for local implementation of MOASP. The points of contact are Linda O. Fountain, PKPB, extension 21102 and Jamie Bacon, AES, extension 60274.


MICHAEL A. COLLINGS
Brigadier General, USAF
Commander

Attachments:

1. AFMC MOASP, 11 Feb 04
2. USAF MOASP, approved by OSD 7 Feb 03
3. Summary of DO Approval Thresholds



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

MAR 08 2004

MEMORANDUM FOR ALHQCTR/CC

FROM: AFMC/CC
4375 Chidlaw Road
Wright-Patterson AFB OH 45433-5001

SUBJECT: AFMC Management and Oversight of Acquisition of Services Process
(MOASP)

1. This memorandum establishes AFMC policy for pre- and post-award management and oversight of services contracts. The attached AFMC MOASP, dated 11 Feb 04, is effective immediately. The process set forth in the attachment identifies AFMC Center Commanders as "Designated Officials." The AFMC MOASP permits delegation of this responsibility, allowing maximum flexibility while meeting the scope and intent of DoD direction and underlying statute.
2. Increased DoD expenditures on service contracts yielded increased Congressional interest and oversight. The National Defense Authorization Act for Fiscal Year 2002 (Section 801 of Public Law 107-107) directed each military service to establish a designated official and a management structure for services contracts, and required the DoD to establish sound management and oversight processes for service contracts. Further direction from SAF/AQ established the requirement for each MAJCOM to implement a formalized management and oversight process.
3. My point of contact for this action is Mr. D. Brian Morris, HQ AFMC/PKV, DSN 787-6811.


GREGORY E. MARTIN
General, USAF
Commander

Attachment:
AFMC MOASP, 11 Feb 04, w/Atch

Air Force Materiel Command
Management and Oversight of Acquisition of Services Process (MOASP) (11 Feb 04)

1. **Purpose:** This process implements paragraph 3 of the USAF Management and Oversight of Acquisition of Services Process (MOASP) issued by ASAF(A) memorandum dated 03 June 2003. The USAF MOASP requires AFMC to implement a process similar to the USAF MOASP for the review and approval of all services acquisitions.
2. **Applicability:** This MOASP is applicable to all AFMC services acquisitions, as set forth in paragraph 7 below, regardless of whether the services are procured through a contract or task order issued within the Department of Defense or through a contract or task order issued by an official of the United States outside the Department of Defense. The USAF MOASP and/or USD(AT&L) Acquisition of Services letter dated 31 May 2002 should be consulted prior to initiating any services acquisition exceeding the AFMC threshold.
3. **Exceptions:** This process does not apply to Non-Appropriated Fund (NAF) Services, Construction, Architect-Engineering or Housing/Utilities Privatization.
4. **Designated Officials (DO):** The AFMC Center Commanders are the Designated Officials within AFMC, and have the authority to delegate this authority as set forth in paragraph 7 below. For services acquisitions made directly by HQ AFMC the DO shall be established as set forth in paragraph 7 below.
5. **Responsibilities:** Each DO within AFMC shall approve, in advance, all services acquisitions and ensure they are based on a strategic approach and that business arrangements comply with applicable statutes, regulations and policies.
6. **Management Controls:** DO's shall establish/maintain the following management processes for each contract/task order, whether issued within or outside of DoD:
 - (a) Pre-award: The requiring activity for each services acquisition shall conduct an Acquisition Strategy Panel (or equivalent) and prepare an Acquisition Plan (in accordance with attachment 1 hereto) and obtain approval to proceed from the DO. Both the ASP and AP must contain proposed outcome based objectives and appropriate metrics. Metrics shall be structured to provide timely and accurate assessments of the contractor's performance. Any resultant solicitation and contract award will be reviewed and approved by the DO prior to release to ensure that the finalized metrics and performance based requirements are included.
 - (b) Post-award: Conduct post award review, no later than 30 days after the contractor's full assumption of contract workload, to determine if the contractor successfully completed transition, is fully operational and is within estimated budget. Significant negative variations to cost, schedule and/or other performance metrics should be reported to the Center level DO. Any services acquisition experiencing a significant deviation is

also subject to a special review at HQ AFMC/XR and HQ AFMC/PK. (Program manager or contracting officer shall include explanation of the causes for the significant variance and provide an assessment of the contractor's corrective action plan)

7. Thresholds:

Designated Official ⁽¹⁾	Total Estimated Acquisition Value	A-76 Studies	Information Technology (IT)
USD (AT&L) or AFAE	≥\$2 Billion		
AFPEO/CM	≥\$100 Million	300+ FTEs	
HQ AFMC ⁽²⁾	≥\$5 Million	<300 FTEs	≥\$5 Million
OASD/NII			> \$32 Million any one year, total program costs >\$126M or total Life Cycle Costs >\$378M ⁽³⁾

⁽¹⁾USD(AT&L), AFAE, and AFPEO/CM retain Designated Official authority for all acquisitions identified as special interest, regardless of total estimated acquisition value. They may also delegate Designated Official authority to lower levels. (Note: Weapon Systems Program Executive Officers (PEOs) are the Designated Officials for services acquisitions incorporated into programs in their portfolio.)

⁽²⁾AFMC delegates review of all center level services acquisitions from ≥\$5M to \$100M and IT service acquisitions ≥\$5M to <\$32M to Center Commanders unless designated as a special interest item. Center Commanders may delegate DO authority to the 2-letter level. The 2-letter may redelegate DO authority for all services acquisitions with a total estimated acquisition value ≥\$5M to ≤\$10M and IT services acquisitions ≥\$5M to ≤\$10M to the 3-letter level. No further delegation is authorized. HQ AFMC/CC delegates DO authority for all internal HQ AFMC level services acquisitions to the two letter organization responsible for the services acquisition. The HQ AFMC two letter organization may redelegate DO authority for all services acquisitions to the 3 letter level.

⁽³⁾ In accordance with DoDI 5000.2, these amounts shall be estimated based on FY 2000 constant year dollars.

Note: Contracting Officers should include 30 days in the acquisition schedule for each review conducted by AFPEO/CM or AFAE and 90 days for each review conducted by USD.

8. **Annual Reporting Requirements:** Annual reporting of all services acquisitions is required. AFPEO/CM will collect this data utilizing DD350 and Federal Procurement Data Systems (FPDS) for applicable AFMC services acquisitions.

9. **Waiver Process:** AFMC Designated Officials may not waive the reporting requirements or management controls contained in this MOASP without prior approval of HQ AFMC/PK.

10. **References:** Additional information and a listing of all related Public Law, DoD and USAF documents can be found at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/PK/pkv/moasp.htm>.

ATTACHMENT 1
TO
AIR FORCE MATERIEL COMMAND
MANAGEMENT AND OVERSIGHT OF ACQUISITION OF SERVICES PROCESS

ACQUISITION STRATEGY CONTENT:

The acquisition strategy shall address the following:

Requirement: The outcomes to be satisfied and if such outcomes are performance-based (see FAR Subpart 37.6) and the measures of success for the service acquisition. How the requirement was previously satisfied (if it is not new).

Risks: The acquisition strategy shall identify current and potential cost, schedule and performance risks, the level of stated risks, and a risk mitigation plan.

Competition: Explain how full and open competition will be provided. If other than full and open competition, provide an explanation of why, and a citation of the statutory authority that allows less than full and open competition. Plans for competition for any foreseeable follow-on acquisitions should also be addressed.

Implications: How the new acquisition will support the achievement of small business goals/targets. How the new acquisition will support any other applicable directed programs.

Business Arrangements: How the acquisition will be funded, the type of business arrangements anticipated (e.g., single contract, multiple award task order contract), the duration of each business arrangement (base period and all option periods), cost estimate for the total planned acquisition, and pricing arrangements (e.g., fixed price, cost reimbursement, time and materials, labor hour, or variations, based on guidance in FAR Part 16 and, for commercial services, in FAR Part 12). Task orders executed within a service acquisition reviewed under this policy do not require a separate review by the Component Acquisition Executive (CAE) or Head of the Contracting Agency (HCA) (for those components without a CAE) (unless delegated), provided the task order is issued under the approved conditions.

Multi-year Contracts: If the acquisition strategy calls for a multi-year service contract to be entered into under the authority of 10 USC 2306c, the acquisition strategy must address the DoD Component's plans for budgeting for termination liability for multi-year. Also, OMB Circular A-11 requires that multi-year service contracts be scored as operating leases. Therefore, the acquisition strategy must address the budget scorekeeping that will result from use of the proposed contracting strategy.

USAF Management and Oversight of Acquisition of Services Process

1. Purpose. This process implements paragraph (d) of section 801 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107 - 107) and Department of Defense (DoD) policy guidance issued by memorandum dated 31 May 2002, Subject: Acquisition of Services.
2. Discussion. 10 USC 2330 (a) & (b) require that a Designated Official review and approve, in advance, all services acquisitions in accordance with established thresholds. Section 801(d) requires the establishment of a DoD program review structure for services acquisitions that is similar to the process applied to the procurement of weapon systems. The Designated Official shall ensure that services acquisitions are based on a strategic approach and that business arrangements comply with applicable statutes, regulations and policies. DoD policy establishes thresholds and delegates responsibility for services acquisitions between \$500M and \$2B to the Air Force Acquisition Executive (AFAE), except for services acquisitions identified by the USD (AT&L) as special interest. Except for major weapon system and Space program acquisitions, the AFAE has appointed the Air Force Program Executive Officer for Services (AFPEO/SV) as the designated official to review all services acquisitions. The Under Secretary of the Air Force (SAF/US) and System Program Executive Officers (PEO) are Designated Officials for the programs in their respective portfolios. Information Technology (IT) acquisitions are subject to appendix C of USD (AT&L) policy memorandum dated 31 May 02 and thresholds identified for Major Automated Information Systems in DoDI 5000.2. AFPEO/SV retains authority for the review and approval of all services acquisitions with a total planned dollar value in excess of \$100M and all acquisitions pursuant to A-76 studies that involve 300 or more Full Time Equivalents (FTE). After the required OSD review and approval, this process will be issued, as Air Force acquisition policy, for implementation by the Major Commands (MAJCOM). Upon review and approval of MAJCOM procedures, the AFPEO/SV may delegate management and review responsibilities to designated officials within the MAJCOM for all services acquisitions with a total planned dollar value of less than \$100M. MAJCOM designated officials may further delegate these authorities.
3. Applicability. The following management process is applicable to all services acquisitions, regardless of source, with a total planned value in excess of the simplified acquisition threshold. All services acquisitions with a total planned dollar value in excess of \$100 million, any acquisition pursuant to an A-76 study involving 300 or more FTEs, and any services acquisition that is designated as "Special Interest" by the AFAE or the Under Secretary of Defense Acquisition, Technology and Logistics (USD (AT&L)) shall be acquired and managed using these procedures. USAF Major Commands (MAJCOM) will implement a similar process for the review and approval of all services acquisitions that exceed the simplified acquisition threshold. This process complements, rather than supersedes, other policy or authority regarding the management, approval, or oversight of A-76 studies.

4. Process. The implementation of the Services Acquisition Oversight Process uses key contracting milestones and events as management controls in the pre-award phase and builds on the existing management processes (Wing/Base Business Requirements Advisory Group (BRAG) or equivalent program management review) to implement a post-award review process. The management controls and review process set forth below provide a methodology to ensure the successful acquisition of services and routine review of contract performance. MAJCOMs should delegate review responsibility to the lowest levels of authority consistent with the operational impact and risks associated with services acquisitions. Higher headquarters should review specific acquisitions when significant variations in performance occur.

5. Review and Approval Thresholds.

a. Unless delegated by the USD (AT&L), services acquisitions exceeding a total planned dollar value of \$2 billion, or designated as special interest by the USD (AT&L) or AFAE, are subject to pre-award control and post-award review by the USD (AT&L) and/or the AFAE.

b. Unless delegated, services acquisitions exceeding a total planned dollar value of \$100 Million or conducted pursuant to A-76 studies involving 300 or more FTEs are subject to pre-award control and post-award review by the AFPEO/SV.

c. Contracting Officers should include 30 days in the acquisition schedule for each review conducted by the AFPEO/SV or AFAE and 90 days for each review conducted by the USD (AT&L).

6. Pre-Award Management Controls.

a. All services acquisitions shall contain outcome based objectives and appropriate metrics that ensure timely and accurate assessments of the contractor's performance. These objectives and overarching metrics should be developed by the requiring activities, addressed in the Acquisition Plan, approved by the Acquisition Strategy Panel (ASP), included in the Request for Proposal, and be made a part of any subsequent contract or agreement. Each performance-based instrument should contain metrics that address the unique performance requirements that measure progress toward the desired outcomes. Regardless of DFAR guidance an Acquisition Plan or abbreviated Acquisition Strategy document prepared IAW appendix A of the OSD policy is required for each services acquisition.

b. To ensure implementation of these requirements, the responsible program manager or contracting officer for all services acquisitions with a total planned dollar value in excess of \$100 million or pursuant to A-76 studies involving 300 or more FTEs shall submit the draft acquisition plan and the draft Performance Work Statement (PWS) or similar requirements document to the AFPEO/SV prior to scheduling the ASP and releasing the draft Request for Proposal. Unless delegated, the AFPEO/SV serves as the Source Selection Authority (SSA), the ASP chairman, and the Acquisition Plan Approval

Authority and shall provide formal approval of the aforementioned final documents during the ASP process. Additionally, after the completion of source selection but prior to contract award, the contract shall be forwarded for review and approval of the contract management controls such as, the Quality Assurance Surveillance Plan (QASP), the Services Delivery Schedule or similar document. This review is intended to ensure the required outcomes and supporting metrics are included in the contract or agreement and reflect any required changes based on the proposal of the selected contractor.

c. For all A-76 programs that result in the implementation of a Most Efficient Organization (MEO) service provider, the Management Plan or Quality Assurance Surveillance Plan should include objectives and metrics and be managed and approved in accordance with AFI 38-203, Commercial Activities Program.

7. Post-Award Management Controls & Reporting Milestones. All services acquisitions with a value in excess of the simplified acquisition threshold will be reviewed by the designated official and reported as follows:

a. Services Acquisitions awarded after the effective date of policy implementing this process will be reviewed within 30 days of the contractor's full assumption of contract workload, for example, end of transition, phase-in or similar event. In accordance with MAJCOM instructions the designated official shall conduct the review to determine if the contractor successfully completed transition, is fully operational, and is within estimated budget. Reporting requirements will be determined by the MAJCOM designated official. As a minimum, negative variations in cost, schedule, and/or other significant performance metrics should be reported to the appropriate designated official. When significant variations exist, the contracting officer or program manager shall include an explanation of the causes for the variance and an assessment of the contractor's corrective action plan.

b. All services acquisitions with a value in excess of the simplified acquisition threshold will be reviewed annually. Report and review format is determined by the MAJCOM. As noted in paragraph 6a above, contracts and agreements with cost and schedule variances or significant negative performance indicators should include causative explanations and future expectations of performance.

c. All services acquisitions in excess of \$100 million are reported to and reviewed by AFPEO/SV at the end of each year of performance. Reports will conform to the requirements of paragraph 6a.

d. Selected contracts and agreements may be reviewed by the AFAE and USD (AT&L).

e. Any services acquisition experiencing significant variances in anticipated cost, schedule, or performance expectations is subject to a special review at the discretion of the AFPEO/SV, the MAJCOM or the designated official.

8. In recognition of the numerous variables that drive the performance of service acquisitions, this process seeks to minimize reporting requirements to those that are clearly indicative of the contractor's performance and provide the level of insight desired by higher headquarters. Individual performance metrics that measure discrete items within the PWS have application and interest at the local level and should be managed accordingly. Above the Base/Wing level, a contractor's performance should only be reported at the macro level in terms of cost and schedule variance or significant performance indicators set forth in each contract/performance plan.

9. Pending designation of a Department of Defense data collection system, the Air Force will use the DD350 system to provide required data for internal acquisitions, the Federal Procurement Data System (FPDS) to provide data for acquisitions by non-DoD agencies and manual reporting as required to provide supplemental information requirements.

Summary of MOASP Designated Official (DO) Thresholds Incorporating USAF
MOASP, AFMC MOASP and WR-ALC/CC Delegations

Designated Official (1)	Total Estimated Acquisition Value	Information Technology (IT)	A-76 Studies
USD (AT&L) or AFAE	≥\$2 Billion or Special Interest	N/A	N/A
AFPEO/CM	≥\$100 Million to <\$2B or Special Interest	N/A	300+ FTEs
OASD/NII (Applicable to IT only)	(See next column)	>\$32 Million any one year, total program costs >\$126 Million or total Life Cycle Costs >\$378 Million (3)	N/A
HQ/AFMC (2)	(Delegated to WR-ALC/CC LAW note 2 below)	N/A	<300 FTEs
WR-ALC 2-letter (4)	≥\$5M to \$100M (except IT or special interest or PEO specific procedures)	>\$5M to <\$32M is WR-ALC/IT unless special interest	N/A

(1) USD (AT&L), AFAE, and AFPEO/CM retain Designated Official authority for all acquisitions identified as special interest regardless of total estimated acquisition value. They may also delegate Designated Office authority to lower levels. NOTE: Weapon Systems Program Executive Officers (PEOs) are the Designated Officials for services incorporated into programs in their portfolio.

(2) AFMC delegates DO review of all center level (Other Contracting) services acquisitions from ≥\$5M to \$100M and IT services acquisitions ≥\$5M to <\$32M to Center Commanders unless designated as a special interest item. Center Commanders may delegate DO authority to the 2-letter level. The 2-letter may redelegate DO authority for Other Contracting acquisitions with a total estimated acquisition value ≥\$5M to ≤\$10M and IT services acquisitions ≥\$5M to ≤\$10M to the 3-letter level. No further delegation is authorized.

(3) In accordance with DoDI 5000.2, these amounts shall be estimated based on FY 2000 constant year dollars.

(4) WR-ALC/CC delegates DO review of all center level (Other Contracting) services acquisitions ≥\$5M to \$100M to the two letter organization responsible for the services acquisition unless designated as a special interest item. The two letter organization may redelegate DO authority for all Other Contracting services acquisitions to the 3 letter program organization ≥\$5M to ≤\$10M except for Information Technology.

Summary of MOASP Designated Official (DO) Thresholds Incorporating USAF
MOASP, AFMC MOASP and WR-ALC/CC Delegations

No further delegation is authorized. For all Information Technology (IT) service acquisitions, the two-letter DO authority \geq \$5M to $<$ \$32M is WR-ALC/IT, unless designated as a special interest item.