Services Acquisition Tools
and Mission Assistance

2017 Acquisition Insight Days
June 13-14 2017
We are part of the community, not just a place to take classes.
What was once performed by uniformed military may now be provided by contractors.

Contractors perform vital services in support of the entire DoD mission and team:

- Maintain combat equipment
- Move forces to and from combat operations
- Provide life support at contingency bases
- Sustain facilities and test ranges
- Provide health care services
- Etc.
Courses
- Continuously improved delivery
- Critical thinking
- Understanding industry

“Pull-Learning” When You Need It
- New organization
- Improved website (DAU.mil live Feb. 26, 2017)
- More video, tools, communities
- Connected to courses

DAU Comes to You
- More structured workshops
  - e.g. source selection, should-cost, & SAWs
- More faculty involvement
- Connected to Workflow and Foundational Learning
SERVICES ACQUISITION LEARNING ASSETS

Foundational Learning

- ACQ165 Defense Acquisition of Services (8 hours online)
- ACQ255 Services Acquisition Management Tools (~20 hours online)
- ACQ265 Mission-Focused Services Acquisition (28 hours, case study, classroom)
- CON280 Source Selection & Administration of Services Contracts (76 hours, case study, classroom)
- CON121, 124, & 127 Contract Planning, Execution, & Management (35 total hours of online training)
- CLC222 Contracting Officers Representative (COR) (32 hours online)
- CLC004 Market Research (2 hours online)
- CLC011 Contracting for the Rest of Us (2 hours online)
- CLC013 Services Acquisition (3 hours online)
- CLC106 COR with a Mission Focus (8 hours online)
- CLC108 Strategic Sourcing Overview (4.5 hours online)

★ = In Development, planned for 1QFY18

Performance Learning

- WSM012 Services Acquisition Workshop (SAW) Required for Service Category (S-CAT) I (Army required for SCAT II and above) and Strongly recommended S-CAT III and above

Workflow Learning

WSM012 Services Acquisition Workshop (SAW)
- Online, on-demand, services categories-based templates, performance support tools, videos

As of 1Q FY17

- Contact hours: 12,368
- Average monthly sessions: 4020
- Average visit duration: 4 min
- Average pages per visit: 3.8

ARRT-CE v2.1 and ARRT-PA v2.1

Guided process for developing PWS, QASP and PRS using standard templates

Set factors and subfactors and relative importance

ARRT-RD v4.3

ARRT-CE v2.1 and ARRT-PA v2.1

ARRT-EF v2.3

CON280 Source Selection & Administration of Services Contracts (2 days - client site)
- WSM002 Risk Management (2 days - client site)
- WSM008 Developing Performance Requirements for Services Acquisitions (1 day - client site)
- WSM009 SOW, SOO, PWS (4 days - client site)
- WSL001 Performance Based Logistics (3 days - client site)

Team-based, just-in-time, acquisition-specific facilitated multi-phase workshop

FY13: 41 SAWs (15 SAWs valued >$1B)
FY14: 42 SAWs (17 SAWs valued >$1B)
FY15: 51 SAWs (15 SAWs valued >$1B)
FY16: 67 SAWs (10 SAWs valued >$1B)
FY17: 16 SAWs Completed of 29 Scheduled (2 >$1B)
ACQ165 Defense Acquisition of Services

• Distance Learning, 8 hrs
  – Introduction to the Acquisition of Services
  – DoDI 5000.74 Applicability
  – Oversight Responsibilities
  – Key Management Roles and Responsibilities
  – Service Acquisition Process: Phase 1 through 3
  – Services Portfolio Management
  – Requirements Development, Validation, and Oversight
  – Data Collection, Reporting, and Inventory of Contracted Services
  – Acquisition Considerations for IT Services
The 7-Step Process
ACQ 265 Mission-Focused Services Acquisition

- Increase small business participation and maximize competition
- Improve requirements definition
- Emphasis on market research
- Incentivize industry to improve productivity and performance
- Use existing federal government contracts to maximum extent practical before awarding new contracts
- Use “should-cost” analysis and establish cost reduction targets
Mission Assistance

- Structured to assist customers **improve acquisition outcomes**
- Tailored and delivered at the **point of need**
- **Not** conceptual education, but hands-on using your program information/data to learn and resolve challenges
- [https://www.dau.mil/consulting-services/](https://www.dau.mil/consulting-services/)

DAU Mission Assistance is a **Multiplier** – ensuring programs have the trained personnel, latest tools, & engagement services to ensure success
MA Vision: Timely, practical, focused on-the-job assistance enabling the DAW and their organization to achieve expected acquisition outcomes, while developing and capturing improved DAU/DAW knowledge and capabilities. This will be achieved via engagements structured with clearly defined outcomes that meet specific customer performance and learning needs.

MA Mission: Provide global, world class, on-the-job assistance supporting a mission-ready DAW (both individually and organizationally) that develops, delivers and sustains effective, affordable warfighting capabilities.
WSM-012 Service Acquisition Workshop

- SAW provides tailored, just-in-time “team” training
- built around a specific acquisition and its multi-functional team (MFT)
- conducted as a multiphase consulting engagement over the course of the sourcing activities
- less complex SAWs generally take four days
- schedule and conduct EARLY in the acquisition process
- SAW is focused on getting actual work accomplished and giving the team the tools (knowledge, skills and understanding) to continue the process through to completion.
- >60 DAU Faculty Facilitators across the DAU enterprise (8 @ Midwest Region)
- Email SAW@dau.mil to request a SAW; Mission.Assistance@DAU.mil to request other workshops
...the Panel remains concerned that professional-level training courses for services program managers continues to be lacking. (HASC Report)

- Program or Project Manager is the exception, not the rule
  - Unclear expectations of roles, responsibilities, and accountabilities
  - No Vision and Timeline for completing the acquisition
  - Failure to identify a PM leads to delays and loss of focus

- Limited early PCO involvement creates frustration
- Limited Stakeholder Analysis
- Ineffective Market Research at best
  - Sources sought is not all there is to it
- Fear of talking with industry prior to RFP release
  - Myth-busting memos 1-3
Development Phase - Challenges

- Severe cases of “Cut and paste-itis”
  - Not analyzing what has changed from last requirement
- Don’t understand difference between a performance objective and a performance standard
- Limited PCO involvement during requirement development impacts developing effective business strategies
  - Lack of understanding of the key performance issues and stakeholder concerns
- Business strategy and type of contract decided in a vacuum before requirement has been finalized
Execution Phase - Challenges

• Tracking performance requires using the QASP and collecting data and facts
  – Too often lack the data to support less than Satisfactory CPAR, if they do CPAR at all
  – Little connection between QASP and CPAR

• Part time CORs with high turnover

• Need to manage the relationship, the results and the contract

• Keeping leadership engaged in the results

Contractor Performance Assessment Report (CPAR)
Quality Assurance Surveillance Plan (QASP)
Services New Releases & Updates

- **SAM**: Service Acquisition Mall Version 5.6 deployed
  Online resource for performance based services knowledge and tools

- **ARRT Suite**: the suite is a collection of tools that help you build strategic elements of your acquisition documents by walking you through structured processes

  - **ARRT Requirements Definition (ARRT-RD)** is a tool used to write performance-based requirements following the Requirements Roadmap process. Using the tool, you can create Performance Work Statements (PWS), Quality Assurance Surveillance Plans (QASP), & Performance Requirement Summaries (PRS). Version 4.2 deployed.

  - **ARRT Evaluation Factors (ARRT-EF)**: provides a simple, structured approach for developing your contract source selection factors. It walks you through a step by step process to set your factors and subfactors, describe what will be evaluated, and set their relative importance. Version 2.2.1 deployed.

Recent Development Efforts

- **PA** – Performance Assessment (V2.0 released Sept. 30, 2016)
  - Monitor and track contractor performance based on PWS
  - Supports incentives documentation
  - Generate contractor performance reports (CPARS inputs)

- **CE** – Cost Estimation (V2.0 released Sept. 30, 2016)
  - Develop your independent government estimate (IGE)
  - Use interview approach and cost estimation assistance
Providing Online Tools To Enhance Job Performance

https://www.dau.mil/tools
Service Acquisition Mall (SAM)


http://sam.dau.mil
Alignment of Process and Tools

**Process Work Flow**

- Steps 1-3
- Steps 4
- Steps 5
- Steps 6
- Steps 7

**Tool / Job Aid**

- SAM
- ARRT-RD
- ARRT-CE
- ARRT-PA
- ARRT-EF

**Work Product(s)**

- Skill Dev. Center
- Samples/Repository
- PWS
- PRS
- QASP
- IGE

**Evaluation Factors**
- Contractor Performance Charts
- Past Performance Assessment Input
The training you get from DAU helps you support our warfighters.
Headquarters U.S. Air Force

Integrity - Service - Excellence

2017 Acquisition Insight Days

Tonya De Saussure
Chief of Policy
AF Program Executive Office
for Combat and Mission Support
WHAT’S GOING ON

WHY REWRITE AFI 63-138
ACQUISITION OF SERVICES

?
Published May 21, 2013

- First attempt at establishing a management structure for the acquisition of services
- 2014, the AF issued a major policy letter that identified three AF structures and introduced the Services Requirements Review process (Contracts Court)
- 2016 - DODI 5000.74 Acquisition of Services was published
- A lot has happened since 2013

- Extensive rewrite – Substantial changes
  - Read the AFI in its entirety

- DPAP is rewriting DODI 5000.74 – expect a revision to this AFI in the future
## Context as you compare terminology

<table>
<thead>
<tr>
<th>DODI 5000.74 Acquisition of Services</th>
<th>AFI 63-138 Acquisition of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Table 1. Acquisition of Services Categories S-CATs</strong></td>
<td><strong>Table 2.1 Services Category (S-CAT Thresholds for Service Acquisitions within the AF)</strong></td>
</tr>
<tr>
<td>SAE – Senior Official&lt;br&gt;SSM – Services Experts and Decision Authorities</td>
<td>SAE - (Ms. Costello)&lt;br&gt;SAF/AQ – Ms. Costello/Lt Gen Bunch&lt;br&gt;SSM – Ms. Andrews</td>
</tr>
<tr>
<td>Services Requirements Review Boards (SRRB)</td>
<td>Support Services Requirements Review (SSRR)</td>
</tr>
<tr>
<td>Services Acquisitions Requirements Developments, Validation and Oversight</td>
<td>Requirement Review, Requirement Approval Document (RAD)</td>
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AFI 63-138 Acquisition of Services - Chapters

- Chapter 1 – Overview and Applicability;
- Chapter 2 – Roles, Responsibilities, and Authorities;
- Chapter 3 – Critical Components of Services Acquisitions;
- Chapter 4 – Reporting Requirements;
- Chapter 5 – Military Interdepartmental Purchase Requests (MIPRs);
- Chapter 6 Services Contracts Quality Management Oversight;
- Chapter 7
- Chapter 8 are reserved;
- Attachment 1 is Glossary of References and Supporting Information.
What Should You Expect

- Policy, guidance and an implementation of a management structure for the acquisition of services;

- Define roles, assign responsibilities, establish review and approval expectations, and provides direction for acquiring services.

- Define and establish processes to implement the AF Support Services Requirements Review (SSRR);

- Identify acquisition planning considerations for services acquisition;

- Establish the requirement for the use of a Strategic Management Tool (SMT) and introduce future procedures for data input and management of service requirements; and,

- Establish the requirements definition procedures and processes to ensure the government contracted services conform to the quality and performance requirements of the contract.
Applicability

- Services greater than or equal to the Simplified Acquisition Threshold (SAT) using AF appropriated funds purchased by the AF or any other acquisition entity for a requirement that benefits the AF.
- Services greater than or equal to the SAT using appropriated funds of others and are executed by an AF entity
- Knowledge Based Services
- IT support services
- FMS services using appropriated funds
- Embedded services
- Any other service or services designated a special interest item
Exemptions

- R&D (as defined in FAR Part 35.001)
- Construction
- A&E
- Utilities
- FMS purchased with a foreign country’s funds
- FFRDC
- Classified cryptologic and intelligence projects/programs except to the extent practical to the discretion and decision of the responsible senior official and decision authorities
Roles and Responsibilities

- Services Acquisition Executive (SAE) is the Services Designated Official (SDO)
  - Assigns responsibility for the review and approval of procurement in each services category (S-CAT)
  - Implement policies, procedures and best practices guidelines
  - Holds acquisition planning and sourcing decision authority for all services acquisitions greater than or equal to the SAT

- SDO – Execute acquisition and management authorities as SDO, SSA, Acq strategy/plan approval, Fee and Term Determining Official

- AFPEO/CM – EXECUTION

- Senior Services Manager – GOVERNANCE
Roles and Responsibilities

- **SDO Authorities**
  - Delineated in Table 2.1 by dollar threshold
  - Outlines *five* S-CAT as opposed to *three* in the 2013 AFI 63-138

- **PEO structure:** SDO for S-CAT I, II, and III is the PEO or a General Officer (GO)/Senior Executive Service (SES) unless waived by SSM.

- **SDO for S-CAT IV delegable to no lower than the O-6/GS-15 (or equivalent).**

- **S-CAT V delegable to no lower than O-5/GS-14 (or equivalent).** In special circumstances, the WS PEO may waive the grade requirement if the SDO has appropriate access to GO/SES organization leadership.
### Three-Structure Enterprise

**Oversight**

- **Senior Review Group ➔ AF Council**
  - PEO/CM
  - HAF Ldrs
  - SAE
  - MAJCOM 1
  - MAJCOM 2
  - HAF 2Ltrs
  - PEO/XX
  - PEO/YY

Each contains:

- Services Designated Official (SDO) (for acquisition authority)
- Requirements Approval Authority (RAA) (for rqts vetting)
- Services Advocate (for governance oversight)

Within each and at appropriate level:

- Focused around Rqts/Mission Owners
- Using Multifunctional Teams (PM, FSM, CO, QA, FM, etc)
- For pre-award and post-award management

Tools/techniques/methodologies:

- Rqts Approval Document (captures vetted requirement)
- Acquisition Reviews (ESIS – ASP – Source Selection)
- Annual Execution Reviews (program status - post award) (or Support Services Rqts Review (aka Contract Court))
- Health Assessments (evaluate effectiveness of governance)
Roles and Responsibilities

- Weapon Systems PEO
  - Execute Requirements Approval Authority (RAA) and SDO authority for service acquisitions within their portfolio as outlined in Table 2.1 and 3.1,
  - Establish a management structure and processes for a SSRR as described in paragraph 3.1 for all acquisitions containing services greater than or equal to the SAT within the respective portfolio
  - Ensure the SSM is copied on all approved Requirement Approval Documents (RAD) greater than $100M
  - Establish an adequately planned and resourced management approach to monitor contractor performance including quality surveillance and services deliverable tracking procedures
Roles and Responsibilities

- Requirements Approval Authority (RAA)
  - Authority outlined in Table 3.1
  - Responsible to identify, assess, validate and approve services requirements within their respective portfolio
  - Ensure all approved requirements are reported quarterly
  - In some cases, the RAA and the SDO may be the same person
- Program Manager (PM) or Functional Services Manager (FSM)
- Chief, Contracting Officer’s Representative (C-COR)
  - May be considered the PM
  - Can be utilized when there is a need for multiple CORs or functional subject matter experts (F-SME)
- The C-COR can be responsible to gather surveillance reports of all CORs or F-SMEs and submit one report
Roles and Responsibilities

- Requirements Approval Authority
  - Responsible to identify, assess, validate, and approve support requirements at Headquarters AF (HAF), MAJCOM/DRU/AFFOA, and Program Executive Officer levels
  - Review and approve all RADs over $10M prior to approval of the acquisition strategy for ACAT programs containing embedded services or approval of the acquisition plan for services

- Other notable roles identified in the 2017 version
  - COR
  - CO
  - QAPC
  - MFT
Support Services Requirements Review (SSRR)

- Meets the intent of DOD Services Requirements Review Board (SRRB)
- Two tiered approach -
  - Requirements Review (Tier one)
  - Annual Execution Review (AER)/Health of Services (HoS) (Tier two)
- Tier two is also referred to as the Services Governance Health Assessment (SGHA)
Critical Components of Service Acquisition Governance

- Requirements Approval Document/Requirement Vetting
  - Early in the process – Once a requirement is identified
  - Approval is required prior to the Acquisition Strategy approval
  - Approval is required using a Requirement Approval Document (RAD) unless the requirement undergoes a separate vetting process (i.e. CAPE, J-ROC, etc)
  - The RAA is the MDA for embedded services captured within a program of record milestone decision documents
  - Clearly written services requirements vetted by the appropriate stakeholders early in the life cycle, and then documented at the AF Review Board, or in the Acq Strat or the LCSP would serve as requirements approval
  - Services not included in the original documentation require amended milestone documentation or a separate RAD
Critical Components of Service Acquisition Governance

- Services Governance Health Assessment (SGHA)
- Annual Execution Review
  - The PM or the requirement’s owner is responsible for the preparation and briefing of the AERs for each individual requirement
  - The intent of the presentations is for effective dialogue with SAF/AQ on the management and performance of services acquisitions within each PEO’s portfolio
  - Following the end of the FY, each PEO conducts an internal AER of their service requirements
- Health of Services
  - PEOs present an overall assessment of its portfolio
  - Complete AER and HoS charts to PEO/CM not later than or the last workday of December
A primary responsibility of CORs in assessing a contractor’s QMS is to inform the PM/FSM and CO if the contractor’s accepted QMS does not sufficiently control quality.

MFT’s responsibility for government quality management oversight extends from the pre-award to the post-award phases.

- Consider the quality requirements of the functional/technical activity, SS development, and performance plan development.
- Ensures SS performance objectives are measurable, surveillable, align with applicable CPARS reporting categories, contain mission essential/critical items in the SS table.
- Consider the type, surveillance frequency, and quantity of each performance objective when considering the performance threshold.
Quality Management Oversight

- After contract award, the MFT ensures COR oversight focuses on the adequacy and adherence of the contractor to their proposed QMS

- Types of COR Oversight
  - 100% Inspection - Method is preferred for contractor services that do not occur frequently, are critical, and/or have stringent performance requirements
  - Customer Complaints – The most inexpensive means of contractor surveillance.
    - Could be used to further evaluate unsatisfactory performance
  - CORs using the customer complaint method of surveillance, provide customer training to each organization receiving contractor services
Quality Management Oversight

- Review of Audits
  - Audit review method of surveillance typically centers on a contractor’s QMS corporate and/or local audits

- Periodic Surveillance
  - COR surveillance of services selected on other than the one hundred percent inspection, customer complaint, or review of audits methods of surveillance
  - CORs using periodic surveillance should ensure all PWS services, SS and non-SS items, are sufficiently sampled to validate contractor conformity

- Quality Assurance Surveillance Plan (QASP)
  - Provides a planned process for surveilling actual performance
  - Identify Contract Surveillance Requirements in the QASP
  - Identifies surveillance scheduling
**Questions From the Field**

- **Can I get a Summary of Changes:**
  - I can’t foot stomp enough, the AFI changed significantly. It is more important for you to read/digest the content of this version because you may have learned a month ago from the previous version may no longer exist.

- **Was the language from Ms. Costello’s Speeding Smaller Acquisition memo incorporated in the AFI?**
  - Verbatim. Again, read the AFI because you may find your questions may have been addressed.

- **Does the AFI apply to Foreign Military Sales?**
  - Para 1.2.1.5 states FMS services are applicable to the AFI when executed using appropriated funds, to include pseudo-FMS funds.
Questions From the Field

- We delegated quality assurance responsibilities to DCMA, are we expected to comply with Chapters 2 and 6 of the AFI? Will we need to revise our Quality Assurance Surveillance Plan?
  - No. The AFI does not intend to have you duplicate a process. DCMA provides the COR functions. Therefore, the AF does not need to nominate a COR to oversee the CORs or to oversee the same contractor performance DCMA is monitoring.

- The language in the AFI is recommended language to input into a QASP. The QASP is written to each requirement and is the direction the government will use for QA.
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