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NAVAL AIR SYSTEMS COMMAND
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IN REPLY REFER TO

NAVAIRINST 4200.61
AIR-2.1.1

MAY 13 2014

NAVAIR INSTRUCTION 4200.61

From: Commander, Naval Air Systems Command

Subj: ACQUISITION OF SERVICES

Ref: (a) DASN(AP) memo, Service Requirements Review Board
Guidance of 13 Apr 12
(b) DoD Guidebook for the Acquisition of Services of
5 Jun 12
(c) FAR Part 37
(d) DFARS Part 237
(e) DoDI 5000.02, Operation of the Defense Acquisition
System of 25 Nov 13
(f) 10 U.S.C. Section 2330
(g) 10 U.S.C. Section 2330a
(h) USD(A,T&L) memo, Implementation Directive for Better
Buying Power 2.0 of 24 Apr 13
(i) OSD memo, Enterprise-wide Contractor Manpower
Reporting Application of 28 Nov 12
(j) USD(A,T&L) memo, Review Criteria for the Acquisition
of Services of 18 Feb 09
(k) USD(A,T&L) memo, Peer Reviews of Contracts for
Supplies and Services of 29 Sep 08
(l) DFARS Part 201
(m) DASN(AP) memo, Enterprise-Wide Contractor Manpower
Reporting Application of 20 Dec 12
(n) DASN(AP) memo, Department of Navy Peer Review Program
of 26 Mar 09
(o) DASN(AP) memo, Acquisition of Services of 1 Dec 06
(p) NMCARS Part 5237
(q) NMCARS Part 5201
(r) NAVAIRINST 4200.37B
(s) NAVAIR memo, Standardize Use of the Procurement
Management Tool of 2 Jan 13
(t) USD(A,T&L) memo, Service Acquisition Workshop of 6 Dec
12
(u) FAR 7.107
(v) DFARS 207.170
(w) NMCARS 5207.170
(x) FAR 19.202-1
(y) AIR-2.0 CCI 4200.51A, Consolidation of Contract
Requirements of 23 Oct 06
(z) DASN(AP) memo, DON Policy for the Procurement of

Information Technology Development and Support
Services of 23 Apr 12

- (aa) FAR Subpart 7.5
- (bb) DFARS Subpart 207.5
- (cc) NMCARS Subpart 5207.5
- (dd) DASN(AP) memo, Reporting Inherently Governmental Functions Indicators to the Federal Procurement Data System of 4 Mar 13
- (ee) DFARS 209.571
- (ff) AIR-2.0 CCI 4200.56B, Procurement Peer Review Requirements of 27 Mar 13
- (gg) NAVAIR memo, NAVAIR MOPAS 2 of 17 May 07
- (hh) NAVAIRINST 4200.57
- (ii) FAR Part 16
- (jj) AIR-2.0 CCI 4200.30H, Business Clearance Memorandum Review and Approval Process of 18 Nov 13
- (kk) ASN(R,D&A) memo, Reducing Reliance on Bridge Contracts of 1 Oct 12
- (ll) NMCARS 5206.303-1
- (mm) DASN(AP) memo, Use of FAR Clause 52.217-8, Option to Extend Services of 26 Feb 13
- (nn) DFARS 215.371

- Encl: (1) Terms Used Within NAVAIRINST 4200.61
(2) Service Acquisition Review Requirements Checklist

1. Purpose. This instruction provides policy and guidance for the acquisition of services utilizing the framework established by the Department of Navy (DON) Service Requirements Review Board (SRRB) Guidance, reference (a), and the Department of Defense (DoD) Guidebook for the Acquisition of Services, reference (b).

2. Cancellation. This instruction cancels NAVAIRINST 4200.58A. This is a new instruction and should be reviewed in its entirety.

3. Scope. This instruction applies to all of the Naval Air Systems Command (NAVAIR), which includes NAVAIR Headquarters (NAVAIRHQ), Competencies, the Naval Aviation Program Executive Officers (PEOs) supported by NAVAIRHQ, Program Managers, AIR, subordinate commands, and field activities. The requirements outlined herein are applicable to all service acquisitions, as defined in references (c) and (d) and enclosure (1), with an acquisition value greater than the Simplified Acquisition Threshold.

4. Terms Used Within This Instruction. Terms used within this instruction and their meanings are outlined in enclosure (1).

5. Background. References (a) through (q) include statutory, Federal, DoD, and DON regulations and policies for the acquisition of services. This instruction outlines NAVAIR policy for the acquisition of services to ensure compliance with applicable regulations and policies and to facilitate completion of service requirement reviews.

6. Policy. Per references (a) and (h), comprehensive reviews of service requirements are required to enable effective management, monitor implementation of statutory and regulatory mandates, make strategic sourcing decisions, and improve business processes and practices. In addition, these reviews serve to identify, validate, assess, plan, and monitor service acquisitions. NAVAIR's service acquisitions are subject to the reviews and requirements outlined herein.

a. SRRB. NAVAIR shall conduct SRRBs focused on improving visibility of current and future contracted services, validating requirements, ensuring accountability, and optimizing expenditures. The NAVAIR SRRB Guidebook establishes processes and provides guidance on the goals, key events, responsibilities, and resources associated with SRRB events. It is available on the Assistant Commander for Contracts (AIR-2.0) website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire. The SRRB Guidebook is also available on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Acquisition Resources, Program Management Competency (PMC) Webtool, Guidebooks, Handbooks, & Verification Table, SRRB Guidebooks and Handbooks and under Tools and Resources, General, Total Force Readiness (TFR) Tools (Command Staffing Tool (CST)), View Help Documentation, Reference Materials.

b. Service Acquisition Review Requirements. The review requirements applicable to service acquisitions are outlined in reference (a). To ensure compliance with these requirements and facilitate completion of service requirement reviews, enclosure (2) aligns the nine key areas and review criteria from reference (a) with the three phases of the service acquisition process, i.e., Planning, Development, and Execution, outlined in reference (b). Additional NAVAIR requirements for service acquisitions are also included within enclosure (2). Note that in accordance with NMCARS 5237.170-2(S-90), certain service acquisitions are designated as special interest items and subject to review by the

Assistant Secretary of the Navy, Research, Development and Acquisition.

(1) Planning Phase. During the planning phase of the service acquisition process, the acquisition team is formed, current strategies are reviewed, and market research is conducted. The following requirements apply to the planning phase.

(a) Requirements Definition

1. Procurement Planning Conferences (PPCs). To ensure that all stakeholders will be involved in the acquisition process from the beginning, PPCs shall be conducted for service acquisitions greater than one million dollars (\$1M) per reference (r). The NAVAIR PMC Webtool includes details regarding the Procurement Initiation Documentation (PID) process and the use of PPCs. The PMC Webtool can be accessed on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Acquisition Resources, PMC Webtool. In addition, per reference (s), the NAVAIR Procurement Management Tool (PMT) shall be utilized to capture and track established procurement milestones. The PMT can be accessed on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Acquisition Resources, Acquisition Timeline. See paragraph 6b(2)(a), Requirements Definition, below for review criteria associated with requirements definition in the development phase.

2. Service Acquisition Workshops. Per NMCARS 5237.192, all team members supporting service requirements valued at one billion dollars (\$1B) or more shall participate in a Services Acquisition Workshop (SAW) provided by the Defense Acquisition University or an equivalent program. Waivers to this requirement shall be submitted via Commander, NAVAIR (AIR-00), to the Office of the Secretary of Defense through the Deputy Assistant Secretary of the Navy, Acquisition and Procurement, and include the rationale for not participating in a SAW; an assessment of quality of the requirements documents; and steps taken to reduce costs, improve competition, and shorten acquisition lead times. For acquisitions less than one billion dollars (\$1B) but greater than one hundred million dollars (\$100M), participation in a SAW is not required but should be considered per reference (t). Participation in a SAW shall also be considered for follow-on acquisitions where only one bid was received for the previous contract.

3. Competency Aligned Contracting. When requirements and strategies are being reviewed, every attempt

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shall be made to utilize competency aligned contracting. This approach uses competency expertise in defining requirements and evaluating contractor proposals. See enclosure (1) for a definition of competency aligned contracting.

4. Consolidation and Bundling. Requirements associated with consolidation of requirements, also referred to as bundling, are outlined in references (u) through (x). The required determination shall be prepared and approved per reference (y).

(b) Market Research. Effective use of market research is key to increasing small business participation in services acquisitions as required by references (h) and (x). A guide to conducting market research is available at DFARS 237.102-78 and should be utilized. In addition, NAVAIR market research training is available on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Acquisition Resources, Office of Small Business Program (OSBP) and should be completed by individuals conducting market research. To document completion of market research and ensure required steps are taken to afford small business concerns an equitable opportunity, the NAVAIR Market Research Checklist for Services shall also be completed. This checklist, along with other useful resources such as the NAVAIR Sources Sought Guidebook and the Acquisition Communication Guide for NAVAIR Personnel, are also available on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Acquisition Resources, OSBP, Market Research.

(c) Competition. Strategic sourcing shall be considered and utilized to the maximum extent practicable. Opportunities for strategic sourcing include use of the Naval Sea Systems Command Seaport-e Multiple Award Contract. In addition, for Information Technology Development and Support Services, policy and sources are outlined in reference (z). To afford small business concerns an equitable opportunity to compete, the actions required in accordance with reference (x) shall also be addressed during the planning phase.

(d) Contracting Authority. NMCARS 5201.601-90(c)(1) and (5) shall be reviewed to ensure that requirements to be contracted are within NAVAIR's contracting authority. Note that service contracts in direct support of the Office of the Chief of Naval Operations (OPNAV) are not within NAVAIR's contracting authority. See paragraph 6b(2)(e), Contracting Authority, below for review criteria associated with contracting authority in the development phase.

(2) Development Phase. During the development phase of the service acquisition process, the requirement is defined and an Acquisition Strategy (AS), also referred to as the Management and Oversight Process for the Acquisition of Services (MOPAS), is developed, reviewed, and approved. Documentation associated with this phase includes, but is not limited to: the Performance Work Statement (PWS) or Statement of Work (SOW); Contract Data Requirements Lists (CDRLs); Quality Assurance Surveillance Plan (QASP) or Contract Surveillance Plan (CSP); Independent Government Cost Estimate (IGCE); the solicitation; the AS, or MOPAS; and the Acquisition Plan (AP), if not combined with the AS. The following requirements apply to the development phase.

(a) Requirements Definition

1. Performance Based. Per FAR 37.102, performance based acquisition is the preferred method for acquiring services. Therefore, the performance based acquisition methods outlined in FAR Subpart 37.6, which include defining the work in terms of the required results rather than either "how" the work is to be accomplished or the number of hours to be provided, shall be utilized to the maximum extent practicable. In certain circumstances, however, performance based acquisition methods may not be appropriate. Results from previous annual SRRBs have indicated that this is often the case for service requirements procured on a Cost Plus Fixed Fee (CPFF) Level of Effort (LOE), or term, basis. Approval to use a contract or task order that is not performance based shall be obtained in accordance with NMCARS 5237.170-2 for all requirements that do not meet the standards for performance based acquisitions. A template Determination and Findings for Approval of a Non-Performance Based Contract or Task Order is available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Forms/E tools/Templates, Determinations and Findings (D&F).

2. Certification of Nonpersonal Services. FAR 37.104 and DFARS 237.104 include requirements associated with the use of personal services contracts. In accordance with DFARS 237.5, to ensure that requirements for service contracts are vetted and approved as a safeguard to prevent contracts from being awarded or administered in a manner that constitutes an unauthorized personal services contract, a certification shall be prepared to ensure that requirements for services do not constitute unauthorized personal services contracts. Dates associated with this requirement are to be documented in the PMT.

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3. Inherently Governmental Functions.

References (aa) through (cc) include requirements associated with ensuring inherently governmental functions are not performed by contractors. Per reference (dd), PIDs and/or other requirements documentation shall include the appropriate function indicator to support coding in the Federal Procurement Data System (FPDS). See reference (r) for NAVAIR requirements regarding PIDs. In addition, a determination that none of the functions to be performed are inherently governmental shall be completed in accordance with DFARS 207.503(e). This determination may be included as part of the AS or MOPAS. Dates associated with the written determination are to be documented in the PMT. For requirements that are considered to be closely associated with inherently governmental functions in accordance with FAR 7.503(d), a determination shall be completed in accordance with DFARS 207.503(S-70). When decisions are made to in-source requirements, private sector notification is required in accordance with DFARS 237.102-79. The Procuring Contracting Officer (PCO) shall ensure that the required notification is provided within 20 days of receipt of such decisions. A template for use is available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Insourcing.

4. Management Services. DFARS 237.102-72

requires that a contract for the acquisition of services for which the primary purpose is to perform acquisition support functions, with respect to the development or production of a major system, be awarded only if the specified criteria are met. To comply with these requirements, the applicable PWS or SOW must specifically prohibit the contractor from performing inherently governmental functions and require that the prime contractor for the contract may not advise or recommend the award of a contract or subcontract for the development or production of the major system to an entity owned in whole or in part by the prime contractor. In addition, the requirements included in reference (ee) regarding conflicts of interest shall be met.

5. Period of Performance. In accordance with

reference (h), when establishing periods of performance, options shall be utilized as a means of creating competitive incentives to better performance. Consideration should continue to be given to acquisition strategies with shorter periods of performance when warranted, such as procurements where the previous competitive solicitation resulted in only one offeror.

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6. Standard Labor Categories (SLCs) and Qualifications. SLCs inclusive of functional areas, minimum education and experience requirements, and functional description language have been developed and coordinated with PEO and Competency subject matter experts. These categories have been loaded into the TFR CST Contractor Work Plan (CWP) Module as well as the NAVAIR Obligations Database and are available on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Tools and Resources, General, TFR Tools (Command Staffing), View Help Documentation, Reference Materials. These standard categories will assist in defining requirements, completing IGCEs, conducting cost realism analyses, and performing labor rate tripwire analysis. The following applies to use of standard labor categories.

a. The SLCs shall be utilized to prepare IGCEs, SOWs, and solicitations.

b. In the event that no SLC describes a required effort, deviations to the SLCs shall be coordinated prior to use. Major deviations shall be coordinated with the PCO and the AIR-2.0 Policy and Process Management Deputy. Examples of major deviations include use of a labor category not included in the NAVAIR SLC list or changes in the minimum education or experience requirements. Minor deviations shall be coordinated with the PCO. Examples of minor deviations include addition of language to the functional description to better reflect the technical effort or addition of language to the experience requirement to further define technical experience required.

7. Labor Rate and Cost Data. Labor rate and cost data is required for tripwire reviews prior to award as well as post-award surveillance as described in paragraph 6b(3)(c), Execution Tripwires. The following are required to ensure this data is provided.

a. Solicitation Requirements. Solicitations (including those for services, supplies, and research and development) that include cost reimbursable line items for services shall include requirements for offerors to provide fully burdened hourly labor rate information by labor category. When applicable (e.g., level of effort contracts), requirements to align proposed labor categories to the Government's SLCs shall be included. In addition, details regarding the Government's comparison of fully burdened labor rates to established tripwires as part of proposal evaluation shall also be included. NAVAIR's fully burdened labor rate tripwires by functional labor area are

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available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information.

b. Incurred Cost and Progress Reporting Requirements. For all solicitations and contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services, NAVAIR clause 5252.232-9529, Incurred Cost and Progress Reporting for Services shall be incorporated along with an Incurred Cost and Progress Reporting for Services CDRL, a SOW or PWS paragraph, and a contract attachment consistent with those provided on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services. In addition, for all CPFF, LOE (or term) contracts, NAVAIR clause 5252.211-9503, Level of Effort (Cost Reimbursement), or its alternate version, shall be incorporated to outline the applicable labor categories and man-hours in the contract. The referenced clauses are available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Reference, NAVAIR Clausebook.

8. Tracking Service Procurements. In order to support tracking and data collection for service procurements in accordance with reference (g), the following is required.

a. Command Staffing CWP Requirements. CWP numbers for service acquisitions shall be obtained from the TFR CST. Guidance regarding use of the TFR CST is available on the MyNAVAIR website at <https://mynavair.navair.navy.mil> under Tools and Resources, General, TFR Tools (Command Staffing), View Help Documentation, Contractor Work Plan.

b. Enterprise-wide Contractor Manpower Reporting Application (ECMRA). The standard language outlined in NMCARS 5237.102-90 shall be incorporated into contracts that include services except for those classified as construction or utilities in accordance with the DoD taxonomy of services available at DFARS 237.102-74. Note that this reporting requirement does not apply to situations where NAVAIR is merely a contracting agent for another executive agency. However, it does apply when another contracting activity is contracting for services for NAVAIR.

(b) Requirements Validation. Completion dates associated with peer reviews as well as approvals of the AS, or

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MOPAS, and AP, if not combined with the AS, are to be documented in the PMT when required based on dollar value. Peer review requirements are included in DFARS 237.102-76, DFARS 201.170, NMCARS 5201.170, and references (j), (k), (n), and (ff). Acquisition strategy, also referred to as MOPAS, requirements are included in enclosure (9) of reference (e), NMCARS Subpart 5237.5, and references (o) and (gg).

(c) Contract Administration. In accordance with FAR 7.105(b), APs shall describe how the contract will be administered and how inspection and acceptance corresponding to the work statement's performance criteria will be enforced. In addition, acquisition strategies for services, also referred to as MOPAS, must include details regarding contract tracking and oversight in accordance with NMCARS Subpart 5237.5. Reference (hh), which includes NAVAIR policy regarding contract administration and the use of Contracting Officer's Representatives (CORs), shall be reviewed and utilized in developing plans for contract administration. In addition, in accordance with DFARS 237.172, surveillance plans, also referred to as QASPs for performance based efforts and CSPs for non-performance based efforts, to be used in administering the contract should be prepared in conjunction with the preparation of the PWS or SOW. Note that per reference (b), the surveillance plan is not incorporated into the contract in order to allow the Government the flexibility to make adjustments in methods and frequency; however, an information copy of the QASP should be furnished to the contractor.

(d) Contract Type. Reference (ii) describes the types of contracts that may be used in acquisitions. As outlined in reference (a), contract type selection must be determined on a case-by-case basis to ensure contract risk, incentives for contractor performance, and other factors are appropriately considered. Results from previous annual SRRBs have indicated that the majority of requirements within the Knowledge Based Services (KBS) and Logistics Management Services (LMS) portfolios are procured on an LOE basis. These requirements lend themselves to best effort type contracts that require a specified level of effort for a stated period of time in accordance with FAR 16.306(d)(2). Therefore, CPFF LOE type contracts should be considered for requirements within the KBS and LMS portfolios. However, there may be instances when an alternate contract type is more appropriate considering risk and other factors such as the competitive history. Contract type shall be addressed as part of development of the AS, or MOPAS, and AP, if not combined with the AS. In addition, in accordance with reference (jj),

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Business Clearance Memorandums (BCMs) shall document the rationale for the contract type. Note that in accordance with FAR 16.601(d), limitations apply to the use of Time and Material contracts and required pre- and post-award determinations shall be completed. In addition, NAVAIR clause 5252.215-9512, Savings Clause, shall be incorporated in accordance with the clause prescription to establish maximum pass-through fee rates for subcontractors and maximum fee rates for the prime contractor that will apply. See FAR 15.408(n) for additional information regarding limitations on pass-through charges. The NAVAIR Savings clause is available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Reference, NAVAIR Clausebook.

(e) Contracting Authority. As discussed above in paragraph 6b(1)(d), Contracting Authority, NAVAIR does not have contracting authority to award contract for services in direct support of OPNAV. Therefore, NAVAIR Clause 5252.232-9528, Reimbursement of Costs Associated with OPNAV Services, shall be included in all service acquisitions. This clause is available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Reference, NAVAIR Clausebook.

(f) Tripwires. The following tripwire requirements are applicable during the development phase.

1. Fully Burdened Labor Rates (Planned). As part of defining requirements and planning the acquisition, review of "planned" fully burdened labor rates is required to ensure tripwires are not exceeded (see the NAVAIR SRRB Guidebook for specific reviews and approvals). The SRRB Guidebook as well as NAVAIR's fully burdened labor rate tripwires by functional labor area are available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. Required National Level I approvals may be obtained within the TFR CST or using NAVAIR 4200/46 (10/2013), Approval to Exceed Established Tripwires form. A list of National Level I approvers is also available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. Also, see paragraph 6b(3)(c)1, Fully Burdened Labor rates (Award and Post-Award), below for details regarding approvals and notifications associated with "proposed" and "invoiced" fully burdened labor rates.

2. One Bid Procurements. For one bid procurements, as defined in enclosure (1), where the previous competitive solicitation resulted in only one offeror, the requiring activity shall include, as part of the AS, or MOPAS, a plan to improve competition. The following shall be completed:

a. The requiring activity shall ensure that the PWS or SOW is reviewed by an independent source. An independent source is defined as an entity within the technical community not directly related to the procurement. This review shall occur prior to approval of the AS, or MOPAS, and prior to conduct of any peer reviews to ensure requirements are not overly restrictive, overly vague, or appear to unfairly favor the incumbent contractor; and,

b. National Level I signature shall be obtained on the AS, or MOPAS, on the requiring activity signature block. See paragraph 6b(3)(c)2, One Bid Procurements, below for details regarding requirements for one bid procurements in the execution phase.

3. Other Direct Costs (ODCs) (Planned). When ODCs are planned to exceed the tripwire values in reference (b), by ten percent or three million dollars (\$3M) (whichever is lower) for any given contract year, a National Level I approver shall review the rationale and justification for the planned values. One method of obtaining this review is through the AS, or MOPAS, review process. The AS, or MOPAS, shall detail the ODCs and include justification for exceeding the values in reference (b). If not reviewed by the National Level I as part of the AS, or MOPAS, review and approval, the review shall occur within the TFR CST as part of obtaining a CWP approval.

4. Bridge Contracts. In accordance with reference (kk), bridge contracts, as defined in enclosure (1), should be used in limited circumstances. The following is required for all bridge contracts:

a. Request for Authorization of Bridge Contract. Per reference (ll), requiring activities shall prepare a "Request for Authorization of Bridge Contract" for all bridge contracts prior to requesting a Justification and Approval (J&A). Note that contracts including FAR Clause 52.217-8, Option to Extend Services, where pricing for exercising the option was not evaluated as part of the initial competition, shall follow bridge contract procedures in accordance with reference (mm). Requests, regardless of value, shall include a National Level I approval

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signature under the Technical and Requirements Certification section of the request. Approval of the request shall be as follows unless the request is for a subsequent bridge (i.e., the anticipated follow-on contract has not been awarded and a subsequent bridge is required). All subsequent bridges shall be approved by AIR-00.

(1) Requests for bridge contracts valued at six hundred fifty thousand dollars (\$650K) or less shall be approved by the cognizant NAVAIR field activity Chief of the Contracting Office (CCO) or the AIR-2.0 cognizant NAVAIRHQ Division Head.

(2) Requests for bridge contracts greater than six hundred fifty thousand dollars (\$650K) and less than or equal to five million dollars (\$5M) shall be approved by the cognizant AIR-2.0 Department Head.

(3) Requests for bridge contracts greater than five million dollars (\$5M) shall be approved by AIR-2.0, or the Deputy Assistant Commander for Contracts, (AIR-2.0A) or (AIR-2.0B).

b. J&As. All sole source contracts require approved J&As; bridge contracts are no exception. J&As for bridge contracts shall not be submitted for review and/or approval before the request for authorization of bridge contract required in paragraph 6b(2)(f)4a, Request for Authorization of Bridge Contract, above is approved for inclusion in the J&A package. In addition, J&As for all bridge contracts, regardless of value, shall include National Level I approval signature under the Technical and Requirements Certification section.

5. Subcontractors. To establish requirements associated with the maximum pass-through rate that will be allowed for subcontractors, NAVAIR clause 5252.215-9512, Savings Clause, shall be incorporated into service requirements in accordance with the clause prescription. This clause is available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Reference, NAVAIR Clausebook. In addition, FAR Clause 52.244-2, Subcontracts, shall be utilized to require the Contractor to obtain PCO consent for the addition of any subcontracts added after award.

(3) Execution Phase. During the execution phase of the service acquisition process, the AS is executed, i.e., the contract is negotiated and awarded, and contract performance is

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managed. The following requirements apply to the execution phase.

(a) Contract Administration. Reference (hh) shall be reviewed and utilized to ensure proper use, reporting, and oversight of CORs.

(b) Spend

1. Labor Rate and Cost Data. For all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services, CORs are assigned responsibility for surveillance of the contractor's performance and shall monitor the contractor's compliance with Incurred Cost and Progress Reporting requirements outlined in paragraph 6b(2)(a)7, Labor Rate and Cost Data. Completed reports should be uploaded into the Data Warehouse following the procedures outlined in the NAVAIR SRRB Guidebook.

2. Tracking Service Procurements. For all contracts that require use of ECMRA, the PCO, requiring activity, and COR shall ensure user accounts are established and roles within the system are accomplished. In addition, the contractor's entry of data shall be monitored and reviewed to ensure accuracy. The ECMRA can be accessed at <http://www.ecmra.mil/>.

(c) Tripwires. The following tripwire requirements are applicable during the execution phase.

1. Fully Burdened Labor Rates (Award and Post-Award)

a. Award. Review of contractor "proposed" fully burdened labor rates is required prior to award for all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services to ensure tripwires or National Level I approved "planned" rates are not exceeded. See the NAVAIR SRRB Guidebook for specific reviews and approvals. The SRRB Guidebook as well as NAVAIR's fully burdened labor rate tripwires by functional labor area are available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. National Level I approvals shall be obtained using NAVAIR 4200/46 unless an alternate method using one of NAVAIR's data systems is available. A list of National

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Level I approvers is also available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. Note that for competitive procurements, National Level I approval shall be provided in the capacity as advisor to the Source Selection Authority (SSA). In addition, the PCO shall ensure that documentation is included in the Cost Analysis Report or BCM and that the SSA is notified of the National Level I approval or disapproval.

b. Post-Award. Review of contractor "invoiced" fully burdened labor rates is required for all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services. "Invoiced" fully burdened labor rates shall be monitored as part of surveillance of the contractor's performance and review of the Incurred Cost and Progress Reporting deliverable outlined above in paragraph 6b(2)(a)7, Labor Rate and Cost Data. CORs assigned responsibility for surveillance of contractor performance shall ensure that fully burdened rates within any of the functional labor areas do not exceed established tripwires or National Level I approved rates. The COR shall notify the PCO and National Level I when any "invoiced" fully burdened rates exceed established tripwires or National Level I approved rates. In addition, National Level I approval shall be obtained for continued incurrence of costs based on fully burdened labor rates that exceed the tripwires or National Level I approved rates. See the NAVAIR SRRB Guidebook for specific reviews and approvals. The SRRB Guidebook as well as NAVAIR's fully burdened labor rate tripwires by functional labor area are available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. National Level I approvals shall be obtained using NAVAIR 4200/46 unless an alternate method using one of NAVAIR's data systems is available. A list of National Level I approvers is also available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. In addition, prior to the exercise of any option, a review of fully burdened labor rates shall be completed. When it is identified that a fully burdened labor rate included in the option will exceed the established tripwire for the respective functional area, National Level I approval shall be obtained if approval for the fully burdened labor rate was not previously granted. See paragraph 6b(3)(c)5,

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Subcontractors, for requirements regarding the addition of subcontractors.

Note: See paragraph 6b(2)(f)1, Fully Burdened Labor Rates (Planned), for details regarding approval requirements for "planned" fully burdened labor rates. See paragraph 6b(2)(a)7b, Incurred Cost and Progress Reporting requirements, for details regarding incurred cost and progress reporting.

2. One Bid Procurements. The requirements of reference (nn) are applicable for one bid procurements, which are defined in enclosure (1). In addition, for follow-on contracts where one bid is received and the previous contract was also a one bid, regardless of classification in accordance with the DoD Taxonomy, a shorter period of performance should be considered.

3. ODCs

a. Award. Contractor "proposed" ODCs shall be reviewed prior to award to ensure that the tripwire values outlined in reference (b) or values reviewed by the National Level I during planning are not exceeded. When it is determined that ODCs will exceed the tripwire values or National Level I reviewed values, National Level I approval shall be obtained using NAVAIR Form 4200/46 (10/2013).

b. Post-Award. As a post award function, "invoiced" ODCs shall be monitored as part of surveillance of the contractor's performance. CORs assigned responsibility for surveillance of contractor performance shall review invoices to ensure that amounts billed are consistent with requirements of the contract, commensurate with actual performance, and do not exceed ODC tripwire values or National Level I reviewed values. Unless review or approval has been documented as part of the AS, within the TFR Command Staffing tool, or prior to award, the COR shall notify the PCO and National Level I when ODC tripwires or reviewed and/or approved amounts are exceeded. In addition, National Level I approval shall be obtained for continued incurrence of costs that exceed the tripwires or reviewed and/or approved amounts. This approval shall be obtained using NAVAIR 4200/46.

4. Best Value Tradeoff Source Selection. In a best value tradeoff source selection, the Government may be willing to pay a cost premium in order to obtain a higher rated level of support; however, the premium must represent a good business decision for the Government. For source selections

where the SSA is below the CCO level, when premiums are ten percent (or greater), CCO notification is required. For all follow-on source selections, if based on cost realism, the evaluated cost or price of the follow-on indicates a reduction from the previous procurement of 10 percent (or greater), the CCO shall also be notified.

5. Subcontractors. Post award due diligence is required to monitor any proposed addition of subcontracts beyond those included and evaluated as part of the initial award. Prior to approving the addition of a subcontractor in accordance with FAR Clause 52.244-2, the PCO shall ensure that subcontractor proposed fully burdened rates, inclusive of any indirects, overheads, other charges, and profit or fees including those applied by the prime contractor, do not exceed tripwires. If a proposed subcontractor's fully burdened rate exceeds an established tripwire, National Level I approval shall be obtained prior to adding the subcontractor. CORs shall also monitor subcontractor's fully burdened labor rates reported as part of the Incurred Cost and Progress Reporting deliverable outlined in paragraph 6b(2)(a)(7), Labor Rate and Cost Data, and provide notifications and obtain approvals as required by paragraph 6b(3)(c)1b, Post Award. If prior approval of subcontractors reported in the Incurred Cost and Progress Reporting deliverable was not required in accordance with FAR Clause 52.244-2, Subcontracts, and it is determined that those subcontractor invoiced fully burdened rates exceed tripwires, National Level I approval shall be obtained. Required National Level I approvals shall be obtained using NAVAIR 4200/46 unless an alternate method using one of NAVAIR's data systems is available. NAVAIR's fully burdened labor rate tripwires by functional labor area are available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information. A list of National Level I approvers is also available on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Services, NAVAIR SRRB and Tripwire Information.

7. Responsibilities

a. Commander, NAVAIR (AIR-00). Commander, NAVAIR (AIR-00) shall:

(1) Approve NAVAIR's fully burdened labor rate tripwires by functional labor area;

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(2) Recommendations could be based on analysis conducted by either AIR-2.0 or AIR-00 staff, and/or feedback from the Competencies and PEOs as a result of the SRRB reviews.

b. Requiring Activities. Requiring Activities, including program management offices as well as competencies, shall:

(1) Ensure service acquisitions are procured in accordance with applicable Federal, DoD, DON, and NAVAIR requirements;

(2) Utilize the enclosure (2) checklist to ensure service requirements are met; and

(3) Facilitate and participate in SRRBs.

c. National Level I. Each National Level I shall:

(1) Facilitate and participate in SRRBs; and

(2) Provide required signatures, approvals, disapprovals, and/or notifications.

d. Integrated Product Team (IPT) Members. IPT members supporting requiring activities shall:

(1) Review and understand Federal, DoD, DON, and NAVAIR requirements regarding service acquisitions;

(2) Utilize the enclosure (2) checklist to ensure service requirements are met; and

(3) Ensure requirements and responsibilities of respective areas are completed.

8. Review. This instruction will be reviewed by the AIR-2.0 Policy and Process Management Division annually to provide recommendations or cancellation to AIR-00.

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9. Forms. NAVAIR 4200/46 (4/2014), Approval to Exceed Established Tripwires, can be downloaded from the NAVAIR Directives website under Forms:

<https://mynavair.navair.navy.mil/directives>.



D. A. DUNAWAY

Distribution:

Electronic only, via the MyNAVAIR Web site, located under Instruction and Notices:

<https://mynavair.navair.navy.mil/portal/server.pt>.

Terms Used Within Naval Air Systems Command Instruction
(NAVAIRINST) 4200.61

1. The following terms and their meanings, listed in alphabetical order, are provided for use in interpreting this instruction.

a. Acquisition Value. The acquisition value is the total estimated value of the requirement, including the base period and all options.

b. Bridge Contract. A non-competitive contract or contracting action entered into with a contractor in order to maintain support, or bridge the time between the end of one competitively awarded contract and the beginning of another, when a competitive procurement cannot be processed in time to meet the required award date. A bridge contract includes a non-competitive increase when the contract action requires a supporting Justification and Approval (J&A) and the original period of performance is extended. When FAR Clause 52.217-8, Option to Extend Services, is utilized to extend services and pricing for the option was not evaluated as part of the initial competition, the contract action requires a J&A and is therefore considered a bridge contract.

c. Competency Aligned Contracting. Competency Aligned Contracting places responsibility for the acquisition of contractor services with the Naval Air Systems Command competencies that would otherwise be responsible for providing those services. For example, the Logistics and Industrial Operations competency would be responsible for the acquisition of logistics management services that are required (or demanded) by program management offices but not provided by personnel from within the Logistics and Industrial Operations competency.

d. Contract. For purposes of this instruction, the term contract includes basic awards, letter contracts, orders (delivery or task) issued under Basic Ordering Agreements, Blanket Purchase Agreements, or Indefinite-Delivery type contracts, including orders awarded under the Navy Virtual Systems Command Indefinite Delivery Indefinite Quantity Multiple Award Contract Seaport-e and bilateral modifications.

e. Contracting Officer. A Contracting Officer is defined in FAR 2.101 as a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain

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supervision and control usually prevailing in relationships between the Government and its employees.

k. One Bid Procurement. Describes a competitive procurement where only one offer is received in response to the solicitation. See FAR Part 6 for competition requirements, including those acquisitions exempt from competition requirements.

l. PCO. PCO is used to describe the contracting officer responsible for procurement or award of contracts. See also the term "Contracting Officer."

m. Requiring Activity. The requiring activity is responsible for the acquisition requirements, including identification of requirements, management and oversight of contract performance, and certain administration functions. This definition includes Program Management offices as well as competencies.

n. Service Acquisition. A service acquisition also referred to as a service contract, service procurement, or service requirement, is defined in FAR 37.102. Within the Department of Defense, DFARS 237.102-74 provides a taxonomy for the acquisition of services, which maps Product or Service Codes (PSCs) from the Federal Procurement Data System Product and Service Codes Manual to nine services portfolio groups and 40 services portfolios. Note that for purposes of this instruction, the Research and Development portfolio category is not included. A service acquisition includes individual contract line items with service PSCs. See also the meaning of the term "Contract." The Federal Procurement Data System Product and Service Codes Manual can be accessed on the AIR-2.0 website at <https://contracts.navair.navy.mil> under Policy and Process Management, Subjects of Interest, Product Service Code.

o. Service Acquisition Workshop (SAW). A SAW is an interactive, centrally funded course led by the Defense Acquisition University (DAU) or a DAU-approved facilitator that applies performance-based techniques to services acquisition requirements. During a SAW, the DAU staff travels to the site of a multi-functional team to facilitate a four-day workshop tailored to a given requirements set.

p. Total Force Readiness Command Staffing Tool (TFRCSST). The TFRCSST tool is utilized by NAVAIR to facilitate a command-level process to 1) identify and capture planned, funded workload and elevate staffing decisions, and 2) ensure workforce risks are

properly balanced across the entire Program Executive Office (PEO) and Command portfolio of work, now and in the future.

q. Tripwire. A Tripwire is a threshold metric that warrants further explanation to ensure the proper attention and decision making rigor are present for specific actions.

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Service Acquisition Review Requirements Checklist

PLANNING PHASE			
Review Areas and Criteria			
Requirement Definition	Market Research	Competition	Contracting Authority
<ul style="list-style-type: none"> •Are all stakeholders (requirements personnel, contracting personnel, finance personnel, end user, small business professionals, etc.) involved in the acquisition process from the beginning? 	<ul style="list-style-type: none"> •Did the Government research the market and consult with industry experts to gain an understanding of such things as cost drivers, current economic conditions specific to the industry, the supply chain, and industry acquisition practices in order to develop better requirements, potentially increase negotiating leverage, and maximize small business participation as prime contractors and subcontractors? •Refer to the Department of Defense (DoD) market research guide available at DFARS 237.102-78. 	<ul style="list-style-type: none"> •Is the appropriate contracting organization procuring the requirement? 	<ul style="list-style-type: none"> •Does the contracting activity have authority to make the procurement for the requiring activity?
<ul style="list-style-type: none"> •Has a Procurement Planning Conference been conducted for service acquisitions greater than one million dollars (\$1M) in accordance with NAVAIRINST 4200.37B? 	<ul style="list-style-type: none"> •Have suppliers or strategic sources been reviewed? 	<ul style="list-style-type: none"> •Have strategic sourcing vehicles been considered, including the Naval Sea Systems Command Seaport-e Multiple Award Contract? 	<ul style="list-style-type: none"> •Has NMCARS 5201.601-90 been reviewed to ensure the requirement is within Naval Air Systems Command's (NAVAIR's) contracting authority?
<ul style="list-style-type: none"> •Have established procurement milestones been entered into the Procurement Management Tool (PMT)? 	<ul style="list-style-type: none"> •Has Central Contractor Registration (CCR) occurred? •Note that CCR is now a part of the System for Award Management. 	<ul style="list-style-type: none"> •Will this be a multiple or single award? 	

PLANNING PHASE			
Review Areas and Criteria			
Requirement Definition	Market Research	Competition	Contracting Authority
<p>Service Acquisition Workshops (SAWs)</p> <ul style="list-style-type: none"> •Have all team members supporting requirements valued at one billion dollars (\$1B) or more participated in SAW sponsored by Defense Acquisition University or an equivalent program? If not, has a waiver been approved? See NMCARS 5237.192. •For requirements valued at less than one billion dollars (\$1B) but greater than one hundred million dollars (\$100M), has participation in a SAW been considered? •For follow-on acquisitions where only one-bid was received for the previous contract, has participation in a SAW been considered? 		<ul style="list-style-type: none"> •Discuss the extent competed. 	
<ul style="list-style-type: none"> •Has use of Competency Aligned Contracting been considered? See enclosure (1) of this instruction for a definition. 		<ul style="list-style-type: none"> •Have actions required in accordance with FAR 19.202-1 been addressed to afford small business concerns an equitable opportunity to compete? 	
<ul style="list-style-type: none"> •If contract requirements will be consolidated, or bundled, have the requirements of FAR 			

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

PLANNING PHASE			
Review Areas and Criteria			
Requirement Definition	Market Research	Competition	Contracting Authority
2.107, DFARS 207.170, NMCARS 5207.170, and FAR 19.202-1 been satisfied? •Also refer to CCI 4200.51, Consolidation of Contract Requirements.			
	•How many suppliers or contractors have been identified that can meet this requirement?		
	•Has NAVAIR market research training been completed by individuals conducting market research?		
	•Has the NAVAIR market research checklist for services been completed?		

Planning Phase Reference Documents:

1. Procurement Initiation Documentation Process (NAVAIRINST 4200.37B) (Available on the MyNAVAIR website under Tools and Resources, General, Instructions and Notices)
2. Procurement Management Community (PMC) Webtool - (Available on the MyNAVAIR website under Acquisition Resources)
3. Market Research Checklist for Services (Available on the MyNAVAIR website under Acquisition Resources, Office of Small Business Programs)
4. Procurement Management Tool (PMT) (Available on the MyNAVAIR website under Acquisition Resources, Acquisition Timeline)

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
<ul style="list-style-type: none"> •Is the requirement clearly defined? 	<ul style="list-style-type: none"> •Is the requirement valid? 	<ul style="list-style-type: none"> •Is this a short term or an enduring requirement? 	<ul style="list-style-type: none"> •Is the contract type appropriate for the requirement and associated risk? 	<ul style="list-style-type: none"> •Has NAVAIR Clause 5252.232-9528, Reimbursement of Costs Associated with Office of the Chief of Naval Operations Services, been included in the solicitation?
<ul style="list-style-type: none"> •Is the requirement defined as a Performance Based Statement of Work (SOW)? 	<ul style="list-style-type: none"> •Were peer reviews performed in accordance with policy? •See DFARS 237.102-76. 	<ul style="list-style-type: none"> •How long has this requirement been under contract (lifetime)? 	<ul style="list-style-type: none"> •Is it possible based on maturity of the requirement, commercial availability, contracting vehicle, or other factors, to move to a lower risk contract type? 	
<ul style="list-style-type: none"> •If performance based acquisition methods will NOT be utilized, has approval to utilize a non-performance based contract or task order been granted in accordance with NMCARS 5237.170-2? 	<ul style="list-style-type: none"> •Was an acquisition strategy (AS), also referred to as Management and Oversight Process for the Acquisition of Services (MOPAS), completed in accordance with MOPAS policy? •See NMCARS 5237.5. 	<ul style="list-style-type: none"> •What is the long term plan to meet this requirement? 	<ul style="list-style-type: none"> •For Knowledge Based Services and Logistic Management Services requirements, has use of a Cost Plus Fixed Fee (CPFF) Level of Effort (LOE) contract type been considered? 	
<ul style="list-style-type: none"> •Is the Seven Steps to Performance-Based Acquisition process being utilized? •Refer to the DoD 	<ul style="list-style-type: none"> •If a SAW was performed on this requirement, what were the issues and what were the outcomes? 	<ul style="list-style-type: none"> •Does the acquisition plan (AP) describe how the contract will be 	<ul style="list-style-type: none"> •Have limitations on the use of Time and Material contracts been reviewed, if applicable? 	

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DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
Guidebook for the Acquisition of Services.		administered and how inspection and acceptance corresponding to the work statement's performance criteria will be enforced?		
Nonpersonal Services <ul style="list-style-type: none"> •Has a Certification of Nonpersonal Services been prepared in accordance with DFARS/DFARS PGI 237.503? •Has completion of this certification been documented in the PMT? 	<ul style="list-style-type: none"> •Have completion dates for peer reviews and the acquisition strategy been included in the PMT when required based on dollar value? 	<ul style="list-style-type: none"> •Does the AS, or MOPAS, include details regarding contract tracking and oversight in accordance with NMCARS 5237.5? 	<ul style="list-style-type: none"> •Has contract type been addressed as part of development of the AS, or MOPAS, and AP, if not combined with the AS? 	
Inherently Governmental Functions <ul style="list-style-type: none"> •Does the requirement include an inherently governmental or closely related to inherently governmental position? •Has a determination that none of the functions are inherently governmental been completed in accordance with DFARS 207.503(e)? •If the requirement includes a position considered to be closely associated with 		<ul style="list-style-type: none"> •Has NAVAIRINST 4200.57, Contract Administration and Use of Contracting Officer's Representatives (CORs) been reviewed and utilized in developing plans for contract administration? •Has a Quality Assurance Surveillance 	<ul style="list-style-type: none"> •Does the Business Clearance Memorandum document the rationale for contract type? 	

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

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DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
<p>inherently governmental functions, has a determination been completed in accordance with DFARS 207.503(S-70)?</p> <ul style="list-style-type: none"> •Has the appropriate functional indicator been included in the requirement documentation in accordance with DASN(AP) Memo dated 4 Mar 2013? •If a decision has been made to in-source requirements, has private sector notification been provided within 20 days of receipt of such decisions? 		<p>Plan or Contract Surveillance Plan been prepared in conjunction with the Performance Work Statement (PWS) or SOW?</p>		
<p>Management Services</p> <ul style="list-style-type: none"> •For contracts for management services, if the primary purpose is to perform acquisition support functions with respect to the development or production of a major system, does the PWS or SOW specifically prohibit the contractor from performing inherently governmental 			<ul style="list-style-type: none"> •Has NAVAIR clause 5252.215-9512, Savings Clause, been incorporated, if applicable, based on the clause prescription? 	

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
<p>functions and require that the prime contractor for the contract may not advise or recommend the award of a contract or subcontract for the development or production of the major system to an entity owned in whole or in part by the prime contractor in accordance with DFARS 237.102-72?</p> <ul style="list-style-type: none"> •Have the requirements in DFARS 209.571 regarding conflicts of interest been met? 				
<p>Period of Performance</p> <ul style="list-style-type: none"> •Have options for additional years of work been considered as an alternative means of creating competitive incentives to better performance? 				
<p>Standard Labor Categories</p> <ul style="list-style-type: none"> •Have NAVAIR Standard Labor Categories (SLCs) been utilized? •If a major deviation to the SLC is required, has it been coordinated with the Procuring Contract 				

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DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
<p>Officer (PCO) and Deputy, Policy & Process Management, AIR 2.1A?</p> <p>•If a minor deviation to the SLC is required, has it been coordinated with the PCO?</p>				
<p>Labor Rate and Cost Data</p> <p>•For solicitations (including those for services, supplies, and research and development) that include cost reimbursable line items for services:</p> <ul style="list-style-type: none"> • Have requirements for offerors to provide fully burdened hourly labor rate information by labor category been included? • When applicable (e.g., level of effort contracts), have requirements to align proposed labor categories to the Government's SLCs been included? • Have details regarding the Government's comparison of fully burdened labor 				

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DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
rates to established tripwires as part of proposal evaluation been included?				
Incurred Cost and Progress Reporting • For all solicitations and contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services: <ul style="list-style-type: none"> • Has NAVAIR clause 5252.232-9529, Incurred Cost and Progress Reporting for Services, along with a Contract Data Requirements List, SOW or PWS paragraph, and contract attachment, been incorporated? • If the requirement will be CPFF LOE, has NAVAIR clause 5252.211-9503, Level of Effort, or its alternate version, been incorporated to outline the applicable labor categories and man-hours in the contract? 				
Tracking Service				

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

DEVELOPMENT PHASE				
Review Areas and Criteria				
Requirement Definition	Requirement Validation	Contract Admin	Contract Type	Contracting Authority
Procurements <ul style="list-style-type: none"> •Has a Contractor Work Plan (CWP) number or approval been obtained from the Command Staffing tool? •Has the standard language associated with the DON Contractor Manpower Reporting Application been included in the solicitation in accordance with NMCARS 5237.102? 				

DEVELOPMENT PHASE				
Tripwires				
•Fully Burdened Labor Rates (Planned)	One Bid Procurements	Other Direct Costs (Planned)	Bridge Contracts	Subcontractors
<ul style="list-style-type: none"> •Have "planned" fully burdened labor rates been reviewed? See the NAVAIR Service Requirements Review Board (SRRB) guidebook. •Has National Level I approval been granted for rates exceeding tripwires? 	<ul style="list-style-type: none"> •For one bid procurements, as defined in Enclosure (1), does the acquisition strategy include a plan to improve competition? •Has the requiring activity ensured that the PWS or SOW was reviewed by an independent source? •Has a National Level 	<ul style="list-style-type: none"> •Has a National Level I Approver reviewed Other Direct Costs (ODCs) planned to exceed tripwire values as part of the acquisition strategy or MOPAS review or within the Total Force Readiness Command Staffing tool as part of obtaining a CWP? 	<ul style="list-style-type: none"> •For bridge contracts, has a "Request for Authorization of Bridge Contract" been completed? •Has a National Level I approver signed under the Technical and Requirements Cognizance? •Has approval been granted? •For subsequent bridges, has approval 	<ul style="list-style-type: none"> •To establish requirements associated with maximum pass-through rates that will be allowed for subcontractors, has NAVAIR clause 5252.215-9512, Savings Clause, been incorporated, if applicable, based on the clause prescription?

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DEVELOPMENT PHASE				
Tripwires				
•Fully Burdened Labor Rates (Planned)	One Bid Procurements	Other Direct Costs (Planned)	Bridge Contracts	Subcontractors
	I approver signed the acquisition strategy in the requiring activity signature block?		by Commander, NAVAIR been granted? •For the J&A, has the National Level I approver signed under the Technical and Requirements Certification section?	•Has FAR clause 52.244-2, Subcontracts, been included to require the Contractor to obtain PCO consent for the addition of any subcontracts added after award?

Development Phase Reference Documents:

- 1 Acquisition Strategy Review and Approval (DoD 5000.02, Enclosure 9; NMCARS 5237.503; NAVAIR Memo dated 17 May 2007, Subj: NAVAIR MOPAS2)
2. Acquisition Plan Review and Approval (>\$50M)(NAVAIR 4200.36B)
3. Peer Review Documentation (DFARS 201.170; NMCARS 5201.170; CCI 4200.56B)
4. Procurement Management Tool (PMT) (Available on the MyNAVAIR website under Acquisition Resources, Acquisition Timeline)
5. TFR Command Staffing Tool (Available on the MyNAVAIR website under Tools and Resources, General, TFR Tools (Command Staffing))

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

EXECUTION PHASE			
Service Acquisition Review Areas and Criteria			
Contract Admin	Competition	Contract Type	Spend
•Does the resultant contract action correspond to the forecasted requirement?	•Number of offers received?	•Is the contractor incentivized appropriately?	•What are the annual obligation(s)?
•Is the COR qualified?	•What is the Contracting Officer's business size selection?		•What is the value of the base and exercised options?
•Is the COR certified?			•What is the value of the base and all options?
•Is the COR appointed?			•What are the subcontracting percentages?
•Is the COR full-time or part-time?			•Are labor rates consistent with the market?
•Is the COR located at the performance location?			•What is the average labor rate?
• Is the COR and contract registered in the Contracting Officer Representative Tracking Tool?			•What is the number of Full Time Equivalents?
•Is the COR actively managing the contract?			•Does the contract include incremental funding? •What is the periodicity of the incremental funding?
•Has NAVAIRINST 4200.57, Contract Administration and Use of Contracting Officer's Representatives, been reviewed and utilized			Labor Rate and Cost Data •For all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services, is the COR monitoring the contractor's compliance with Incurred Cost and Progress reporting

Note: This checklist aligns the service acquisition process phases from the DoD Guidebook for the Acquisition of Services with the DON Service Requirements Review Board (SRRB) key review areas and criteria. In addition, NAVAIR requirements outlined in NAVAIRINST 4200.61 are included.

EXECUTION PHASE			
Service Acquisition Review Areas and Criteria			
Contract Admin	Competition	Contract Type	Spend
to ensure proper use, reporting, and oversight of CORs?			requirements? • Are completed reports being uploaded into the Data Warehouse? See the procedures outlined in the NAVAIR SRRB guidebook.
			Tracking Service Procurements • For all contracts that require use of the DON Enterprise-wide Contractor Manpower Reporting Application, have user accounts been established and roles within the system been accomplished? • Are the contractor's and subcontractor's entries being monitored and reviewed to ensure accuracy?

EXECUTION PHASE				
Tripwires				
Fully Burdened Labor Rates (Award and Post-Award)	One Bid Procurements	Other Direct Costs (Award and Post-Award)	Best Value Tradeoff Source Selection Premium	Subcontractors
Award • For all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services, has review of contractor "proposed" fully burdened labor rates been completed prior to award to ensure tripwires or National Level I approved "planned" rates are not	• How many offers or quotes were received regarding the requirement? Is that an appropriate number? Can the competition be improved by: defining the requirement more clearly; changing the requirement;	Award • Have "proposed" ODCs been reviewed to ensure tripwire values or values reviewed by the National Level I during planning are not exceeded? • If "proposed" ODCs exceed tripwire values or National Level I reviewed values, has National Level I approval been	• For best value tradeoff source selections where the Source Selection Authority is below the CCO level, when premiums are ten percent (or greater), has the CCO been notified? • For all follow-on source selections, if there is a reduction from the previous procurement	Award • Is the use of a subcontractor(s) appropriate to the requirement? • What is the pass-through cost of the prime? Is it appropriate? • Is the prime doing work on the requirement? • Is the contract a vehicle of convenience to reach a desired subcontractor? • Overall, would the government be better served (regarding cost,

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EXECUTION PHASE				
Tripwires				
Fully Burdened Labor Rates (Award and Post-Award)	One Bid Procurements	Other Direct Costs (Award and Post-Award)	Best Value Tradeoff Source Selection Premium	Subcontractors
<p>exceeded? See the NAVAIR SRRB Guidebook.</p> <ul style="list-style-type: none"> • For fully burdened labor rates exceeding tripwires or National Level I approved "planned" rates, has National Level I approval been granted? • Has information regarding rates exceeding tripwires been included in the Business Clearance Memorandum or Contract Action Report? • Has the SSA been notified of National Level I approval or disapproval? 	<p>increasing solicitation times; or communicating better with industry? See DFARS 215.371 and FAR 19.202-1.</p>	<p>obtained?</p>	<p>of ten percent (or greater), has the CCO been notified?</p>	<p>schedule, and performance) to contract directly with the subcontractor?</p>
<p>Post Award</p> <ul style="list-style-type: none"> • For all contracts (including those for services, supplies, and research and development) that include cost reimbursable line items for services, are fully burdened "invoiced" rates being monitored as part of surveillance of the contractor's performance and review of the Incurred Cost and 	<p>Post Award</p> <ul style="list-style-type: none"> • For follow-on contracts where one bid is received and the previous contract was also a one bid, regardless of classification, has a shorter period of performance been considered? 	<p>Post-Award</p> <ul style="list-style-type: none"> • Are ODCs being monitored as part of surveillance of the contractor's performance? • Is the COR reviewing invoices to ensure that amounts billed for ODCs are consistent with requirements of the contract, commensurate with actual performance, 		<p>Post-Award</p> <ul style="list-style-type: none"> • Prior to approving the addition of a subcontractor in accordance with FAR 52.244-2, has the PCO ensured that subcontractor proposed fully burdened rates do not exceed tripwires? • If proposed fully burdened labor rates exceed tripwires, has National Level I approval been obtained prior to adding

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EXECUTION PHASE				
Tripwires				
Fully Burdened Labor Rates (Award and Post-Award)	One Bid Procurements	Other Direct Costs (Award and Post-Award)	Best Value Tradeoff Source Selection Premium	Subcontractors
<p>Progress Reporting deliverable to ensure that fully burdened labor rates within any functional labor category do not exceed tripwires or National Level I approved rates?</p> <ul style="list-style-type: none"> • For fully burdened labor rates exceeding tripwires or National Level I approved rates, has the PCO and National Level I been notified? • Has National Level I approval been obtained for continued incurrence of costs based on fully burdened labor rates that exceed the tripwires or National Level I approved rates? • Prior to exercising an option, have fully burdened labor rates been reviewed? • Prior to exercising an option, if rates exceed tripwires and no previous Level I approval was granted, has National Level I approval been obtained? 		<p>and do not exceed ODC tripwire values or National level I reviewed values?</p> <ul style="list-style-type: none"> • For ODCs exceeding tripwires or reviewed and/or approved amounts, has the COR notified the PCO and National level I? • Has National Level I approval for continued incurrence of costs that exceed the tripwires or reviewed and/or approved amounts been obtained? 		<p>the subcontractor?</p> <ul style="list-style-type: none"> • Is the COR monitoring subcontractor fully burdened labor rates reported as part of the Incurred Cost and Progress Reporting deliverable, if applicable, providing required notifications, and obtaining required approvals for rates exceeding tripwires? • If prior approval of subcontractors reported as part of the Incurred Cost and Progress Reporting deliverable was not required in accordance with FAR 52.244-2 and it is determined that subcontractor invoiced fully burdened rates exceed tripwires, has National Level I approval been obtained?

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Execution Phase Reference Documents:

1. Peer Review Documentation (DFARS 201.170; NMCARS 5201.170; CCI 4200.56B)
2. Contracting Officer's Representative (COR) Reporting and Oversight (NAVAIR 4200.57)
3. DoD CPARS Policy Guide (Available at www.cpars.gov/cparsfiles/pdfs/DoD-CPARS-Guide.pdf)
4. Procurement Management Tool (PMT) (Available on the MyNAVAIR website under Acquisition Resources, Acquisition Timeline)

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