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AIR FORCE MATERIEL COMMAND

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CONTRACT DEPOT MAINTENANCE
(CDM) PROGRAM

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This manual implements Air Force Policy Directive (AFPD) 21-1, *Air and Space Maintenance.* It provides policy, guidance, operating procedures and assigns responsibilities for the CDM program at all Air Force Materiel Command (AFMC) organizations and units. For policies and procedures used in planning and administering depot level contract maintenance programs, refer to Air Force Instruction (AFI) 63-101/20-101, *Integrated Life Cycle Management.* Policies and procedures applicable to contracting roles and responsibilities shall comply with AFI 63-138, *Acquisition of Services*. In case of any discrepancy between AFI 63-138 and this publication, AFI 63-138 shall take precedence. This publication does not apply to the Air National Guard (ANG), the Air Force Reserve Command (AFRC), and their units. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the Air Force Form 847, *Recommendation for Change of Publication;* route AF Forms 847 from the field through the appropriate functional chain of command using the following **MANDATORY** HQ AFMC/A4R e-AF Form 847 submission process. **(T-2)** Centers will assign a primary and alternate POC to populate the HQ AFMC/A4R Publications Management SharePoint, to include attaching a digitally signed AF Form 847 with Sections 1 and 2 completed by the submitting organization leadership and Center LG respectively. Status will be obtained from the HQ AFMC/A4R Publications Management SharePoint. Non-AFMC organizations will submit recommended changes and questions concerning this publication via email to the OPR (HQ AFMC/A4RX) using AF Form 847, *Recommendation for Change of Publication*. This publication may be supplemented at any level, but all direct Supplements must be routed to the OPR of this publication

for coordination prior to certification and approval. With the exception of waiver requests guidance for specific requirements in the body of this manual, the authorities to waive wing/unit level requirements in this publication are identified with a Tier ("T-0, T-1, T-2, T-3") number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or alternately, to the Publication OPR for non-tiered compliance items. All requests for waiver must be approved by the publication OPR prior to implementation. Ensure all records created as a result of processes prescribed in this publication are maintained IAW AFI 33-322, *Records Management and Information Governance Program*, and disposed of IAW the Air Force Records Disposition Schedule located in the Air Force Records Information Management System. The use of the name or mark of any specific manufacturer, commercial product, commodity, or service in this publication does not imply endorsement by the Air Force.

SUMMARY OF CHANGES

Major changes include the revisions to Contractor Flow Days and where to identify the source of negotiated flow days; revisions to the Table of Allowance (ToA) to reflect correct Fiscal Year (FY) information; removes attachments for placement on the HQ AFMC/A4R CDM SharePoint website; deletes references to the End Item Transaction Reporting System (G009); clarifies the roles of the Purchase Request Process System (PRPS)/D203 and the Contract Repair Management System (CRMS); adds CDM enterprise metrics requirements; and adds the requirement for CDM processes to comply with Financial Improvement and Audit Readiness (FIAR) standards.

Chapter 1

INTRODUCTION

1.1. Purpose. This manual captures AFMC's requirements for CDM workload execution. It references CDM operations administered by the 448 Supply Chain Management Wing (SCMW) and Program Offices. It gives guidance to obtain and manage contract coverage for depot-level maintenance requirements, within budgetary allocations, and preparation of documents necessary for contracting and adequate material support. It covers the CDM repair process requirements for contractor selection, and pre-award/post-award support to the contractor selected.

1.2. Scope

1.2.1. References to CDM in this publication refer to depot-level maintenance that has been approved for contract repair through the Depot Source of Repair (DSOR) analysis. The following conditions must also apply:

1.2.1.1. Repair is conducted by the contractor, at the contractor's facility.

1.2.1.2. The contract may or may not include GFM.

1.2.1.3. The contract is direct site funded with Operations and Maintenance (O&M) and Defense Working Capital Fund or Consolidated Sustainment Activity Group-Supply (CSAG-S) funds.

1.2.1.4. In the case of Air Force Life Cycle Management Center (AFLCMC) and Air Force Nuclear Weapons Center (AFNWC) program offices, CDM applies to those contracts that include GFM funded with Air Force Element of Expense Investment Code (EEIC) 540 through 546, 548, or 560.

1.2.2. References to CDM in this publication does not apply to the following types of contracts or conditions.

1.2.2.1. Contract Field Teams (CFT).

1.2.2.2. Depot On-Site Contractor Augmentee Teams (DO-CATS).

1.2.2.3. Interim Contract Support (ICS).

1.2.2.4. Performance Based Logistics (PBL) contracts. (HQ AFMC/A4R may make exceptions based on contract terms).

1.2.3. Applicable to this document:

1.2.3.1. References to 'Centers' refer to the applicable offices located at Tinker AFB, Hill AFB, and Robins AFB.

1.2.3.2. Responsibilities in this document that are consistent with the COR-restricted responsibilities described in FAR, subpart 1.604, *Contracting Officer's Representative (COR)*, shall be conducted only by those certified IAW DoD 5000.72, *DoD Standard for Contracting Officer's Representative (COR) Certification*, and AFI 63-138, *Acquisition of Services*.

1.3. Roles and Responsibilities.

1.3.1. CDM Offices. The 448 SCMW shall have a CDM office at each of the AFSC Centers, manned with personnel who are CDM subject matter experts (SMEs) and will be the focal point for CDM policy implementation, business monitoring, and system administrators/operators/ trainers for the Commercial Asset Visibility, Air Force (CAV AF) system and Contract Repair Maintenance System (CRMS) at their Center. **(T-2)**

1.3.2. Program Office. The Program Office is any of the AFMC weapon systems' Program Offices responsible for the whole-up/ and/or system, sub-system, or end item component repair and is where the Program Managers and their program management team reside.

1.3.3. Program Manager (PM). The designated individual with the responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs.

1.3.4. Logistic Management Specialist (LMS): Communicates with the Item Manager (IM), Production Management Specialist (PMS), and PM, to assist in enforcement, and ensure aircraft supportability.

1.3.5. Contract Administration Office (CAO). The CAO is the buying activity at the depot complex.

1.3.6. Contracting Officer (CO). The CO has the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. Contracting Officers are responsible, as an agent of the Federal government, to award and manage all contracts up to the limit indicated on their contracting officer warrants. The CO is the only Contract Repair Team member authorized to direct the contractor to perform work and obligate funds.

1.3.7. Contracting Officer's Representative (COR). The COR is delegated specific authority from the CO to conduct contract surveillance to verify a contractor is fulfilling contract delivery and quality requirements; and to document performance for the contract record. The roles and responsibilities of the COR are detailed in the FAR, subpart 1.604, *Contracting Officer's Representative (COR)*, DoD 5000.72, *DoD Standard for Contracting Officer's Representative (COR) Certification,* and AFI 63-138, *Acquisition of Services.*

1.3.8. Procurement Contracting Officer (PCO). The individual is authorized to enter into contracts for supplies and services on behalf of the government by sealed bids or negotiations, and who is responsible for overall procurement under the contract.

1.3.9. PMS/Contract Manger (CM):

1.3.9.1. Responsible for the day-to-day monitoring of repair contracts under their purview, including initiating the contract repair screening process. If a CAV AF system waiver is approved, removing the requirement for contractor transacting in the system, the PMS will obtain access and fulfill contractor's role in CAV AF system transacting. **Note:** The PMS/CM can take on responsibilities that are in line with those restricted to the COR's duties outlined in FAR, subpart 1.604, *Contracting Officer's Representative (COR),* if they are COR-certified IAW DoD 5000.72, *DoD Standard for Contracting Officer's Representative (COR) Certification*, and AFI 63-138, *Acquisition of Services*, and their certification is current; otherwise a properly certified COR or CO must be identified to fulfill the restricted actions.

1.3.9.2. Monitor the CDM Integrated Logistics System-Supply (ILS-S) reports (specifically the M03 and the Daily Project Funds Management Record (PFMR)/Organization Cost Center Record Update and Reconciliation [D11]) for all fund related transactions).

1.3.9.3. Research unreported assets when a contract has expired. Once this research has been completed, the PMS will contact their local CDM office for assistance in clearing the unreported data.

1.3.9.4. Acquire and retain all documentation necessary to establish and monitor (increase/decrease) the fully loaded Latest Repair Cost (LRC)/Unit Repair Cost (URC) estimate to include the contract costs, award fees, Government Furnished Equipment (GFE)/GFM costs and other costs associated to the repair. Before the customer's funds expire, the PMS must finalize the fully loaded LRC/URC associated cost estimates as closely as possible to the actual fully loaded LRC/URC.

1.3.9.5. Document the source of the recommended negotiated flow days for repair items. The PMS will compare the negotiated flow days to the average Contract Line Item Number (CLIN)/National Item Identification Number (NIIN) flow days quarterly to ensure items are repaired as agreed upon in the repair contract. Document the quarterly flow days review in the applicable contract folder; identifying those deliverables exceeding negotiated flow days and any contractual course of action taken. Inform the contractor of failure to meet negotiated requirement and advise the CM of deliverables exceeding negotiated flow days as set in SCMW CDM policy.

1.3.9.6. File maintain adjusted (actual) flow days in the Secondary Item Requirements System (SIRS) (D200A) when actual flow days are a truer representation of expected flow days for next computation cycle. **Note:** Negotiated flow days will be maintained in D200A except as required by this paragraph. Justification for using adjusted (actual) flow days will be inserted into the contract folder and D200A's note page.

1.3.9.7. Reconcile the quarterly interaction between CAV AF and D200A for contract and NIIN-level data. It is imperative to ensure accurate data feeds of production counts, condemnations, flow days, and cost for each NIIN.

1.3.9.8. Notify the applicable Equipment Specialist (ES) and Item Management Specialist (IMS) if production and condemnation counts have been duplicated.

1.3.9.9. Provide accurate contractual data for file maintenance actions/records within CRMS and CAV AF system by ensuring production tracking and materiel control is considered when preparing contractor reporting requirements. While the CM will properly file maintain the contractor charges within the system, the Item Management Specialist/Production Management Specialist (IMS/PMS), will accomplish file maintenance using the Management of Items Subject to Repair (MISTR) Data Minimum Reconfiguration Probability Routing screen during the quarterly Secondary Item Requirements System (D200A) computation cycles.

1.3.9.10. Ensure timely contract/delivery order closure. The PMS, upon receipt of the final data reports or notification by the contractor that the contract/delivery order is complete, will notify the contracting personnel with the recommendation to start closing actions on that specific contract/delivery order. This includes ensuring the following: all

URCs and adjustments are finalized prior to the expiration of funds, all contractor reporting actions in CAV AF system have occurred, and all government property accountability actions are completed.

1.3.9.11. Reconcile contract assets (reparable assets and GFM) at a minimum of 90-calendar days prior to contract expiration.

1.3.9.12. Within 60-calendar days of the contract being complete, all backordered requisitions (for items still required) with estimated or actual delivery dates, which will not provide timely support, will be canceled. **Note:** When a customer's order is canceled or quantities are reduced, funds will not be returned until the contract modification has been accepted by the contractor and termination/cancellation charges, if applicable, have been determined.

1.3.10. The ES will:

1.3.10.1. Serve as the technical requirements lead, as part of the Contract Repair Team (CRT).

1.3.10.2. Request the Materiel Requirements List (MRL) from the Application Program Indenture (API), or other authorized IT system or database upon receipt of the initial list of contract items.

1.3.10.3. Review and update the API with appropriate input using prior repair activity reports, revised technical data, impact of possible modifications, cataloging actions, vendor engineering change proposals and personnel knowledge.

1.3.10.4. Create a new master record, if the requested MRL reveals the end item has not been created in the API system.

1.3.10.5. Develop the Special Tooling (ST)/Special Test Equipment (STE) for Government Furnished Property (GFP) attachment to Appendix B (para. 2.2.1.2) during the preparation of new/follow on Purchase Request (PR) package. When government furnished ST/STE is lost or condemned, the contractor ES who will notify the CO and the PMS.

1.3.11. Contract Repair Team (CRT):

1.3.11.1. The CRT is responsible for planning the acquisition, assessing overall contractor performance, and managing requirements over the life of the contract. The CRT will consist of, as a minimum, CO, COR, LMS/IMS, PMS and ES. The CRT has the ultimate responsibility for collecting documentation for any attachment in the PR package. **Note:** For aircraft Programmed Depot Maintenance (PDM) contracts, the PMS will ensure the Performance Work Statement (PWS) language includes the requirement to maintain historical maintenance data within Reliability and Maintainability Information Systems (REMIS), which is a repository for the exact contents of Air Force Technical Order (AFTO) Form 95, *Significant Historical Data*.

1.3.11.2. The CRT will ensure all personnel involved with contract repair participate in the development and execution phases.

1.3.12. Contract Closure Team. This team is responsible for ensuring all Government property in the possession of the contactor is accounted for and disposition instructions are

executed for reparable carcasses, GFM, and Government loaned equipment. The Contract Closure team will consist of, as a minimum, the COR, PMS, CAO, and Financial Management (FM).

1.3.13. SCM Activity. Any of the AFSC SCM organizations responsible for Air Force managed reparable asset repair. They are responsible for developing processes and procedures for the following: AFMC Form 762 initiation/requests for screening; AFMC Form 762 status; AFMC Form 762 training; and AFMC Form 762 data archive and Contract Repair Screening policy implementation. The sections/specialties involved in preparing/initializing the Contract Repair Screening Analysis are the appropriate PMS/CM, the Cognizant Engineer and ES.

1.3.14. HQ AFMC/A4/10:

1.3.14.1. Maintains the functional responsibility for the CDM Program as the CDM Program Functional Manager, CRMS Functional Owner, and CAV AF Functional Owner.

1.3.14.2. Responsibilities include maintaining CAV AF information, user's guides, and tools on the HQ AFMC/A4R CDM SharePoint website **https://cs2.eis.af.mil/sites/20951/default.aspx**.

1.3.15. CDM ILS-S Team will:

1.3.15.1. Coordinate AF Form 406, *Miscellaneous Obligation/Reimbursement Document, (MORD)*, with PMS/CM and Defense Finance and Accounting Service (DFAS).

1.3.15.2. Be responsible for assignment and maintenance of ILS-S account details.

1.3.15.3. Enter pertinent data into Global Combat Support Systems (GCSS) Enterprise Application Conversation table.

1.3.16. 448 Supply Chain Management Wing (SCMW):

1.3.16.1. Develop process guidance for executing O&M and Defense Working Capital Fund (DWCF)/CSAG-S direct cite funding for CDM workload via CAV AF.

1.3.16.2. Develop process and procedure guidance for: AFMC Form 762 initiation/requests for screening, AFMC Form 762 status, AFMC Form 762 training, AFMC Form 762, *Data Archive and Contract Repair Screening*, policy implementation. The sections/specialties involved in preparing and initializing the Contract Repair Screening Analysis are the PMS/CM, the Cognizant Engineer, and ES.

1.3.16.3. Develop process guidance for executing CRMS.

1.3.16.4. Establish CDM offices in the 448 SCMW at each of the AFSC Centers, serving as the focal point for CDM policy implementation, business monitoring, system administration, and user trainers for the CAV AF and CRMS systems, and other functions for that complex.

1.3.17. AFLCMC and AFNWC: Program offices are responsible for the whole-up system, sub-system, or end item depot maintenance workload being performed by a contract activity. They will ensure contract depot-level maintenance repair efforts utilizing GFM, funded through the appropriate program office's appropriations with Air Force Element of Expense Investment Code (EEIC) 540 through 546, 548, or 560, are executed utilizing CAV AF and CRMS procedures.

1.4. Direct Cite Funding.

1.4.1. CDM direct cite funds will only be utilized to finance the cost of depot-level maintenance. Customers' depot maintenance funds will not be used for other activities, including the following:

1.4.1.1. Acquisition of sustaining engineering tasks executed by the Single Manager's O&M functions.

1.4.1.2. Acquisition or preparation of technical data,(i.e., Acceptance Test Procedures, engineering reports, etc.) directly executed by the Single Manager O&M function. Software upgrade technical data and AFTO Form 349, *Maintenance Data Collection Record*, are accepted as a product of the repair process.

1.4.1.3. Services rendered by communications units/agencies, technical assistance, local (intermediate) maintenance assistance provided to a requesting base or Air Force activity, area support, base support, local manufacturer, and acquisition of facilities.

1.4.2. The CDM program is funded by direct citation of customer funds. The PMS/CM will prepare a funding document to identify the workload requirement to be placed on order/contract. Contractual funding documents (Category II Military Interdepartmental Purchase Request (MIPR)); AF Form 616, *Fund Cite Authorization (FCA)*; Air Force Form 185, *Project Order*, etc.) will not be processed through the organization holding funding authority until customer funding is available. PRs prepared before funds are available will be processed as a "Planning Purchase Request" document per AFMCI 20-102, *Requirements Definition and Purchase Instrument Development*, and the applicable Center-level implementing guidance, for guidance on the preparation of PRs and Category II MIPRs.

1.4.3. CDM funding for Depot Purchased Equipment Maintenance (DPEM) or CSAG-S work is in current year customer dollars. Funding for actual requirements managed and controlled under the CDM program is dependent on the obligation of customer funds to include AF Form 406 for GFM when applicable.

1.4.3.1. GFM provided to the contractor must be controlled to make sure the contractor has sufficient material to meet production. AF Form 406 will be used to fund the GFM cost portion of the URC associated to a contract delivery order. The MORD funds all GFM for DPEM contracts and Budget Code 9 (BC-9) Defense Logistics Agency (DLA) and General Service Administration-managed GFM for CSAG-S contracts. The MORD will be amended based on actual cost of expenses versus obligations, which may result in an increase or decrease. Sufficient MORD funding must be obligated in advance of the incurrence of expenses, in order to prevent potential ADA violations or contractor work stoppage, should expenses expect to exceed initial obligation unless increased. Appropriate actions to amend (increase/decrease) MORD funding must be accomplished prior to the expiration of customer funding.

1.4.3.2. Alphabetic Budget Code GFM investment items are exempt from billing as they are procured with centralized funds and are free issue to customers. The Air Force defines an investment inventory item as any article financed by central procurement appropriations. Investment inventory items included in Operating Materials & Supplies are identified by alphabetic budget codes in the Air Force supply systems.

1.4.3.3. The MORD is required on all current and future contract delivery orders when Air Force-managed material is Logistics Reassigned to DLA to ensure proper reimbursement of CSAG-S funds.

1.5. Contracting Methods.

1.5.1. Emergency or urgent contracts such as "Not to Exceed" type contracts or un-priced actions should only be used as applicable IAW FARs. These undefinitized contract actions result in undefinitized prices, which require a contract modification once the definitized contract price has been negotiated. Every effort must be made to definitize contracts before customer funds expire. For example, excess funds on the contract will result in loss of customer purchasing power for other mission requirements. If initial funding is inadequate, additional funds will need to be provided to continue the work on the contract.

1.5.2. Customer funded contract line item management is vested in the PR of the applicable SCM activity and Program Offices. The PMS/CM assembles complete PR packages for follow-on and new requirements-type contracts. For requirements-type contracts, the PMS/CM will begin a follow-on PR package at a minimum of 24-months prior to the current contract expiration date. **Note:** See AFMCI 20-102, *Requirements Definition and Purchase Instrument Development*, for details on PRs.

1.5.3. As a member of the CRT, for aircraft PDM contracts, the PMS/CM will ensure the PWS language includes the requirement to maintain historical maintenance data within the Reliability and Maintainability Information System, which is a repository for the exact contents of AFTO Form 95, *Significant Historical Data*. It is imperative to maintain historical maintenance data by aircraft tail number from activation to service to retirement to the Aerospace Maintenance and Regeneration Group, and for the tail number specific aircraft baseline.

1.6. CDM Basic Functions.

1.6.1. Preparation of Solicitation. Information developed at the initial CRT meeting is incorporated in the PR package and then used in preparing the solicitation. No changes to the PR package are allowed without written notification/approval to the CRT Lead, Program Office or the PMS/CM for the repair contract. All functional members must ensure the solicitation is complete, clear, and accurately reflects all, and all applicable Office of the Secretary of Defense, Air Force and AFMC regulatory requirements and reporting requirements.

1.6.2. Foreign and Local Nationals – Authorization and Access.

1.6.2.1. A Foreign National/Local National user is anyone who is not a United States citizen or permanent resident, according to Title 8, Code of Federal Regulations, "*Aliens and Nationality*." Before authorizing Foreign National/Local National access to unclassified and/or classified ISs, the Information System Owners (ISOs) ensure compliance with the IS access requirements IAW AFMAN 17-1301, *Computer Security (COMPUSEC)*. CAV AF is an IS system and Foreign National access must be authorized by the ISO before they are granted access.

1.6.2.2. The AFMC Foreign Disclosure Office (FDO), (AFLCMC/WSNJ) determines authorized and privileged need-to-know for access to CAV AF for Foreign National

contractors. The unit responsible for entering into a repair contract with an Foreign National contractor will provide the companies name, address, description of work to be performed by the contractor, and the contract number and Department of Defense Activity Address Code (DoDAAC), (if available) to CAV AF Program Office. The Program Office will submit a letter to the AFMC FDO requesting access for all new Foreign National contractor companies. Once CAV AF access is granted, the Program Office will send a copy of the signed letter back to the requesting unit.

1.6.3. Contract Closure. To ensure timely contract/delivery order closure, the PMS/CM, upon receipt of the final data reports or notification by the contractor that the contract/delivery order is complete, will notify the CO the delivery order/contract is complete. The CO can then begin closing actions on that specific contract/delivery order. Contract closure is the responsibility of the CAO, however it also requires inputs from others such as the PM, FM, and DCMA (as applicable).

1.6.4. Reporting and tracking of Supply Class V (see Terms for definition) munitions will be executed in the Combat Ammunition System (CAS) and not CAV AF IAW AFMAN 21-201, *Munitions Management*. Class V managed items will use the Contractor Possessed Munitions module within AMMO Web to update CAS accountable records.

1.6.5. Contract Repair Process (CRP). The CRP is used by the CRT to respond directly to customer needs while reducing inventory, process steps, queue time, and total system operating costs.

1.6.5.1. The CRP focuses on reducing the number of days from requirement identification to serviceable delivery. This is accomplished by streamlining processes, reducing on-hand inventories, decreasing negotiated repair time, and reducing contract repair costs. The goal is to ensure contractors deliver a serviceable item within a specified time period as outlined in the contract.

1.6.6. Commodity Council Considerations. Commodity Councils are responsible for the assigned commodity groupings at the Federal Stock Class (FSC) level. The councils' responsibilities include the development, implementation, and monitoring of enterprise strategies for their assigned FSC. The approved commodity strategies are documented in Commodity Management and Commodity Acquisition Management plans. The CRT will engage the commodity council as early as possible during the CRP.

1.6.7. Contract Repair Initiatives. As contract repair initiatives mature, contractors will participate on an informed-level with organic and other contractor repair and supply elements. Dialogue must occur within the constraints of the applicable FAR and source selection procedures. Dialogue with the industry will begin early in the requirement development process to create a mutual understanding of requirements and capabilities. Communication will continue throughout the life cycle of the weapon system.

Chapter 2

PREPARATION FOR CDM

2.1. Purpose. This chapter covers those actions required primarily within the SCM activities and Program Offices leading up to and including the CRT meeting and PR preparation. Careful preparation during this planning phase will help prevent or minimize problems in later stages of the contract process.

2.2. Workload Conferences.

2.2.1. The purpose of a workload conference is to plan, coordinate, and negotiate the depot-level maintenance to be contracted. The outcome should be a workload agreement, which is complete, properly documented and coordinated with each agency involved. The formal workload agreement provides the basis for inputs to those logistics reports which provide basic data for the following:

2.2.1.1. PWS (or 'Appendix A'): This is the work specification and provides performance objectives and instructions for accomplishing the repair work requirements.

2.2.1.2. 'Appendix B' (Supply Information): This document identifies the responsibilities within the applicable SCM activity for ensuring contract supply support under the terms of the contract. Detailed guidance for preparing Appendix B is located on the HQ AFMC/A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**.

2.2.1.3. Safety Information (or 'Appendix C'): The PMS/CM will check to ensure installation safety office has identified safety requirements. These will be included in the PWS and Statement of Work (SOW) as required.

2.2.2. A workload conference will be held when depot-level workloads require planning, coordination or negotiations between the Program Office, PMS/CM, LMS, IMS, FM, Contracting, and Technology Repair Centers.

2.2.3. The Program Office has primary responsibility for the workload conference initiation.

2.2.4. Negotiated requirements are input into the Maintenance Planning & Execution System by program, subprogram, Repair Group Category, repair facility, etc. IAW AFMC Manual (AFMCMAN) 20-102, *Maintenance Planning & Execution (MP&E) (D363).*

2.3. Customer Funding.

2.3.1. If there is a change in contract scope that will impact the completion of the contract (additional requirements–increased cost or reducing the contractual requirements–reducing costs) then the customer must decide if it is in the best interest of the government to modify the current contract or terminate the current contract/task (delivery) order and renegotiate a new contract/task (delivery) order. As requirements change due to changes in work specifications, unscheduled maintenance, etc., it may be necessary to add, change or reprogram workloads.

2.3.2. When a customer's order is canceled, or quantities are reduced, funds will not be returned until the effect of termination/cancellation charge have been determined/negotiated and the contract modified. Charges for costs due to total cancellation or reductions in quantities of previously negotiated workload are reasonable expenses that must be paid by the customer

who funded, but then canceled the workload. The cancellation or quantity reduction will be processed prior to expiration of funds. The funds will be returned to the customer even if the customer's appropriation has expired.

2.3.3. If the customer requests work to be performed that is in addition to the work originally negotiated, additional funding must be obtained from the customer before the work is added to the contract if the work is within the scope of the contract.

2.3.4. The customer must approve additional funding for work that may be needed but was not negotiated and is discovered during the repair process. This approval and additional funding is required before the PCO may authorize the contractor to perform additional work.

2.3.5. Change in Scope. Changes in major content or work specifications made after the initial contract award, but are within the scope of the contract, will require negotiations with the contractor to modify the CLIN.

2.3.5.1. Significant changes in the work, price, or period of performance, which are determined to be "out of scope" of the contract, will require the CO to assess the use of a Justification and Approval (J&A) and use of a different contract to accomplish the out of scope work. The CO must determine the work is within the scope of the contract. Valid reasons for modifications within the scope of the contract which may result in price renegotiations, may include, but are not limited to; the repair process being altered due to engineering changes, customer driven requirements to improve the quality of a product, changes in the cost of material required due to the amount or different kinds of material.

2.3.5.2. Existing contract modification procedures will be used and the customer must provide funding of any renegotiated contract price. The revised prices provided to the customer will only be used for workload accomplished after the price has been renegotiated with the contractor. Changes in work content or work specifications which increase the cost, must be funded by the customer with funds currently available for new obligations. If these changes fall outside the contract scope, then a new competitive contract be should be considered (per the Competition in Contracting Act (CICA)). Changes in work content or work specifications which decrease the cost, will result in price decreases to the customer. Funds availability due to price decreases must be returned to the customer, even if the customer's appropriation has expired.

2.3.6. Over and Above (O&A). The goal of the depot-level maintenance contract is to produce complete and usable end items or demilitarize items, but there is usually work that cannot be specified in detail, commonly referred to as "known unknowns." An O&A CLIN tasks the contractor to identify needed repairs and recommend corrective action during the contract performance. The O&A CLIN is an estimate of the work which will be discovered during the course of repair process and necessary to satisfactorily complete the repair. The estimate is an "engineered estimate" normally based on historical information. When there is no history, the information from the first articles will be used to revise the estimate. If the new estimate impacts schedule, the delivery schedules and funding profile may have to be adjusted. When O&A exceeds the CLIN estimate (the number of hours used to establish the amount of O&A is a good baseline to use), but is otherwise within the scope of the O&A CLIN, it will require a contract modification using current year funds in order to capture the actual O&A workload. Since the O&A work is tied to an end item, there may be a need for multiple O&A CLINs in order to correctly associate the O&A work to the corresponding end item. Before awarding a

contract delivery order or amendment which contains an O&A CLIN, the Program Office must receive appropriate approval for the funding of the dollar value of the O&A CLIN.

2.3.6.1. O&A is especially susceptible to abuse and is not a blank check to cover all unexpected activities required to complete the contract. O&A will be a labor rate with a material and program management overhead cost. An O&A line will not be used for direct material support. Reviews must be conducted and documented in the PMS/CM contract/delivery order folder to ensure the contractor is not charging work as O&A when it is part of a defined maintenance action. The review will also be used to determine if a maintenance action becomes common and needs to be a defined maintenance action; the contract will be modified in this case to document the item on a separate CLIN.

2.3.6.2. The contract will include language requiring the contractor to prepare a work request prior to any O&A work being accomplished. The work request must identify the type of discrepancy disclosed, the specific location of the discrepancy, and the estimated labor hours/material required to correct the discrepancy. Data must be sufficient to satisfy contract requirements and obtain the authorization of the Contracting Officer (CO) to perform the proposed work. The PMS/CM will be cognizant of the O&A scope of work and funding requirements. Authority for the scope of work will be made by the Program Office which has engineering authority in coordination with the major command customer's technical OPR. Authority to fund the O&A work will reside with the customer for which the work is being performed. Under no circumstances will a Program Office obligate customer funds without receiving, in writing, the authority from the customer's financial OPR. The O&A work is not to be performed on the end item if the work will create a funding shortfall on the completion of the end item.

2.3.6.3. Approval is not authorized to obligate funds designated for another end item to fund O&A work on an end item already in work. The PMS/CM will properly document all O&A approval actions within the PMS/CM contract folder.

2.3.6.4. For CSAG-S workloads, the PMS/CM will obtain technical authority approval from either the SCM activity ES or engineer. Both parties are cognizant of technical requirements and may collaborate at times to communicate contractor repair specifications associated to O&A work requests. Funding authorization requires technical authority approval prior to processing contract modification to capture in scope O&A workload which exceeded the CLIN estimate.

2.4. Coordination with the Commodity Council and the Contracting Activity.

2.4.1. The PMS/CM will initiate the repair PR after interrogating the Commodity Council Database to determine if the NIINs being considered for repair currently exist on a Strategic Contract or are being considered for a future Strategic Contract already under development. The PR will be annotated in the Remarks Field that the NIINs were not found in the Commodity Council Database.

2.4.2. Prior to initiating a repair PR, the PMS/CM will notify the commodity council and contracting activity of the intention to place a new or large workload on contract. This notification will allow all activities to begin advance preparations for the contract. Using the CRT concept, the commodity council, contracting function and the SCM activity or Program

Office production management function will jointly prepare for, award, and support the contract.

2.5. Purchase Instrument (PI).

2.5.1. PIs and attachments will be completed to document the services ordered. A PI refers to a PR/Military Interdepartmental PR/Delivery Order Request/Amendment action. PIs consist of the actions necessary to convert a known requirement into a procurable package containing all the information and applicable attachments/activities/documents contracting needs to clearly communicate the requirement to all potential sources. The PI will reflect CDM funds and use the appropriate customer direct citation fund code for all Operations and Maintenance requested.

2.5.2. The PMS/CM will prepare PRs for contract repair services or prepare a MIPR/Project Order for maintenance accomplished by another DoD agency via a Depot Maintenance Inter-Service Support Agreement (DMISA). The PI will be completed in order to detail the services ordered on the attachments. The PI will reflect CDM funds and use the appropriate customer direct citation fund code.

2.5.2.1. PRPS was implemented to generate PRs and associated attachments and amendments in support of supply chain operations. PRPS is the repository for supply chain support PRs, buy requirements, financial authorizations, certifications and amendments, and all screening activities. Life cycle management/program management PRs in support of programs requiring investment reporting to Secretary of the Air Force/Acquisition (SAF/AQ), must be generated in the Comprehensive Cost and Requirements System IAW AFI 63-101/20-101. DMISA workload is not currently processed in PRPS.

2.5.2.2. The PMS/CM should consider the guidance outlined in AFI 23-101 AFMCSUP, *Air Force Materiel Management,* for calculating End Item Direct Product Standard Hours. End Item Direct Product Standard Hours may be developed by dividing the upcoming Fiscal Year approved composite Management of Items Subject to Repair rate into the unit sales price of the contract/DMISA repaired item and developing the End Item Direct Product Standard Hours. This provides a compatible man-hour comparison of Contract versus Organic workload.

2.5.3. Each end item will be separately identified on the PR so the contract can provide for line item identification, i.e., Modification and PDM will require separate CLINs. Each PR and amendment will include a desired Scheduled in Quantity (SIQ). When there are changes to the SIQ or delivery schedule, the PMS/CM will review for appropriate contractual actions. The unit of issue will correspond to the supply inventory requirements. The PMS/CM must ensure that each repair line item is applicable to a single Program Control Number (PCN). This is required for CAV AF to relate to a CLIN.

2.5.4. The PMS/CM must ensure PRs are prepared for each order against an Indefinite Delivery Indefinite Quantity order and are treated as a separate contract and maintained at the 17-digit level within CAV AF. Supply Class V assets will report IAW the required Contractor Possessed Munitions module format within AMMO Web.

2.6. Contract Repair Screening.

2.6.1. Contract repair screening applies to items that have been through the Source of Repair Assignment process and are deemed to be partially or completely contractor repair. This process implements a program to screen reparable assets prior to procurement of contract repair services. AFMC Form 762, *Repair Data List (RDL)*, will be used to document the factors and results of the decision process regarding the requirements for each item subject to contract repair. AFMC Form 762 is an automated process completed in PRPS. The AFMC Form 762 and supporting documentation will be maintained in a central data master repository, PRPS. If a situation dictates manual processing, the form can be accessed via the Air Force Publications and Forms website: **http://www.e-publishing.af.mil/**.

2.6.1.1. Repair technical screening must be performed to ensure that the repair has the documented technical requirements. The range and depth of technical information required in support of repair is almost unlimited. This paragraph provides a baseline process and set of policy guidelines. The objective is to establish an effective mechanism to determine and document Repair Method Codes/Repair Method Suffix Code and approved sources to support the acquisition of repair actions.

2.6.1.2. Technical screening actions for repair actions are referred to as "Contract Repair Screening". The technical screening actions should be completed prior to procurement of contracted repair services.

2.6.2. Repair screening criteria thresholds are weapons system dependent. Occasionally, an item will not meet strict economic considerations for screening, but screening actions may be required due to other considerations such as overpricing. Weapons System Program Offices shall develop minimum thresholds which are consistent with economic considerations and resources that are documented in local policy.

2.6.2.1. The appropriate Repair Method Code/Repair Method Suffix Code must be determined and justified based on the availability and adequacy of resources required to effect timely repair and high quality workmanship. No PR for contract repair will be processed without a current and accurate AFMC Form 762 unless specifically exempted. Copies of the completed form and associated documentation will be kept in a central data master repository.

2.6.3. The purpose of AFMC Form 762 is to establish an effective mechanism to determine and document Repair Method Code/Repair Method Suffix Code and approved sources to support the acquisition of repair sources. An AFMC Form 762 is Contract repair screening is required to process items having an Expendability Recoverability Reparability Category (ERRC) Code of C, P, S, T or U. This includes those items that will be partially or completely contractor repaired. Reparable assets meeting the ERRC code requirement must have been processed through the process (Source of Repair Assignment) prior to screening. Screening thresholds will be determined by the applicable Program Office and must be consistent with economic considerations and resources. PRs for contract repair will not be processed unless accompanied by AFMC Form 762.

2.6.4. The following are specific exemptions to the Contract Repair Screening process:

2.6.4.1. Foreign Military Sales peculiar items.

2.6.4.2. Insurance items (except for Acquisition Advice Code Z items).

2.6.4.3. Obsolete items.

2.6.4.4. Phased-out items.

2.6.4.5. Items with annual repair values below the thresholds determined by local policy.

2.6.5. HQ AFMC/A4/10 maintains functional responsibility for AFMC Form 762 (and AFMC Form 762A, *Repair Data List*), the instructions to complete the AFMC Form 762 and the policy in this directive as it pertains to the contract repair screening process.

2.6.5.1. The technical authority is responsible for providing the technical screening requirements. The ultimate responsibility for the weapon system is the Program Manager. Under Operational Safety, Suitability, and Effectiveness assurance policy, the responsibility for all technical issues is delegated to the Chief Engineer of the responsible system or Lead Engineer of the end-item. Technical authority to define and document the technical requirements may be delegated by the Chief Engineer of the responsible system or Lead Engineer of the end item to those having technical competence and capability to perform the required activities (reference AFMCI 63-1201, *Implementing Operational Safety Suitability and Effectiveness and Life Cycle Systems Engineering)*.

2.6.5.2. The sections/specialties involved in preparing and initializing the Contract Repair Screening Analysis are the appropriate PMS/CM, the Cognizant Engineer, and ES. The following describes the responsibilities for each section/specialty involved in the contract repair screening process:

2.6.5.2.1. The PMS/CM (with input from the IMS and ES) is responsible for initiating the contract repair screening and completing Part I of the AFMC Form 762. For specific instructions pertaining to the PMS/CM, see **Attachment 2**.

2.6.5.2.2. The ES is responsible for completing Part II of the AFMC Form 762 and reviewing applicable data to determine if adequate repair procedures exist (see **Attachment 2**).

2.6.5.2.3. The Cognizant Engineer is responsible for completing Part IV of the AFMC Form 762 and for reviewing the information in Parts I through III (if applicable when Block 18 is checked stating additional data is required) prior to making a Repair Method Code/Repair Method Suffix Code determination (see **Attachment 2**).

2.7. Accumulation and Review of Data for PR Packages (New or Follow-on Requirements).

2.7.1. The CRT has the ultimate responsibility for accumulating documentation for inclusion in the PR package. Refer to AFMCI 20-102, and the applicable Center-level implementing guidance, for specific information relating to the PR package.

2.7.2. The PMS/CM will ensure the PR package includes a PWS (Appendix A) which provides instructions for accomplishing the work requirements of the weapon system or an end item under contract. It will include a complete list of all current Technical Orders, Time Compliance Technical Orders, military specifications and standards, drawings, engineering data and any other necessary technical data to include technical publications concerning cleaning, corrosion treatment, overhaul and maintenance and other special work requirements. The PWS/Appendix A and SOW must address export control limitations and contain one of the following statements: “Foreign Disclosure Restrictions Do Apply” or “Foreign Disclosure Restrictions Do Not Apply”. The PWS/Appendix A and SOW will be stored in PRPS (Supply

Class V will use Comprehensive Cost and Requirements System) and will become part of the PR package.

2.7.2.1. The applicable ES and Engineer reviews the PWS/Appendix A and SOW to ensure the government's requirements from the contractor are captured and to provide accurate and current technical data requirements to the contractor.

2.7.2.2. The Procurement Office will furnish specifications for inclusion with the solicitation. The solicitation will identify the responsible individual's name, title, location, office symbol, and telephone number. Since competitive acquisition is preferred, timely evaluation and collection of acquisition data are essential. Normally, 60-days are allowed to obtain data for the technical data package, but it may be necessary to expedite delivery to meet contract requirements. Failure to assemble an accurate and complete technical data package can hinder the development of a competitive acquisition program.

2.7.2.3. The applicable technical representative (engineer or engineer workload manager) can initiate or work a Quality Assurance/Inspection Requirements activity in PRPS for quality assurance and make sure they are identified in the work specifications.

2.7.2.4. The Corrosion Control Office or Group-Level Cognizant Engineering Authority will determine the requirements for corrosion control and ensure they are identified in work specifications.

2.7.3. The PMS/CM will ensure the PR package includes an 'Appendix B' (Supply details) prepared according to instruction (refer to the HQ AFMC/A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**). The responsible ES will provide a list of authorized stock numbers required as GFM (e.g., MRL/PR Support List (PRSL)). This document will be attached to the Appendix B and be specific in order to obtain required material and services in a manner most advantageous to the government.

2.7.4. Packaging Requirements. For new and follow-on repair contracts, most packaging requirements are already established. The packaging, transportation and regulated materiel data are maintained in D035T, Shipping Information System. The D035T packaging data is defined IAW Mil-Std-2073, *Standard Practice for Military Packaging*. Refer also to AFI 24-602 V2, *Cargo Movement* and AFMAN 24-206(IP), *Packaging of Materiel*, for additional instructions concerning packaging. This data includes methods of preservation, levels of protection, unit of issue, quantity per item pack and item characteristics.

2.7.4.1. Under acquisition reform, the contractor is encouraged to propose commercial packaging alternatives. Even though packaging data is established, negotiations will be expected to occur when a contractor makes a new packaging proposal. The packaging specialist may be involved in these negotiations to ensure the proposed packaging meets the performance requirements. Commercial alternatives must be equal to or better than the requirements already established for Air Force items. When the contractor's new packaging proposal meets the performance requirements and is accepted by the packaging specialist, the packaging specialist will participate in the development of the PWS, Section L and M of the Request for Proposal (RFP) and the analysis of bidder proposals.

2.7.5. Transportation Requirements. The use of fast transportation is directed to have the item reach the requisitioner within the Air Force pipeline time standards for Agile Logistics items (reference AFI 24-602 V2). It is critical that the base Deployment and Distribution Flight

contacts Defense Contract Management Agency (DCMA) and contractor transportation functions to ensure transportation responsibilities are clearly spelled out, agreed upon, and understood before contract execution. Supply Class V assets are exempt from fast transportation processes and will use procedures specified in Defense Transportation Regulation (DTR) 4500.9-R, Part II, *Cargo Movement*. **Note:** Nuclear Weapons Related Materiel (NWRM) asset movements must comply with the requirements described in AFI 20-110, *Nuclear Weapons-Related Materiel Management*.

2.7.6. Transportation Considerations. Fast transportation requires close coordination among the CRT, base Transportation and Packaging Management Branch, the DCMA Transportation Office, and the contractor. The Transportation and Packaging Management Branch is a member of the CRT and will devise the transportation strategy for each contract and will recommend the transportation FAR clauses to be placed in the contract and prepare a comprehensive explanation of the transportation strategy.

2.7.6.1. The DCMA Point of Contact (POC), becomes the Cognizant Transportation Officer (CTO) if the CO designates traffic management services to DCMA as identified in FAR Part 42.302, *Contract Administration Functions*. When designated the Traffic Management Services Authority, DCMA Transportation must determine whether a contractor is capable of performing certain transportation functions. The DCMA then sponsors the contractor for access to government transportation systems for use with Free-on-Board Origin contract terms. Under Free-on-Board destination contract terms, the contractor is responsible for the cost of shipping and risk of loss.

2.7.6.2. It is extremely important for the CTO to understand the transportation strategy and work closely with the contractor's transportation organization to support the program. The key to a successful transportation strategy is to implement fast transportation. In addition to fast transportation, in-transit visibility is required throughout the process. The customer should be able to track a shipment from origin to the final destination.

2.7.7. Safety requirements will be included in the PWS/SOW. The PMS/CM will check to insure the Safety Office has provided a statement/Appendix C.

2.7.8. The CRT must be aware of Item Unique Identification (IUID) requirements in AFI 63-101/20-101 and incorporate into the PR as appropriate.

2.7.9. Data Item and Contract Data Requirements List (CDRL). The preparation and development of the Data Item and a DD Form 1423, *Data Item and Contract Data Requirements List (CDRL),* is IAW DoD 5010.12-M, *Procedures for the Acquisition and Management of Technical Data* and MIL-STD-963B, *Data Item Descriptions (DIDs)*. DD Form 1423 is the standard format for identifying potential data requirements in a solicitation and deliverable data requirements in a contract, with the exception of those cases described in Defense Acquisition Management Policies and Procedures. The three CDRL options are DD Form 1423; DD Form 1423-1, *Contract Data Requirements List (1 Data Item)*; and DD Form 1423-2, *Contract Data Requirements List (2 Data Items)*. The CDRL provides the delivery instructions for the technical data and is the tool used to tailor unnecessary DID requirements. The CDRL, when made part of the solicitation, shall include every known and anticipated data requirement. A Data Item is the deliverable data that the contractor prepares to satisfy the Government's requirements. The DID is a document that defines the purpose of, intended use

of, data content of, general format of, and preparation instructions for data requirements. Each DID for data to be purchased on a contract is listed on a CDRL.

2.7.9.1. Contract data call letters will be sent to all affected support activities. The data call letters should include enough information to allow the support activities to determine their data requirements and provide their DD Form 1423 inputs.

2.7.9.2. The Data Management Office (DMO) is responsible to consolidate the CDRL into the completed copy of the DD Form 1423. The DMO will be designated in writing by their program office flight chief and may be assigned for all or specifically identified DD Form 1423(s). Responsibilities are to include maintaining and keeping abreast with current revisions to applicable DID and their association with execution strategy of the CRT PR work package. The DMO/PMS will ensure CAV AF contractor reporting requirements are met.

2.7.9.3. Only the data which is essential to the effective support of the Air Force mission, or to the management of an Air Force program, will be procured from a contractor.

2.7.9.4. Contract data call letters will be sent to all affected support activities. During the preparation phase of the CDRL, data call letters will include enough information to allow the support activities to determine their data requirements and provide their CDRL inputs. The CRT will adjudicate the inputs and include the completed CDRL in the RFP and the resulting contract.

2.7.9.4.1. The applicable Program Office will appoint, in writing, the individuals to manage, complete, and distribute all assigned CDRLs. Responsibilities are to include maintaining and keeping abreast of revisions to the applicable DID and the potential impact to the PR package. **Note:** Updates of DIDs are indicated by a consecutive alpha character on the end of the 5 digit code (e.g. 81634C is the revision of 81634B). Within this document, references to DIDs applies to the latest revision.

2.7.10. The PMS/CM will utilize the appropriate CDRL listing dependent upon the type of contract being requested, and will be responsible for taking appropriate actions to notify the PCO in writing when a contractor is delinquent in contractual compliance of CAV AF reporting within 24-hours of maintenance or supply occurrence. The notifications will be kept in the PMS/CM Contract Folder for the duration of the contract. When a non-compliance occurrence happens, it will be properly documented and annotated with an unsatisfactory Contractor Performance Assessment Reporting (CPAR) System rating of services provided.

2.7.10.1. CFM Contracts utilizes the CAV AF Reporting Requirements Document and DIDs: DI-MGMT-81838 *CAV AF CFM End Item Report*; DI-PSSS-81995/T *CDM Monthly Production Report*; and DI-MGMT-80441C *Annual Inventory Report*.

2.7.10.2. GFM Contracts utilizes the CAV AF Reporting Requirements Document and DIDs: DI-MGMT-81634C *CAV AF GFM End Item Report*; DI-MGMT-82128/T *GFM Requisition and Inventory Report*; the DI-PSSS-81995/T *CDM Monthly Production Report;* and the DI-MGMT-80441C *Annual Inventory Report*.

2.7.11. The ES or Engineer will definitize Analytical Condition Inspection requirements and the exhibits necessary for peculiar engineering contractor support and contractor accomplishment of certain engineering tasks in support of PDM. Peculiar engineering services

with an Element of Expense Investment Code (EEIC) 583, must be listed as a separate CLIN and be funded with engineering service funds.

2.7.12. If work requirements are classified, the ES can initiate the Contract Security Classification Specification in PRPS and/or Comprehensive Cost and Requirements System. The completed form must be coordinated and approved with the appropriate Industrial Security Specialist.

2.7.13. For contract performance accomplished outside the continental United States, the ES, Engineer or the PMS/CM will complete AFMC Form 191, *Foreign Disclosure Procurement Decision Worksheet*, and coordinate with the FDO.

2.7.14. The Engineer will initiate an AFMC Form 807, *Recommended Quality Assurance Provisions and Special Inspection Requirements*, to provide the Ozone Depleting Chemical/Ozone Depleting Substance Certification. If a waiver is required, the appropriate waiver field will be checked and the waiver letter will be completed by the Engineer and will be forwarded to Headquarters, Air Force for approval. Upon receipt of Headquarters, Air Force approval, the letter will be forwarded with the PR package. Requirement for AFMC Form 191 shall be documented on the AFMC Form 36, *Purchase Request*.

2.7.14.1. The engineer should be cognizant of their Point of Inspection and Point of Acceptance selection for 'Source' or 'Destination'. The selection impacts the Wide Area Work Flow (WAWF) invoice process. 'Source' is the preferred selection. The engineer must provide a WAWF POC if 'Destination' is selected.

2.7.15. Include the following in the PR package if applicable to the requested workload:

2.7.15.1. Length of required contract period.

2.7.15.2. A production schedule that meets the Air Force requirements to be placed on contract. Requirements shall reflect a 12-month schedule for aircraft, engine and other maintenance for which the SCM activity or Program Offices are responsible. A corresponding 12-month schedule is required for equipment (firm or estimated) deemed essential to the repair. The production schedule is based on only one criterion such as number of flow days, specific calendar dates or total aircraft per month. The production schedule will allow a reasonable time for delivery of the first unit. A reasonable learning curve is applied for the buildup to peak production. In the absence of military necessity, sharp peaks and valleys in monthly output will not be scheduled.

2.7.15.2.1. If the contractor cannot meet original production schedules due to government-caused delays the production schedule and surrounding circumstances should be reviewed to determine if there should be a schedule adjustment.

2.7.15.3. The following must be considered when developing a comprehensive delivery schedule for competitive contracts:

2.7.15.3.1. The production from an incumbent contractor (including what is required as production overlap).

2.7.15.3.2. The estimated date of award to a new source, allowing adequate time between contract award date and first production.

2.7.15.3.3. The need for phased aircraft/engine/commodities input after contract award or phased startup of new work (Modifications/Time Compliance Technical Orders) added to an in-progress contract when the work requires kits, tooling, test equipment, new skills or an increase in contractor manning.

2.7.15.4. Some contractors may develop a backlog of work. The PCO should be aware of these backlogs in order to determine if his effort needs to 'jump' the line. If so, the PCO, in consultation with the Program Manager, may need to increase the Defense Priorities and Allocation System rating on the contract. If the backlog will cause a delay, then the team should review the impact – should the schedule slip past the contractual delivery schedule, then it may be appropriate to modify the contract schedule to retain Government rights (and address any relevant consideration for a schedule change). Defense Priorities and Allocation System can be an effective means to ensure delivery of critical products on time.

2.7.15.5. Property provisions will be reviewed by the PR Initiator to ensure property is correctly categorized, the appropriate contract provisions are included and facility items are excluded, except for those which have project approval. Specify if special consideration has been given to the identification of Industrial Plant Equipment, Units Under Test sets or ST/STE to be furnished to the contractor. In general, only those items which are high cost, have only military application, and are not readily available from commercial sources, will be furnished by the government through the Loan Lease program. No item of Industrial Plant Equipment, Units Under Test or ST/STE will be furnished to any contractor unless properly identified through Loan Lease.

2.7.15.6. Justification and Approval (J&A) for other than full and open competition is addressed in FAR Part 6, *Competition Requirements*. FAR Part 6 prescribes policies and procedures to promote full and open competition in the acquisition process. For actions requiring other than full and open competition, a justification approved at the appropriate level, shall be completed prior to RFP solicitation.

2.7.15.7. Security Requirement. If the PR, or any attachments or work to be performed are classified, attach a completed DoD Form 254, *Contract Security Classification Specification, Department of Defense*.

2.7.15.8. The PMS/CM will verify with the ES to determine if there is a requirement for a Value Engineering clause(s) and if there are active Value Engineering royalties. State the appropriate Value Engineering requirements within the PR package.

2.7.15.9. In the Remarks Field of the PR, make the following statement: 'Required appendices are attached and the DoD Form 1423 and all data (Technical Orders, manuals and regulations, etc.,) referred to therein and required for contractor accomplishment of work requirements, are available for review by prospective bidders'. **Note:** If remarks space is limited, enter 'Remarks provided as an attachment', and attach a file containing all or remaining remarks.

2.7.16. Surge in Contract Production Clause. Contractors performing repair activities must have provisions to meet contingency requirements by increasing production. Particular care must be taken when writing contracts for mission critical workload to allow responsive surge production by contractors. Once surge operations are determined to be necessary, are implemented and high demand items are identified as contract items, the contracting office

will execute a surge clause to meet the contingency requirements. If there is no surge clause in the original contract, the CO will negotiate one into existing contracts, or negotiate a new contract to meet surge requirements with corresponding consideration (costs and/or time). Surge clauses shall be written IAW DFARS Part 252.217-7001, *Surge Option.*

2.7.17. Incentive/Performance Contracts. Specific information related to incentive and performance based contracts can be found in FAR Part 16.

2.7.18. Proprietary Data. Technical Orders containing "Proprietary" data, specialized publications, or commercial manual with limited reproduction/distribution rights, will not be released without the authority of the Controlling Distribution Office or Technical Order Distribution Office (per TO 00-5-1, *Air Force Technical Order System,* Chap. 12).

2.8. Consolidate Data into Complete New or Follow-on PR Requirement Package.

2.8.1. The PR package for new or follow-on requirements which will contain, as a minimum, a complete and accurate PR; current Appendices ('A', 'B', 'C', etc., as applicable); and DD Form 1423.

2.8.2. Citing Transportation Funds. The appropriate transportation funds must be on the PR or on the attached DD Form 1653, *Transportation Data for Solicitations,* when processed by the CAO for inclusion in Section G of the contract or modification.

2.9. Coordination Cycle for New or Follow-on PR Packages. The PR is signed at appropriate organizational levels.

2.9.1. The PR Initiator will ensure that the CRT Lead reviews the PR package for compliance with CRT minutes and coordinates/signs the PR prior to gaining organizational-level signature.

2.9.2. The PR receives funds certification through the organization having the funding authority for the Program Offices. The applicable resource advisor coordinates on the PR package to certify that funds are available. The PR package is then forwarded to the AFMC Center FM Office for certification of funds. **Note:** The PR coordination process will be accomplished in PRPS and/or Comprehensive Cost and Requirements System.

2.9.3. Upon receipt of the PR package, the CAO will initiate the appropriate competitive or sole source acquisition resulting in award (or modification) to provide requested services. All contracts/delivery orders must have approved customer funding before award.

2.9.4. Upon receipt of a signed copy of the contract or acceptance of the MIPR by another DoD agency, Defense Financial Accounting Services (DFAS) posts the obligation of funds in the General Accounting & Finance System/ Backup Quantity (H069/ Backup Quantity) system.

2.9.5. Upon receipt of a signed copy of the contract, the PMS/CM will file maintain source of repair record(s) within CRMS applicable to the delivery order.

2.9.6. Coordination and Certification Requirements for MIPRs Directed to Non-DoD Agencies. If an Interagency MIPR is being processed, FAR Part 17.5, *Special Contracting Methods–Interagency Acquisitions,* requires the MIPR to document the decision to place an Economy Act order in an Economy Act Determination and Findings. The purpose of the Determination and Findings is to document the reason it is in the best interest of the Air Force to purchase supplies/services through a non-DoD agency. The Determination and Findings

will be approved at a level no lower than the General Officer or Senior Executive Service in the requesting activity's chain of command. MIPRs are normally governed by the Economy Act; therefore, at the end of the year, the customer's funds expire, unless there is another authority cited on the MIPR.

2.10. In-House Pre-Award Survey.

2.10.1. Purpose. The In-House Pre-Award Survey outlines the government's obligation, to verify it has the capability and resources to fulfill its part of the contractual agreement between the Air Force and contractor to fully support contracts awarded for CDM. The primary purpose of the In-House Pre-Award Survey is to verify that AFMC has the capability and necessary resources to fulfill its part of the contractual agreement made between the Air Force and maintenance contractors. It is used to verify before issuance of solicitation, the availability and adequacy of the applicable MRL, the availability of Modification Kits, Support Equipment, ST/STE and technical data. Past experience and performance can be used to dictate the required degree of the review. An In-House Pre-Award Survey Checklist document can be obtained through the HQ AFMC /A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**, or from the 420th Supply Chain Management Squadron/GUNAB CDM Office.

2.10.2. Responsibilities. The PMS/CM is responsible for ensuring In-House Pre-Award Survey certification is completed and documented in the CRT minutes for all modifications over $1 million, aircraft PDM and engine programs. Use of the In-House Pre-Award Survey must be varied to meet the peculiar circumstances of each prospective maintenance contract. For all other programs, the need for such certifications will be determined on a contract by contract basis based on applicability. Responsibilities for completion of In-House Pre-Award Survey certification are:

2.10.3. Adequacy of the MRL. In order to provide the contractor with a description and usage rate on those replacement components that may be used during the repair of an end item, the ES will certify the MRL to be complete, accurate and current.

2.10.4. Availability of Modification Kits. The PMS/CM, with the assistance of the IMS and the ES, is responsible for ensuring the Time Compliance Technical Orders Modification Kits are obtained, distributed and controlled in a timely manner to support all Time Compliance Technical Orders requirements called out in the PWS/Appendix A. Modification Kits will be requisitioned by the contractor as specified in the applicable Time Compliance Technical Orders. Requisitioning process codes are contained in Appendix B. If the contract does not authorize Military Standard Requisitioning and Issue Procedures, the IMS will ship under FD document number.

2.10.5. Availability of Agency Peculiar Property (APP). The APP consists of items peculiar to agency operations and is under the cognizance of an agency inventory control point. APP is federally stock-listed and does not include ST/STE or facilities items. APP with ERRC code designators XD1(C), XD2(T), NF2(U) or ND2(S) are subject to loan control procedures. The policy for loan of AFMC -managed, stock-listed, non-excess property is contained in AFI 23-101. The PMS/CM will ensure a listing of all required APP is available with the contract. The PMS/CM, with input from the CRT, will request the IMS check availability and reserve items and quantities required for the contract. The CAO will be advised by the PMS/CM of items

not available from the government. An attachment to Appendix B will list all required items and state the method of supply.

2.10.6. Availability of Technical Data. All data specified in the PWS/Appendix A/SOW will be provided to the PMS/CM by the ES and/or Engineer and be included in the PI package to be reviewed by the bidder. The data package available for review by contractors will consist only of data directly related to the work requirements detailed in the PWS/Appendix A/SOW. Additional data, such as general Technical Orders required by the contractor, will be secured through the CO.

2.11. CRT.

2.11.1. Purpose. This section provides the information necessary to organize a CRT and aid the team in the development of a sound contract repair strategy. The CRT must be established after identification of a new requirement and must remain a team throughout the entire repair effort. While it is the IMS role to evaluate the tradeoffs associated with improved customer support, it is the CRT which provides inputs, advice and recommendations.

2.11.2. Overview. CRT meetings must have clear objectives and be allotted an appropriate amount of time. Initially, the CRT will:

2.11.2.1. Assemble the appropriate team members.

2.11.2.2. Review the asset pipeline and information flow to consider improvements.

2.11.2.3. Assign tasks to all members to complete their responsible parts of the package.

2.11.2.4. Assemble the PR and RFP package.

2.11.2.5. Resolve questions, which occurred in RFP assembly.

2.11.2.6. Coordinate and assist in the approval of the PR/RFP package. A follow-up meeting will be scheduled once the contractor's proposals are received.

2.11.2.7. Selections must adhere to criteria in the RFP only.

2.11.2.8. Assign post-meeting actions and follow-up when items cannot be resolved.

2.11.2.9. Ensure accurate minutes are taken for every formal CRT meeting. The CRT Lead will review, ensure necessary corrections are made, and validate the official CRT meeting minutes by signing the document either electronically or by pen and ink.

2.11.2.10. Further meetings will be scheduled after award has occurred to:

2.11.2.10.1. Discuss lessons learned.

2.11.2.10.2. Implement future CRT process improvements.

2.11.2.10.3. Provide feedback to the team on the progress of the contractor.

2.11.3. CRT Functions. The main goal of the CRT is to develop the most effective contract. The CRT will collectively define and properly document all contractual requirements for inspections. The CRT will review the entire asset pipeline to develop alternative strategies for reducing the flow days and inventory levels at different points in the process. Initial contract costs will no longer be the sole measure of merit. The CRT may simultaneously (as opposed to sequentially) develop the PR, synopsis and solicitation to reduce administrative lead-time and eliminate misunderstanding regarding requirements. The CRT will remain active and

responsible for monitoring and submitting proposals for changes to improve contractor performance to the CO through the life of the contract while carefully staying within its boundaries to reduce risk of constructive changes given to the contractor, which would open the possibility for equitable adjustment claims. This continuity is critical to work unforeseen problems and monitor contractor performance.

2.11.4. The Program Manager or PMS/CM is the management focal point of the assigned repair contracts. When the assets support multiple programs, the PMS/CM will be the CRT Lead and will facilitate the individual CRT process steps to ensure the PR package is complete and accurate. The CRT Lead will formulate the outline of the requirement for the CRT and execute the duties of the primary action officer. The PMS/CM will ensure the repair effort is accomplished, serve as the interface when more information is required from the customer and monitor the progress during execution of the contract through closeout. The PMS/CM will monitor and serve as the liaison for contractor reporting in CAV AF (except Supply Class V assets). The PMS/CM provides management and CRT members with contract repair status via charts, reports, briefings, e-mail messages, etc.

2.11.4.1. The IMS is responsible for total pipeline management, which includes managing assets organically and contractually repaired; forecasting repair requirements; notifying and sending shipping instructions to the contractor(s); providing overall item, systems or subsystems assessment support; supporting appropriate Major Command representatives with item related issues; managing current inventory status and location; monitoring gains and losses to the inventory and ensuring appropriate funding is available.

2.11.4.2. The CO is responsible for issuing solicitations and contracts. They will guarantee the special or unique provisions meet applicable procurement laws and regulations or will pursue waivers and/or deviations to implement when appropriate. The CO is the only Contract Repair Team member authorized to direct the contractor to perform work and obligate funds.

2.11.4.3. The ES provides accurate technical data requirements for solicitation inclusion to include; initiating Contract Security Classification Specifications (which must be coordinated and approved with appropriate Industrial Security Specialist); providing quantity and stock numbers required as GFM (i.e., MRL/PRSL); ensuring loaned GFE requirements and identifying modification kit requirements; and completes applicable portion of contract technical repair screening policy process. The ES is also responsible for creating the PWS/Appendix A/SOW documents (when assigned). References for IUID include DFARS 252.211-7003, *Solicitation Provisions and Contract Clauses-Item Identification and Valuation,* 1 June 2013, which is the requirement to physically mark items, and DFARS 252.211-7007, *Solicitation Provisions and Contract Clauses-Reporting of Government-Furnished Property*, the responsibility to report custodial changes of GFP to the DoD IUID Registry. To ensure IUID compliance, the CRT should incorporate and utilize two DIDs: DI-MGMT-81803, *Item Unique Identification Marking Plan,* and DI-MGMT-81804A, *Unique Identification and Verification Report*. The ES shall ensure that IUID requirements are specifically identified within the technical data package within solicitations for all tangible items delivered to the government.

2.11.4.4. DID DI-MGMT-82128, *Contractor GFM Requisition and Inventory Report*, will be utilized and is to be a contractual requirement on AF repair contracts with GFM support

requirements. The Contractor GFM Requisition and Inventory Report will provide the PMS with pertinent information in determining GFM NIIN inventory on-hand (OH) balances by condition code, consumption, turn-ins from repair line, transfers in and out, due-ins from requisitions, receipts, plant clearance and shipping actions.

2.11.4.5. DID DI-MGMT-80441, *Government Property Inventory Report*, will be utilized and is to be a contractual requirement on AF repair contracts. The government shall contractually require contractors to perform an annual 100% physical inventory for each AF contract. The annual period of performance for the contractor to accomplish the required contractual action shall be defined in the PWS, however shall not exceed one year between annual physical inventories associated to GFP provided for repair or in support of repair items, it shall include any subcontractor repair facility locations with AF inventory associated to the contract.

2.11.5. The Engineer provides accurate technical data requirements for solicitation inclusion to include: determining requirements for corrosion control and ensures identification in work specifications; identifying contract performance accomplished outside continental United States; initiating ozone depletion certification or waiver (for Headquarters, Air Force approval); completes applicable portion of contract technical repair screening policy process and market research. The engineer shall ensure that all applicable IUID drawings have been updated to for each qualifying tangible item. The Engineer is also responsible for creating applicable PWS/Appendix A/SOW documents (when assigned).

2.11.5.1. After these core members review the general asset pipeline characteristics and worldwide position, they will jointly determine the requirement for supplementary team members. Each of the other additional team members will participate on the CRT, as required and apply their specific area of expertise to collectively achieve the goals of contract repair. The CRT will work with open mindedness, creativity and innovation. Team members should come from the applicable functional areas and include at a minimum FM, Program Management, the SCM CDM Office, Safety, the Contract Office, and Packaging/Materiel Handling.

2.11.5.2. As a member of the CRT for aircraft PDM contracts, the System Program Manager/Product Support Manager will incorporate knowledge of tail number specific condition as step one, changing any unscheduled maintenance to scheduled maintenance. Scheduled maintenance activities (i.e., specific tasks, etc.) should be grouped/bundled as a project, depending on work activity durations and dependencies.

2.11.5.3. In a sole source situation, do not involve the contractor in the development of the contract. A contractor cannot develop the requirement they'll be performing.

2.11.6. When used, an effective PWS does not reflect every aspect of the program, only those identified as principal objectives. The PWS also reflects the high and moderate risk areas of the contract. These two components allow potential bidders the ability to make necessary cost, schedule, and technical decisions.

Chapter 3

GOVERNMENT PROPERTY SUPPORT

3.1. Introduction.

3.1.1. Purpose. This chapter applies to AFMC CDM direct cite funded contracts performed at contractor facilities. It identifies the responsibilities within the applicable operating SCM activity or Program Offices for ensuring contract supply support under the terms of the contract. Detailed guidance for preparing Appendix B on AFMC CDM contracts can be located on the HQ AFMC /A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**.

3.1.2. Scope. This chapter provides instruction for the proper identification, acquisition, use and disposition of government and contractor furnished property, materiel and equipment. Within this publication, government property is defined as property owned by or acquired by the government under the terms of the contract. It includes GFP (materiel and equipment) and ST/STE and APP. This directive further expands AFMC and contractor responsibilities as they pertain to AFI 23-101 and AFI 23-119, *Exchange, Sale or Temporary Custody of Non-excess Personal Property*, in support of CDM.

3.1.3. The CRT must ensure GFM is only authorized for Air Force and other military service (Army, Navy, etc.) managed items, i.e., those exchangeable end items and consumable (BC-8) items where the Air Force or other military service is the sole source. Contractors must be directed to order through the Materiel Control Activity (MCA), CAV AF, for GFM regardless where the item is managed (items managed in CAS are the exception). (**Note:** CAV AF will not be used for CAS managed assets. Supply Class V managed assets will use the Contractor Possessed Munitions module that interfaces with CAS). Non-Air Force managed consumable items (ERRC Codes N and P) will be reflected in contract documents as Contractor Furnished Materiel (CFM) and contractors will be encouraged to order from the applicable government Source of Supply (SOS), i.e., DLA and General Services Administration, as the first source for the procurement of CFM. There is no need for contractors to order CFM through the Air Force MCA. Specific information for DLA SOS items and use of the DLA FedMall can be found on the DLA website: **https://www.dla.mil/Info/FedMall.aspx**.

3.1.3.1. Deviation from this policy to waive the GFM requirement requires a GFM waiver be submitted from the respective AFSC PR Group or an AFLCMC organization. The GFM waiver request will be sent to HQ AFMC/A4R (or designated level) for authorization/approval and will only represent a single fiscal year. Waivers are to be submitted digitally by fiscal year with all supporting documentation and pertinent information. A template for a waiver request letter can be found on the HQ AFMC/A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**. **Note:** Alpha budget codes, which are identified as investment items, are allowable as GFM since they are: free issue; do not result in a charge at the time of the issue; and are centrally funded to the program.

3.2. CRT.

3.2.1. The CRT will include/incorporate definitions of the following categories of property in each Appendix B, Explanation of Terms, as determined applicable to the repair requirements

on the contract: Government Property, GFP, GFM, GFE, CFM, materiel, material, ST, STE, Plant Equipment, Industrial Plant Equipment, Other Plant Equipment, APP, Hazardous Material, Hazardous Waste and facilities. See **Attachment 1**, Terms, for definitions.

3.2.2. The Loan Control Officer and Item Manager are responsible for the accountability of the asset(s) must approve each loan of GFE. The IMS, Program Manager, ES, Engineers, Logistics Officers, PMS/CM and COs are required to ensure loaned GFE is managed and processed properly.

3.3. GFM.

3.3.1. Contractors are ordinarily required to furnish all property necessary to perform government contracts. Contracting Officers may furnish materiel to a contractor under the following circumstances:

3.3.1.1. Economy. If the government has materiel available in the supply system, that materiel, can be authorized as GFM instead of paying the contractor to purchase the materiel as CFM.

3.3.1.2. Expediting of Production. GFM may be provided to meet a surge requirement if it can be immediately obtained from the supply system. Any additional GFM must be captured in a modification to the original contract/task (delivery) order Appendix B. Since CAV AF is the MCA, the Table of Allowance in CAV AF must reflect GFM quantities authorized or be adjusted, if necessary, for any additional GFM.

3.3.1.3. Standardization. To maintain configuration control, the ES or Engineer may request use of GFM. The request will still have to go through the approval process.

3.3.1.4. Other Appropriate Circumstances. Other circumstances include, but are not limited to, the government as the sole source for the materiel, the materiel is classified, etc. This category is the exception and not representative of normal day-to-day business. The CO will provide this documentation in the contract file. It is imperative that the determination be made that no other sources are qualified to bid prior to allowing GFM.

3.3.2. All non-Air Force managed consumable materiel should be CFM and will not be authorized as GFM without an approved waiver from HQ AFMC/A4R.

3.3.2.1. If a situation exist where a weapon system program had a GFM waiver authorized residual consumable material from a previous contract, it cannot be utilized in the follow-on contract since it will become CFM on the new contract. PMS shall provide disposition instructions through contracting to contractor for remaining DLA material to either return to DLA or to work with DLA in order to pay them for the material they have. The GFM will be tracked in CAV AF on the old contract until the GFM is either shipped in place to the contractor or shipped back to DLA. The PMS shall retain all associated documents for records.

3.3.3. All Budget Code 8 (BC-8) (CSAG-S) consumables can be authorized as GFM and do not require an HQ AFMC/A4/10 waiver.

3.3.4. The Appendix B, GFM listing, will only be utilized to document AF-managed assets in support of the repair requirements. All non-AF consumable GFM authorized by an approved HQ AFMC/A4/10 waiver will be documented with contract/delivery order data to identify which contract delivery order it supports, including all assets by NSN, quantity, nomenclature,

SOS, ERRC Code, Budget Code, unit price and extended value. Waivers are associated to annual "bona-fide need" repair requirements, limited to fiscal year submissions for approval and dependent on a justification that must include a transition plan to CFM.

3.3.5. When AF-managed (CSAG-S) GFM transitions to DLA management, a HQ AFMC/A4/10 waiver is not required for General Support Division (GSD) items on contract delivery orders in place at the time of the transition. A waiver is required for all future delivery orders on an applicable contract if the decision is made that a transition to CFM is not possible.

3.3.6. The decision to authorize GFM is to be made by the CRT and based on the materiel recommendation (Full Range Listing/MRL/PRSL and ST/STE list) provided by the ES and the availability of materiel. The CRT minutes will include proper justification for authorizing GFM to a contractor. This justification will be retained in the PMS/CM contract folder. **Note:** If the GFM item(s) is a modification kit, Life-of-Type item or an excess item, the justification will be coordinated with the ES.

3.3.6.1. Materials authorized as GFM will be identified, at minimum, by master NSN, Materiel Management Aggregation Code, nomenclature, quantity, SOS, Expendability Recoverability Reparability Category (ERRC) Code, Budget Code, Quantity per Assembly (QPA), Replacement percent, CLIN or NSN the GFM is going in. This information will be placed in an attachment to the contract Appendix B and included in the PR package.

3.3.7. If the contractor has GFM from a previous contract/delivery order, at the same facility and this materiel will also be required for a follow-on contract/delivery order, the GFM authorizations must still be captured in CAV AF on the new contract. If the authorization for this or any other materiel has not been added to CAV AF GFM Table of Allowance, the contractor will not be able to requisition or receipt the materiel on the new contract. When materiel is required to be transferred from one contract/delivery order to another, the CO will issue contractual modifications IAW FAR Part 45 and Appendix B authorization. This will contractually authorize and approve the transfer of GFM from one contract/delivery order to another. In this circumstance, no physical movement of approved materiel transitioning between contracts/delivery orders is required.

3.3.7.1. When the need for such action arises, the contractor will submit a written request for transfer action authority from the funding CO. Transfer requests will contain the following information:

3.3.7.1.1. Contract numbers to and from which the materiel is to be transferred, including fund citations in the contracts.

3.3.7.1.2. The NSN, SOS, GFE Code, Budget Code, and quantity of materiel to be transferred.

3.3.7.1.3. Verification that materiel to be transferred is excess to the needs of the losing contract and will not be reordered for the losing contract.

3.3.8. ST/STE is not identified on the API or MRL, but are determined necessary as GFP at the time of PR preparation. During preparation of the new or follow-on PR package, the ES will develop the equipment requirement for attachment to Appendix B. When government furnished ST/STE is lost or condemned, the contractor will notify the CO who will notify the PMS/CM.

3.3.9. Initial GFM Support. The initial stock levels of GFM support will be computed IAW the stock level computation procedures contained in Appendix B with the exception that the pipeline time portion of the stock level will be excluded. The contract will include language requiring the contractor to requisition initial GFM and reorder points will be adjusted accordingly. The Appendix B will be tailored to reflect each contract requirement. To achieve and maintain a well-balanced stock position, the timely submission of stock replenishment requisitions is essential. The Appendix B will instruct contractors of the need for initiating timely replenishment whenever reorder points are reached. Continued emphasis on timely stock replenishment based on established reorder points will minimize the necessity for priority requisitioning.

3.4. Preparation of Appendix B.

3.4.1. Purpose. The following information is applicable to GFM. The PMS/CM must ensure the Appendix B is complete and tailored specifically to each contract. In order to maintain standardization, the PMS/CM will follow the format located on the HQ AFMC/A4R CDM SharePoint website: **https://cs2.eis.af.mil/sites/20951/default.aspx**. Peculiar aspects of a contract may require specific modification of the basic format. The minimum required information to properly account for GFP in-transit is listed in DoDI 5000.64, *Accountability and Management of Department of Defense Equipment and Other Accountable Property*.

3.4.2. Any deviation to policies contained herein, especially when the government is not used as the first SOS for items designated as GFM, will be fully justified and approved by the PMS/CM before becoming part of the PR package.

3.4.3. Assign a common identifier, such as the PR number, to easily identify the contract and any/all appendices (Appendix A, B, C, etc.) as part of the same contract.

3.4.4. At the time of Appendix B preparation, the PMS/CM will request an MRL/PRSL from the ES. If a MRL/PRSL is not available or is in less than adequate condition to provide the data required, the PMS/CM, IMS and ES will jointly develop a list by master NSN, SOS, GFE Code, Budget Code, quantity, QPA, Replacement percent, and CLIN or NSN the GFM is going in. This list off authorized GFM will substitute for the MRL/PRSL. The following paragraphs provide a brief description of the Full Range List, GFM Allowances, and PRSL.

3.4.4.1. Full Range List. The Full Range List (AD200.F70FA7A7) is a consolidated listing of all components applicable to an end item. The listing includes all support items, materiel, tools, test equipment, bulk materiel and technical data references required for the maintenance (overhaul or repair) of the end item. It is important to understand that this listing contains a complete printout of the data in the control record. The Full Range List provides an excellent basis for reviewing, correcting, updating and file maintaining the API data. Output products available from the API system may become a part of the data package and be provided to the selected repair contractor. Accurate and effective reporting actions by the contractor are directly related to the accuracy of the API records. **Note:** The Full Range List will not be made available to the Repair Contractor.

3.4.4.2. GFM Allowances. The total GFM Allowances are used by the contractor to establish initial stock levels on items authorized by Appendix B (and documented as GFM allowances in CAV AF). The contractor is required to report consumption data for usage tracking. Contractor carcass turn-in shipments to the depot provides data for determining

demand and replacement factors. Accurate and effective reporting actions to the applicable government data system by the contractor, is directly related to the accuracy of these factors.

3.4.4.3. PRSL. The PRSL is designed to aid in the determination of GFM in support of a specific contract. The PRSL is a three-part listing: Part I contains a listing of the end items and quantities of each item to be repaired during the life of the contract; Part II contains a listing in NSN sequence, of all components both NSN and Part Number listed in the MRL which are required for completion of the contract; and Part III contains dollar values applicable to Part II.

3.4.4.4. ST/STE. The ST/STE (AD200.FA0FA7B0) list itemizes the ST/STE required to repair an end item. The data is used for preparation of the work specifications and reviewed for workload capability in a repair facility. It is also used to determine the need to furnish ST/STE and to identify which items will be furnished by the government.

3.5. AF Form 406, MORD. There are two distinct cases when MORDs are required (see **Table 3.1**). The first is on DPEM-funded contracts with GFM allowances regardless of the Budget Code. The second is for CSAG-S funded contracts with GSD (BC-9) GFM allowances. A HQ AFMC/A4/10 approval waiver is required for all contracts with GSD (BC-9) GFM allowances. In addition, when Air Force-managed GFM transitions to DLA management, a MORD is required on all current and future contract delivery orders to ensure proper reimbursement of the GSD fund.

Table 3.1. GFM MORD Process (AF Form 406).

	MORD	WAIVER
DPEM	ALL GFM	ALL CONSUMABLES (ERRC=N and P)
CSAG-S (NSN)	GSD ONLY (any SOS outside Air Force) (BC-9)	ALL NON-Air Force MANAGED CONSUMABLES (ERRC=N and P)

3.5.1. The PMS/CM initiates a DPEM or CSAG-S PR package along with the MORD and forwards it through the appropriate Resource Advisor. The Resource Advisor reviews the MORD for accuracy and total value of GFM. The MORD value is associated with the GFM listing of materiel provided by the ES from the MRL. The MORD number will be documented in the Remarks field of the PR and forward it to the CAO.

3.5.2. The first step in initiating the MORD is for the PMS/CM to obtain a Task (Delivery Order) number and Accounting Classification Reference Number (ACRN). The Delivery Order number and ACRN identifying the appropriate DPEM/CSAG-S customers' direct cite funding will be referenced in the PR Accounting Classification Information Field and the Accounting Classification Field of the MORD. The total MORD value for GFM supporting the PR repair requirements is based on the MRL and historical consumption data from CAV AF and documented in the contract Appendix B. The PMS/CM will retain all source documentation used to determine GFM cost and quantities. The DPEM office or CSAG-S Resource Advisor performs a final review of the MORD to ensure it contains a valid PCN, a valid requirement that coincides with a proper program authority and an accurate fund cite.

The MORD is then submitted to the SCM activity or the appropriate AFMC Center Financial Management Budget (FMB) Office for certification.

3.5.3. Provide the following information in the description area of the MORD (T-2):

3.5.3.1. Use the 'CAV AF system MORD for DPEM' or the 'CAV AF system MORD for GSD BC-9 to identify the contract funding source:

3.5.3.2. Contract and Delivery Order number (17 digits).

3.5.3.3. PR Number and associated ACRN (represents CAV AF CLIN ACRN).

3.5.3.4. Contractor DoDAAC.

3.5.3.5. Contractor Routing Identifier Code.

3.5.3.6. PMS/CM Code.

3.5.3.7. Document the HQ AFMC/A4R waiver approval date, if applicable.

3.5.3.8. When applicable, Project Funds Management Record and Organization Code for CSAG-S sources.

3.5.3.9. Identify the MORD POC to include; respective CAV AF system's CM's name, e-mail address, Defense Switch Network telephone number and Defense Switch Network facsimile number. This is to ensure the MORD is returned to the correct individual after CAV AF CDM Integrated Logistics System-Supply (ILS-S) team has completed processing.

3.5.4. The SCM activity or the AFMC Center Financial Service Officer will obligate the MORD in the General Accounting & Finance System_ Backup Quantity. Once the MORD is obligated in General Accounting & Finance System, the PMS/CM or CAV AF CM will send the MORD to CAV AF CDM ILS-S team, via email. CAV AF CDM ILS-S team forwards the MORD to DFAS with the pertinent information to load the ILS-S Project Funds Management Record.

3.5.5. CAV AF CDM ILS-S team assigns one three-digit ILS-S/Project Funds Management Record to each SCM activity or AFMC Center location for all CSAG-S contracts. The Organization Cost Center Record Organization code is assigned based upon the rules established by SCM activity. Different Project Funds Management Record are assigned for each DPEM-funded contract and a different Organization Cost Center Record is assigned by rules set up by the SCM activity or AFMC Center.

3.5.6. CAV AF CDM ILS-S team loads the MORD funding targets against the Organization Cost Center Record which rolls up to the Project Funds Management Record in the CDM - ILS-S. CAV AF CDM ILS-S team enters all pertinent data into the Enterprise Application Integrator conversion table on the Business and Enterprise Systems Enterprise Information Systems environment which is maintained by the GCSS personnel at Maxwell AFB, Gunter Annex, Alabama. The Enterprise Application Integrator establishes an electronic feed for translating transactions from CAV AF to the CDM-ILS-S. CAV AF CDM ILS-S team returns the MORD, via e-mail, to CAV AF CM identified in the MORD Description Field. Monitoring the MORD balances is a PMS/CM responsibility. CAV AF CDM ILS-S team will assist in monitoring the MORD funding balances by: processing/monitoring the Organization Cost

Center Report (M03) daily, identifying Project Funds Management Record funding shortfalls, and notifying the MORD POC via e-mail/telephone of over expenditures.

3.5.7. The processing of GSD assets in CAV AF CDM -ILS-S database requires GSD Stock Fund Authority to order/issue/requisition GSD items. CAV AF CDM ILS-S team performs annual AFMC data calls requesting out year GSD Stock Fund expenditures, by fiscal year and forwards this information to the applicable organization(s).

3.5.8. The CO will notify the PMS/CM of PR contract award, final task (delivery) order number and ACRN assignment by the CAO. The PMS/CM will be responsible to ensure the task (delivery) order number provided earlier in this process by the CAO for the MORD matches the one used on the final task (delivery) order. Should a discrepancy exist, the MORD must be amended in Automated Business Service System and the MORD amendment will follow the same processing procedures. CAV AF CDM ILS-S team will in turn update the Enterprise Application Integrator by the task (delivery) order and ACRN for billings.

3.5.9. CDM-ILS-S GFM transactions flow into the Standard Materiel Accounting System when the Enterprise Application Integrator receives a GFM Issue transaction from CAV AF. The Standard Materiel Accounting System transaction will prompt DFAS to create a Standard Form 1080, Vouchers for Transfers between Appropriations and/or Funds, which is posted to the applicable MORD and the Standard Form 1080 bill amount is subtracted from the current MORD balance. The Standard Form 1080 bills are created by the CDM-ILS-S during end-of-month processing.

3.5.10. During the performance of the task (delivery) order, the PMS/CM monitors the MORD obligation and expenditure balances on the M03 (GV977-M03-M36_2391) Report. The M03 is a monthly report with a daily option published on the DFAS-OMAHA Online Report Viewer database. The Online Report Viewer is a web-based program providing DoD customers visibility over various reports and system products. The report produces an Excel spreadsheet listing the Project Funds Management Record's target, expenditures and the difference (available balance) between the two. The PMS/CM will maintain the historical GFM usage data and coordinate closely with the Resource Advisor to ensure the MORD funding is available at all times through the end of the task (delivery) order.

3.5.11. The PMS/CM will:

3.5.11.1. Identify any funding shortfalls as soon as known to the customer for resolution. If the customer approves additional funding, the PMS/CM will amend the MORD to account for the additional funding. To preclude negative MORD balances the SCM activity or the appropriate AFMC Center must:

3.5.11.1.1. Conduct awareness training for all personnel involved in the MORD process.

3.5.11.1.2. Fund initial MORDs to match CAV AF Table of Allowance authorizations for the vast majority of CDM contracts. **Note:** Incrementally funded MORDs require heightened awareness to avoid exceeding the MORD funding costs.

3.5.11.1.3. Use historical averages plus a buffer for the initial MORD funding when quarterly funding constraints make it impossible to initially fund at the Table of Allowance levels.

3.5.11.1.4. Ensure the Table of Allowance does not exceed the contractually authorized GFM listing (NIINs and quantities) IAW Appendix B or be adjusted, if necessary, for any additional GFM for the contract/task (Delivery Order). It is important to note CAV AF Delivery Order represents a single Fiscal Year funding and consideration will be taken in the establishment of the Table of Allowance, supported with the same MORD Fiscal Year funding relationship, if applicable. Strategy will be outlined and documented within the contract repair folder by the PMS/CM, who is responsible for the Table of Allowance construct and authorizations (NIIN/quantities) IAW the Appendix B.

3.5.11.1.4.1. Ensure the annual contract Delivery Order CAV AF system Table of Allowance strategies (not exceeding Appendix B GFM authorizations) are represented by one of the following methodologies: 1) A single annual contract Delivery Order issued with the GFM Table of Allowance authorizations; 2) Multiple contract Fiscal Year Delivery Orders issued with the corresponding Table of Allowance.

3.5.11.1.5. Monitor the CDM-ILS-S reports (specifically the M03 and the Daily Project Funds Management Record/Organization Cost Center Record Update and Reconciliation [D11]) for all fund related transactions.

3.5.11.1.6. Establish an expenditure trigger point (70-75%) for initiating a MORD amendment.

3.5.11.2. When processing MORD amendments, the PMS/CM will use, in addition to previous information in the Description Field, the following statement: MORD Amendment. The PMS/CM will process amendments (decrease/increase) IAW the guidance outlined in this instruction and file all amendments with the original MORD.

3.5.11.3. If the customer disapproves additional funding, several options are available: Review the remainder of work and funding associated to the MORD; stop inductions of additional assets covered by the MORD; reprioritize the available funds; identify potential de-obligation candidates and work to avoid Request for Equitable Adjustment.

3.5.11.4. Once the task (delivery) order has been deemed production complete, the PMS/CM will work closely with the CO to financially close the task (delivery) order and de-obligate any remaining MORD funding.

3.6. Managing Appendix B Revisions.

3.6.1. Any revisions to Appendix B must be forwarded to contracting by a PR amendment.

3.6.1.1. A new title page will be prepared for each revision containing the same elements as the original title page. The new title page will contain the revision number and the date of the revision inserted under the date of the basic Appendix B. Revision tracking will be turned on so that any changes made will show revision bars so changes will be easily tracked.

3.6.1.2. The date, revision number and file number will be included on the entire Appendix B.

3.6.1.3. All superseded Appendix B’s will be kept on file (electronic or hard copy) for record and reference until completion of the contract.

3.6.2. For those contracts that have an approved waiver for consumables, the PMS/CM/CAV AF system CM will maintain a listing of DLA/GSD-managed items separate from the contract Appendix B. Changes to the list of DLA/GSD-managed GFM will not require a modification to the Appendix B. The PMS/CM will annotate all changes on the listing when CAV AF Table of Allowance is updated. All authorized GFM items listed in the Appendix B, to include the DLA/GSD waivered list, if applicable, will be loaded into CAV AF at the NIIN-level by CAV AF CM and will specify the authorized quantity.

3.7. Requisitions and Priorities.

3.7.1. Standard Air Force and DoD instructions for preparation and submission of requisitions for GFP support, as prescribed in Defense Logistics Manual 4000.25-1, *Military Standard Requisitioning and Issue Procedures*, will be used by all AFMC CDM contractors.

3.7.1.1. The contract will include language requiring the contractor to requisition only those items and quantities of GFM authorized within Appendix B of respective contracts. Contractors' requisition follow-ups, cancellation, modifiers and backorder validations will be prepared according to instructions prescribed in AFI 23-101.

3.7.1.2. The attachments to the Appendix B will provide code references the contractor can use to prepare requisition and turn-in documents.

3.7.1.3. Supply Class V requisitions are processed using CAS. The Item Manager directs shipment of Supply Class V GFM to the contractor per contract agreement. The contractor does not requisition.

3.7.2. FAR Part 52.245-1, *Government Property*, states the contractor will be directly responsible and accountable for all government property according to the provisions of the contract, including property provided under such contract that may be in the possession or control of a subcontractor. Therefore, all requisitions for materiel will originate from the prime contractor. When the materiel is to be shipped to an activity other than the prime contractor, enter the service and activity address code (EZ number) supplementary address field according to Defense Logistics Manual 4000.25-1. Procedures for ensuring control of subcontractor inventories will be included in the prime contractor's approved property control system.

3.8. Disposition of Excess Government Property.

3.8.1. The following information is applicable to GFM. For information regarding loan of AFMC -managed, stock-listed items; see AFI 23-101. These policies and procedures apply to all CDM contracts with property that is determined to be excess to the contractor's requirement to complete a specific contract.

3.8.1.1. Contractors will review the stock position of all items of GFM with Expendability, Recoverability, Reparability Category (ERRC) Code designator "XD2(T)" every 30-days and every 60-days for items with ERRC Code designators "XB3(N)" and XF3(P)." These reviews will be conducted until the contract in production is completed or terminated. The contract will include language requiring the contractor to identify to the Production Management Specialist and process (per received disposition instructions) all items having inventories in excess of what is required to support the current contract. Concurrent with these reviews, the contract will include language requiring the contractor to review the

requisition control record and cancel those requisitions on backorder when requirements no longer exist.

3.8.1.2. Within 60-days of the contract being complete, all backordered requisitions (for items still required) having estimated or actual delivery dates which will not provide timely support, will be canceled and a new requisition submitted on a fill-or-kill basis. The quantity on the fill-or-kill requisitions is limited to only that required to complete the contract. Fill-or-kill actions should not apply to ERRC Codes T, C, S and U requisitions, if a valid requirement still exists.

3.8.2. Directed disposal of excess GFM.

3.8.2.1. When GFM is in excess, the contract will include language requiring the contractor to provide the PMS/CM an inventory of materiel at the contractor site. The PMS/CM will, at a minimum, conduct a desktop audit to reconcile the contractor's inventory against the applicable government reporting system (CAV AF/Contractor Possessed Munitions). Discrepancies between the contractor inventory and government system inventories must be reconciled and recorded in CAV AF/Contractor Possessed Munitions (the government system of record). If excess items are discovered during an on-site visit, on-the-spot disposition of excesses may be directed. Determinations of excess items must be a coordinated action between representatives of the on-site survey team, CAV AF CM, the Contract Administration Activity representative and the contractor, to ensure these items are excess to total contract requirements. A report of the excesses will be prepared and a copy furnished to the Contract Administration Activity representative.

3.8.2.2. Upon receipt of the excess report, the PMS/CM will provide disposition instructions for the applicable items. The on-site survey team and/or PMS/CM will retain a copy for follow-up during the next visit to ensure that assets have been returned to the Air Force.

3.8.2.3. The DoD Form 1348-1A, Issue Release/Receipt Document, will always be used and will be prepared according to Defense Logistics Manual 4000.25-1. Bar coding items prior to return will be accomplished according to Defense Federal Acquisition Regulation Supplement (DFARS) Part 211.274, *Item Identification and Valuation Requirements*.

3.8.3. Government property support for follow-on contracts.

3.8.3.1. When the incumbent contractor is awarded a follow-on contract before completion of the current contract, all GFM in the contractor's possession will be screened by the contractor against actual individual line usage experience and production schedule. This is done to establish individual item requirements for support of current and follow-on contracts and will be considered as part of the initial lay-in for the follow-on contract. If transferred materiel is equal to or exceeds the initial stock objective, no requisition will be initiated until the stock level reaches the reorder point. The contract will include language requiring the contractor to consider the old contract as first SOS before submitting any requisitions against the new contract. Materiel that does not apply to any CLIN on the new contract will be dispositioned according to stipulations in Appendix B.

3.8.3.2. When the award of a follow-on contract is made to a contractor other than the incumbent contractor, the CO and PMS/CM must ensure that timely disposition instructions are provided to the current contractor for each item of excess serviceable GFM.

The CO and PMS/CM must be cognizant of all GFM excesses and must have the items cleared from the contractor inventory.

3.8.3.3. When the GFM is in excess of an incumbent contractor's current contract support requirements, a screening of items and quantities will be done by the PMS/CM before transfer. The screening can be done by using CAV AF/Contractor Possessed Munitions data or an on-site AFMC team. The CO will designate the most qualified personnel to accomplish the on-site screening. When needed, DCMA representation will be invited to participate.

3.8.3.4. No loaned APP will be diverted or transferred to another contract without prior request or approval from the applicable IMS or Accountable Officer, as required. The request will be made through the appropriate Loan Control Officer to the IMS. If the IMS does not approve the transfer request, the asset will be returned immediately. If the transfer is approved, the loaned assets must be authorized for loan under the gaining contract by listing it on the contract Appendix B attachment, as appropriate and a copy of the transfer document is provided to the applicable Loan Control Officer. Both providing and receiving contracts will be properly modified to document transfer of equipment.

3.8.4. Processing of Discrepancy Reports. The contractor prepares a Supply Discrepancy Report (SDR) for disposition.

3.8.4.1. Discrepancies related to shipment include misidentified items, variations in quantity, non-requisitioned items, lost or damaged parcel post, and items in dubious condition. GFM is receipted in CAV AF/Contractor Possessed Munitions with appropriate discrepancy code and for overages against the requisition document number. It is then processed as an SDR, and must be reported and resolved using the DoD web-based application WebSDR located at **https://www.transactionservices.dla.mil/daashome/websdr.asp**. This system of reporting SDRs has been developed in compliance with DoD 4000.25-M, Defense Logistics Management System, which requires automated SDR processing. In those situations where the initiator is unable to gain access to the WebSDR, continued use of manual forms is permitted.

3.8.4.1.1. Transportation discrepancies, such as shipment astray, shortages, pilferage, damage, vandalism, overages or entire shipment not received, must be coordinated with the DCMA POC and CO immediately upon discovery for corrective action in addition to WebSDR submittal.

3.8.4.1.2. For CLIN items received with missing components (Missing on Induction), the contract will include language requiring the contractor to process an SDR immediately upon discovery IAW AFI 24-602 V2, *Cargo Movement*, and provide a copy to the CO within 2-days of discovery.

3.8.4.1.3. Misdirected shipments of GFM, which are not part of the contract, must be immediately reported to the DCMA Property Administrator by telephone, followed-up, in writing, within three workdays. The contractor is encouraged to contact one of the AFSC Customer Service Centers with the Transportation Control Number of the shipment. The Customer Service Center will advise for redirection of shipment.

3.8.4.1.4. Overages, shortages and misidentified items which are part of a contract and received by the contractor must be reported into CAV AF/Contractor Possessed Munitions system with the received quantity and NIIN by the contractor or CAV AF CM. An SDR must be processed IAW standard procedures identified above for these overages, shortages and misidentified items.

3.8.4.2. Damaged materiel received by the contractor from government installations, where such damage can be attributed to improper preservation or packaging by the shipping activity, will be reported to the CO.

3.8.4.3. Loss, damage or destruction of property where common or contract carrier liability is indicated when item is enroute to the contractor, will be reported on DoD Form 361, *Transportation Discrepancy Report (TDR)*, IAW DTR 4500.9-R, Part II, *Cargo Movement.*

3.8.4.4. Materiel received with quality deficiencies will be reported on Standard Form 368, *Product Quality Deficiency Report*, according to Technical Order 00-35D-54, *USAF Deficiency Reporting, Investigation and Resolution*. Mailing instructions are contained in the reference section. Also mail one copy to the PMS/CM and CAV AF CM.

3.8.4.5. When the IMS requests repair contractors to ship defective warranty items to the manufacturer for corrective action IAW AFI 23-101 and AFMAN 23-122, the contract will include language requiring the repair contractor to furnish a copy of the shipping document (DoD Form 1348-1A) attached to a cover letter addressed to the appropriate IMS.

3.9. Disposition of Condemned Property.

3.9.1. The contract PWS/Appendix A policies requires that the AFMC maintenance contractors evaluate the economy of repairing end items and components; therefore, when an inspection reveals the estimated cost to repair (labor and parts) exceeds 75 percent of the replacement cost of the item, the Program Office or designated representative (i.e. ES or Engineer) is notified. The item will not be condemned except when authorized by the Program Office or designated representative. Items authorized for condemnation will be disposed of at the contractor location through plant clearance procedures (without further AFMC screening) except:

3.9.1.1. All condemnations of critical items (to include NWRM) identified in the PWS/Appendix A must be reported to the funding Program Office or designated representative for disposition instructions. Normally, the contractors will be instructed to submit such listings every 30-days.

3.9.2. The following information is applicable to the loan of ST/STE. See AFI 23-101 for detailed information, regarding loan of AFMC-managed, stock-listed items. Loaned ST/STE, listed in Appendix B, is furnished in serviceable condition and, except for fair wear and tear resulting from normal use, must be maintained in such condition by the contractor. Contract administration personnel will investigate instances of loss, condemnation or other circumstances causing the equipment to become unavailable or not usable for its intended purposes. This investigation will determine cause and liability, if any, and corrective action to be initiated. Condemnations of ST/STE because of investigations will be submitted by the contractor to each applicable issuing PR Loan Control Officer. The list will be in "Appendix B format" as an attachment to a cover letter prepared by the repair contractor and titled,

"Request for Disposition of Government-Furnished Property, condemnations of contract, submitted per AFMCMAN 21-149, *Contract Depot Maintenance (CDM) Program*." If replacement is required and authorized, the contract will include language requiring the contractor to prepare a MILSTRIP requisition and forward the requisition and a copy of DD Form 1348-1A to the funding Program Office.

3.9.3. Other exceptions, including precious metals, Supply Class V or critical alloys, will be disposed of according to appropriate FAR, DoD, Air Force, and AFMC policies.

3.9.4. The IMS will retain key supporting documentation to support GFP disposed of, and/or removed from the Air Force inventory, IAW DoD 7000.14-R, *Financial Management Regulation*.

3.10. Plant Clearance Automated Reutilization Screening System (PCARSS).

3.10.1. Air Force-managed GFM stored at contractor facilities is owned by CSAG-S. Only after it is determined that the Air Force has no need for the excess property will the contractor be authorized to pass excess property through the PCARSS web application (**http://www.dcma.mil/WBT/PCARSS/**). POCs are identified on the PCARSS home page. The requirements for this process are located in FAR Part 45.602-1, *Reutilization of Government Property – Inventory Disposal Schedules.* Contractors electronically notify a Plant Clearance Officer that excess property is available. The Plant Clearance Officer assigns a case number and notifies the owning organization, via e-mail, of the available items. The items are placed in a 90-day screening cycle. The owning agency has 30-days to claim the item. If the owning organization has a requirement, a requisition will be processed to acquire the item. If the owning organization has no requirement for the items then the Plant Clearance Officer will place the item in another 15-day screening cycle for other DoD activities to claim. During this period, DoD activities have priority. If after 15-days, no DoD activity claims the item, then the item will be placed in another 15-day screening period where any federal agency can claim the item on a first-come-first-served basis. If not claimed during the last 15-days screening period, the items can be donated to activities outside the government. If the items are not claimed by any agency, the owning activity will provide disposition instructions to the contractor.

3.11. CAV AF.

3.11.1. The contractor submits GFM and end item transactions through CAV AF daily (within 24-hours of transaction occurrence). The system compiles real time summary status for GFM and end items. GFM reporting is an integral component of an industrialized contract maintenance program. Continuous surveillance is necessary to ensure timely reporting and accuracy of data.

3.11.2. At Delivery Order number-level, once all repair assets are production complete, CAV AF CM will disallow (uncheck) the contractor authorization box to requisition GFM via file maintenance action at the user identification level.

3.12. Materiel Support Problems.

3.12.1. The PMS/CM will work with the contractor to resolve materiel support problems, and coordinate the contractor's reports of materiel support problems.

3.12.2. The name, office symbol and telephone number of the responsible PMS/CM will be listed in Appendix B of repair contracts.

Chapter 4

CONTRACT MANAGEMENT

4.1. Introduction.

4.1.1. The purpose of this chapter is to outline the standard enterprise methodology and procedures to manage CDM contracts from award to closure. This includes PMS/CM oversight responsibilities, data management tools, metrics and PMS/CM contract closure procedures.

4.1.2. The SCM Wing shall develop enterprise-level, mandatory CDM process guidance in support of this AFMC Manual and requiring an operational framework to achieve objectives, activities, and policies governing execution of FIAR compliance in CAV AF. Guidance shall include mandatory procedures resulting in an auditable methodology of asset movement (intransit, maintenance and supply actions), inventory accountability (end item repair and GFM) and documentation (DD 1348-1A, Receipts and Shipments). **(T-2)**

4.2. PMS/CM Contract Oversight Responsibilities.

4.2.1. CAV AF System Data Management.

4.2.1.1. The PMS shall be responsible for oversight of all contractor CAV AF system reporting to ensure timely and accurate reporting on a continual basis to improve asset visibility and accuracy. The PMS shall conduct regularly scheduled reviews of asset posture and production reporting by the contractor to minimize any deficiencies in reporting. Deficiencies in reporting are identified as any contractor failing to report within one business day of maintenance or supply occurrence. Various tools found in CAV AF and CRMS should be used to focus on deficient areas, such as: Non-receipt of depot shipments, production variances between WAWF, and CAV AF quantities, or where the contractor is not reporting. The PMS is responsible for asset accountability and oversight management of AF inventory at a repair contactors facility. In all data review comparisons, the PMS shall identify variance in a timely manner and communicate to the contractor of required CAV AF corrective reporting actions within one business day of notification. PMS must confirm corrective actions have been accomplished. If no compliance, PMS engages CO to enforce reporting requirements with the contractor. As evidence that a validation occurred, the PMS will retain all documentation associated to weekly, monthly and annual validations. **Note:** PMS shall ensure weekly, monthly, and annual data comparisons are representative of primary and all subcontractor repair facility locations.

4.2.1.1.1. The PMS in collaboration with the IMS, shall validate CAV AF end item asset postures weekly of all contractor receipt and shipping actions. The IMS will confirm carrier shipment delivery of intransit shipments with delinquent CAV AF reporting actions based on D035A 7M controlled exceptions.

4.2.1.1.2. The PMS in collaboration with the IMS, shall validate cumulative reporting balances and on-hand asset postures for all repair end item reporting actions for transit (receipt and shipment), induction, awaiting parts, condemnation, production and repair functions on a monthly basis.

4.2.1.1.3. The PMS shall monthly review open AS3 intransit shipments of contractor GFM requisitioned material. TRACKER-LITE will be utilized to verify GFM shipment delivery. Once confirmed, contact the contractor to validate shipment delivery, communicate CAV AF GFM receipt reporting action is required. The PMS shall confirm GFM receipt reporting actions has occurred within CAV AF.

4.2.1.1.4. Contracts where the AF repair workload program office has acquired, migrated and/or provided non-AF Source or Supply (SOS) material, essentially consumable assets, to the contractor outside of CAV AF; shall be required to have a contractually identified tracking process in place for AF inventory, usage and burndown plan for the material. Ownership of the material resides with the government and shall require the PMS to have asset accountability and oversight management responsibility.

4.2.1.2. CAV AF is the authoritative data source for contractor reporting and is required on all repair contracts. It provides pricing, production, condemnation and asset posture data for the quarterly demand planning requirement process. With each occurrence of deficient contractor reporting, the PMS shall follow the current enterprise-level, mandatory guidance used to ensure FIAR compliance. This guidance shall include mandatory procedures resulting in an auditable methodology of asset movement, inventory accountability, and documentation. (e.g. 448SCMWI 23-149, *Commercial Asset Visibility Air Force (CAV AF) Asset Accountability and Oversight Management).* The PMS shall document poor performance reporting in CPAR.

4.2.1.3. The PMS may be required to obtain shipment documentation from the contractor for assets receipted and/or shipped, as the official AF shipment document number for audit trail tracking. Confirmation of reported CAV AF receipt actions shall require verification of AF depot system shipment document numbers being utilized. The IMS and PMS shall confirm systemically all contractor CAV AF receipt transactions match D035A shipment document number, NIIN and quantities on a weekly basis. Corrective actions are required if non-compliance occurs when AF system generated shipment documents are utilized in receipt actions.

4.2.2. URC Management.

4.2.2.1. The PMS/CM acquires and retains all documentation necessary to establish and monitor (increase/decrease) the fully loaded LRC (reference AFMCMAN 23-101 V6, *Central Secondary Item Stratification [D200A, D200N]*)/URC estimate to include the contract costs (labor/O&A for programmed CFM), award fees, GFM costs and other costs associated to the repair. The PMS/CM will continue to monitor contract cost estimates to reflect actual cost, while the customer's funds are still available for obligation. Before the customer's funds expire, the PMS/CM must finalize the fully loaded LRC/URC associated cost estimates as closely as possible to the actual fully loaded LRC/URC. This final fully loaded LRC/URC estimate becomes the contractual price to the customer. Supporting documentation is correspondence, which justifies each cost increase/decrease and will be maintained in the PMS/CM's hardcopy or electronic contract folder for the life of the contract. If work is cancelled or quantities are reduced, the associated funds less cancellation/termination charges must be returned to the customer, even if the customer's appropriation has expired. CSAG-S customers will be treated as annual year customers

consistent with current AFMC and DoD pricing policies. If required, the PMS/CM will obtain additional funding from the customer for all valid cost increases.

4.2.2.2. While the CAV AF CM will properly file maintain the contractor charges within the system, the IMS/PMS will accomplish file maintenance using the Management of Items Subject to Repair Data Minimum Reconfiguration Probability Routing screen during the quarterly Secondary Item Requirements System (D200A) computation cycles. **Note:** During the quarterly CAV AF to D200A data feed requirement, the CAV AF URC value systemically includes the averaged GFM consumption cost (CAV AF system calculated: URC = contractor charges + averaged GFM consumption cost (sum of value of GFM issued to CLIN divide by all repair quantity completions on CLIN [current and all previous quarters]).

4.2.3. Contractor Flow Days Documentation.

4.2.3.1. The PMS/CM will document the source of the recommended negotiated flow days for repair items in the CRT meeting minutes. For example, negotiated flow days can be derived from historical record from previous contracts for industry standards or organic depot records for the same or similar item.

4.2.3.2. Once the contract is awarded, the PMS/CM will review the contract to verify the negotiated delivery schedule days. The PMS/CM will also be required to review actual repair days reported in CAV AF which is most indicative of the future. If the contractor fails to report in CAV AF, the PMS/CM must communicate with the contractor in a timely manner via e-mail or phone requesting the contractors CAV AF reporter begin reporting immediately. If the contractor still fails to report in a timely manner the PMS/CM must contact the PCO requesting immediate action be taken to communicate the government's position on contractual requirements. The PMS/CM must remain diligent with the PCO to correct the contractor's reporting so it reflects the actual SFD in CAV AF. The PMS/CM will maintain all correspondence with the PCO and contractor dealing with the contractor's failure to report.

4.2.3.3. In addition to the comparison between negotiated flow days to averaged CLIN/NIIN flow days, for those cases where potential delivery schedule delays are contractually identified, the PMS/CM will document each delivery schedule adjustment delay occurrence(s) in their contract folder during quarterly reviews.

4.2.3.4. The AFSC CDM offices shall produce a quarterly report with sufficient information to provide an auditable check of quarterly reviews identifying those instances when average actual repair flow days exceed negotiated delivery schedule days. Reports shall include no less than the following information:

4.2.3.4.1. Report shall provide of those instances where the average actual repair flow days exceeded the negotiated deliver schedule days.

4.2.3.4.2. Identify the responsible party for each.

4.2.3.4.3. Report shall identify the plan and/or actions to ensure future items are repaired as agreed in the repair contracts.

4.2.3.5. Reports shall be provided each quarter to the AFMC CDM Functional Manager. The AFMC CDM program manager will review, and load into a secure folder on the CDM SharePoint site.

4.2.4. PMS/CM Contract Folder. The PMS/CM Contract Folder is used to streamline repair contract closeouts and increase efficiency of tracking active repair requirements by ensuring accurate data collecting. The PMS will manage the contract folder to standardize the structure and alignment of documents pertaining to contract repair.

4.3. Data Management Tools.

4.3.1. CAV AF is the contractual reporting system for CDM repair requirements and GFM receipts/issues by the contractor unless otherwise specified within this instruction. CAV AF relates a CLIN/Sub-CLIN to a nine-character alphanumeric that identifies the item under repair. That number will be a Mission Design Series, Type Model Series, or NIIN. Accurate and timely data entry is critical to the validity of data in the system. Contracts are to be written to ensure timely reporting requirements and the need to use CAV AF for production tracking and GFM management. CAV AF functions as the property management/MCA. Contractors reporting production and GFM status will report IAW the latest revision of CDRL DID (DI-MGMT-81634, CAV AF/GFM Report). A CAV AF Reporting Requirements Document will be included within the PWS, providing general objectives in the reporting of end item repair and GFM reporting. Contractor access to CAV AF will require Public Key Infrastructure (PKI) certifications IAW DoD security policy, DoDI 8520.02, *PKI and Public Key Enabling*. Certifications may be obtained by consulting the following web address: **http://iase.disa.mil/pki/eca/Pages/index.aspx**.

4.3.1.1. The PMS/CM must consider the daily interaction between CAV AF and D035A, Item Manager Wholesale Requisition Process Subsystem, for asset visibility and status at contractor facilities. This requires each NIIN to be properly recorded in CAV AF for accurate asset visibility within D035. To properly record NIIN-level data in CAV AF, each end item NIIN must be listed as a separate CLIN, Sub- CLIN or Exhibit Line Item Number. This includes NIINs, which are part of the end item Interchangeability and Suitability group. The PMS/CM must consider the NIIN reporting requirements and CLIN structure when preparing the PR.

4.3.1.2. The PMS/CM must consider the quarterly interaction between CAV AF and D200A for contract and NIIN-level data. It is imperative to ensure accurate data feeds of production counts, condemnations, flow days, and cost for each NIIN. The PMS/CM must notify the applicable ES and IMS if production and condemnation counts have been duplicated. Duplication may occur when CAV AF system reporting is required for NIINs with multiple levels of repair (low, mid, high), Test, Teardown and Evaluation, and Check and Test.

4.3.1.3. Mandatory CAV AF Use: Production tracking and materiel control will be considered when preparing DD Form 1423. This ensures information reported by the contractor will meet all the needs of the SCM activity or Program Office. Contracts must be written to ensure contractors understand and comply with the requirement to report production tracking and GFM management in CAV AF. CAV AF is mandatory for all AF NWRM CDM repair contracts and all contracts that include GFM. The only exception is for items managed in CAS; CAV AF will not be used for CAS-managed assets.

4.3.1.4. CAV AF Waiver: In the rare exception that a contractor cannot be contractually obligated to report data in CAV AF, an approved waiver exempting the contractor from the CAV AF reporting requirement is required.

4.3.1.4.1. A wavier to use CAV AF shall include verbiage transferring the contractor's CAV AF reporting responsibilities to the PMS/CM (or designee), and supporting documentation. **Note:** The PMS/CM will be held to the same reporting standards that would have been required of the contractor. The following documentation must be included with the waiver.

4.3.1.4.1.1. Documented refusal of the contractor to report in CAV AF.

4.3.1.4.1.2. Verification that the contract does not include Air Force NWRM or GFM.

4.3.1.4.1.3. Validation that no other repair source is available; attach AFMC Form 762.

4.3.1.4.1.4. A documented plan on how the PMS/CM will be provided the necessary transaction data from the contractor and how that information will be entered in CAV AF. This plan will include a modified SOW detailing to the contractor all the information needed for the PMS/CM to report all required transactions per DID DI-MGMT-81634B. The documented plan will ensure daily reporting requirements meet the same requirements as stated in the CDRL.

4.3.1.4.2. The waiver, along with supporting documentation, must be submitted in an electronic Staff Summary Sheet [e-SSS] format, and staffed, reviewed and approved by the Planning and Execution Group Director, and courtesy copied to HQ AFMC/A4R.

4.3.1.4.3. Upon Planning and Execution Group Director approval, the PMS/CM shall submit a request which includes the approved waiver and support documentation, to their respective CDM office, to establish a CAV AF User ID.

4.3.1.5. CAV AF provides accurate NIIN-level data to internal asset tracking and requirements systems. It is the responsibility of the PMS/CM to ensure accurate NIIN status (condition code and quantity on hand) is maintained daily by repair contractors. In addition, it is the responsibility of the PMS/CM to ensure accurate NIIN-level data for production counts and repair costs are maintained and for quarterly system interfaces from CAV AF IAW local guidance.

4.3.1.6. Interchangeability and Suitability (I and S). For CAV AF to transmit accurate end item asset visibility to D035A and production data to D200A, the contractor must submit timely CAV AF system transactions by the actual NIIN of each asset. Each end item NIIN must be listed in CAV AF, which requires a one-to-one relationship between the CLIN and NIIN. End items with Interchangeability and Suitability-grouped NIINs must have a separate CAV AF system reporting CLIN, Sub- CLIN, or Exhibit Line Item Number. Items that require multiple repair actions, such as Test, Teardown & Evaluation or Check and Test along with actual repair, may have multiple CLINs listed on the delivery order; however, listing each CLIN for these multiple repair actions in CAV AF may cause duplicate production counts to be inadvertently recorded for the same asset.

4.3.1.6.1. The PMS/CM will request the cost of Test, Teardown & Evaluation or Check and Test be incorporated as part of the negotiated repair cost for the assembly requiring such an action within the PR. If Test, Teardown & Evaluation or Check and Test CLINs are priced separately, they may have corresponding repair CLINs on the same contract delivery order. For contractor reporting purposes in CAV AF, only the repair CLIN will be loaded in the system for each NIIN. The contract will include language requiring the contractor to receipt actual NIIN Numbers under the appropriate repair CLIN for the specific delivery order regardless of repair action. In this case, CAV AF will be utilized for accurate asset visibility without duplication. It is the responsibility of the PMS/CM to maintain actual repair cost to include the cost of Test, Teardown & Evaluation or Check and Test within CAV AF by spreading it on the repair CLIN.

4.3.1.6.2. If Test, Teardown & Evaluation, or Check and Test, CLINs are listed on a separate delivery order with no corresponding repair CLINs, they can be loaded into CAV AF for contractor reporting. It is the responsibility of the PMS/CM to provide actual (adjusted to include repair, Test, Teardown & Evaluation, Check and Test, and repair) costs for each NIIN to the appropriate IMS, and file maintain as necessary.

4.3.1.7. Levels of Repair. It is the responsibility of the PMS/CM to understand the purpose and process of multiple levels of repair to ensure accurate visibility and non-duplication of assets in the repair process. CLIN structure for CAV AF reporting must be considered when the PR package is submitted for award. Items that have multiple levels of repair priced separately can be loaded into CAV AF. Items priced separately and reported in CAV AF under different CLINs will be reported to D200A quarterly. D200A will average the cost of repair for each item.

4.3.1.8. When the components of the end item being repaired are also being repaired or manufactured in support of a contract, the CAV AF CM will ensure a separate CLIN or repair contract has been awarded and recorded in CAV AF to accomplish the repairs.

4.3.1.9. The PMS/CM is accountable for providing accurate contractual data for file maintenance actions and records within CRMS and CAV AF. Failure to achieve data accuracy will impact data analysis efforts and will impede the purging or closure of CAV AF records.

4.3.1.9.1. Each contract delivery order DoDAAC (EZ) file maintained in CAV AF and CRMS shall represent a single supplier repair facility location where the AF assets are being repaired. Separate delivery orders shall represent multiple contract repair facility locations to accurately and systemically validate where all contract AF assets are being repaired.

4.3.1.9.2. CAV AF start and end dates will identify contract Delivery Order-level period of performance starting with Delivery Order issuance date and ending date representing the projected date when the last unit is produced.

4.3.1.9.3. The term Flow Days refers to actual shop flow days (SFD) in CAV AF. SFD represents the maintenance repair period of performance. Tracking this time begins when the contractors CAV AF reporter inducts the asset, and actually puts the asset on

work (OWO) in CAV AF. This process is considered completed when the contractors CAV AF reporter completes the repair in CAV AF.

4.3.1.9.4. 'Fiscal Year' within CAV AF contract delivery order will represent only one Fiscal Year. As part of the CRT strategy, the PMS/CM will ensure contract Delivery Orders or modifications are never awarded with multiple Fiscal Year funds.

4.3.1.10. Instructions pertaining to CAV AF reporting are contained in CAV AF Administrator, CM, and Contractor user guides. The guides are maintained by HQ AFMC/A4/10 and capture the requirements of the most current version of CAV AF. All guides can be accessed via the HQ AFMC/A4R CDM SharePoint website **https://cs2.eis.af.mil/sites/20951/default.aspx**. Contractors can access the Contractor guide via the CAV AF access web page (reference **https://www.CAVAF.com**).

4.3.1.11. CAV AF will not be used as the data solution for Interim Contract Support (if used for acquisition repair/modification of assets not yet in sustainment) contracts. Performance Based Logistics (PBL) Repair Contracts can be added to CAV AF when the following applies:

4.3.1.11.1. When the PBL contract doesn't require the contractor to accept wholesale asset management (releasing assets to AF customers) and only requires the contractor to push serviceable material into the AF Item Managers wholesale account, then inventory tracking systems such as CAV AF can be utilized for asset accountability and FIAR compliance.

4.3.1.11.2. When the PBL contract doesn't require the contractor to develop a direct interface with D035A for reporting and managing AF assets, then inventory tracking systems such as CAV AF can be utilized for asset accountability and FIAR compliancy.

4.3.2. CRMS.

4.3.2.1. CRMS provides the SCM activity and AFMC Center organizations with a comprehensive process management tool for managing repair contracts. As a unified management tool for the PR activities and AFMC Centers, CRMS provides supply chain personnel with management and visibility into the contract repair processes to view forecasted requirements and determine how they are being fulfilled.

4.3.2.2. CRMS primary functions:

4.3.2.2.1. CRMS provides optimization of contract repair ordering, to include funds constraint management. It computes the optimum repair order quantity in consideration of the Quarterly Demand Rate, Back Order levels, world-wide asset availability including reparable assets, carcass availability, funded/unproduced, Execution and Prioritization of Repair Support Systems Planning Module and funding constraint.

4.3.2.2.2. CRMS provides various analysis capabilities designed to detect and notify contract management personnel of potential contract impacts, lead time in advance. Notifications include, but are not limited to, contract expiration, option year expiration, schedule delinquencies, and inadequate schedules. The impact detection is designed to provide personnel adequate notification so action can be taken to avoid a lapse in contract coverage and ensure on-time delivery.

4.3.2.2.3. CRMS provides delivery schedule tracking capability to compute and track repair due-in "contract" delivery schedules. The contract due-in delivery schedule will receive data from the Mechanization of Contract Administration Services (MOCAS) DoD Form 250, *Materiel Inspection and Receiving Report*, generated through WAWF to compute on time delivery performance. This information is essential to support the needs of the warfighter and provide the Supplier Relationship Management Office the means of tracking contractor performance metrics.

4.3.2.3. CRMS Business Rules:

4.3.2.3.1. The PMS/CM codes require a primary and alternate(s) CRMS user assignment to individuals at all times.

4.3.2.3.2. It is pertinent all contractual repair NIINs (including Interchangeability and Suitability) be properly file maintained. CRMS exception based contract coverage expiration notifications on contracts file maintained with a follow-on contract ensures potential future contract coverage for repair NIINs.

4.3.2.3.3. All repair contract delivery orders and modifications (edits), including repair and amortization cost actions, shall be file maintained in a timely manner to ensure records are categorically posted in related analytics, delivery schedules, and/or metrics.

4.3.2.3.4. The Delivery Order Edit form information requires start and end dates representing contract delivery order period of performance for production of all end items. Clearly defining starting point begins with the issue date of the contract delivery order and an ending date for when the last asset will be produced.

4.3.2.3.5. Actual contract delivery terms shall be accurately file maintained after receipt of order for maximum quantity and reoccurring frequency of deliverables until the task order is complete. Exaggerated delivery terms generating delivery schedules exceeding the life of the contract is not an acceptable practice. Managers should provide oversight of CRMS delivery terms and schedules to prevent occurrences of this practice.

4.3.2.3.6. As the PMS/CM receives a to-do-list posting for DoDAAC expiration, they shall engage the CO as early as possible to request DoDAAC reactivation or extension of expiration date. The PMS/CM should exercise caution to clarify to the CO that this request is not for a new DoDAAC, but a reactivation/extension for an existing DoDAAC.

4.3.2.3.7. CRMS Support Request should identify a singular data system issue. Support Requests with problems grouped together will delay Support Request resolution and closing.

4.4. CDM Enterprise Metrics.

4.4.1. The overarching objective of the CDM program is to maintain aircraft, weapons, and equipment in a safe, serviceable, and ready condition to meet mission requirements. CDM enterprise metrics serve this objective to evaluate and improve CDM program performance and long-term fleet health. Logistics and SCM leaders should review CDM enterprise health constantly and be knowledgeable about performance indicators that highlight negative trends before problems occur.

4.4.2. CDM Enterprise Metrics, Definitions and Goals. Key CDM metrics should cover areas including Schedule, Cost, and Performance/Management. Schedule metrics are the primary health indicators of the CDM enterprise. Cost and performance/management metrics are the secondary health indicators. The CDM enterprise metrics are established by HQ AFMC/A4/10 and PR senior leadership, and are subject to change. Supply Class V asset enterprise metrics are available in the AMMO Web suite of tools and reported through the munitions enterprise governance. The following are examples of metrics that can be used to evaluate CDM program effectiveness:

4.4.2.1. Schedule Metrics.

4.4.2.1.1. Delivery Performance. Delivery performance measures the repair contractor's performance in meeting the contractual delivery schedule due-in date. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for delivery performance data is CRMS.

4.4.2.1.2. Carcass Supportability. This compares the date the supplier received, or did not receive, a carcass to the needed date necessary for the supplier to meet their contractual delivery schedule. It measures the Item Manager's performance in managing and shipping carcasses to repair contractors based on the needed shipment date necessary for the repair contractor to meet their contractual delivery schedule. The source for carcass supportability data is CRMS.

4.4.2.2. Cost Metrics.

4.4.2.2.1. Prior Years Funded Unproduced. The prior year's Funded Unproduced metric is a macro measurement of repairable assets that have been funded for repair, but have not been produced. It is an overall picture of funded unproduced assets, focusing on previous year dollars, and does not take carcass availability into account. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for prior years Funded Unproduced data is the CAV AF End Item Report.

4.4.2.2.2. Production Complete GFM Inventory. This metric tracks prior year's total dollar value of GFM assets at the contractor facility, and compares valid GFM on-hand to prior year(s) production complete (excess) GFM in dollar value. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for Production Complete GFM Inventory data is the CAV AF End Item and GFM Requisition and Inventory Reports.

4.4.2.3. Performance/Management Metrics.

4.4.2.3.1. Assets Received Not on Contract. The Assets Received Not on Contract metric measures CAV AF receipt transactions for assets received at a contractor's facility in various condition codes statuses, which are not end item nor GFM on a CAV AF managed CLIN. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for Assets Received Not on Contract data is the CAV AF 'Not on Contract' Report.

4.4.2.3.2. GFM In-Transit Receipt Processing. The GFM In-Transit Receipt Processing metric measures the percentage of GFM assets that have been shipped to a

contractor facility without a corresponding receipt transaction processed in CAV AF by the contractor within a specified period of time. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for GFM In-Transit Receipt Processing data is the CAV AF AS3 Report.

4.4.2.3.3. Repairable GFM Asset Accountability. The Repairable GFM Asset Accountability metric measures contractor accountability for repairable BC-8 assets. It compares the number of BC-8 serviceable assets (by NIIN) issued to a contractor's repair production line to the number of BC-8 unserviceable (carcass) assets (by NIIN) that are returned to the government, or condemned, within a specified period of time. The metric measures contractor performance and the effectiveness of government PMS/CM management. The source for the Repairable GFM Asset Accountability data is the CAV AF Repairable GFM Matrix Report.

4.4.2.3.4. CAV AF System Availability. CAV AF Availability metric measures the percentage of time within a specified period that the CAV AF Oracle® database is available/operational. The metric measures the data system contractor and government oversight performance. The source for CAV AF System Availability data is the AFLCMC/HIAR CAV AF Team.

4.4.3. CDM Enterprise Metrics Goals. CDM metric goals for each are established based on contractual requirements, mission requirements and/or historical trends. The goals will be reviewed during the quarterly briefings and changes will only occur if HQ AFMC/A4/10 and SCM senior leadership direct said change. HQ AFMC/A4/10 will initiate a formal review of metrics categories, targets, and goals in the 4th quarter of each Fiscal Year. SCM CDM offices at each AFSC Center will participate in the discussions to determine appropriate additions or deletions of specific metrics and the goals for the next year. SCM CDM offices are encouraged to discuss potential goals with their AFSC Center PMS.

4.4.4. CDM Enterprise Metrics Reporting Requirements.

4.4.4.1. Monthly CDM Metrics. Metrics analyses will be illustrated in the form of a PowerPoint briefing slides by HQ AFMC/A4/10 and posted on the HQ AFMC/A4R CDM SharePoint website **https://cs2.eis.af.mil/sites/20951/default.aspx**.

4.4.4.2. Quarterly CDM Metrics Reporting. Metrics analyses will be illustrated in the form of PowerPoint briefing slides by HQ AFMC/A4/10 and posted on the HQ AFMC/A4R CDM SharePoint website **https://cs2.eis.af.mil/sites/20951/default.aspx**. Quarterly analyses are to be provided to HQ AFMC/A4/10 and SCM CDM senior leadership. AFMC/A4/10 will schedule quarterly briefings as required.

4.4.4.3. Root Cause Reporting Requirement. Root Cause Analyses are required for missed goals in each metric category. Each SCM CDM Office will provide Root Cause Analyses for metrics that pertain to goals that were missed. The completed Root Cause Analysis worksheets will be provided to senior leadership each quarter the quarterly briefings.

4.5. DCMA. DCMA has expanded its supportability to its customers with the implementation of its website: **https://www.dcma.mil/aboutetools/**. The e-TOOLS section of the site allows external users to register for access.

4.6. PMS/CM Contract Closure Procedures.

4.6.1. To ensure timely contract/delivery order closure, the PMS/CM, upon receipt of the final data reports or notification by the contractor that the contract/delivery order is complete, will notify the contracting personnel to recommend closing actions on that specific contract/delivery order. Contract closure responsibilities are team activities led by the PMS/CM and supported by the CO and FM. The PMS/CM is to ensure all URCs and adjustments were finalized prior to the expiration of funds, all contractor reporting actions have occurred and disposition instruction actions completed.

4.6.2. The PMS/CM will reconcile contract assets at a minimum of 90-days prior to contract expiration. This review will focus attention on the availability of the reparable items and the ability of the contractor to receive and induct all reparable items on unproduced delivery orders awaiting asset generations. The PMS/CM must ensure the contractor receives all items for repair prior to contract expiration date. As long as the contractor has inducted items for repair prior to contract expiration date, the contractor has from the induction date plus the negotiated flow days to repair the item(s) and ship (or take the appropriated condemnation action) to the appropriate SOS. If assets fail to generate by contract coverage expiration date for contractor receipt and induction of assets, the PMS/CM will immediately submit termination request or reduction of quantity and de-obligate dollars on all reparable asset support constraint items.

4.6.3. The PMS/CM will ensure the CAV AF End Item report reflects all contract end items that show production complete or condemnation also show a shipment transaction. All remaining end items received in CAV AF on a contract that will not be produced must be returned to the government SOS or transferred to a follow-on contract or delivery order.

4.6.4. When a customer's order is canceled or quantities are reduced, funds will not be returned until the contract modification has been accepted by the contractor and termination/cancellation charges, if applicable, have been determined. Charges for costs due to total cancellation or reductions in quantities of previously negotiated workload are reasonable expenses which must be paid by the customer who negotiated, but then canceled the workload. The cancellation or quantity reduction will be processed prior to expiration of funds. The funds will be returned to the customer even if the customer's appropriation has expired.

4.7. Physical Inventory Control.

4.7.1. CAV AF allows the tracking of end items and GFM while in the possession of CDM repair contractors. Contractors have stewardship responsibility, and are responsible for the accuracy of inventory under their control, consistent with the terms and conditions of the accountable contract, or third party agreement, for the Government property in their care IAW DoDI 5000.64 and Defense Logistics Manual 4000.25-2, *Military Standard Transaction Reporting and Accountability Procedures* (MILSTRAP), and DoD Manual 4140.01 V11, Section 3, *DoD Supply Chain Materiel Management Procedures; Inventory Accountability and Special Management and Handling*.

4.7.2. A physical inventory process is inherently part of the overall management of the CDM Program. The CDM Program exceeds the intent of DoDI 5000.64 by requiring physical inventories of end items and GFM using CAV AF to document results i.e., adjustments to item balances and condition codes, etc. The PCO will ensure the contractors perform and document physical inventories of all GFP in their possession against CAV AF records during the life of the contract repair period of performance. Physical inventories will be performed IAW the

contract and at contract closeout to verify accurate inventory balances of GFP. The contractor will sign the inventory documents indicating verification/validation and provide a signed copy to the contract PCO who will retain the documents for the required period of time. All DCMA physical inventory inspection results shall also be signed by the contractor and provided to the contract PCO to be file maintained. Physical inventories for NWRM assets will be performed IAW AFI 20-110.

4.8. Reconciliation of missing GFP. Reconciliation is the process of aligning the physical count with the quantity posted in CAV AF, researching discrepancies and determining inventory accuracy. If GFP receipted by a contractor is determined to be missing, based upon assessment from the CRT functional core team, the PCO shall determine the appropriate form and method of Government recovery (may include repair, replacement, or other restitution). Contractors may be held financially liable for the loss, damage, or destruction of GFP caused by their negligence, willful misconduct, or deliberate unauthorized use.

4.8.1. CAV AF asset or quantity record inaccuracies discovered as a result of the contractor's physical inventory may be adjusted. Requests for CAV AF inventory adjustments will be submitted to the appropriate CAV AF system CM. The PMS/CM will coordinate with the appropriate Item Manager to review inventory records before processing a request for CAV AF inventory adjustments. Inventory adjustments and corrections will be certified and approved by the Item Manager in writing, as well as accomplished within 30-days of completion of an inventory IAW Defense Logistics Manual 4000.25-2, DoD 7000.14-R, *DoD Financial Management Regulation*. At no time will the contractor be given the authority to process inventory adjustments (D8/D9) transactions in CAV AF.

Chapter 5

NUCLEAR WEAPONS RELATED MATERIEL (NWRM) MANAGEMENT

5.1. Scope of Guidance and Procedures. NWRM is a materiel category; refer to terms and definitions for detailed description. The guidance and procedures prescribed in this chapter apply to all CDM activities directly or indirectly involved in NWRM management. The successful application of these procedures requires the full cooperation of all personnel associated with the storage, shipping, trans-shipping and receiving of all hazardous/non-hazardous and classified/unclassified NWRM assets. The PMS will ensure all procedures outlined in AFI 20-110, AFI 20-110 AFMCSUP and AFI 23-101, are explicitly outlined in the PWS and/or Appendix B. It is imperative that there are no ambiguities in the contract language spelling out how assets will be transported, stored and managed for contractor repair activities.

5.2. Systems. NWRM items being repaired under CDM must be managed using CAV AF serial number tracking. Because CAV AF does not currently manage GFM at the Serial Number-level, the PMS/CM will include NWRM items as GFM as a last resort (as applicable IAW FARs, AFI 20-110, and AFI 23-101). Full justification for including NWRM GFM in a contract will be included in the CRT minutes.

5.3. NWRM PMS/CM.

5.3.1. For contractor repair activities involving NWRM, the IMS and PMS/CM are jointly responsible for maintaining accountability for NWRM items located at contractor facilities. All contractor repairs, modification, including GFM, GFE and loaned assets, must be in compliance with the requirements set forth in AFI 20-110.

5.3.2. The PMS/CM is responsible for maintaining a list of NWRM items located at contractor facilities.

5.3.3. The list will include NWRM repair and GFM items. The list will contain, at a minimum: The NSN, Serial Numbers, part number, Commercial and Government Entity Code, location, dates of shipment and receipts as well as name of person signing for the materiel at the contractor facilities.

5.4. Inventories of NWRM at Contractor Facilities.

5.4.1. Inventories must be performed on all NWRM assets on supply accountable records, in all conditions, located at contractor facilities to ensure asset balances are accurately reflected on accounts.

5.4.2. As outlined in AFI 20-110, AFMC directs a complete physical inventory count of NWRM by Serial Number and/or Unique Item Identifier semi-annually IAW the procedures in AFI 23-101. All NWRM must be identified in the applicable Accountable Property System of Record and must be inventoried.

5.4.3. The semi-annual inventory requires a visual verification of NWRM assets. Banded, crated and/or sealed assets showing no signs of damage or tampering need not be opened for inventory purposes. Obtain component Serial Number and/or Unique Item Identifier from the exterior packaging/tag.

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Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

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Adopted Forms

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DD Form 254, *Contract Security Classification Specification, Department of Defense*

DD Form 361, *Transportation Discrepancy Report (TDR)*

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AFTO Form 95, *Significant Historical Data*

AFTO Form 349, *Maintenance Data Collection*

SF 368, *Product Quality Deficiency Report*

SF 1080, *Vouchers for Transfers between Appropriations and/or Funds*

Abbreviations and Acronyms

ACRN—Accounting Classification Reference Number

ADA—Anti-Deficiency Act

AF—Air Force

AFI—Air Force Instruction

AFLCMC—Air Force Life Cycle Management Center

AFMAN—Air Force Manual

AFMC—Air Force Materiel Command

AFMCI—Air Force Materiel Command Instruction

AFMCMAN—Air Force Materiel Command Manual

AFNWC—Air Force Nuclear Weapons Center

AFPD—Air Force Policy Directive

AFRIMS—Air Force Records Information Management System

AFSC—Air Force Sustainment Center

AFTO—Air Force Technical Order

API—Application Program Indenture

APP—Agency Peculiar Property

ASME—American Society of Mechanical Engineers

CAO—Contract Administration Office

CAS—Combat Ammunition System

CAV AF—Commercial Asset Visibility, Air Force

CDM—Contract Depot Maintenance

CDRL—Data Item and Contract Data Requirements List

CFM—Contractor Furnished Materiel

CFT—Contract Field Team

CICA—Competition in Contracting Act

CLIN—Contract Line Item Number

CM—Contract Manager

CO—Contracting Officer

CRMS—Contract Repair Management System

CRP—Contract Repair Process

CRT—Contract Repair Team

CSAG-S—Consolidated Sustainment Activity Group-Supply

CTO—Cognizant Transportation Officer

DCMA—Defense Contract Management Agency

DFARS—Defense Federal Acquisition Regulation Supplement

DFAS—Defense Financial Accounting Services

DID—Data Item Description

DLA—Defense Logistics Agency

DLMS—Defense Logistics Management System

DoD—Department of Defense

DoDAAC—Department of Defense Activity Address Code

DoDI—Department of Defense Instruction

DoDM—Department of Defense Manual

DPEM—Depot Purchased Equipment Maintenance

DSOR—Depot Source of Repair

EEIC—Element of Expense Investment Code

ERRC—Expendability Recoverability Reparability Category

ES—Equipment Specialist

FAR—Federal Acquisition Regulation

FDO—Foreign Disclosure Office

FIAR—Financial Improvement and Audit Readiness

FM—Financial Management

FMB—Financial Management Budget

FSC—Federal Stock Class

FY—Fiscal Year

GCSS—Global Combat Support System

GFE—Government Furnished Equipment

GFM—Government Furnished Materiel

GFP—Government Furnished Property

GSD—General Support Division

HQ—Headquarters

IAW—In Accordance With

ILS-S—Integrated Logistics System-Supply

IM—Item Manager

IMS—Item Management Specialists

ISO—Information System Owners

IUID—Item Unique Identification

LMS—Logistics Management Specialist

LRC—Latest Repair Cost

MCA—Materiel Control Activity

MIL-STD—Military Standard

MILSTRAP—Military Standard Transaction Reporting and Accountability Procedures

MILSTRIP—Military Standard Transaction Requisitioning and Issue Procedures

MIPR—Military Interdepartmental Purchase Request

MISTR—Management of Items Subject to Repair

MOCAS—Mechanization of Contract Administration Services

MORD—Miscellaneous Obligation/Reimbursement Document

MP&E—Maintenance Planning and Execution

MRL—Materiel Requirements List

NIIN—National Item Identification Number

NSN—National Stock Number

NWRM—Nuclear Weapons Related Materiel

O&A—Over and Above

O&M—Operations and Maintenance

OPR—Office of Primary Responsibility

PBL—Performance Based Logistics

PCARSS—Plant Clearance Automated Reutilization Screening System

PCN—Program Control Number

PCO—Procurement Contracting Officer

PDM—Programmed Depot Maintenance

PFMR—Project Funds Management Record

PKI—Public Key Infrastructure

PM—Program Manager

PMS—Production Management Specialist

PMS/CM—Production Management Specialist/Contract Manager

POC—Point of Contact

PRPS—Purchase Request Process System

PRSL—Purchase Request Support List

PWS—Performance Work Statement

QPA—Quantity Per Assembly

RDS—Records Disposition Schedule

REMIS—Reliability and Maintainability Information Systems

RFP—Request for Proposal

RMC—Repair Method Code

SCM—Supply Chain Management

SCMS—Supply Chain Management Squadron

SCMW—Supply Chain Management Wing

SDR—Supply Discrepancy Report

SF—Standard Form

SIQ—Schedule In Quantities

SIRS—Secondary Item Requirements System (D200A)

SOS—Source of Supply

SOW—Statement of Work

TO—Technical Order

WAWF—Wide Area Work Flow

Terms

APP—Military property that includes end items and integral components of military weapons systems, along with the related peculiar support equipment, which is not readily available as a commercial item. It excludes government materiel, ST/STE and facilities.

Anti—Deficiency Act (ADA)—The ADA is not a specific statute. Rather, it is a collection of statutes, primarily Sections 1341, 1342 and 1517 of Title 31 of the United States Code, that contain provisions commonly referred to as the ADA. (The ADA was formerly codified under Sections 3678 and 3679 of the Revised Statutes, from which violations once derived their common usage names: the old terms, "3678" or "3679" violations are still occasionally heard.) The ADA requires the head of each executive agency to prescribe by regulation a system of administrative control of funds to ensure adequate funds (time, color and amount) are available when required. It describes the legal requirements for allotment structures and definition of the role of key officials; fixes responsibilities for Anti-Deficiency violations, or regulation relating thereto; and provides the means for reporting such violations to the President and Congress through the Office of Management and Budget.

Contractor Furnished Materiel (CFM)—CFM, in most cases, is consumable materiel to include bench stock, provided by the contractor as part of the maintenance service. Consumable materiel is incorporated into, or attached to, an end item to be delivered under the contract or may be consumed in the performance of a contract. CFM cost is included in the cost of repair. All DLA and GSD items are managed using the GSD Working Capital Fund concept and will be CFM. GSD consumable managed items are not offered to contractors as GFM without an HQ AFMC/A4/10 approval waiver. Waiver approved consumable GFM quantities not utilized for authorized Fiscal Year, or contract delivery repair duration, may be utilized contractually beyond that point until completely exhausted or returned to the SOS or scrap disposition.

Depot Level Maintenance—Maintenance consisting of those on- and off-equipment tasks performed using the highly specialized skills, sophisticated shop equipment, or special facilities of a supporting command; commercial activity; or inter service agency at a technology repair Center, centralized repair facility, or, in some cases, at an operating location. Maintenance performed at a depot may also include organizational or intermediate level maintenance as negotiated between operating and supporting commands (reference AFI 21-101, Aircraft and Equipment Maintenance Management).

Facilities—Facilities that are owned or leased by the government and furnished will be provided under a facilities contract unless the cumulative total cost of facilities provided at any one contractor plant or location does not exceed $100,000.

Government Furnished Equipment (GFE)—GFE includes ST/STE APP and Support Equipment. DoD or AFMC policies will be followed when GFE is provided to a contractor. A list of GFE to be furnished to the contractor will be made as a uniquely identified section of the contract or part of the Appendix B of the PR IAW PGI 245.103-72, *Government Furnished Property (GFP) Attachments to Solicitations and Awards*, DFARS Part 252.245-7001, *Tagging, Labeling and Marking of Government Furnished Property,* and DFARS Part 252.211-7007, *Reporting of Government Furnished Property*. An asset may only be loaned to activities for the stated purposes. The policy for loan of AFMC- managed, stock-listed, non-excess property is AFI 23-101.

Government Furnished Property (GFP)—Property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. GFP includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. GFP also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the government for continued use under the contract (FAR Part 45.101).

Government Furnished Materiel (GFM)—Material owned by the U.S. Government and furnished to a contractor to use for specific contract purposes. Title to all materiel furnished by the U.S. Government remains with the U.S. Government. GFM is property that may be incorporated into, or attached to; a deliverable end item or that may be consumed or expended in performing a contract. GFM does not include materiel sold by the U.S. Government to a contractor (AFI 23-101).

Government Property—Property owned or leased by the government. Government property includes both GFP and contractor-acquired property. Government property includes materiel, equipment, ST, STE, and real property. Government property does not include intellectual property and software (FAR Part 45.101, *Government Property–Definitions*).

Hazardous Material—Any used or unused property (including scrap and waste) that is ignitable, corrosive, reactive or toxic because of its quantity, concentration or physical, chemical or infectious characteristics. The property can be in a solid, liquid, semi- liquid or contained gas form and may cause or significantly contribute to an increase in mortality or serious illness or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of or otherwise managed.

Hazardous Waste—Any used or unused hazardous material that has no known use must be discarded. This includes hazardous material not otherwise disposed of through plant clearance

that the contractor has been authorized, by the plant clearance officer, to dispose of as hazardous waste.

Industrial Plant Equipment—Plant equipment in Federal Stock Group 34 with an acquisition cost of $15,000 or more, used for cutting, abrading, grinding, shaping, forming, joining, heating, treating or otherwise altering the physical properties of materials, components or end items entailed in manufacturing, maintenance, supply, processing, assembly, or research and development operations.

Material—Property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, ST, and STE or real property (FAR Part 45-101).

Materiel—Hardware, equipment, software, or any combination thereof, associated with Department of Defense weapon systems and their related spares, repair parts, and support necessary to equip, operate, maintain and support military activities for administrative, support or combat purposes (AFI 23-101). Materiel may be equipment, apparatus and/or supplies used by an organization. In this instance, materiel does not include ST/STE.

Other Plant Equipment—Plant equipment (regardless of dollar value) used in or in conjunction with the manufacturing of components or end items relative to maintenance, supply, processing, assembly, or research and development operations. Other Plant Equipment excludes equipment categorized as Industrial Plant Equipment.

Plant Equipment—Personal property of a capital nature (including equipment machine tools, test equipment furniture, vehicles, and accessory and auxiliary items) used for the manufacturing of supplies, for performing services, or for any administrative or general plant purpose. It does not include ST/STE.

Production Schedule—The timetable for the use of resources and processes required by a repair contractor to produce Air Force serviceable goods and/or provide services. A technical requirements plan of things that must done and when they shall be accomplished IAW the contractual PWS and/or technical order repair requirement documents The plan indicates when and how much of each product will be demanded. This plan quantifies significant processes, parts and other resources in order to optimize production, to identify bottlenecks, and to anticipate needs and completed goods. As it relates to CDM; it is the repair schedule (shop flow days or repair-turn-around-time) for when GFP is inducted into a contractor's repair/modification/inspection process and the time needed to complete the repair actions (may include test, teardown and evaluation and no fault found) that return the GFP to serviceable condition and ready for shipment.

Special Tooling (ST)—Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items and replacement of these items. Since ST are of such a specialized nature, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include materiel, STE, facilities (except foundations and similar improvements necessary for installing ST), general or special machine tools or similar capital items.

Special Test Equipment (STE)—Single or multipurpose integrated test equipment that has been engineered, designated, fabricated or modified to accomplish special purpose testing in the direct

performance of contract maintenance. It consists of items or assemblies of equipment, including standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for ST purposes. It does not include materiel, ST, facilities (except foundations and similar improvements necessary for installing special test equipment) and plant equipment items used for general plant testing purposes.

Supply Class—Ammunition of all types (including chemical, biological, radiological, and special weapons), bombs, explosives, mines, fuses, detonators, pyrotechnics, missiles, rockets, propellants, and other associated items (reference DoDM 4140.01-V10, *DoD Supply Chain Materiel Management Procedures: Supply Chain Inventory Reporting and Metrics).*

Attachment 2

AFMC FORM 762, CONTRACT REPAIR SCREENING ANALYSIS WORKSHEET PROCEDURES

A2.1. AFMC Form 762 Procedures. The following procedures and guidance pertain to sections of the AFMC Form 762. For more detailed information, refer to the AFMC Form 762 Guide located on the HQ AFMC /A4 CDM Management SharePoint at **https://cs2.eis.af.mil/sites/20951/default.aspx** in the Instructions/Guidance folder.

A2.1.1. PART I. The PMS/CM with input from the IMS and ES is responsible for initiating the AFMC Form 762 and completing Part I. After completion, the PMS/CM will forward the form to the ES.

A2.1.2. PART II. The ES is responsible for completing Part II of the AFMC Form 762 and reviewing applicable data to determine if adequate repair procedures exist. After completion, the ES will forward the AFMC Form 762 to the Cognizant Engineer.

A2.1.3. PART III. Part III of the AFMC Form 762 if required only if the coordination between the ES, Engineer, and Screening Technician has been completed and the second box in Data Field has been checked. The data will be identified and annotated in the Remarks Field (33).

A2.1.4. PART IV. The Cognizant Engineer is responsible for completing Part IV of AFMC Form 762, reviewing information completed in Parts I, II and III of the form before making a Repair Method Code/Repair Method Suffix Code determination. In Repair Method Code/Repair Method Suffix Code Field (28), enter the appropriate Repair Method Code/Repair Method Suffix Code using the definitions listed below:

A2.1.4.1. Repair Method Code R0. The part was not assigned Repair Method Code 1 through 5 when it entered the inventory, nor has it ever completed screening. Use of this code is sometimes necessary, but discouraged. Maximum effort to determine the applicability of an alternate Repair Method Code is the objective. This code will never be used to recode a part that already has Repair Method Code 1 through 5 assigned, and shall never be assigned as a result of breakout screening. Maximum effort to determine the applicability of Repair Method Code 1 through 5 is the objective.

A2.1.4.2. Repair Method Code R1-Suitable for competitive repair for the second or subsequent time.

A2.1.4.3. Repair Method Code R2-Suitable for competitive repair for the first time.

A2.1.4.4. Repair Method Code R3-Repair, for the second or subsequent time, directly from the actual manufacturer.

A2.1.4.5. Repair Method Code R4-Repair, for the first time, directly from the actual manufacturer.

A2.1.4.6. Repair Method Code R5-Repair directly from a sole source contractor which is not the actual manufacturer.

A2.1.4.7. Repair method suffix codes. The following codes shall be assigned to further describe the repair method code. Valid combinations of Repair Method Codes and Repair Method Suffix Codes are indicated below. When two or more Repair Method Suffix Codes

apply, the most technically restricted code will apply. A part need not be coded as noncompetitive based on an initial market survey which only uncovers one interested source. If the government has sufficient technical data in its possession to enable other sources to repair an acceptable part, and there are no technical restrictions on the part which would preclude other sources from repairing it, the part should be coded competitive.

A2.1.4.7.1. Repair Method Suffix Code A. The government's right to use data in its possession is questionable. This code is only applicable to parts under immediate contract repair requirements and for as long thereafter as rights to data are still under review for resolution and appropriate coding. This code is assigned only until determination of the government's rights to use data results in assignment of a different Repair Method Suffix Code. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, or if the data is adequate for an alternate source to qualify IAW the design control activity's procedures, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.2. Repair Method Suffix Code B. The part must be repaired by a source(s) specified on a source control or selected item drawing as defined by the current version of American Society of Mechanical Engineers Y14.100, Engineering Drawing and Related Documentation Practices. Suitable technical data, government data rights, or manufacturing knowledge is not available to permit repair by other sources. Although, by American Society of Mechanical Engineers Y14.100 definition, altered and selected items shall have an adequate technical data package, data review discloses that required data or data rights are not in government possession and cannot be economically obtained. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.3. Repair Method Suffix Code C. The part requires engineering source approval by the design control activity in order to maintain the quality of the part. Existing unique engineering skills, and repair knowledge by the qualified source(s) require repair of the part by the approved source(s). The approved source(s) retain repair knowledge, or technical data that are not economically available to the government, and the data or knowledge is essential to maintaining the quality of the part. An alternate source must qualify IAW the design control activity's procedures, as approved by the cognizant government engineering activity. The qualification procedures must be approved by the government engineering activity having jurisdiction over the part in the intended application. If one source is approved, Repair Method Codes 3, 4, or 5 are valid. If at least two sources are approved or if data is adequate for an alternate source to qualify IAW the design control activity's procedures, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.4. Repair Method Suffix Code D. If the data needed to complete contract repair is not physically available, it cannot be obtained economically, nor is it possible to draft adequate specifications or any other adequate, economical description of the repair for a competitive solicitation. RMCS 3, 4, or 5 are valid.

A2.1.4.7.5. Repair Method Suffix Code E. (Reserved)

A2.1.4.7.6. Repair Method Suffix Code F. (Reserved)

A2.1.4.7.7. Repair Method Suffix Code G. The government has rights to the technical data, the data package is complete, and there are no technical data, engineering, tooling or repair restrictions. This is the only Repair Method Suffix Code that implies that parts are candidates for full and open competition. Other Repair Method Suffix Codes such as K, M, N, Q, and S may imply limited competition when two or more independent sources exist yet the technical data package is inadequate for full and open competition. Repair Method Codes 1 or 2 are valid.

A2.1.4.7.8. Repair Method Suffix Code H. The government physically does not have in its possession sufficient, accurate, or legible data to contract repair with other than the current source(s). This code is applicable only to parts under immediate repair requirements and only for as long thereafter as the deficiency is under review for resolution and appropriate recoding. This code is only assigned until resolution of the physical data questions result in assignment of a different Repair Method Suffix Code. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.9. Repair Method Suffix Code I. (Not authorized)

A2.1.4.7.10. Repair Method Suffix Code J. (Reserved)

A2.1.4.7.11. Repair Method Suffix Code K. The part must be produced from class 1 castings and similar type forgings as approved (controlled) by procedures contained in the current version of SAE-AMS2175, Inspection of Castings, and Classification. If one source has such castings and cannot provide them to other sources, Repair Method Codes 3, 4, or 5 are valid. If at least two sources have such castings or they can be provided to other sources Repair Method Codes 1 or 2 or valid.

A2.1.4.7.12. Repair Method Suffix Code L. The annual repair budget value of this part falls below the screening threshold established by local policy; however, this part has been screened for additional known sources, resulting in either confirmation that the initial source exists or other sources may repair the part. No additional screening was performed to identify the competitive or noncompetitive conditions that would result in assignment of a different Repair Method Suffix Code. This code shall not be used when screening parts entering the inventory. This code shall be used only to replace Repair Method Suffix Code O for parts under the established screening threshold. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.13. Repair Method Suffix Code M. Repair of this part requires use of master or coordinated tooling. If only one set of tooling exists and cannot be made available to another source for repair of this part, Repair Method Codes 3, 4, or 5 are valid. When the availability of existent or refurbish-able tooling is available to two or more sources, then Repair Method Codes 1 or 2 are valid.

A2.1.4.7.14. Repair Method Suffix Code N. Repair of this part requires special test and/or inspection facilities to determine and maintain ultra-precision quality for its function or system integrity. Substantiation and inspection of the precision or quality cannot be accomplished without such specialized test or inspection facilities. If the test cannot be made available for the competitive repair of the part, the required test or

inspection knowledge cannot be documented for reliable replication or the required physical test or inspection facilities and processes cannot be economically documented in a TDP, valid Repair Method Codes are 3, 4, or 5. If the facilities or tests can be made available to two or more competitive sources, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.15. Repair Method Suffix Code O. The part was not assigned an Repair Method Suffix Code when it entered the inventory, nor has it ever completed contract repair screening. Use of this code in conjunction with Repair Method Code 0 is sometimes necessary but discouraged. Maximum effort to determine the applicability of an alternate Repair Method Suffix Code is the objective. Only Repair Method Code 0 is valid.

A2.1.4.7.16. Repair Method Suffix Code P. The rights to use the data needed for contract repair of this part from additional source(s) are not owned by the government and cannot be purchased, developed, or otherwise obtained. It is uneconomical to reverse engineer this part. This code is used in situations where the government has the data but does not own the rights to the data. If only one source has the rights or data to repair this item, Repair Method Codes 3, 4, or 5 are valid. If two or more sources have the rights or data to manufacture this item, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.17. Repair Method Suffix Code Q. The government does not have adequate data, lacks rights to data, or both needed to contract repair of this part from additional sources. The government has been unable to economically buy the data or rights to the data. Breakout to competition has not been achieved, but current, continuing actions to obtain necessary rights to data or adequate, repair technical data indicate breakout to competition is expected to be achieved. This part may be a candidate for reverse engineering or other techniques to obtain technical data. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.18. Repair Method Suffix Code R. The government does not own the data or the rights to the data needed to contract repair of this part from additional sources. It has been determined to be uneconomical to buy the data or rights to the data. It is uneconomical to reverse engineer the part. This code is used when the government did not initially purchase the data and/or rights. If only one source has the rights or data to repair this item, Repair Method Codes 3, 4, or 5 are valid. If two or more sources have the rights or data to repair this item, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.19. Repair Method Suffix Code S. Repair of this item is restricted to government approved source(s) because the repair of this item involves unclassified but militarily sensitive technology (reference FAR Part 6.3, Competition Requirements-Other than Full and Open Competition). If one source is approved, Repair Method Codes 3, 4, or 5 are valid. If at least two sources are approved, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.20. Repair Method Suffix Code T. (Reserved)

A2.1.4.7.21. Repair Method Suffix Code U. The cost to the government to breakout this part and repair it competitively has been determined to exceed the projected savings over the life span of the part. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.22. Repair Method Suffix Code V. The part has been designated a high reliability part under a formal reliability program. Probability of failure would be unacceptable from the standpoint of safety of personnel and/or equipment. The cognizant engineering activity has determined that data to define and control reliability limits cannot be obtained, nor is it possible to draft adequate specifications for this purpose. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources are available, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.23. Repair Method Suffix Code W. (Reserved)

A2.1.4.7.24. Repair Method Suffix Code X. (Not authorized)

A2.1.4.7.25. Repair Method Suffix Code Y. The design of this part is unstable. Engineering, manufacturing, or performance characteristics indicate that the required design objectives have not been achieved. Major changes are contemplated because the part has a low process yield or has demonstrated marginal performance during tests or service use. These changes will render the present part obsolete and unusable in its present configuration. Limited repair by the present source is anticipated pending configuration changes. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources exist, Repair Method Codes 1 or 2 are valid.

A2.1.4.7.26. Repair Method Suffix Code Z. The part is a commercial/non-developmental/off-the-shelf item. Commercial item descriptions, commercial vendor catalog or price lists, or commercial manuals assigned a technical manual number apply. If one source is available, Repair Method Codes 3, 4, or 5 are valid. If at least two sources are available, Repair Method Codes 1 or 2 are valid.

A2.1.5. Repair Method Code/Repair Method Suffix Code Expiration Date Field (29). A Repair Method Code/Repair Method Suffix Code expiration date must be entered in this field. If an Repair Data List (AFMC Form 762A) was prepared by the ES, the Repair Data List will be reviewed prior to Repair Method Code/Repair Method Suffix Code assignment. Expiration dates will be assigned IAW the following:

A2.1.5.1. Every part whose breakout status can be improved shall be suspended for re-screening as appropriate. In general, the following codes cannot be improved: R1G, R2G, R1K, R2K, R1M, R2M, R1N, R2N, R1T, R2T, R1Z, or R2Z. The period between suspenses, is a period for which an assigned Repair Method Code/Repair Method Suffix Code is considered active, and routine re-screening of parts with "valid" codes is not required. Suspense dates may vary with the circumstance surrounding each part. In exceptional cases, where circumstances indicate that no change can be expected in a code over an extended period, a suspense date not exceeding five years may be assigned IAW controls established by the breakout activity. Suspense dates for temporary codes A, Q, H shall not exceed 24-months.

A2.1.6. Reason Field (30). If the Repair Method Code/Repair Method Suffix Code is other than competitive, document the limiting factor(s) and actions taken to remove/remedy the

limiting factor. If the repair is competitive but other than full and open, document justification as to why the contract is not full and open. When updating screening, add and date efforts to improve competitive status, but until repair is competitive do not delete historical efforts and status of those efforts.

A2.1.7. The Cognizant Engineer is responsible to review, edit, and validate the information on the Repair Data List "prior to sending completed form to the PMS/CM."

A2.1.8. The AFMC Form 762 and all associated documentation will be routed back to the PMS/CM for inclusion in the PR package. The PMS/CM will keep the completed package in the Master Repository file.

A2.1.9. Any pertinent historical data including previous repair sources, additional Interchangeability and Suitability NSNs, part numbers, vendors, engineering historical data should be documented in the Master Repository is to be included in the Remarks Field (33), of the AFMC Form 762. Attach letter size bond paper with additional information, if more space is needed. Additional information should reference the applicable field of the AFMC Form 762.