

**BY ORDER OF THE  
SECRETARY OF THE AIR FORCE**

**AIR FORCE INSTRUCTION 63-138**

**11 MAY 2017**

**Acquisition**

**ACQUISITION OF SERVICES**



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(Ms. Nancy K. Andrews)

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This instruction implements Air Force (AF) policy for the acquisition and management of services within the United States AF. This publication implements the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), and AF FAR Supplement (AFFARS) and Department of Defense Instruction (DoDI) 5000.74, *Defense Acquisition of Services*. This AF Instruction (AFI) applies to Headquarters AF (HAF), Program Executive Officers (PEOs), all Major Commands (MAJCOMs), AF Field Operating Agencies (FOAs), and Direct Reporting Units (DRUs). This instruction applies to the United States AF Reserve (AFR) and United States Air National Guard (ANG) who acquire services through an AF Contracting Office. Applicability and exceptions to this AFI are detailed in section 1.2. It applies to all activities including Unified and Combatant Commands who acquire services through an AF Contracting Office (see DoD Directive 5100.03, *Support of the Headquarters of Combatant and Subordinate Unified Commands*) or utilize funding appropriated to the AF. This AFI may be supplemented at the HAF, MAJCOM, PEO, FOA and DRU levels but may not be supplemented in a manner that would restrict the acquisition flexibilities contained within. Route supplements to this AFI through the SSM for coordination. Refer recommended changes and conflicts between this and other publications to SSM, 112 Luke Avenue, Building 5683 Suite 330, Joint Base Anacostia-Bolling, Washington DC 20302, on AF Form 847, *Recommendation for Change of Publication*. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with (IAW) AF Manual (AFMAN) 33-3360, *Management of Records*, and disposed of IAW the *AF Records Disposition Schedule* (RDS) located in the *AF Records Information System* (AFRIMS). In accordance with the services acquisition chain of authority specified in this AFI, mandates to the acquisition execution chain are not considered Wing level

mandates and therefore tiering, IAW AFI 33-360, does not apply. However, when tiering does apply for wing/unit level requirements, waiver authority is identified with a Tier (“T-0, T-1, T-2, T-3”) number following the compliance statement. Refer to paragraph 1.2.4 for instructions to request waivers to this AFI. Any records generated from instructions of this AFI will ultimately become a part of the official contract file that has an established disposition schedule and is defined in FAR Part 4.

### ***SUMMARY OF CHANGES***

This document is substantially revised and requires a complete review. This instruction supersedes AFI 63-138, dated 21 May 2013. The document should be reviewed in its entirety.

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## Chapter 1

### OVERVIEW AND APPLICABILITY

#### 1.1. Purpose.

1.1.1. The purpose of this AFI is to ensure AF contracted services are delivered to the warfighter effectively, efficiently, and in a timely manner. This instruction seeks to encourage a synergistic relationship within the services acquisition community, which consists of program managers, contracting officers/specialists, functional representatives, financial managers, small business specialists, requirement owners, and any other stakeholder charged with any part of developing, executing, or monitoring a services requirement from identification to contract close-out. Within this AFI, there are actions that call for crosstalk between the different disciplines to gather necessary documentation or data to demonstrate that effective governance processes are in place to manage services acquisitions. It encourages each member to reach out and gather what is necessary to deliver needed services to the warfighter and to show accountability to the taxpayer. It provides instruction to mission owners and acquisition officials charged with defining and acquiring capabilities necessary to support the warfighter. This AFI provides for the following:

1.1.1.1. Establishes policy guidance and implement a management structure for the acquisition of services IAW §10 USC 2330.

1.1.1.2. Defines roles, assigns responsibilities, establishes review and approval expectations of all participants responsible for acquiring services, and provides direction for acquiring services IAW §10 USC 2330.

1.1.1.3. Defines and establishes processes to implement the AF Support Services Requirements Review (SSRR).

1.1.1.4. Identifies acquisition planning considerations for services acquisition.

1.1.1.5. Establishes the requirement for the use of a Strategic Management Tool (SMT) and introduces future procedures for data input and management of service requirements.

1.1.1.6. Establishes the requirements definition procedures and processes to ensure the government contracted services conform to the quality and performance requirements of the contract.

#### 1.2. Applicability.

1.2.1. This instruction applies to:

1.2.1.1. All personal and non-personal services acquisitions with a requirement value estimated greater than or equal to the simplified acquisition threshold (SAT) (FAR 2.101) utilizing AF appropriated funds (includes both repayable and non-repayable funds) purchased by the AF or any other acquisition entity for a requirement that benefits the AF.

1.2.1.2. All personal and non-personal services acquisitions with a requirement value estimated greater than or equal to the SAT utilizing appropriated funds (includes both repayable and non-repayable funds) of others and executed by an AF entity.

1.2.1.3. Knowledge Based Services (KBS) as defined in DoDI 5000.74. KBS would include but is not limited to Advisory and Assistance Services (A&AS) placed on a contract that supports an otherwise exempt Research and Development (R&D), Construction, Architect Engineering (A&E), utility services, Federally Funded Research Development Center (FFRDC) contracts or Foreign Military Sales (FMS).

1.2.1.4. Information Technology (IT) support services not otherwise covered as a part of DoDI 5000.02, *Operation of the Defense Acquisition System*, ACAT program.

1.2.1.5. FMS services executed using appropriated funds, to include pseudo-FMS funds. Appropriated funds applies to both non-repayable and repayable appropriated funds.

1.2.1.6. Embedded services. As used in this AFI, embedded services are those services with an aggregate Contract Line Item Number (CLIN) value greater than or equal to the SAT placed on a supply, FFRDC, weapons systems/Major Automated Information Systems (MAIS) contract or any contract that is otherwise exempt but contains services with a separately priced services CLIN.

1.2.1.7. Any other services or service related contract designated as a special interest item by the Under Secretary of Defense for Acquisition Technology & Logistics, the Senior Acquisition Executive (SAE), or the Senior Services Manager (SSM) (to include those determined otherwise exempt, such as R&D, construction, A&E, utilities, and FMS).

1.2.1.8. Indirect FMS efforts (services placed on the contract as a separately priced CLIN and are not paid for by another country) in support of the FMS are applicable to this AFI. Coordinate all exemption determinations for indirect FMS efforts through the SSM.

1.2.2. The following *organizations* are exempt from adherence to this AFI:

1.2.2.1. Non-appropriated Fund Instrumentalities (NAFI) unless utilizing appropriated funds.

1.2.2.2. Air National Guard (ANG) (unless acquiring services with funding appropriated to the AF). Services include those acquired by the ANG or when AF appropriated funding is transferred to an AF or non-AF agency for procurement.

1.2.3. The following *categories of services* are exempt from adherence to this AFI (unless designated as a special interest as specified in 1.2.1.7):

1.2.3.1. Research & Development (as defined in FAR Part 35.001).

1.2.3.2. Construction, as defined in FAR Part 2.101 and as applicable to FAR Part 36. However, routine recurring maintenance of real property is a service as defined in FAR Part 37.101 to which this AFI applies.

1.2.3.3. A&E.

1.2.3.4. Utilities.

1.2.3.5. Emergency or urgent one-time repairs or maintenance.

1.2.3.6. FMS purchased with a foreign country's funds to include services purchased with the FMS Administrative Surcharge. The SSM may determine FMS as a special

interest item where adherence to this AFI would apply (even if utilizing funds from another country).

1.2.3.7. FFRDC contracts are exempt from adherence to this AFI; however, see the applicability of FFRDC in paragraph 1.2.1.3.

1.2.3.8. Classified, cryptologic, and intelligence projects/programs except to the extent practical at the discretion and decision of the responsible senior officials and decision authorities.

1.2.4. Waivers:

1.2.4.1. Waivers to this AFI may only be granted by the SAE or the SSM when delegated. Prior to submission to the SAE, the requested deviation requires a coordination from the delegated Services Designated Official (SDO) and the SSM.

1.2.4.2. Do not allow this instruction to impede the ability of the SAE or any SDO from rapidly responding to urgent situations. Report, in writing, any urgent situation that requires a deviation from this AFI to the SSM within 10 calendar days of the deviation.

## Chapter 2

### ROLES, RESPONSIBILITIES, AND AUTHORITIES

**2.1. Service Acquisition Executive (SAE).** The SAE is the senior official responsible for the management of acquisition of contract services on behalf of the AF. The SAE is the Services Designated Official (SDO) with authority to assign responsibilities.

2.1.1. SAE responsibilities are as follows:

2.1.1.1. Assigns responsibility for the review and approval of procurements in each Services Category (S-CAT). The S-CATs are based on dollar threshold and are for the purpose of establishing the level of review, decision authority, and applicable procedures in such categories.

2.1.1.2. Provide specific direction, supervision, and oversight of such senior leader as assigned in

2.1.1.3. Implement policies, procedures, and best practices guidelines.

2.1.1.4. Execute Services Management Agreement (SMA) (as necessary).

2.1.1.5. As SDO, the SAE holds acquisition planning and sourcing decision authority for all services acquisitions greater than or equal to the SAT.

2.1.1.6. Ensure contract services are procured by means of procurement actions that are in the best interest of the AF.

**2.2. AF Program Executive Officer for Combat and Mission Support (AFPEO/CM).** The SAE assigns responsibility to AFPEO/CM as the AF's SDO for the management and execution of contracted services requirements.

2.2.1. AFPEO/CM will:

2.2.1.1. Execute SDO authority for service acquisitions greater than or equal to the SAT but less than \$1B.

2.2.1.2. Delegate SDO authority to designated HAF, PEO, MAJCOM, and AFPOA senior leaders through this AFI and as further detailed to the specific organization through mutually agreed SMAs.

2.2.1.3. Review and coordinate documentation relating to service acquisitions above delegated authority, prior to submission to SAF/AQ.

2.2.1.4. Provide executive management and oversight of all AF services acquisitions.

**2.3. Services Designated Official (SDO).** The SDO is the senior leader responsible for requirements development and acquisition planning for procurements in each S-CAT identified in Tables 2.1 and 3.1 except for programs in another PEO's portfolio. The SDO is the Acquisition Approval Authority that manages and oversees services acquisitions IAW this and other applicable instructions. The SDO may delegate all, some, or none of its authorities. The SDO retains responsibility of those services acquisitions managed through a delegated authority and for those responsibilities further outlined in this AFI regardless of the delegation. When delegating SDO responsibilities to senior leaders, the SDO may execute a Services Management



Agreement (SMA). Prior to executing an SMA, the SDO must take into consideration the applicable leader's commitment to the overall management and execution of services acquisitions, the degree of service acquisition maturity, continuous process improvement, the qualifications and experience to manage services acquisitions, and the in-place structure to support the management and oversight of services acquisitions. AF senior leaders within each structure (MAJCOM/HAF/AFFOA and DRUs) are responsible for initiating the discussion and the process for executing an SMA with AFPEO/CM; however, this authority remains with AFPEO/CM until an SMA is executed. The senior leaders identified in Table 2.1 can further delegate this authority, but delegation shall remain consistent with this instruction. This AFI defines the roles and responsibilities of the SDO; however, the SMA further defines and tailors responsibilities to meet the unique mission of the delegated senior leader. If the funding agency and the procuring agency are different, the management structure associated with the funding agency submits the requirement through an activity associated with the management structure, the requirement's owner must follow the processes and procedures associated with that particular management structure. For instance, funding that supports military treatment facilities flows from Defense Health Agency. As the requirement's owner, the MTFs within that MAJCOM must follow those processes and procedures established by their MAJCOM.

#### 2.3.1. The SDO will:

2.3.1.1. Execute acquisition and management authorities as SDO, Source Selection Authority (SSA) (see AFFARS MP 5315.3, paragraph 1.4.1.1 for SSA appointment and delegation), acquisition strategy/plan approval, Fee Determining Official (FDO) and Term Determining Official (TDO).

2.3.1.2. Manage and oversee service acquisitions IAW the delegation of authority expressed in a mutually agreed upon SMA, this and other applicable regulations, and instructions.

2.3.1.3. Approve all non-performance based Performance Work Statements (PWS) and Quality Assurance Surveillance Plans (QASPs) greater than or equal to the SAT IAW the direction provided at AFFARS 5337.170-2.

2.3.1.4. When appropriate, evaluate and coordinate opportunities with the SSM to meet strategic sourcing objectives.

2.3.1.5. Hold the rank/grade IAW **Table 2.1**. In special circumstances, the SSM may waive the grade requirement if the SDO is a mission owner who is knowledgeable of the service acquisition process and has direct access to GO/SES organizational leadership; or when the qualifications and experience of any proposed designee demonstrate significant experience as determined by the SSM in managing services requirements in both pre- and post-award stages and there is a structure in place to support management and oversight of services acquisition.

2.3.1.6. Assemble and ensure training of source selection teams to include the Multi-functional Teams (MFT) to manage the execution of source selections. Ensure MFTs comply with the requirements identified in paragraph 2.15. Requirement owners shall be part of the MFT. Ensure the MFT is led by the Functional Service Manager (FSM) or the Program Manager (PM).

2.3.1.7. Approve transfer of AF appropriated funds to procuring activities outside of the AF.

2.3.1.8. Ensure an adequately planned and resourced management approach for monitoring contractor performance utilizing quality assurance surveillance and tracking procedures. Ensure partnerships are established between mission owners and the MFT with acquisition responsibility.

2.3.1.9. Ensure all post award requirements are reviewed no less than annually for services requirements greater than or equal to SAT for all services requirements procured either by or for the AF.

2.3.1.10. Manage risk and assess the progress of the services acquisition against approved cost, schedule, and performance metrics in annual execution reviews.

2.3.1.11. Ensure adequate internal governance policies and procedures are in place to measure the success of the service acquisition processes. For all programs greater than or equal to \$100M, the SDO may delegate the chair of the Annual Execution Review (AER) and Health of Services (HoS) to no lower than the Services Advocate (SA).

2.3.1.12. Develop a governance process to assess post award requirements on all services greater than or equal to the SAT. SDOs ensure the HoS assessment considers their entire portfolio.

2.3.1.13. In addition to the responsibilities identified in this AFI, ensure SSA adheres to all responsibilities identified in FAR 15.303(b), Department of Defense Source Selection Procedures, paragraph 1.4.1.2 and AFFARS Mandatory Procedures 5315.3 paragraph 1.4.1.2.

**Table 2.1. Services Designated Official (SDO) Authority Table.**

<b>Services Category (S-CAT) Thresholds for Service Acquisitions within the AF</b>					
<b>Services Category (S-CAT)</b>	<b>Threshold (Cost/Price est. based on approved RAD)</b>	<b>MAJCOM/DRU/AFF OA Structure with a signed Svs Mgmt Agreement (notes: 1, 2, 5, 6 and 9)</b>	<b>HAF Structure (notes: 1, 2, 3, and 6)</b>	<b>Weapon Systems (WS) PEO Structure (notes: 1, 2, 4, 6, and 7)</b>	<b>Any Structure without a Svs Mgmt Agreement</b>
<b>Special Interest</b>	As designated by USD(AT&L), SAF/AQ, AFPEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, AFPEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, AFPEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, AFPEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, AFPEO/CM or SSM (all dollar values)
<b>S-CAT I</b>	Est ≥ \$1B or ≥\$300M in any	As designated by USD(AT&L), SAF/AQ,	As designated by USD(AT&L),	As designated by USD(AT&L),	As designated

	one year	AFPEO/CM or SSM	SAF/AQ, AFPEO/CM or SSM (delegable)	SAF/AQ, SAE or SSM (delegable)	by USD(AT&L), SAF/AQ, AFPEO/CM, SSM
<b>S-CAT II</b>	Est. total value: $\geq$ \$250M but $<$ \$1B	AFPEO/CM (delegable)	AFPEO/CM (delegable)	SAE or SAF/AQ (delegable)	AFPEO/CM
<b>S-CAT III</b>	Est. total value: $\geq$ \$100M but $<$ \$250M	AFPEO/CM (delegable)	AFPEO/CM (delegable)	PEO (delegable)	AFPEO/CM
<b>S-CAT IV</b>	Est. total value: $\geq$ \$10M but $<$ \$100M	AFPEO/CM or CC/CV/CA (delegable)	AFPEO/CM or SAF/MG (delegable to no lower than HAF 2-ltr Principal or Deputy)	PEO/Deputy PEO (delegable)	AFPEO/CM
<b>S-CAT V</b>	Est. total value: $\geq$ SAT but $<$ \$10M	AFPEO/CM or CC/CV/CA (delegable)	AFPEO/CM or HAF 2-Ltr Principal (delegable to no lower than 3-ltr GO/SES)	PEO/Deputy PEO (delegable)	AFPEO/CM

**Notes:**

1. All structures can be modified through a SMA.
2. View related task orders and/or options within an ordering vehicle as one effort for determining the appropriate threshold.
3. HAF structure SDO delegations: SDO for S-CAT I, II, and III delegable to not lower than a General Officer (GO)/Senior Executive Service (SES) unless waived by SSM. SDO for S-CAT IV delegable to no lower than the 2-ltr Principal or Deputy. S-CAT V is delegable to no lower than 3-ltr GO/SES.
4. PEO structure: SDO for S-CAT I, II, and III is the PEO or a General Officer (GO)/Senior Executive Service (SES) unless waived by SSM. SDO for S-CAT IV delegable to no lower than the O-6/GS-15 (or equivalent). S-CAT V delegable to no lower than O-5/GS-14 (or equivalent). In special circumstances, the WS PEO may waive the grade requirement if the SDO has appropriate access to GO/SES organization leadership.
5. MAJCOM/DRU/AFFOA structure: S-CAT I, II, and III is AFPEO/CM or a General Officer (GO)/Senior Executive Service (SES) unless waived by SSM. S-CAT IV delegable to no lower no lower than of O-6/GS-15 (or equivalent). SDO S-CAT V authority is delegable to the Wing CC or to a grade no lower than an O-5/GS-14 (or equivalent). S-CAT V, the SDO may delegate Acquisition Plan (AP) approval authority to one level above the PCO.
6. SDOs must be in the PEO or requirement owner's chain. PEOs only have authority for those requirements in their portfolio. SDOs must have sufficient experience, training, leadership in order to fulfill his/her roles and responsibilities.
7. PEOs have authority only for those requirements in that PEO portfolio.
8. Delegations to AFFOA are not automatic but are at the discretion of their parent organization. The delegation may be as indicated in this table or at the discretion of the parent organization's SDO.

**2.4. AF Senior Services Manager (SSM).** The name, Single Manager for Services (SMS), has changed to SSM. The change places the AF in line with other military services and DoD guidance. The SSM is chosen by the SAE and is the acquisition expert responsible for assisting with planning, strategic sourcing, execution, and management of services acquisitions. The SSM establishes, as appropriate, management structures, acquisition governance, and processes to ensure effective implementation of policies for the AF on all services acquisitions. The SSM also serves as AFPEO/CM.

2.4.1. The SSM will:

2.4.1.1. Serve as principal advisor to the SAE for service acquisitions, including any embedded services when requested by the SAE.

2.4.1.2. Provide governance structures for use by authorities responsible for service acquisitions as defined in this instruction.

2.4.1.3. Inform, guide, and provide advice to the HAF/PEO and MAJCOM/DRUs/AFFOAs to support their role in providing management and oversight for services requirements within their respective portfolio, Acquisition Category (ACAT), or MAIS programs.

2.4.1.4. Determine key categories of services for grouping within the AF acquisition construct and establish a means to guide improvement in the acquisition of those services within the specified market segment portfolio (e.g. knowledge based services, equipment related services, and facility related services).

2.4.1.5. Dedicate and prepare full-time staff directors responsible for coordinating service acquisitions and managing day-to-day activities for assigned Product Service Codes (PSC) or any regionally assigned area, advising on delegations of authority, and conduct best practices of enterprise-level analyses.

2.4.1.6. Issue and evaluate delegations of authority. Provide and maintain policies, procedures, and governance structure for the management and oversight of service acquisitions; create, update, and maintain templates, tools, and guides for use by authorities responsible for service acquisitions.

2.4.1.7. Prepare required congressional and Office of the Secretary of Defense (OSD) reports. Be available (as requested) to respond to Congress and OSD for consultations and oversight reviews for delegated service programs. Assist PEOs (as requested) in addressing Congress on services acquisition elements within their respective portfolios.

2.4.1.8. Perform enterprise-level data analysis on AF services acquisitions.

2.4.1.9. Manage and oversee the requirements approval process for service acquisitions by or for the AF.

2.4.1.10. Develop, implement, and maintain the SMT designed to provide a management dashboard for senior leaders to minimize the need for manually intensive data calls.

2.4.1.11. Act as the AF acquisition liaison to the non-traditional acquisition workforce involved in service acquisitions and provide guidance appropriate for their training in service acquisition procedures. (Non-traditional acquisition workforce personnel are

those involved in an acquisition that do not occupy an acquisition-coded position or reside in an acquisition related career field).

2.4.1.12. Foster a service acquisition culture within the AF by focused strategic messaging through the conduct of periodic service acquisition workshops.

**2.5. Services Advocate (SA).** The SA is the individual appointed by the MAJCOM/CC, DRU/CC, AFFOA/CC, USecAF/VCSAF, or the SAE to serve as the direct representative of the service organization and act as a liaison to AFPEO/CM and the SSM. The SA must be a senior official within the relevant structure and hold the rank of GO/SES, unless there is no other GO/SES within the organization with direct access to the MAJCOM/CC, DRU/CC, AFFOA/CC, USecAF/VCSAF, or the SAE. In this case, the MAJCOM/CC, DRU/CC, AFFOA/CC, USecAF/VCSAF, or the SAE may appoint the CV as SA. Regardless of rank, the SA will be documented in the SMA and signed by the SSM and the SDO prior to assumptions of the role.

2.5.1. The SA will:

2.5.1.1. Serve as the principal point of contact for services acquisitions within the HAF, MAJCOM/DRU/AFFOA and PEO, as defined in his or her SMA.

2.5.1.2. Ensure their organization remains proactively engaged in improving the efficiency and effectiveness of service acquisitions using innovative processes, policies, and procedures.

2.5.1.3. Facilitate submission of periodic reports and responses to data calls for service acquisitions within their organizations and work with the SSM to improve the operational capability of the SMT and associated dashboards aimed at minimizing manual data calls.

2.5.1.4. Execute all roles and responsibilities as defined in their SMA.

**2.6. The Weapon Systems Program Executive Office (WS PEO) will:**

2.6.1. Execute Requirements Approval Authority (RAA) and SDO authority for service acquisitions within their portfolio as outlined in Table 2.1 and 3.1.

2.6.2. Invite the SSM to Acquisition Strategy Panels (ASPs) for service acquisitions, including those containing embedded services, and going to SAF/AQ when services are expected to exceed \$100M. Ensure relevant documents are available to the SSM in advance of the ASP. PEO may request support when services total less than \$100M.

2.6.3. Establish a management structure and processes for a SSRR as described in paragraph 3.1 for all acquisitions containing services greater than or equal to the SAT within the respective portfolio. Ensure the results of the requirements and program reviews are reflected in the AER and HoS. Each execution review assesses progress of the acquisition against approved cost, schedule, and performance metrics.

2.6.4. Send AER and HoS documents to SAF/AQ with a courtesy copy to the SSM in order to facilitate the SSM role as senior advisor to the SAE.

2.6.5. Ensure the SSM is invited to attend recurring program reviews involving service acquisitions greater than or equal to \$100M to facilitate the SSM role as senior advisor to the SAE.

2.6.6. Issue service acquisition supplements that address organizational roles and responsibilities, training, and reporting for use by all subordinate units as needed. Provide all such supplements to the SSM.

2.6.7. Ensure personnel assigned to work service acquisition elements within their programs are properly resourced and trained on the service acquisition life cycle from requirements generation through contract closeout.

2.6.8. Ensure PEO requirements in S-CATs I, II, III are approved by SAF/AQ with copies sent to the SSM after approval.

2.6.9. Ensure additional responsibilities or tailoring of these responsibilities are delineated in an SMA if requested.

2.6.10. When appropriate, evaluate and coordinate opportunities with the SSM to meet strategic sourcing objectives.

2.6.11. Ensure the SSM is copied on all approved Requirement Approval Documents (RAD) greater than \$100M.

2.6.12. At least annually, conduct or evaluate periodic spend analysis for service acquisitions under their authority.

2.6.13. Establish an adequately planned and resourced management approach to monitor contractor performance including quality surveillance and services deliverable tracking procedures. Ensure the building of required partnerships within the MFT established to execute services acquisitions.

2.6.14. Ensure members of a MFT are tailored for the size and complexities of the services acquisition and are appointed to all service requirements greater than the SAT. The responsibilities of the MFT are defined in paragraph 2.15.

**2.7. MAJCOM/DRU/AFFOA (if delegated) CC/CV/CA, and Deputy, Chief Management Officer (SAF/MG) for the HAF will:**

2.7.1. Execute Requirement Approval Authority (RAA) and provide guidance for service acquisitions within their portfolio as outlined in [Table 3.1](#).

2.7.2. Execute/update an SMA with the SSM.

2.7.3. Request from the SSM, based on oversight authority level as defined in [Table 2.1](#), delegation of SDO authority for programs greater than or equal to SAT (unless otherwise delegated via SMA).

2.7.4. Coordinate with other senior leaders on the portfolio assignment of individual acquisitions or programs where the responsibility may be unclear.

2.7.5. Establish a management structure and processes for SSRR on all services acquisitions greater than or equal to the SAT within their respective portfolios. Ensure the results of the requirements and program annual execution review are considered in the overall HoS assessment for the organization. Each execution review assesses progress of the acquisition against approved cost, schedule, and performance metrics.

2.7.6. Ensure the SSM is invited to attend recurring execution reviews for service acquisitions greater than or equal to \$100M to facilitate the SSM role as an advisor within the AF.

2.7.7. Issue service acquisition supplements that address organizational roles and responsibilities, training, and reporting for use by all subordinate units, as needed. Coordinate all such supplements with the SSM.

2.7.8. Ensure personnel are properly resourced and trained on the service acquisition life cycle from requirements generation through contract closeout.

2.7.9. Ensure a copy of all requirements greater than or equal to \$100M for services acquisitions within the respective delegated authority are immediately provided to the SSM after approval to: [usaf.pentagon.saf-aq.mbx.afpeo-cm-workflow@mail.mil](mailto:usaf.pentagon.saf-aq.mbx.afpeo-cm-workflow@mail.mil).

2.7.10. Ensure additional responsibilities or tailoring of these responsibilities are delineated in any SMA (if applicable).

**2.8. Requirements Approval Authority (RAA).** The RAA is responsible to identify, assess, validate, and approve support requirements at Headquarters AF (HAF), MAJCOM/DRU/AFFOA, and Program Executive Officer levels. The approval of a requirement allows senior mission leaders to prioritize mission requirements to best support their mission needs within available funding limits. The authority levels are specified in Table 3.1. (NOTE: In some cases, the RAA and the SDO may be the same person).

2.8.1. The RAA will:

2.8.1.1. Review and approve all RADs over \$10M prior to approval of the acquisition strategy for ACAT programs containing embedded services or approval of the acquisition plan for services. If an ASP is required, the ASP Chair may take into consideration extenuating circumstances of a RAD being unapproved prior to the ASP and may grant a waiver to extend the RAD approval timeline. However, the RAD must be approved by the RAA prior to solicitation release. Document the extenuating circumstances in the waiver request, briefing slides, or minutes.

2.8.1.2. Ensure the requirement is being fulfilled in the most efficient and effective manner based on market intelligence, current environment, historical data, and strategic opportunities.

2.8.1.3. Ensure the necessity of each requirement. Ensure the requirement is not available through any other means.

2.8.1.4. Assist the SDO in assessing program requirements for the SSRR on pre- and post-award requirement reviews.

2.8.1.5. When the RAA is different from the SDO, ensure the SDO is kept abreast of approved RADs.

2.8.1.6. Ensure all approved RADs greater than or equal to \$10M are reported quarterly to SAF/AQ through the SSM as identified in paragraph 3.7.2.

2.8.1.7. Ensure all approved RADs that contain depot maintenance requirements are consistent with their respective Depot Source of Repair (DSOR) decisions.

2.8.1.8. Certify that “in-house” DoD resources are not available to provide required services.

**2.9. Program Manager (PM) or Functional Services Manager (FSM).** These roles serve as the government’s functional authority and are responsible for successful delivery of the contracted requirements. The PM or FSM do not have directive authority over the day-to-day contractor performance. A contracting officer is the only government agent responsible for directing a contractor to correct a delivered service; therefore, the PM or FSM must work through the contracting officer (CO) to ensure the contractual requirements, as defined in the contract Performance Work Statement (PWS), are met. PM and FSM has been defined in the DODI 5000.74. The terminology FSM has been used historically to describe the Functional Commander.

2.9.1. The PM and FSM will:

2.9.1.1. Execute management and oversight for the delivery of contractually acquired services.

2.9.1.2. Specifically identify those services within a requirement that are mission essential IAW DFARS 252.237-7023.

2.9.1.3. Keep up-to-date on mission changes that may drive the need for a contract modification. Coordinate with and seek advice from the CO on a possible need for a modification based on changes within the functional mission that could affect the performance requirements of the contract.

2.9.1.4. Review, approve, and sign surveillance schedules prior to upcoming surveillance periods.

2.9.1.5. When necessary, fulfill contracting officer representative (COR) appointment and supervisory duties identified in paragraph 2.10 of this instruction. Review and approve individual’s nomination as CORs to the CO to enable appropriate contract surveillance. The COR(s) should be organizationally aligned with the PM/FSM whenever possible.

2.9.1.6. No less than quarterly, review contractor performance documentation prepared by COR personnel to ensure performance is compatible with contract objectives.

2.9.1.7. Approve Quality Assurance Surveillance Plan (QASP).

2.9.1.8. Ensure a Contractor Performance Assessment Report (CPAR) is accomplished no less than annually by either the COR or the Chief Contracting Officer Representative (C-COR). If the program is an ACAT program where services are embedded, the PM is responsible for accomplishing the CPAR.

2.9.1.9. Ensure assessments are consistent with the monthly surveillance reports.

2.9.1.10. Establish a tracking procedures to ensure MFTs are established and led by a PM or FSM as required in DODI 5000.74.

2.9.1.11. Establish, lead and maintain MFT through the course of the acquisition (pre and post award).



2.9.1.12. Establish a governance to ensure a CPARS Assessing Official (AO) and Assessing Official Representative (AOR) is identified. During the assessment process, provide a perception of the contractor's overall performance. In some instances this may require the PM/FSM to be either the AO or AOR.

2.9.1.13. Prepare slides and brief programs greater than \$100M at the AER.

**2.10. Contracting Officer's Representative (COR) Supervisor:** In order to meet the intent of DoDI 5000.72, *DoD Standard for Contracting Officer's Representative (COR) Certification*, DFARS PGI 201.602, and AFFARS MP5301.602-2(d).

2.10.1. COR supervisor will:

2.10.1.1. Review and approve COR nominations via the Contracting Officer Representative Tracking (CORT) Tool (Special Access Programs are exempt from this requirement) at <https://wawf.eb.mil>. In order to meet the technical experience requirements of FAR 1.602-2(d)(3) and DoDI 5000.72, Enclosure 5, paragraph 3, COR supervisors ensure the COR nominee has relevant technical, professional, or administrative qualifications within the area to be surveilled by both training and experience commensurate with the required COR responsibilities prior to nominating an individual to the CO for COR duties.

2.10.1.2. Annually review the COR's qualifications and contract surveillance files for accuracy and completeness.

2.10.1.3. When required by the CO, ensure CORs submit their OGE Form 450 Confidential Financial Disclosure Report and annual training in a timely and accurate manner.

2.10.1.4. Evaluate the individual's performance as a COR and solicit feedback from the CO to include in the overall evaluation. Evaluation of CORs performance occurs if the COR is a dedicated full-time, part time or if the CORs duties are assigned as additional responsibilities.

2.10.1.5. Functionally align CORs under the PM/FSM, when possible.

2.10.1.6. Review problem areas identified by COR to facilitate COR/CO coordination to resolve problems.

2.10.1.7. Review contractor performance documentation prepared by COR personnel to ensure performance is compatible with contract objectives.

**2.11. Chief, Contracting Officer's Representative (C-COR).** A C-COR may be referred to as a Project Manager. When a CO determines a service contract requires multiple CORs or functional subject matter experts (SME), the PM/FSM may choose to assign a C-COR as a team lead for COR surveillance activities. If a C-COR is assigned, the C-COR incurs responsibilities identified in DoDI 5000.72, DFARS PGI 201.602 and AFFARS MP 5301.602-2(d). The C-COR can be the COR's supervisor and in that capacity is subject to the responsibilities identified in paragraph 2.10. If a C-COR is not assigned, the functions called out in the subparagraphs below will be performed by the COR. In many instances, the PM/FSM may determine assigning a C-COR does not fit their organizational structure. The PM/FSM may nominate to the CO one COR responsible for overall surveillance of the contract with multiple functional SMEs. The SMEs will monitor contractor performance for their functional area and provide monthly,

quarterly and annual documentation (as required in DoDI 5000.72, DFARS PGI 201.602 and AFFARS MP 5301.602-2(d) and this instruction) to the COR for consolidation and submission of one report to the CO for the entire contract.

2.11.1. The C-COR will:

2.11.1.1. Ensure a COR file is maintained with COR records (COR qualification where applicable, contract, modifications, minutes, invoices and payments, inspection results, Quality Assurance Surveillance Plan (QASP), Award Fee or Incentive Plan, etc.) and Memorandums for Record (MFRs) on significant issues relating to the contract as required in DoDI 5000.72. These documents are required to be managed in the CORT.

2.11.1.2. Inform the CO in writing of any required changes to the contract scope/Performance Work Statement (PWS).

2.11.1.3. Develop and publish a surveillance schedule of COR surveillance activities (label as For Official Use Only) unless processes in the applicable Award Fee/Incentive Plan delineate specific methods of surveillance unique to the acquisition. Submit to PM/FSM and CO for review prior to the commencement of the surveillance period.

2.11.1.4. Develop and publish surveillance report of COR surveillance activities. Submit to PM/FSM and CO for review.

2.11.1.5. Draft Contract Action Reports (CARs) for submission to the PM/FSM for each area of contractual non-conformity, either immediately or at the end of each surveillance period (as determined by your Quality Assurance Surveillance Plan (QASP)) and forward to PM/FSM for review and the CO for issuance.

2.11.1.6. Assist PM/FSM and CO in verifying adequate corrective actions are taken to resolve problems.

2.11.1.7. Notify the CO if there is high risk of the contract costs exceeding the amount programmed (if no PM is assigned).

2.11.1.8. Assist CO to validate the accuracy of invoices submitted by the service provider prior to the government paying for services.

2.11.1.9. Ensure a CPAR is accomplished no less than annually. The CO may determine an out of cycle CPAR is required to address performance concerns.

2.11.1.10. Complete all COR required training.

**2.12. Contracting Officer Representative (COR).** COR observe and document the overall performance of the contractor without duplicating or augmenting the contractor's Quality Control (QC) function. Specifically, CORs are not part of the contractor's QC function but protect the government's interest by being the eyes and ears of the PM/FSM and the CO concerning contractor performance/service delivery. The COR is not authorized to further delegate any responsibilities identified in their COR designation letter. If a C-COR is not assigned, the COR will perform the responsibilities defined in paragraph 2.11.1 in addition to those listed below.

2.12.1. The COR will:

2.12.1.1. Provide technical support to the PM/FSM and CO and assist MFT in developing performance requirements in pre-award activities when requested.

2.12.1.2. Never direct contractor's work or the re-performance of work, assist the contractor in any task, advise the contractor on how to accomplish any task, change the contract, or interpret the contract, but rather observe and report on contractor compliance with contracted requirements.

2.12.1.3. Pre-award process: Assist the CO and MFT in determining Quality Management System (QMS) requirements being mindful of the requirements of FAR Parts 12, 46, 52.212-4(a), 52.246, **Chapter 6** and the PWS. This list is not all encompassing but CORs are to communicate with their contracting officers concerning the specific FAR Parts that affect their requirement. CORs will aid in assessing contractor submitted QMSs for congruence with predetermined quality system requirements. Any proposed and accepted QMS exceeding the minimum Request for Proposal (RFP) Performance Work Statement (PWS) requirements shall be made part of the resultant contract/task order at the contractor's proposed rate, in a way that does not reveal the contractor's proprietary information.

2.12.1.4. Post-award process: Ensure contractor's accepted QMS complies with contract requirements. In post award, CORs need to place special emphasis in ensuring the contractor's QMS is being followed as written, plus is effective in bringing about the desired results – performance equal to or greater than the SS metrics, plus an inspection and corrective action program that identifies and fixes issues without having to be identified by the Government.

2.12.1.5. Assist the MFT in developing a QASP or Award Fee/Incentive Plan, as applicable, prior to source selection that effectively measures and evaluates performance-based activity throughout the life of the functional contract requirement. CORs ensure the QASP is updated to ensure it reflects any contract changes.

2.12.1.6. Promptly report performance issues to the CO in writing.

2.12.1.7. Draft a CPAR evaluation for contractor performance when designated as the Contractor Performance Assessment Reporting System (CPARS) Assessing Official Representative (AOR) for a contract or task order.

2.12.1.8. Complete all COR required training.

2.12.1.9. If functional SMEs are utilized, develop a plan to collect surveillance documentation from all SMEs for consolidation into a single monthly surveillance report.

2.12.1.10. If a SME identifies an area of concern regarding the conformance of the contractor's performance, verify the SMEs concerns and document any contractor non-conformance of the contract requirements.

**2.13. Contracting Officer (CO).** Oversee the day-to-day administration of the contract. Enter into, modify, interpret, take corrective actions, and terminate a contract on behalf of the government as specified on the CO warrant. Ensure a contractor's performance satisfactorily meets contractually agreed upon standards as stated in the PWS. The Federal Acquisition Regulation and its supplements dictate the responsibilities of the CO.

**2.14. Quality Assurance Program Coordinator (QAPC).** The QAPC, in coordination with the technical/functional activity, will assist the MFT in developing clearly stated and enforceable contract quality requirements. The QAPC also assists the MFT in integrating the quality contract requirements into the QASP or Award Fee/Incentive Plan as applicable and acts as the liaison between the Contracting Office and functional organizations. Refer to DoDI 5000.72, AFFARS MP 5301.602-2(d), 5346.103, for QAPC responsibilities.

**2.15. Multi-Functional Team (MFT).** The MFT is a customer-focused team instituted under the authority of the SDO and is responsible for determining the appropriate lead for the MFT in accordance with instructions stated in DODI 5000.74, maintenance of the MFT, development of contract requirements, assessing contractor performance, and managing service delivery throughout the life of a services requirement. The emphasis of the MFT is on teamwork, trust, common sense, and agility. Membership may be tailored to fit the size and complexities of the acquisition and may include members such as the CO, PM/FSM, COR, Small Business (SB) professionals, etc. (as determined by the SDO or delegated authority). This list is not all inclusive and some of the members listed here may be unnecessary for your acquisition.

2.15.1. The MFT will:

2.15.1.1. Foster partnerships with industry to ensure exchanges of information among the service industry partners and other business experts occur. Ensure the key stakeholders participate in developing, implementing and executing the acquisition strategy.

2.15.1.2. Provide support to senior leadership as required (i.e., performance metrics, data, and briefings). Ensure correspondence and presentations are accurate and timely. Provide reports that provide early warnings of significant variances in cost, schedule, or contractor substandard performance to senior leadership.

2.15.1.3. Research the commercial market to ensure use of the most efficient and effective assessment methods, techniques, and best commercial practices in performance of the contract, especially with regard to contractor QMS.

2.15.1.4. Develop, implement, and execute a performance-based acquisition strategy that meets the needs of the applicable functional activity, to include performance metrics that result in a higher level of contractor performance, fostering synergistic partnerships, accommodating changes or unforeseen mission needs, and leveraging commercial best practices. Ensure the acquisition strategy aligns with the mission performance needs and that the PWS and acquisition approach are designed to deliver the desired mission support results.

2.15.1.5. Manage risk to ensure mission performance is within cost and schedule constraints.

2.15.1.6. Maintain active participation on source selections and work to achieve an integrated assessment of the offeror's proposal based on the evaluation criteria.

2.15.1.7. Develop, implement, and manage milestones to ensure the acquisition supports mission requirements within the approved funding baseline.

2.15.1.8. Develop a QASP that assesses a contractor's complete performance with an emphasis on assessing the viability of the contractor's accepted QMS. On a case-by-case basis, the Chief of the Contracting Office may approve the use of an Award Fee/Incentive

Plan (as applicable) in lieu of a Quality Assurance Surveillance Plan (QASP) for service acquisitions greater than or equal to \$100M. The plan must provide for comparable surveillance of services. For items not suitable for inclusion in the award fee or incentive plan, a limited plan may be developed. The Award Fee/Incentive Plan should be tailored to the acquisition and include all criteria for monthly monitoring, evaluating, and reporting to the MFT, Requirement Owner, PM, and CO.

2.15.1.9. Assess and manage contractor performance data, to include submitting CPAR reports.

2.15.1.10. Assist the mission owner in developing a well-defined contract requirement, development of acquisition and source selection strategy, and assessing risk in determining performance criteria.

## Chapter 3

### CRITICAL COMPONENTS OF SERVICES ACQUISITIONS GOVERNANCE

**3.1. Support Services Requirements Review (SSRR).** The SSRR is a tiered approach used to assess the three management structures within the AF: Headquarters AF (HAF), MAJCOM/DRUs/AFFOA and WS PEOs. This review consists of a requirements review and governance assessment. Tier one (requirements review) identifies, assesses, validates, and approves services support requirements at an identified senior level. Tier two (governance assessment) starts with conducting an AER for each individual acquisition and is combined with a self-assessment of the structure's health in establishing, implementing, and executing processes for the management of services acquisitions. Tier two is also referred to as the Services Governance Health Assessment (SGHA). The combination of these tiers leads to an overall AF enterprise assessment that looks into the following disciplines: requirements generation, acquisition planning/resourcing strategy, and performance management.

**3.2. Requirements Approval Authority (RAA).** Following preliminary market research, the acquisition team formulates a solution for the mission requirement. When the analysis leads to a solution to contract for services, the organization's senior official approves the requirement via a Requirements Approval Document (RAD), prior to approval of the acquisition strategy. The Acquisition Strategy Panel (ASP) Chair may grant a waiver to extend the RAD approval timeline. However, the RAD must be approved prior to release of the solicitation. Additionally, document the extenuating circumstances that require the late approval of the RAD prior to the ASP or in the ASP briefing slides or minutes.

3.2.1. RADs shall be consistent with the scope and complexity of the services requirements. The requiring activity shall provide (at a minimum) the following:

3.2.1.1. An explanation of the mission.

3.2.1.2. The need for the requirement and the outcomes to be achieved.

3.2.1.3. A description of how the requirement was previously satisfied and what changed in the environment to require the need for the proposed solution.

3.2.1.4. An explanation for the need to contract out instead of satisfying the requirement organically.

3.2.1.5. The nature and extent of any market research conducted up to this infancy stage, to include any applicable benefit analysis performed for bundling and/or consolidation.

3.2.1.6. The impact to the mission if the RAD is not approved.

3.2.2. Requirements authority approval for embedded services captured within program of record milestone decision documents is the MDA. Clearly written services requirements vetted by the appropriate stakeholders early in the life cycle, and then documented at AF Review Board, or included in the Acquisition Strategy (AS) or Life Cycle Sustainment Plan (LCSP) would serve as requirements approval for services. For those services not included in the original documentation, an amendment to the milestone documentation or a separate RAD is required.

### 3.3. Requirements Approval Applicability.

3.3.1. RADs are mandatory for all services acquisitions greater than or equal to the SAT utilizing funds appropriated to the AF to include acquisitions acquired by and/or for the AF. A validating process of requirements below \$10M is mandatory; however, the form and formatting is at the discretion of the RAA. The RAA needs to show the existence of a requirements review process.

3.3.2. An amended RAD is mandatory for any proposed action that results in an increase of 25 percent (cumulative) or greater of the previously approved total estimated services requirements value. This would include any one time change of 25 percent or multiple smaller changes that when added together changes the value of by 25 percent or greater. If your requirement is a mix of products and services, the amended RAD is required only for the services portion of the requirement. Attach the amended RAD and an explanation of each change to the original RAD. Ensure the amended RAD is approved by the original RAA unless the change pushes the approval level to new dollar delegation. The amended RAD must be approved by the original RAA unless the new total value exceeds his/her approval authority. If the new total value exceeds the original RAA's authority, route the amended RAD (attaching the original RAD) through the original RAA for coordination to the new approval authority for approval. (IAW [Table 3.1](#)).

3.3.3. Any proposed modification and/or task order that would result in work that was not validated and approved in the existing requirement approval documentation shall be validated and approved by the RAA for the new total services acquisition value. This should be based on the amount of the action plus the amount of the original awarded contract, in conjunction with a Justification & Approval (J&A) if out of scope/new work but not for in-scope change (routed concurrently with the J&A if the RAA is different or not in the same routing chain as the J&A process).

### 3.4. Applicable to HAF Structure.

3.4.1. Brief HAF requirements greater than or equal to the SAT (Operations and Maintenance (O&M) and investment appropriations) annually to the Services Review Group (SRG) (chaired by AF/CVA, SAF/AA, and SAF/MG).

3.4.2. HAF requirements greater than or equal to the SAT but less than \$10M will be approved by HAF 2-ltr Principal/Deputy (delegable to 3-ltr GO or SES).

3.4.3. HAF requirements greater than or equal to \$10M but less than \$100M will be approved by the SAF/MG (delegable to no lower than 3-ltr Principal or Deputy).

3.4.4. HAF requirements greater than or equal to \$100M will be approved by the SAF/MG.

3.4.5. Each dollar threshold requires a disciplined requirements approval process that documents the organization's need.

**3.5. Applicable to MAJCOM/DRU/AFFOA Structures.** The SSRR process realigns accountability and responsibility of the services requirement within the functional chain. Ensure requirements at each dollar threshold have a requirement approval process that documents the need. These processes are defined by the MAJCOM/DRU/AFFOA; however, all requirements greater than or equal to \$10M require an approved RAD signed by the approval official for the delegated dollar threshold as stated in [Table 3.1](#).

3.5.1. The MAJCOM/DRU/AFFOA CC/CV/CA approves all services requirements within its delegated authority as outlined in Table 3.1. The MAJCOM/DRU/AFFOA CC/CV/CA ensures the approved requirements greater than \$100M are forwarded to the SSM immediately after approval. The SSM may share the approved RADs with the appropriate HAF functional 2-ltr, the SAE, and others as appropriate.

**3.6. Applicable to WS PEO.** The Assistant Secretary of the Air Force for Acquisition (SAF/AQ) remains at the top of this governance structure and has the authority to adapt/modify the processes for effectiveness and efficiency. SAF/AQ is designated the Services Advocate for the WS PEOs services acquisition structure. An overarching Services Management Agreement (SMA) with SAF/AQ documents and flows the following processes down to the WS PEOs. RADs for embedded services do not include the dollar value for the products portion of the requirement. RADs are approved by the WS PEO based on the below dollar values and are further outlined in **Table 3.1**:

3.6.1. For services requirements below \$10M, the PEO/Deputy is the default approval authority; however, this authority cannot be delegated below an O-6 or equivalent civilian. The authority is not further delegable.

3.6.2. Services requirements greater than or equal to \$10M but less than \$100M require documentation via a RAD and approval from the PEO (delegable). The authority is not further delegable

3.6.3. Service requirements greater than or equal to \$100M require documentation via a RAD and approval by SAF/AQ. WS PEOs forward a copy of all approved services requirements, greater than or equal to \$100M to the SSM.

### **3.7. Process (All Structures).**

3.7.1. The requiring activity documents the need for the proposed requirement and obtains requirements approval from the appropriate RAA (identified in Table 3.1) as soon as new requirements, follow-on requirements or changes to recurring requirements are identified. An approved RAD would accompany the requirement if the requirement is executed by another entity regardless if the executing entity is AF or an outside agency.

3.7.1.1. If there are multiple requiring activities, execute a Memorandum of Agreement (MOA) under HAF/PEO/MAJCOM/DRU guidance identifying the lead activity and, if appropriate, the lead organization for execution of the acquisition.

3.7.1.2. If the requirement or the services element of the requirement is estimated to total \$100M or more, staff the MOA through the SSM.

3.7.1.3. When the funding agency and the procuring agency are different, the procuring agency obtains a copy of a signed host tenant agreement or MOA signed by the RAA for the dollar threshold associated with the requirement. At a minimum, the agreement must acknowledge an awareness of the requirement and that the procuring agency has a willingness and adequate personnel to support procurement of the requirement. For example, if the Army funds a requirement that directly supports their mission and has sent a funding document of \$25M to XYZ AFB to procure the services, the AF must have a letter signed by the MAJCOM/DRU/AFFOA CC/CV/CA or delegated authority acknowledging both a willingness and adequate personnel to support the requirement.



3.7.1.4. If the funding agency and the procuring agency are different but the funding agency submits the requirement through an activity associated with the management structure, the requirement’s owner must follow the processes and procedures associated with that particular management structure. For instance, funding that supports military treatment facilities flows from Defense Health Agency. As the requirement’s owner, the MTFs within that MAJCOM must follow those processes and procedures established by their MAJCOM.

3.7.2. Each structure submits a quarterly report of services requirements approved during that quarter with an estimated value of \$10M or greater to the SSM not later than (NLT) the fifth business day of the new quarter (i.e. reports are due the fifth business day of April, July, October and January for the preceding quarter). Submit reports to the AFPEO/CM Workflow box via e-mail. The SSM provides a quarterly report of approved service requirements with an estimated annual value of \$10M or more to SAF/AQ. SAF/AQ will forward the quarterly reports as follows:

3.7.2.1. “Operational Services Requirements” to the VCSAF for dissemination to COCOMs, providing them awareness of future operational capabilities. Operational services requirements are those services directly supporting a COCOM’s war-fighting mission.

3.7.2.2. “Services Support Requirements” to the SecAF, providing awareness of future support capabilities. Support service requirements are all services other than operational requirements.

3.7.3. When USD(AT&L) has identified a requirement as a special interest item (see Table 3.1), prepare a RAD and any other requested documentation in coordination with PEO/CM for approval. Submit your package through PEO/CM prior to issuance of the solicitation. Within 10 business days after receipt of the notification, USD(AT&L) or designee may direct a review of the proposed requirement to be accomplished within 30 days calendar days of such direction. Issues arising from the review shall be resolved IAW procedures specified by USD(AT&L) or designee, in direct coordination with SAF/AQ through the SSM. If USD(AT&L) does not notify the SSM or requiring organization focal point within the 10 business days of the status of the RAD (approved, disapproved or additional direction), the acquisition may proceed.

**Table 3.1. Requirements Approval Authority.**

<b>Requirements Approval Authority</b> (based on proposed/estimated value of requirement)				
<b>Service Category (S-CAT)</b>	<b>Requirement Approval Document (RAD) Level (based on proposed/estimated value of the requirement)</b>	<b>MAJCOM/DRU/AFFOA Structure</b> (note: 1, 2, 4, 5, 8 and 10)	<b>HAF Structure</b> (note: 1, 2, 5, 6 and 9)	<b>WS PEO Structure</b> (note: 1, 2, 3, 5 and 7)

<b>Special Interest</b>	As designated by USD(AT&L), SAF/AQ, PEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, PEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, PEO/CM or SSM (all dollar values)	As designated by USD(AT&L), SAF/AQ, PEO/CM or SSM (all dollar values)
<b>S-CAT I</b>	Est. total value $\geq$ \$1B or $\geq$ \$300M in any one year	MAJCOM/DRU/AFFOA CC/CV/CA (delegable)	SAF/MG	SAF/AQ
<b>S-CAT II</b>	Est. total value $\geq$ \$250M but $<$ \$1B	MAJCOM/DRU/AFFOA CC/CV/CA (delegable)	SAF/MG	SAF/AQ
<b>S-CAT III</b>	Est. total value: $\geq$ \$100M but $<$ \$250M	MAJCOM/DRU/AFFOA CC/CV/CA (delegable)	SAF/MG	SAF/AQ
<b>S-CAT IV</b>	Est. total value: $\geq$ \$10M but $<$ \$100M	MAJCOM/DRU/AFFOA CC/CV/CA (delegable)	SAF/MG (delegable)	PEO (delegable)
<b>S-CAT V</b>	Est. total value: $\geq$ SAT $<$ \$10M	NAF/WG/CC (delegable)	2-ltr (delegable)	PEO/Deputy PEO (delegable)

**Notes:**

1. RAD format is at the discretion of the RAA for all dollar values. All requirements estimated at greater than \$10M require an approved RAD signed by the RAA indicated by dollar threshold in the above table (or as delegated). A validating process of requirements below \$10M is mandatory; however, the form and formatting is at the discretion of the RAA. The RAA needs to show the existence of a requirements review process.
2. Quarterly reports are mandatory on all requirements greater than or equal to \$10M. Accomplish manual submissions until the implementation of the Services Management Tool (3.7.2).
3. Requirements that have been approved by a Milestone Decision Authority (MDA) for an ACAT or MAIS program of record captured within the program milestone decision documents serve as the requirements approval for embedded services. No further approval for those embedded services is needed by SAF/AQ. (see 3.1.2.2).
4. MAJCOM CCs can delegate authority to a Numbered AF CC or Center CC who is a direct reporting organization within its Command. Numbered AF CC or Center CC may re-delegate the authority to no lower than the CV or CA.
5. Authority for services embedded in supply or weapon system's contracts is determined by the S-CAT threshold corresponding to the total cost/price of the embedded service (does not include the supply or products portion of the requirement).
6. **HAF Structure:** S-CAT IV and S-CAT V delegable to no lower than 3-Ltr Principal or Deputy.
7. **PEO Structure:** S-CAT IV delegable to no lower than GO/SES/Deputy PEO. S-CAT V delegation to no lower than an O-6/GS-15 (or equivalent).
8. **MAJCOM/DRU/AFFOA Structure:** S-CAT IV to no lower than O-6/GS-15 (or equivalent) and S-CAT V to no lower than O-5/GS-14 (or equivalent).
9. For an AF Commodity Council acquisition with a HAF 2-ltr Commodity Sourcing Official (CSO), approval of the Commodity Sourcing Strategy (CSS) constitutes requirements approval.
10. Delegations to AFFOA are not automatic but are at the discretion of their parent organization.

### 3.8. Acquisition Planning/Sourcing.

3.8.1. Pre-Award. The success of contracted services depends largely on the preparation and planning conducted prior to solicitation and award.

3.8.1.1. Early Strategy and Issues Session (ESIS). The purpose of an ESIS is to simplify an Acquisition Strategy Panel (ASP) and to mitigate re-work. An ESIS is mandatory for all services acquisitions greater than or equal to \$100M and is recommended for services acquisitions below \$100M. It is most effective when conducted as an informal, open discussion between the acquisition team, their chain of command, SSA, SDO, and/or SA. It is a synergistic approach to sharing top level ideas and best practices prior to the formation of the formal acquisition strategy. If market research leads the team in a direction that is more advantageous for the acquisition, the team should discuss the change during the Acquisition Strategy briefing. The team should schedule an ESIS as early as possible after some preliminary market research. Optimally, plan to conduct an ESIS at least 120 calendar days prior to the ASP. The ESIS is intended to facilitate dialogue from the first day of ESIS through meeting the Acquisition Strategy Panel brief however, an ESIS it is not meant to establish an acquisition strategy or to solicit a decision.

3.8.1.2. Acquisition Planning. Acquisition teams monitor active contracts to allow sufficient time to plan re-procurements and develop clear, performance-based requirements. Ensure all requirements include identifiable and measurable cost, schedule, and performance outcomes. Ensure a service acquisition strategy develops requirements that align and track mission objectives complemented by a contract methodology that optimizes and drives performance. If the strategy is a non-performance based requirement, the team must obtain approval from the SDO. Ensure the selected contract type, source selection procedures, and contract incentives align with performance requirements and objectives to achieve mission success. All requirements must be reviewed and coordinated by the installation/servicing Manpower Office in accordance with AFI 38-201 prior to approval of the acquisition strategy.

3.8.1.3. Market Research. Each acquisition team should place optimal attention on market research throughout all phases of the acquisition cycle (pre- and post-award). Changes in the political and non-political environments can have major impacts to the success of the acquisitions; therefore the team should exercise vigilance in ever-changing market dynamics. It begins immediately upon identification of a requirement and continues after a contract is awarded. All services acquisitions require market research that demonstrates agency reliance on the commercial marketplace for its capabilities, innovation, technologies, and competitive forces. Equally important, market research identifies capable small businesses to determine the level of small business participation as either a prime or sub-contractor. Market research is essential to the government's ability to buy best-value services that deliver mission-critical results.

3.8.1.3.1. Acquisition approaches that maximize competition shall be the norm, and organizations shall make every effort to achieve the maximum competition for both current and future requirements. Market research should be the guide in constructing the best acquisition strategy that meets the needs of the government.

3.8.1.3.2. Contract type and oversight is critical to the sustainability of a program. Address deviations from recommended business practices in the acquisition plans.

3.8.1.3.3. Detail the nature and extent of market research conducted, to include data analysis of the Small Business market capabilities; and to include any applicable benefit analysis performed for bundling and/or consolidation and the impact on Small Businesses.

3.8.1.4. Performance Work Statement (PWS). A PWS defines the requirement in terms of results rather than the method of performing the work. The requiring activity develops the PWS jointly with the other members of the MFT. Cite reference directives (e.g. publications, instructions) by specific process or procedure (e.g. paragraph or chapter) rather than the entire publication in the PWS. Additionally, the PWS should be written clear enough for the contractor to adequately assess the government's need to sufficiently allocate the right workforce mix to support the requirement; however, ensure the PWS is written as performance based unless approved by the PM/FSM to solicit a non-performance based acquisition.

### 3.8.2. Post-Award.

3.8.2.1. Services Governance Health Assessment (SGHA). The SGHA is the Annual Execution Review (AER) and the Health of Services (HoS) combined. The PM or the requirement's owner is responsible for the preparation and briefing of the AERs. SGHA starts with the PMs or requirement/functional owner presenting an AER for each individual acquisition. The management structure (HAF/MAJCOM/PEO) presents an assessment of his/her HoS. The combination of each management structure's overall assessment will lead to an overall AF enterprise assessment that looks into the following disciplines: requirements generation, acquisition planning/resourcing strategy, and performance management.

3.8.2.1.1. Each structure is governed by a senior leader responsible for services oversight across that structure (e.g. HAF, MAJCOM/DRU/AFFOA, and WS PEO).

3.8.2.1.2. Internally, evaluate the execution of services acquisitions within their organization and assess the health of their operations for the past FY using the existing AFPEO/CM AER and HoS templates for requirements greater than \$100M, which are distributed to all structures by PEO/CM not later than the following June of the reporting period.

3.8.2.1.2.1. For acquisitions less than \$100M, each structure may use its discretion for template form and format, but is encouraged to refer to the templates located at the above link for guidance. Ensure the results of each structure's AER and HoS is rolled-up and accounted for in the structure's overall assessment.

3.8.2.1.3. MAJCOM/DRU/AFFOA/PEO senior leaders submit completed AER and HoS charts to PEO/CM not later than or the last workday of December (using a Monday – Friday work week) that covers the preceding FY. (E.g., MAJCOM charts are due 31 Dec 2016 for its FY 16 post award review). MAJCOM CC or the SA with PEO/CM receive presentations from the MAJCOMs of the AERs and the HoS beginning January of the next calendar year (as scheduled). Although not required, a

senior leader may request to present their SGHA prior to January. All briefings should conclude no later than 15 Mar. PEOs will present their review and assessments to SAF/AQ (PEO/CM may attend presentations as an advisor to SAF/AQ) beginning as early as January but should conclude no later than 15 Mar.

3.8.2.1.4. HAF will receive presentations for all reviews and assessments no later than 15 Mar.

3.8.2.1.5. AF structure (SAF/AQ, SAF/MG, and PEO/CM) leads must create and summarize an integrated assessment for their AF structures of programs within its portfolio. The integrated assessments are then provided to the Services Review Group (SRG) tri- chaired panel, which consists of principals from SAF/AA, AF/CVA, SAF/MG and supported by advisors from SAF/FM, SAF/AQ and AFPEO/CM not later than 31 Mar.

3.8.2.1.6. The SRG reviews the information to identify AF-wide synergies, efficiencies and strategic opportunities and presents their recommendations to the AF Council, chaired by USecAF and VCSAF during the 2nd quarter of the calendar year. This is an integrated assessment from the HAF, MAJCOM/DRU/AFFOA and PEOs and is in a forum to identify lessons learned and best practices that have AF-wide applicability.

3.8.2.2. Applicable to HAF Structure: SAF/MG is the designated HAF SA and is responsible for the 2-ltr requirements approval greater than \$10M and HAF's SGHA.

3.8.2.2.1. The HAF Services Advocate generates an assessment of the performance of services governance structure for the HAF (self-assessment). This enables a meaningful corporate assessment of the overall health of the AF with respect to contracted services when combined with the MAJCOM/DRU and WS PEO assessments.

3.8.2.2.2. The SGHA documentation for the HAF will be governed by templates tailored each year to identify key areas of interest; however, documentation may include the following:

3.8.2.2.2.1. An overview of the 2-ltr's internal governance process.

3.8.2.2.2.2. The HoS Stoplight Chart – Annual Performance Self-Assessment.

3.8.2.2.2.3. Any Results, Strategic Opportunities, Best Practices, and Lessons Learned.

3.8.2.2.2.4. A Program List.

3.8.2.2.2.5. All acquisitions greater than \$10M for higher level review and assessment purposes.

3.8.2.2.2.6. Summary of requirements (by execution category as applicable).

3.8.2.2.2.7. Identification of effort category. [i.e., Mission Critical (necessary to support your mission), Mission Enhancing (important, but does not stop mission) and/or politically critical (sensitive to Congress or the public and/or possess a potential media interest) acquisitions].

3.8.2.2.2.8. Completed Program Quad Charts (as necessary to discuss successes, failures, and existence of tripwire issues).

3.8.2.3. Applicable to MAJCOM/DRU/AFFOA Structure: The MAJCOM CC or the Services Advocate receives AER on programs within their delegated threshold, to include the programs greater than or equal to \$100M where PEO/CM participates in the briefings. The SGHA is conducted annually. The SSM then develops a consolidated SGHA for all MAJCOM/DRUs in concert with the SRG support team. The SSM develops and posts templates each year tailored to highlight key areas of interest. The MAJCOM/DRU/AFFOAs shall use the templates found on the PEO/CM Portal for acquisitions greater than \$100M. For acquisitions valued at less than \$100M, MAJCOM/DRU/AFFOAs may use the same templates and may tailor to fit its needs. At a minimum, the templates may ask for:

3.8.2.3.1. An overview of the MAJCOM/DRU's internal governance process.

3.8.2.3.2. A Stoplight Chart – Annual Performance Self-Assessment to include Results, Strategic Opportunities, Best Practices, and Lessons Learned.

3.8.2.3.3. A Program List.

3.8.2.3.4. All acquisitions greater than \$10M for higher level review and assessment purposes.

3.8.2.3.5. Summary of requirements.

3.8.2.3.6. Identification of effort category [i.e., Mission Critical (necessary to support your mission), Mission Enhancing (important, but does not stop mission) and/or Politically Critical (sensitive to Congress or the public and/or possess a potential media interest) acquisitions].

3.8.2.3.7. Completed Program Quad Charts (as necessary to discuss successes, failures, and existence of tripwire issues).

3.8.2.4. Applicable to PEO Structure: Following the end of the FY, each PEO is to conduct an internal AER of their service requirements. Each PEO is encouraged to conduct AERs using templates on the SSM portal. The intent of the presentations are to have effective dialogue with the SAF/AQ on the management and performance of services acquisitions within each PEO's portfolio. SAF/AQ (or delegate) consolidates the inputs from all PEOs into an integrated SGHA for the whole WS PEO structure. The summary should include:

3.8.2.4.1. An overview of the PEO's internal governance process.

3.8.2.4.2. A HoS Stoplight Chart – Annual Performance Self-Assessment to include Results, Strategic Opportunities, Best Practices, and Lessons Learned.

3.8.2.4.3. A Service Contract Program List to include all acquisitions greater than or equal to \$10M.

3.8.2.4.4. Summary of requirements (by execution bucket as applicable).

3.8.2.4.5. Identification of effort category [i.e., Mission Critical (necessary to support your mission), Mission Enhancing (important, but does not stop mission) and/or

politically critical (sensitive to Congress or the public and/or possess a potential media interest) acquisitions].

3.8.2.4.6. Completed Program Quad Chart (as necessary to facilitate discussion of successes, failures, and existence of tripwire issues).

## Chapter 4

### REPORTING REQUIREMENTS.

#### 4.1. Requirements Approval Document (RAD).

4.1.1. Approved RADs with an estimated annual value of \$10M or more shall be reported to the SSM quarterly. See paragraph 3.7.2.

#### 4.2. Strategic Management Tool (SMT).

4.2.1. This paragraph introduces the upcoming SMT. Detailed instructions of the use of the system, the processes and the procedures will come at a later date. The SMT is used to implement the Services Master List and is implemented across the AF in phases. Immediately upon implementation of the SMT within the organization, the SA ensures the requiring functional areas fully populate all pre- and post-award service acquisition requirements and services requirements which are embedded on a products contract greater than or equal to SAT (SAP services contracts are exempt from mandatory use of the SMT). Embedded services are defined in paragraph 1.2.1.6. The SMT contains all services contracts that are executing in the current fiscal year with a value greater than or equal to the SAT. The PM/FSM is responsible for updating the SMT when program and contract milestones change.



## Chapter 5

### MILITARY INTERDEPARTMENTAL PURCHASE REQUESTS (MIPR).

#### 5.1. Management and Oversight of MIPR Requirements.

5.1.1. Manage MIPRs IAW AFI 65-118. Nothing in this chapter should be interpreted as relief from those requirements.

5.1.2. The SDO ensures that effective management and oversight controls are in place for AF requirements being procured by an outside agency. “Outside agency” means any agency other than the AF. When utilizing an outside agency, the SDO shall require the same adherence to socio-economic programs (e.g. small business set-asides) and competition requirements as if the acquisition was conducted by an AF organization.

5.1.3. At a minimum, the SDO provides the SSM an annual report on the status of AF MIPR service requirements within their portfolio, with a value greater than or equal to the SAT. This report is provided as part of, or in conjunction with the MAJCOM/DRU/AFFOA AER and/or HoS to the SSM. Working through the SA, SDOs for the HAF and PEO include a MIPR report as part of their AER and/or HoS. Forward this report to the SSM.

5.1.4. The annual MIPR service acquisition report should address, if applicable:

5.1.4.1. Summary of quality surveillance findings, either produced by an AF COR, the outside agency COR, or both.

5.1.4.2. Summary of any performance or program issues associated with the MIPR service.

5.1.4.3. The value of any MIPR fee associated with a service acquisition by an outside agency.

5.1.4.4. The value of small business awards at the prime and subcontract levels.

5.1.4.5. Degree of outside agency compliance with management and oversight controls.

## Chapter 6

### SERVICES CONTRACTS QUALITY MANAGEMENT OVERSIGHT.

**6.1. Overview.** Ensuring the quality of services acquisitions via a contractor quality system and/or an inspection system resulting in a QMS as identified in FAR 46.105(a)(1), 46.202-4, 52.246-X, is the responsibility of the service contractor, *not the government*. The government's role is to ensure it receives the services contracted and only pays for the services actually received. The quality of embedded services in ACAT programs is evaluated in accordance with the quality measures in place for those contracts. The contractor's proposed QMS may be evaluated as part of the source selection process.

**6.2. Functions of a QMS.** In order to meet the government's quality requirements, a contractor's QMS should be robust enough and resourced adequately to execute four key quality functions: 1) Detection of quality program problems and defects; 2) Identification of root causes for quality related problems/defects; 3) Correction of root causes related to detected problems/defects; and, 4) Follow-up to ensure quality related problems/defects do not recur. Furthermore, a mature QMS requires the contractor be the proactive party on quality issues (see [Figure 6.1](#)). The goal is to obtain performance reflective of continuous improvement with no reliance on COR's surveillance to detect problems/defects, determine root causes, or ensure quality related problems/defects do not recur.

**Figure 6.1. The Four Functions of a Quality Management System.**



**6.3. Government Responsibilities in Quality Management Oversight.** The primary responsibility of CORs in assessing a contractor's QMS is to inform the PM/FSM and CO if the contractor's accepted QMS does not sufficiently control quality as required by FAR 46.105, fails to meet the PWS quality requirements or departs from the contractor's QMS. Consider any COR detected problems/defects not identified by the contractor's QMS as the most egregious violation of quality systems failure. Subsequently, PM/FSMs and COs are responsible for addressing QMS non-conformities IAW paragraph 6.4 of this instruction. Sections 801 and 802 of the FY02 National Defense Authorization Act (NDAA) mandate Performance-Based Services Acquisition (PBSA) goals, cost savings, and a management/oversight structure for service acquisitions similar to the procurement of products. To this end, effective PBSA methods require the most useful insight and oversight strategies available to the government. Contracts that use Award/Incentive Fee Plan also use Performance Management Strategies to supplement the

Award/Incentive Fee criteria (i.e., methods of surveillance, etc.) delineated in the applicable Award/Incentive Fee Plan.

**6.4. Quality Related Contract Oversight Responsibilities (Key Stakeholders).** When developing quality related contract oversight responsibilities, the MFT ensures Services Summary (SS) items directly align with applicable CPARS evaluation areas. In turn, the PWS builds upon the SS items with QASP surveillance scheduling and reporting focusing on the SS items to ensure proper alignment with applicable CPAR evaluation areas. When developing the QASP, the MFT ensures inclusion of key aspects of the contractor's accepted QMS, as well as FAR, DFARS, and AFFARS quality related requirements, this instruction, and published functional community requirements. Service Summaries should address the desired quality of service by identifying acceptable service standards/metrics, and not merely reiterate the PWS requirement. The SS is tailored to the requirement and how it shall contribute to the overall mission. The MFT also identifies how CORs are to assess non-SS items as well as the Performance Based Payment (PBP) if applicable. See [Figure 6.2](#).

**6.5. Multi-Functional Team (MFT).** The MFT's responsibility for government quality management oversight extends from the pre-award to the post-award phases (to include contract close-out) of contract management.

#### **6.6. Pre-Award.**

6.6.1. Overview. During the pre-award contracting phase, MFTs are responsible for considering the quality requirements of the functional/technical activity, SS development, performance plan development and the possible inclusion of PBPs. As part of the pre-award process, the MFT ensures SS performance objectives are measurable, surveil-able, and align with applicable CPARS reporting categories as illustrated in [Figure 6.2](#). The MFT also ensures QASP surveillance of SS performance objectives are scheduled and reported in a manner that integrate into a PBP plan (if used) and CPARS reporting.

6.6.2. Quality Requirements. Prior to developing contract requirements the functional/technical member(s) of the MFT identify the quality requirements essential for successful mission performance of services. The Contracting Office, in turn, ensures the functional/technical quality requirements are incorporated into the request for proposal and the contract. As part of reviewing quality requirements the MFT, using FAR 46.201, 46.202, and 46.203 criteria, determines if standard or higher-quality level inspection requirements are applicable for the performance of contract services and are appropriate for the type of contract (Type A, B, or C) being awarded according to MP5301.602-2(d).

6.6.2.1. For contracts requiring standard quality requirements, the MFT ensures that service specifications are included in solicitations and the contract requires the contractor to provide and maintain an inspection system acceptable to the government meeting the functional/technical activity's quality requirements. Standard quality requirements may require inclusion of either FAR 52.246-4 or 52.246.5 clauses (FAR 46.202-3).

6.6.2.2. Ensure contracts requiring higher-level contract quality requirements include a SS performance objective that encompasses MFT goals related to quality directly relating to the CPARS category of "Quality." The MFT also ensures the QASP adequately addresses surveillance of contractor QMS related responsibilities that integrate the functional/technical activity's quality requirements. Contracts with a higher-level quality

requirement may require inclusion of either FAR 52.246-4 or 52.246-5 and 52.246-11 clauses (FAR 46.202-4).

6.6.2.3. For commercial services contracts awarded under FAR 12.208, the MFT identifies if the government, upon consultation with the functional/technical activity, has a need to conduct in-process inspections. If so, the MFT in coordination with the functional/technical activity determines which commercial quality practices meet the government's quality requirements.

6.6.3. Service Summary (SS) Development. The MFT will ensure mission essential/critical items are included in the SS table with measurable and surveil-able performance thresholds. The MFT also considers the type, surveillance frequency, and quantity of each performance objective when considering the performance threshold. For example, a SS performance objective with a performance threshold of ninety-nine percent requires one hundred percent COR surveillances to adequately assess contractor performance. In some instances a performance objective warrants a ninety-nine percent performance threshold; however, a corresponding level of COR surveillance is necessary in order to assess the service provided.

6.6.4. QASP Development. The SS is releasable to the contractor but the QASP is an internal Government document. After establishing mission essential/crucial SS items with measurable and surveil-able performance thresholds, the MFT ensures the QASP builds a surveillance plan that schedules surveillance of all SS and non-SS items. Furthermore, the QASP identifies how CORs link surveillance of SS items to monthly/quarterly surveillance reporting and CPARs reporting. A viable QASP also meets the QASP related requirements found in FAR Parts 37 and 46, DFARS 237.172 and 246.401, PGI 222, PGI 237, MP 5301.602-2(d) and 5346.103, AFI 38-203, and any applicable functional community guidance (e.g. AFI 21-101 for aircraft maintenance community). The use of an Award Fee Plan or an Incentive Plan (as applicable) may be used in lieu of a QASP for large acquisitions greater than \$100M and identifies:

6.6.4.1. Objective(s) in having the services provided and the desired results the MFT hopes to achieve with the acquisition.

6.6.4.2. Roles and responsibilities of the MFT members responsible for post-award management.

6.6.4.3. A strategy, methods and tools the MFT will use to assess the contractor's performance against the performance thresholds, measurements, metrics and incentives identified in the contract. Performance thresholds must be measurable in terms of quality and timeliness of performance.

6.6.4.4. A management approach, methods and tools the MFT will routinely use to validate the objectives and goals identified as part of the performance plan.

6.6.4.5. An incentive plan may be the management approach, methods and tools used to validate the objective and goals of the MFT.

6.6.5. Performance Based Payment. The MFT considers the applicability of a PBP plan IAW FAR 32.1001 with concurrence from the PM/FSM and CO.

6.6.6. Quality Control. Contractors are responsible for submitting a complete QMS plan that is reviewed for acceptance by the government. The QMS includes a quality control plan

(QCP) addressing the “detection” function that defines the type, number, Acceptable Quality Levels (AQLs), and frequency of quality assurance/control inspections planned by the contractor that meet the intent of the applicable FAR 52.246 or FAR 52.212-4(a) clauses. Prior to the pre-performance meeting, the MFT requires the winning contractor to fully address any deficiencies identified in the QMS.

## **6.7. Post Award.**

6.7.1. Contract Oversight and Administration. After contract award, the MFT ensures COR oversight focuses on the adequacy and adherence of the contractor to their proposed QMS. The MFT pays special attention to:

6.7.1.1. Whether the COR or contractor is first in detecting defects and trends,

6.7.1.2. Who (COR or contractor) accomplishes more inspections, and,

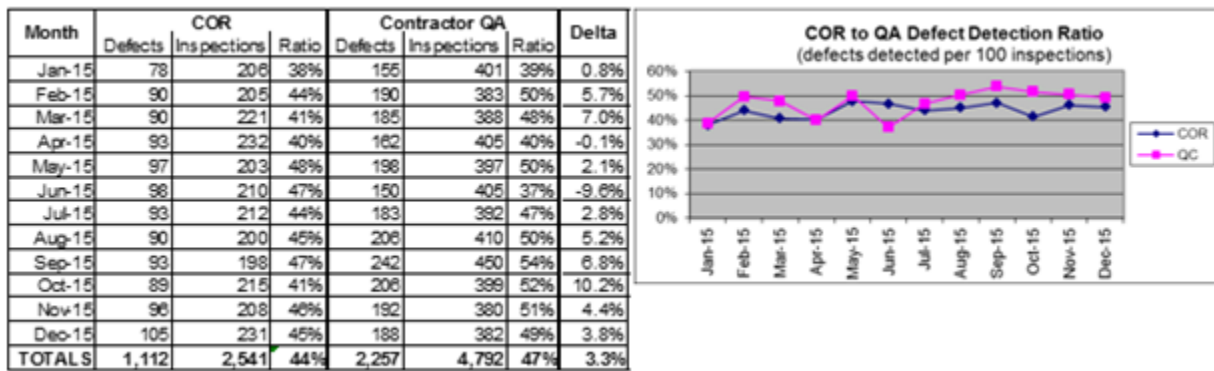
6.7.1.3. Whether the contractor is proactively pursuing the four key QMS functions of detection of quality program problems and defects, identification of root causes, quality related problems/defects, correction of root causes related to detected and problem/defects, and follow-up to ensure quality related problems/defects do not recur.

6.7.2. Contracting Officer for Contracted Functions. As part of the CO led training identified in AFFARS MP 5301.602-2(d), the CO tailors COR training on the proper submission of surveillance documentation and contractor accepted QMS requirements. The CO is responsible for ensuring COR surveillance inspections are accomplished as required by the QASP.

6.7.3. QAPC. For contracts requiring higher-level quality requirements, the QAPC assists the MFT in developing metrics, tracking the effectiveness of the contractors QMS that tie to the SS, QASP, and CPARS. In addition to the MP 5301.602-2(d) requirements, the QAPC trains FSM and CORs on the concepts and applicability of service contract QMSs, tailoring training to the specific contract. Per AFFARS MP 5346.103-1c the QAPC assists the MFT during the acquisition process to develop clearly stated, enforceable contract quality assurance requirements and assists during market research. Examples of suggested metrics are found in the below sub-paragraphs:

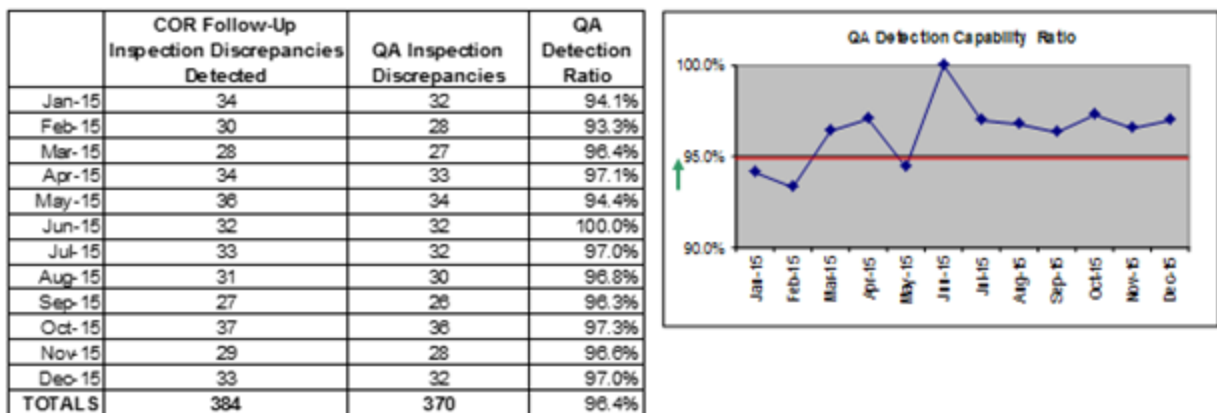
6.7.3.1. COR-QA Defect Detection Ratio. The COR-QA defect detection ratio measures the “detection” element of a QMS by comparing the number of COR inspections and corresponding defects to contractor quality inspections and identified defects. The results of COR and contractor inspections in the surveillance period (monthly or quarterly) are then converted to a ratio. For example, if CORs accomplished 206 inspections with 78 defects, the defect detection ratio would be 38 percent ( $78 / 206 = .3786$  or 38 percent). If a contractor accomplishes 401 quality inspections with 155 defects, the defect detection ratio would be 39 percent (see Figure 6.3). The point of the COR defect detection ratio is to ensure the contractor is accomplishing more inspections with at least the same level of defects. In the previous COR and contractor examples, the contractor is accomplishing more inspections and identifying more defects than the CORs, which is the desired outcome.

Figure 6.2. COR-QA Defect Detection Ratio.



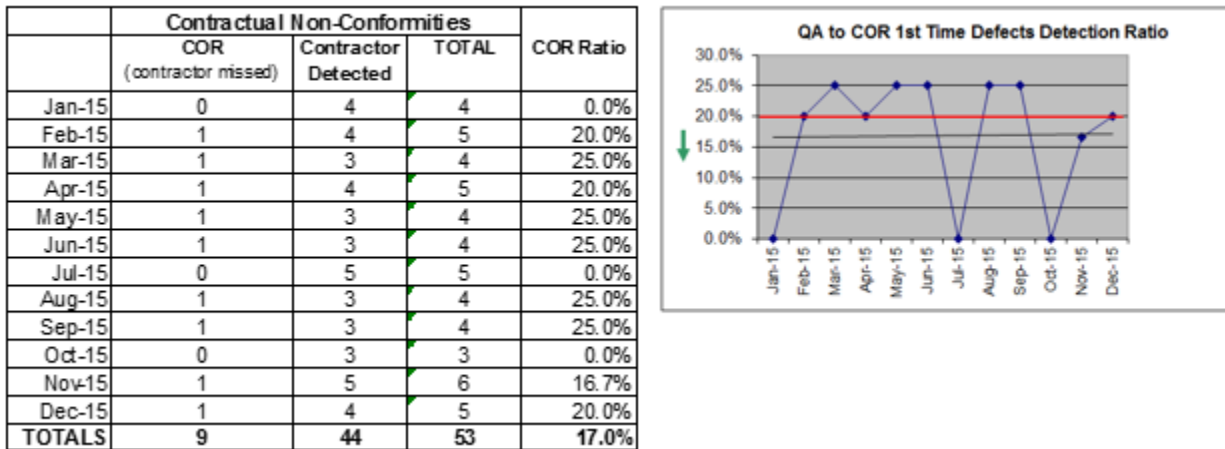
6.7.3.2. Contractor QA Detection Capability Ratio. The contractor QA detection capability ratio metric measures the “detection” element of a QMS by determining if a contractor’s quality inspectors are competent in detecting and documenting defects. As with the COR-QA defect detection ratio, the number of defects of the COR and contractor are used to calculate defect detection ratios; however, COR and contractor QA defects are compared to each other. For example, if the COR scheduled 20 of their 206 inspections to observe contractor quality inspectors accomplish inspections, with the quality inspectors detecting 32 defects and the CORs detecting 34 defects this would mean that contractor quality inspectors detected 94 percent (32 / 34 = .9411 or 94 percent) of the total defects (see Figure 6.4). The desired outcome of this metric would be for contractor quality inspectors to the same or more defects than the COR.

Figure 6.3. Contractor QA Detection Capability Ratio.



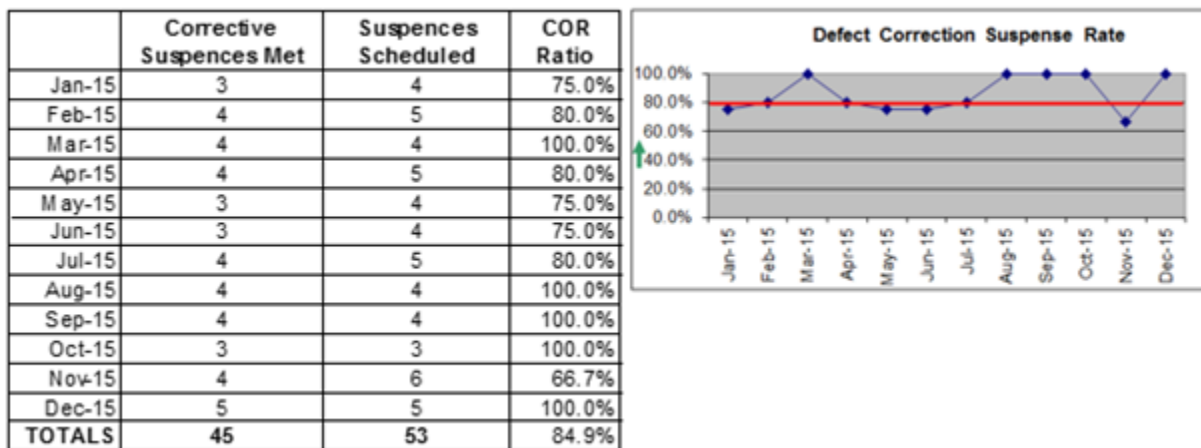
6.7.3.3. COR-QA First Time Defect Detection Ratio. The COR-QA First Time Defect Detection Ratio is the “identification” element of a QMS to determine who typically finds and documents a contractual non-conformity, the CORs or contractor’s quality system. Specifically, if CORs document a CAR before the contractor self-identifies a contractual non-conformity, the contractor’s QMS is determined to not meet contract standards. For example, between the CORs and the contractor’s quality inspectors there were five CARs written, however the CORs wrote one CAR the contractor’s quality inspectors did not identify a CAR. In this example, the CORs first found 20 percent of the contractual nonconformities.

Figure 6.4. COR-QA 1<sup>st</sup> Time Defect Detection Ratio.



6.7.3.4. Defect Correction Rate. The defect correction rate measures the “correction” and “follow-up” functions of a QMS by determining if the contractor is implementing proper and timely corrective actions. Specifically, the defect correction rate identifies if COR/contractor identified nonconformities are corrected within the contractor’s self-imposed “get-well” dates. For example, if in a year the contractor has 13 scheduled “get-well” suspenses for contractual non-conformities within a quarter and 11 suspenses were met, the defect correction rate is 84 percent (11 / 13 = .846 or 85 percent). Note: CORs may need to schedule surveillance to validate the defect is corrected.

Figure 6.5. Defect Correction Rate.



6.7.4. Program Manager or Functional Services Manager. In addition to the PM/FSM’s overall responsibility of ensuring contracted services adequately support the mission of their organization’s mission, the PM/FSM via the CORs will ensure the adequacy of the contractor’s QMS. The PM/FSM will make certain that the contractor’s QMS effectively accomplishes the detection, identification, correction, and follow-up functions. Furthermore, the PM/FSM will ensure CORs do not become the contractor’s quality control/quality assurance (QC/QA) function. The role of the FC and FD (DFARS 237 and AFFARS Mandatory Procedures 5301.602-2) serve the same role, purpose and intent of the Functional Services Manager (FSM) as identified in DODI 5000.74.

6.7.5. C-COR and CORs. As part of the surveillance process, CORs never direct contractor work or the re-accomplishment of work, assist the contractor in any task, advise the contractor on how to accomplish any task, change the contract, or formally interpret the contract. CORs place special emphasis on the comprehensiveness and adequacy of the contractor's QMS to ensure adherence to FAR 46.202-3 Standard Inspection Requirements, the applicable Inspection of Services clauses in FAR 52.246, 52.212-4(a) and the contractor's QMS.

6.7.6. Multi-functional Team Post Award Lines of Communication. As illustrated in Figure 6.2, members of the MFT after contract award should ensure the only formal or directive line of communication between the government and the contractor is from the CO. However, all other members of the MFT can communicate informally with the contractor. Examples of informal communication are clarification of delivery schedules or communication of COR inspection results. Note that even though the PM/FSM retain responsibility for the success or failure of the contracted function, they do not have directive, corrective, or legal enforcement authority over the contractor. These authorities are reserved for the CO.

## **6.8. Types of COR Oversight.**

6.8.1. Overview. Even though COR oversight is not a form of contract QC/QA, according to the Inspection of Services clauses for services (FAR 52-246-4 or -5), the government has the right to inspect and test all services (both SS and non-SS services) called for by the contract to the extent practicable at all times and places during the term of the contract. However, government surveillance should be done in a manner that does not unduly delay the contractor's accomplishment of services. Striking the balance in assessing contractor accomplished services without delaying accomplishment of those services requires an understanding of when to use available COR surveillance methods to include one-hundred percent inspection, periodic surveillance, customer complaint, or audit reviews.

6.8.1.1. One-Hundred Percent Inspection. This surveillance method is preferred for contractor services that do not occur frequently, are critical, and/or have stringent performance requirements. When using this surveillance method, CORs inspect and evaluate the contractor's performance every time they accomplish the service.

6.8.1.2. Customer Complaints. The customer complaint method of surveillance is the most inexpensive means of contractor surveillance. However, the validity of the customer complaint method of surveillance may be questionable due to customers not understanding the PWS requirements. The value of customer complaint surveillance is its ability to further validate contractor performance of services if other surveillance methods indicate unsatisfactory performance of service exists. CORs should consider that the existence of such complaints does not necessarily indicate a service is nonconforming but may indicate a personality conflict or other non-contractual issue.

6.8.1.2.1. CORs using the customer complaint method of surveillance, provide customer training to each organization receiving contractor services. Customer training covers those services relevant to the customer, contract performance thresholds for those services, and actions customers may expect from the COR and/or CO for nonconforming services. Also, CORs should advise customers to avoid unauthorized commitments and directing the contractor's work.



6.8.1.2.2. If the PM/FSM, with input from the MFT determines the use of the customer complaint method of surveillance is appropriate, use the SAF/AQCP Customer Complaint Record template

[https://cs1.eis.af.mil/sites/afcc/knowledge\\_center/templates/customer\\_complaint\\_record.pdf](https://cs1.eis.af.mil/sites/afcc/knowledge_center/templates/customer_complaint_record.pdf) or a locally devised form to record the complaint. Ensure the validation process includes a reasonable attempt to contact the complainant and verify the service received was substandard.

6.8.1.2.3. The COR must be cautious when using the customer complaint method of surveillance as he/she could inadvertently be delegating contract surveillance responsibilities to the customer. While customer feedback/complaint can be an important aspect of an effective surveillance program, it should not be the sole surveillance method used to monitor compliance with contract terms and conditions.

6.8.1.3. Review of Audits. The audit review method of surveillance typically centers on a contractor's QMS corporate and/or local audits. In the audit review method of surveillance, CORs, as part of their monthly/quarterly surveillance, review results of the contractor's accepted QMS audits and related quality metrics. For example, if a contractor QMS requires an annual corporate quality audit each July, local quarterly audits, and/or monthly supervisory audits, CORs schedule surveillance to capture these audits during the applicable surveillance period.

6.8.1.4. Periodic Surveillance. This periodic method of surveillance consists of COR surveillance of services selected on other than the one hundred percent inspection, customer complaint, or review of audits methods of surveillance. An example of periodic surveillance is a COR selecting the time of surveillance for a contractor provided service as it becomes available. Furthermore, the periodic method of surveillance allows CORs flexibility in meeting monthly/quarterly surveillance schedule requirements and provides CORs the ability to target known problem areas. However, CORs using periodic surveillance should ensure all PWS services, SS and non-SS items, are sufficiently sampled to validate contractor conformity.

6.8.1.4.1. Monthly/quarterly scheduling of COR periodic surveillance require CORs to plan a specific number of surveillances for each service during a scheduled surveillance period rather than scheduling a specific date and time of surveillance. Periodic surveillance can be accomplished concurrently while the contractor is performing a service or after a service is completed.

6.8.1.4.2. With contracts requiring higher-level quality requirements, it is critical to assess key contractor processes rather than just completed services. When scheduling periodic surveillance CORs should ensure a sufficient number of "in-process" periodic inspections are scheduled during each surveillance period where CORs are observing services as they are performed. For contracts containing standard inspection requirements as identified in FAR 46.202-3, surveillance of "completed" services is preferable IAW PBSA principles.

## 6.8.2. Scheduling and Reporting COR Surveillance.

6.8.2.1. Determining COR Surveillance Schedule. Depending upon the PWS service requirements, the MFT determines if an overall monthly or quarterly surveillance is

warranted. For contracts with higher-level quality requirements and/or numerous SS items, MFTs should strongly consider a monthly surveillance schedule. However, SS thresholds and surveillance sample size may determine the inspection cycle for each SS item. For example, if a SS performance objective's performance threshold is 95 percent, which requires a minimum of 20 COR surveillances, and the SS performance objective is a service accomplished ten times a month, then a quarterly surveillance cycle is suggested. In order to determine the overall COR surveillance schedule, if more than half of the SS items require a monthly surveillance cycle, then contract surveillance should require CORs to build a monthly surveillance schedule that would include quarterly cycle SS items evenly divided in each of the next three month surveillance schedules. For FAR Part 12 commercial services contracts, and/or contracts with a standard inspection of services clause, and/or SS items, a quarterly inspection schedule may be warranted.

6.8.2.1.1. Prior to executing a monthly/quarterly surveillance schedule, CORs coordinate the schedule through the PM/FSM and CO NLT than the duty day before the schedule surveillance period begins. Document the PM/FSM and CO coordination. Mark surveillance schedules "For Official Use Only."

6.8.2.2. Surveillance of Non-SS items. The inspection schedule shall be comprised of at least ten percent of non-SS items, but no more than twenty percent. Monthly schedule format is determined by the COR, PM/FSM, and CO.

6.8.2.3. Surveillance Reporting. Based upon the surveillance schedule, CORs will coordinate and submit a monthly or quarterly surveillance report of all scheduled surveillance through the PM or FSM and submit to the CO NLT the 5<sup>th</sup> work day of the month following the scheduled surveillance. Monthly/quarterly surveillance report format is determined by the COR, PM/FSM, and CO. Document PM/FSM and CO coordination.

6.8.2.3.1. Document each scheduled COR inspection on a locally devised COR surveillance form. After completing surveillance, CORs request a contractor representative to initial the completed form in order to ensure the contractor is aware the surveillance took place and was made aware of any noted defects in the surveilled service.

6.8.2.3.2. At the end of each surveillance period, if the contractor does not meet a SS performance threshold or other PWS or QMS derived standard, CORs may draft CARs for addressing areas of contractual non-conformity and forward to PM/FSM and CO for review. Contractor responses to CARs require identification of root cause, corrective action, follow-up actions, and get-well date. In order to manage corrective action suspenses and subsequent contractor responses, ensure CORs establish a tracking system for corrective actions that includes date COR submitted CAR to PM/FSM, date reviewed by PM/FSM, date reviewed by CO, date issued by CO, contractor's identified root cause, proposed corrective action, contractor follow-up actions, and get-well date.

6.8.2.3.3. Identify any scheduled inspections not accomplished during a surveillance period in the monthly surveillance report as not completed and why the surveillance was not completed.

## **6.9. Quality Assurance Surveillance Plan (QASP).**

6.9.1. Purpose of QASP. The purpose of a QASP is to provide a planned process for surveilling the contractor's actual performance and comparing that performance against the contractual requirements to determine conformity with the technical requirements of the contract. The QASP identifies and describes the roles and responsibilities for implementing and maintaining the following key elements of contract performance management:

- 6.9.1.1. Performance Planning & Preparation.
- 6.9.1.2. Performance Assessment Surveillance.
- 6.9.1.3. Performance Results Analysis and Reporting.
- 6.9.1.4. Performance Assessment Follow-up.

6.9.2. Identify Contract Surveillance Requirements in the QASP. QASP surveillance is based on the minimum surveillance necessary to assess effective and efficient contractor compliance to PWS requirements. Surveillance methods of one hundred percent inspection, customer complaint, audit reviews, and/or periodic inspection are based on service contract type and PWS requirements. The use of an Award Fee/Incentive Plan (as applicable) may be used in lieu of a QASP for acquisitions greater than \$100M.

6.9.3. Surveillance Scheduling. If scheduled monthly/quarterly surveillance requirements cannot be met, CORs include an explanation in the monthly/quarterly surveillance report for each missed item. In such cases, a statement from the PM/FSM and QAPC/ACO approval for the variance is required.

## **6.10. Actions to Address Substandard Services and Contractual Non-Conformities.**

6.10.1. Classifying Contractual Non-Conformities. According to FAR 46.101, there are three levels of contractual non-conformance: minor, major, and critical. CORs, FSMs and COs, when identifying the appropriate corrective action should first review the QASP to determine how the nonconformance will be characterized and what appropriate actions are required.

6.10.2. Corrective Actions Available to the Government. The types of corrective actions available to the government for contractor services not meeting contract requirements are prescribed in FAR 52.246. Examples available to the government range from re-performance of a service, requiring the contractor to develop plans to ensure future contractual conformity, and financial withholding, however, this list is not all inclusive. In the most egregious instances of contractual non-conformity, COs may pursue cure notices and show cause notices. Note: A contractor not meeting a SS performance threshold during the prescribed performance period is considered a contractual non-conformity; however, failure of a single surveillance, in most instances, is not considered a contractual non-conformity but a rather a failure to meet contract performance requirements (i.e., standards, performance thresholds, etc).

6.10.3. Re-performance of services. Under the PBSA concepts and FAR 46.407(b), ordinarily the first corrective action required of an individual service not meeting contract requirements is the re-accomplishment of the service at no charge to the government. COR documentation of the services not meeting contract requirements denotes the contractor has to re-perform the service. However, upon advice of the technical/functional activity and the nature of the service, the CO may pursue other options.

6.10.4. **Monitoring Plans to Ensure Conformity of Future Performance.** In some instances it is not possible for the contractor to re-perform a service. According to the Inspection of Services clauses, the government can require the contractor to take necessary actions to ensure future performance of a service meets contract requirements. In such instances, the CO should require the contractor to develop a plan that ensures future performance of that service meets contractual requirements. In addition, the CO may seek consideration for any services not provided or that do not otherwise meet contractual requirements. Typically, re-performance applies to a single performed service but can apply for a series of services covered under a SS performance objective over a monthly or quarterly performance period.

6.10.5. **Corrective Action Requests (CARs).** Once a monthly/quarterly surveillance report is complete, if a COR/C-COR identifies a SS performance objective that does not conform to the applicable performance threshold, the COR/C-COR may draft a CAR for addressing areas of contractual non-conformity and forward to PM/FSM and CO for review. The CO makes a determination to issue the CAR to the contractor. The COR identifies if the non-conformity is a minor, major, or critical non-conformity. CARs require the contractor to identify the non-conformity's root cause, a reasonable permanent corrective action, and a reasonable "get-well" date. The CO, in consultation with the PM/FSM and COR assesses the contractor's response for adequacy. Note: All PWS requirements are subject to surveillance; therefore, CARs are not limited to SS performance objectives and may apply to non-SS items in instances threatening mission accomplishment. Note: Technical/functional support experts such as program managers or MAJCOM/DRU or base-level subject matter experts may be used to validate the technical/contractual/legal merits of the non-conformity and the adequacy of the contractor's "get-well" plan. An illustration of the process of addressing contractual non-conformities is shown in Figure 6.8. Once a contractor fails to meet a SS standard, the COR does not need to wait until the end of the performance period to draft a CAR.

6.10.6. **Liquidated Damages.** Liquidated damages are used to compensate the Government for probable damages. Liquidated damages are not punitive or negative but are a method to incentivize the contractor to maintain a satisfactory level of performance. It is used to compensate the Government for harm caused due to the contractor's late delivery or untimely performance.

6.10.7. **Cure Notices.** Persistently unresolved mission critical non-conformities may result in a cure notice. Cure notices are provided by the CO and is a tool to give contractor an opportunity to resolve mission threatening non-conformities within a specified amount of time.

6.10.8. **Show Cause Notices.** A show cause notice provides a contractor a final opportunity to present evidence that continuing non-conformities were beyond their control. Show cause notices should only be issued when other attempts to resolve performance problems have not been successful. If a contractor fails to provide sufficient evidence or satisfactorily respond to a show cause notice, the government may pursue termination as a resolution.

**Chapter 7**

**RESERVED**

This chapter is reserved for future implementation of an AF services acquisition training and certification program.

**Chapter 8****RESERVED**

This chapter is reserved for future implementation of an AF Installation and Mission Support (AFIMSC) directives and processes.

Darlene Costello  
Assistant Secretary of the Air Force  
(Acquisition)

**Attachment 1****GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

*AF Contractor Performance Assessment Reporting System (CPARS) Guide*, Dec 2015

AFI 38-203, *Commercial Activities Program*, 20 Jun 2008

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DoDI 1100.22, *Policies and Procedures for Determining Workforce Mix*, 12 April 2010

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DoDI 5000.72, *DoD Standard for Contracting Officer's Representative (COR) Certification*, 26 Mar 2015

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DoDD 5100.03 *Support of the Headquarters of Combatant and Subordinate Unified Commands*, 09 Feb 2011

OMB Circular A-76, *Performance of Commercial Activities*, 29 May 2003

***Adopted Forms***

AF Form 847, *Recommendation for Change of Publication*

***Abbreviations and Acronyms***

**A&AS**—Advisory and Assistance Services

**ACAT**—Acquisition Category

**A&E**—Architect and Engineering

**AER**—Annual Execution Review

**AF**—(U.S.) Air Force

**AFFARS**—AF Federal Acquisition Regulation Supplement

**AFI**—Air Force Instruction

**AFMC**—Air Force Materiel Command

**AO**—Assessing Official

**AOR**—Assessing Official Representative

**AFPD**—Air Force Policy Directive

**AFRIMS**—Air Force Records Information System  
**AFSPC**—AF Space Command  
**ASP**—Acquisition Strategy Panel  
**ASR**—Acquisition Strategy Review  
**CA**—Executive Director  
**CAR**—Corrective Action Report  
**CLIN**—Contract Line Item Number  
**C-COR**—Chief, Contracting Officer’s Representative  
**COR**—Contracting Officer’s Representative  
**CM**—Combat and Mission Support  
**CPARS**—Contractor Performance Assessment Reporting System  
**CSAF**—Chief Of Staff, United States AF  
**DFARS**—Defense Federal Acquisition Regulation Supplement  
**DOD**—Department Of Defense  
**DODI**—Department Of Defense Instruction  
**DRU**—Direct Reporting Unit  
**ESIS**—Early Strategy and Issues Session  
**FAR**—Federal Acquisition Regulation  
**FDO**—Fee Determining Official  
**FFRDC**—Federally Funded Research Development Center  
**FMS**—Foreign Military Sales  
**FOA**—Field Operating Agency  
**FPDS-NG**—Federal Procurement Data System-Next Generation  
**FSM**—Functional Services Manager  
**GO/SES**—General Officer/Senior Executive Service  
**HAF**—Headquarters AF  
**HoS**—Health of Services  
**IDIQ**—Indefinite Delivery, Indefinite Quantity  
**IT**—Information Technology  
**LOC**—Letter of Concern  
**MAC**—Multiple-Award Contract  
**MAIS**—Major Automated Information Systems



**MAJCOM**—Major Command  
**MDA**—Milestone Decision Authority  
**MDAP**—Major Defense Acquisition Program  
**MFT**—Multi-Functional Team  
**MIPR**—Military Interdepartmental Purchase Request  
**MOA**—Memorandum of Agreement  
**OSD**—Office of the Secretary of Defense  
**PBSA**—Performance Based Service Acquisition  
**PCO**—Procuring Contracting Officer  
**PEO**—Program Executive Officer  
**POM**—Program Objective Memorandum  
**PM**—Program Manager  
**PSC**—Product Service Code  
**PWS**—Performance Work Statement  
**QAPC**—Quality Assurance Program Coordinator  
**QASP**—Quality Assurance Surveillance Plan  
**RAA**—Requirement Approval Authority  
**RAD**—Requirement Approval Document  
**RDS**—Records Disposition Schedule  
**SA**—Service Advocate  
**SAE**—Service Acquisition Executive  
**SAT**—Simplified Acquisition Threshold  
**SB**—Small Business  
**S-CAT**—Service Category  
**SDO**—Services Designated Official  
**SECAF**—Secretary of the AF  
**SII**—Special Interest Item  
**SMA**—Service Management Agreement  
**SML**—Services Master List  
**SMT**—Strategic Management Tool  
**SRG**—Services Review Group  
**SSM**—Senior Services Manager

**SSA**—Source Selection Authority

**SSRR**—Support Services Requirements Review

**WS**—Weapon System

### *Terms*

**Contractual non-conformity**—contractual non-conformity occurs when either a service summary item does not meet the required performance threshold during the monthly/quarterly performance period, or, a contract service when not meeting contract requirements is of a critical enough nature to threaten the mission of the functional area, AF assets, and/or the general public.

**Functional area**—the organization having responsibility for the actual performance of a given service whether it is performed in-house or by contract. For example, the transportation organization has responsibility for packing and crating; the civil engineering organization has responsibility for custodial services and family housing maintenance (extracted from AFM 64-108).

**On-ramp**—contract provisions that provide the government the flexibility to assess the status of the contractor pool for multiple award IFIQ contracts and make adjustments as necessary to ensure an optimal mix of premier contractors is maintained in order to facilitate effective competition on orders. On-ramps allow new contractors to be added to the contractor pool during the term of the IDIQ.

**Performance objective**—outcomes identified from the performance work statement (PWS) and are associated with successful contract performance in a specific area. This is a critical success factor in achieving the organization's mission, vision and strategy which, if not achieved, would likely result in a significant decrease in customer satisfaction or risk mission failure. Obtaining multi-services/sub-services performed at a certain measurable standard and consistently ensures success in achieving the objectives critical to the mission.

**Performance plan**—prescribes the objective in having the services, the goals of the MFT members and their roles and responsibilities (to include the contractor performing the service), and how the MFT will assess contractor performance and manage the contract to obtain efficiencies, improved performance, and cost savings throughout its life cycle.

**Performance threshold**—the minimum performance level of a performance objective required by the government.

**Portfolio management**—service acquisition portfolio management is an approach to achieving strategic goals by: selecting, prioritizing, assessing, managing and reporting on the scope, service category, and contract value and type of outsourced projects, programs, and other related work based on their alignment and contribution to the organization's mission and associated strategic goals and objectives.

**Quality Assurance Program Coordinator (QAPC—)**—individual responsible for the coordination and management of the performance management assessment program/ quality assurance program.

**Quality Management System**—a commercially viable quality system meeting the intent of far 46.202-4 and the quality requirements of the functional/technical activity requiring the contracted services.

**Quality Control Plan**—the part of contractor’s QMS that meets the “detection” function requirement of the QMS and defines the type, number, AQLS, and frequency of quality assurance/control inspections planned by the contractor to meet the quality requirements of the AF as identified by the functional/technical activity requiring the contracted services.

**Quality Assurance Surveillance Plan (QASP)**—The document government personnel use to assess contractor performance (see FAR 46.401, DFARS 246.401, DFARS 237.172), formerly known as the performance plan. The use of an award fee/incentive plan (as applicable) may be used in lieu of a QASP for large acquisitions greater than \$100M.

**Requirements Approval Authority (RAA)**—RAA is the senior official responsible for identifying, assessing, reviewing and validating by approving requirements within his/her delegation as identified in table 3.1.

**Services designated official (SDO)**—see paragraph 2.1.3.

**Services management agreement (SMA)**—agreement executed between responsible MAJCOM/DRU/HAF/PEO organizational leadership, and/or executing organization and the SSM, delineating the expectations, responsibilities, and delegations within the relationship.

**Services summary (SS)**— a summary of the performance objective and performance threshold required by the government in contractor performance. A SS is also referred to as a performance requirements summary (PRS), a services delivery summary (SDS) or a performance requirements document (PRD).

**Structure**—as used in tables 2.1 and 3.1 describes the organizational construct under which approval authorities are determined by S-CAT.