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NAVAL FACILITIES ENGINEERING COMMAND
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IN REPLY REFER TO

18 May 2004

AM 04-04

From: Commander, Naval Facilities Engineering Command

Subj: MANAGEMENT AND OVERSIGHT PROCESS FOR THE ACQUISITION OF SERVICES (MOPAS) / NON-PERFORMANCE-BASED-ACQUISITION APPROVALS (REVISION 2)

Ref: (a) DFARS 237.170-3
(b) NMCARS 5237.170-3

Encl: (1) DASN (ACQ) memorandum of March 10, 2003; Subj: Acquisition of Services
(2) USD (AT&L) memorandum of May 31, 2002; Subj: Acquisition of Services
(3) NMCARS 5237.503 Agency-Head responsibilities

Attachment A: Acquisition Strategy Content

Attachment B: Review/Approval Thresholds for DoN MOPAS

1. Enclosures (1), (2) and (3) establish Agency, Department of Navy (DoN) and Department of Defense (DoD) policy implementation of Section 801(d) of the Defense Authorization Act for FY02, P.L. 107-107. These enclosures require prior approval by designated officials, for the acquisitions of services. The definition of "service" means a requirement to perform an identifiable task, or tasks, rather than to furnish an end item of supply where the authority to contract for this is provided in Part 37, Service Contracting. Service acquisitions include the execution of any instrument to acquire services, including new contracts, task orders, or fund transfers. *To the extent that appropriate reviews and approvals have been obtained for RDT&E, duplicate documentation under MOPAS is not required for Part 35, Research and Development Contracting; Part 36, Construction and Architect-Engineer Contracts; Part 41, Acquisition of Utility Services; and contracts resulting from utility privatization efforts.* References (a) and (b) implement 10 U.S.C. 2330. These references apply to the acquisition of services that are not performance based, or that are awarded by an agency other than DoD.

2. It is the intent of DoD to move toward a more strategic and integrated approach to the acquisition of services, and to ensure that service acquisitions provide the highest quality of support. Each DoD Component is required to establish a review process that provides for consistent review and approval of service acquisitions. The review process must provide for the following: the creation of an Acquisition Strategy, the establishment of Metrics, and a method for Data Collection. Data collection will be performed through the use of the DD-350 system. Toward that end, the Navy is implementing the Management and Oversight Process for the Acquisition of Services (MOPAS). MOPAS has been established to ensure that service acquisitions utilize performance-based requirements to the maximum extent practicable; are properly planned and administered; and that the outcomes of those acquisitions are identifiable and measurable. MOPAS applies to the

acquisition of all services in excess of the simplified acquisition threshold except those acquisitions for major and non-major defense acquisition programs and major and non-major information technology acquisition programs managed and reviewed under DoD/DoN 5000 series documents.

3. MOPAS establishes oversight requirements in three general areas: development and approval of acquisition strategies, initial data reporting, and progress reporting. The Requiring Activity or Business Line, in conjunction with Acquisition, will prepare an Acquisition Strategy containing the information required by Attachment A. Acquisition Strategies must be forwarded for review and approval prior to initiating any action to commit the Navy to such strategy. The Acquisition Strategy should include cost, schedule, and performance metrics that measure service acquisition outcomes against requirements. The metrics being developed to measure efficiency, effectiveness, and cycle time for processes within the Business Line should satisfy the cost, schedule, and performance metrics required under MOPAS. As such, Requiring Activities and/or the Business Line should reference these existing metrics when developing Acquisition Strategies.

4. The Acquisition Strategy will be submitted to the Decision Authority for approval. Decision Authorities are set forth under Attachment B of this document. When significant changes occur, the Acquisition Strategy must be updated and re-submitted to the Decision Authority. Acquisition Strategies are required in addition to the FAR requirements for formal Acquisition Plans for certain procurements. Global Acquisition Strategies may be written for basic contracts to encompass future individual actions (e.g. task orders).

5. In addition to the MOPAS requirements for the approval of Acquisition Strategies, references (a) and (b) also require review and approval of any non-performance based service acquisition, or of any acquisition of services that is awarded by an agency other than DoD. The term “performance-based” with respect to a contract or a task order means that the contract or task order includes the use of performance work statements that set forth requirements in clear, specific, and objective terms with measurable outcomes. The following sets forth the non-delegable approval levels for the acquisition of services that are not performance based:

<u>Planned Dollar Value</u>	<u>Review</u>	<u>Approval Authority</u>
\$500M - \$ 1 B	HCA/Dir of ACQ	ASN (RDA)
\$ 50 M - \$500 M	HCA/Dir of ACQ	DASN (ACQ)
\$ 30 M – \$ 50 M	EFD CO/CCO	HCA/Dir of ACQ
\$ 5 M – \$ 30 M	EFD CCO	EFD CO
\$100 K - \$ 5 M	PCO	EFD/EFA/NFI/NCC/CCO

6. For the acquisition of services through a contract or task order that is awarded by an agency other than DoD, the approval of a D&F under the Economy Act by the appropriate official set forth above will meet the requirements for the approvals required by references (b) and (c).

7. MOPAS acquisition strategy, approval and reporting requirements shall be a special focus area during the Performance Management and Assistance Program (PMAP) or site visits. NAVFAC Performance Management Program Group point of contacts on this issue are Ms. Wendy Warren, telephone (843) 743-7864 and Ms. Nancy Trent, telephone (805) 982-2841.


LOUISE F. SLATES
By direction

Attachment A

Acquisition Strategy Content

The acquisition strategy shall address the following:

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

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

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

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

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

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

Leases. The acquisition strategy will include a lease-purchase analysis if required by OMB Circular A-94, Section 13.

Attachment B

NAVFAC Review/Approval Thresholds

Acquisition Strategic Decision Authority

Total Planned Dollar Value	Requirements Review	Acquisition Strategy Review	Decision Authority
AT&L Special Interest	Major Claimant	ASN (RDA)	USD (AT&L)
More than \$1 Billion or ASN (RDA) Special Interest	Major Claimant	HCA	ASN (RDA)
Between \$500 Million and \$1 Billion	Requiring Activity	HCA	DASN (ACQ)
Between \$100 Million and \$500 Million	Requiring Activity	EFD CO/CCO	HCA/Dir of ACQ
Between \$30 Million and \$100 Million	Requiring Activity	PCO	EFD CO/CCO
Between \$10 Million and \$30 Million	Requiring Activity	PCO	Level III PCO
Between \$1 Million and \$10 Million	Requiring Activity	PCO	Level II PCO
Less than \$1 Million > 100 K	Requiring Activity	PCO	Level I PCO