DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
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MEMORANDUM FOR DISTRIBUTION

Subj: ACQUISITION OF SERVICES

Ref: (a) National Defense Authorization Act for Fiscal Year 2002, Pub. L. 107-107, Section 801(d)
(b) USD(AT&L) memorandum of May 31, 2002

Encl: (1) Department of the Navy (DoN) Management Oversight Process for Acquisition of Services (MOPAS)

Acquisition of services is increasingly important in allowing the Department to meet its mission. To capitalize on this demand, services should be acquired as strategically and efficiently as practicable. Reference (a) required the Secretary of Defense to establish a management oversight process for the acquisition of services that is comparable to the process for the acquisition of hardware.

By reference (b), USD(AT&L) provided the Military Services and Defense Agencies guidelines to establish management oversight processes most effective within their organizational structure. The USD(AT&L) guidance clarifies that service acquisition is broader than contracting for services. It includes execution of one or multiple contracts, orders or other instruments for committing or obligating funds to acquire services that meet a specified requirement.

Enclosure (1), the DoN implementation of references (a) and (b), is effective immediately. It builds on the existing acquisition management structure and contains tiered approval levels based on the estimated total value of the service acquisition.

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Department of the Navy (DoN) Management and Oversight Process For the Acquisition of Services (MOPAS)

APPLICABILITY:

This document establishes the DoN process for oversight and management of the acquisition of services. This MOPAS will ensure that service acquisitions are of the highest quality and support DoN objectives; are, to the maximum extent practicable, based on clear, performance-based requirements and that required outcomes are identified and measurable; and are properly planned and administered to achieve the intended results.

This MOPAS implements the requirements of Section 801(d) of the National Defense Authorization Act for Fiscal Year 2002, Pub. L. 107-107, and USD(AT&L) guidance of May 31, 2002 (attachment 1).

This MOPAS does not apply to 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.

This MOPAS applies to all DoN organizations and activities.

DEFINITIONS

For purposes of this MOPAS:

"Decision Authority" means the official with review and approval responsibility as designated in paragraph 5.0 of attachment 1.

"Service" means a requirement to perform an identifiable task, or tasks, rather than to furnish an end item of supply.

"Service Acquisition" means the execution of one or multiple contracts or other instruments for committing or obligating funds (e.g., funds transfer, placing orders under existing contracts, etc.) to acquire services that meet a specified requirement. Acquisition begins at the point when agency needs are established and includes all functions directly related to the process of fulfilling agency needs by contract, agreements, funds transfer, etc.

"Total planned dollar value" means the total value of an acquisition based on the value of the total planned requirement, including options, contingencies, fund transfers, provisioning, etc.

RESPONSIBILITY

Oversight of service acquisitions within DoN is the shared responsibility of requiring activities, contracting activities and the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RDA)). This MOPAS is based on existing DoN acquisition oversight structure with review and approval levels based on total planned dollar value.

Requiring activities, in conjunction with supporting contracting activities, will prepare an Acquisition Strategy containing the information required by attachment A to USD(AT&L) policy guidance on the acquisition of services (see USD(AT&L) memorandum of May 31, 2002) for the Decision Authority review. Acquisition strategies shall be up-dated and submitted to the Decision Authority for review when significant changes occur. Contracting activities shall ensure that Federal socio-economic programs are given proper consideration.

REVIEW AND APPROVAL THRESHOLDS

USD(AT&L) will review and approve service acquisitions identified by USD(AT&L) as Special Interest, regardless of the purpose or total planned dollar value. Acquisition strategies for USD(AT&L) approval shall be submitted via the ASN(RDA).

ASD(C^3I) will review and approve Information Technology (IT) service acquisitions in accordance with the Major Automated Information Systems thresholds in DoD 5000 series documents and any IT service acquisition identified by ASD(C^3I) as being of special interest.

ASN(RDA) will review service acquisitions designated as Special Interest by USD(AT&L) and will review and approve service acquisitions with a total planned dollar value of $1 billion or more as well as service acquisitions identified by ASN(RDA) as Special Interest. The Deputy Assistant Secretary for Acquisition Management (DASN(ACQ)) will review service acquisitions requiring USD(AT&L) or ASN(RDA) approval and will

review and approve non-IT service acquisitions with a total planned dollar value between $500 million and $1 billion.

The DASN(C4I/Space) will review IT service acquisitions requiring ASD(C^3I) approval and ASN(RDA) IT special interest acquisitions. Acquisition strategies with a total planned dollar value over $500 million or designated ASN(RDA) special interest acquisitions shall be forwarded for ASN(RDA) review via DASN(ACQ).

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Program Executive Officers, Direct Reporting Program Managers and/or Heads of the Contracting Activity will review service acquisitions under their cognizance requiring USD(AT&L), ASN(RDA) or DASN(ACQ) approval and will review and approve service acquisitions with total planned dollar value below $500 million.

For service acquisitions identified by activities outside of the acquisition commands, the Head of the DoN Contracting Activity normally providing contract support to the requiring activity will review and approve service acquisitions with a total planned dollar value below $500 million.

Approval authority for service acquisitions below $500 million is delegable, but, for acquisitions with a total planned dollar value over $100 million, limited to Flag or General Officers, members of the Senior Executive Service, or Commanding Officers.

Thresholds are summarized in TABLE 1: Review/Approval Thresholds, DoN MOPAS.

REVIEW PROCEDURES

An Acquisition Strategy for service acquisitions meeting the review thresholds above will be forwarded for review and approval prior to initiating any action to commit the Government to such strategy. Acquisition strategies requiring USD(AT&L), ASN(RDA) or DASN(ACQ) review and approval will be submitted via DASN(ACQ). IT service acquisitions for ASD(C^3I) approval will be submitted via DASN(C^4I/Space).

For acquisition strategies requiring USD(AT&L) or ASD(C^3I) review and approval, within 10 working days of receipt of the acquisition strategy, USD(AT&L) or ASD(C^3I) will provide ASN(RDA) a determination whether to conduct review of the acquisition strategy. If review is conducted, it will be completed within

30 working days of the determination. If the determination to conduct review is not made within 10 working days of receipt, the acquisition may proceed.

Program Executive Officers/Direct Reporting Program Managers/Heads of Contracting Activities will establish review procedures commensurate with the review process above.

OUTCOMES

This review process will ensure that acquisition of services within DoN are strategic in nature, represent sound business practices and comply with applicable laws, regulations, directives and other requirements.

METRICS

The preferred acquisition strategy is performance based. The acquisition strategy should include cost, schedule and performance metrics that measure service acquisition outcomes against requirements. Decision authorities will approve metrics for service acquisitions as part of their review and approval of the acquisition strategy. If metrics are not submitted with the acquisition strategy, the metrics must be submitted for decision authority approval prior to execution of any business instrument that initiates the acquisition. The timelines for USD(AT&L) or ASD(C^3I) metric review are identical to those for review of an acquisition strategy.

DATA COLLECTION

Acquisition strategies may be based on obligations and commitments under contract as well as obligations and commitments made outside of contracts.

The DD350 system reports information required by Attachment B to the USD(AT&L) guidance for DoD contract actions. The Federal Procurement Data System provides requisite report information for purchases accomplished by non-DoD contracting agencies to satisfy DoD requirements.

Requiring activities shall provide annual reports identifying Government contract actions under each acquisition strategy and addressing the report information required by Attachment B to

USD(AT&L) guidance for parts of the acquisition strategy not accomplished through government contract. Reports shall be submitted in Excel (or similar electronic spreadsheet format) to DASN(ACQ) for non-IT services or DASN(C^4I/Space) for IT services.

EXECUTION REVIEWS

Program progress toward meeting approved metrics will be continuously monitored within the requiring activity. Program progress reports will be submitted to the decision authority annually unless the decision authority has identified an alternate reporting schedule. More frequent progress reports shall be submitted in cases where demonstrated program progress is unsatisfactory.

TABLE 1:

Review/Approval Thresholds
DoN MOPAS

Service	Total Planned Dollar Value	Requirements Review	Acquisition Strategy Review	Decision Authority
Non-IT	AT&L Special Interest	Major Claimant	ASN(RDA)	USD(AT&L)
Non-IT	> $1 billion or ASN(RDA) Special Interest	Major Claimant	HCA	ASN(RDA)
Non-IT	Between $500 million and $1 billion	Requiring Activity	HCA	DASN(ACQ)
Non-IT	< $500 million	Requiring Activity	TBD by Decision Authority	PEO, DRPM or HCA
IT	ASD(C^3I) Special Interest	DASN (C^4I/Space)	ASN(RDA)	ASD(C^3I)
IT	> $500 million or ASN(RDA) Special Interest	DASN (C^4I/Space)	DASN(C^4I/Space) via DASN(ACQ)	ASD(C^3I) via ASN(RDA)
IT	$32 million any one year or $126 to $500 million in all years or ASD(C^3I) special interest	DASN (C^4I/Space)	DASN (C^4I/Space)	ASD(C^3I)