



DEPARTMENT OF THE NAVY  
COMMANDER NAVY RESERVE FORCE  
1915 FORRESTAL DRIVE  
NORFOLK VIRGINIA 23551-4615

COMNAVRESFORINST 4200.2D

N4

27 Apr 2022

COMNAVRESFOR INSTRUCTION 4200.2D

From: Commander, Navy Reserve Force

Subj: SERVICE REQUIREMENTS REVIEW BOARD

- Ref:
- (a) 10 U.S.C. § 2330
  - (b) DoD Instruction 5000.74
  - (c) SECNAV Memo "Department of the Navy Contractual Services Resourcing and Execution Process," of 11 Mar 14
  - (d) Joint Assistant Secretary of the Navy (ASN (RD&A)/ASN (FM&C)), Memorandum, "Contractual Services Guidance" dtd September 29, 2020
  - (e) CNO NAVADMIN 205/15, "Service Requirements Review Board Process," of 28 Aug 15
  - (f) Joint Assistant Secretary of the Navy (ASN RD&A)/ASN (FM&C), "Guidance for Identifying and Aligning Product Service Codes and Object Class Codes (PSC/OCC) in Procurement and Financial Systems for Contractual Services," of 23 Jul 15
  - (g) Navy Marine Corps Acquisition Regulation Supplement (NMCARS) part 5237.191, Service Requirements Review Board Reporting

- Encl:
- (1) Definitions
  - (2) Service Requirements Package
  - (3) Forms
  - (4) Criticality Code Assignment
  - (5) Contractual Services Requirements Tripwires
  - (6) Tripwire Reporting Template
  - (7) FYXX-FYXX Service Requirement Review Board Reporting Template
  - (8) Near-Term Obligation Template
  - (9) SRRB Decision Document

1. Purpose.

- a. To prescribe policy, responsibility, and procedures for acquisition of contractual services
- b. Major changes from previous instruction:

(1) Increases the Service Requirements Review Board (SRRB) threshold for contractual services (CS) requirements subject to the SRRB to \$1 million.

(2) Delegates the authority to authorize contractual services requirements with an acquisition value of up to \$10 million to the echelon 3 SRRB Chairman.

(3) Adds contractual services exceptions to the SRRB process.

(4) Updates the definitions for tripwire and acquisition value.

(5) Adjusts the annual SRRB actuals reporting to the DON Senior Services Manager for individual services requirements to \$1 million.

2. Background. References (a) and (b) provide the statutory basis for services acquisition requirement validation, management, and oversight. References (c) through (g) provide mandatory DoN contractual services (CS) policy. This instruction implements the policy and procedures of references (a) through (g) within Commander, Navy Reserve Force (COMNAVRESFOR) and subordinate commands.

3. Cancellation. COMNAVRESFORINST 4200.2C

4. Scope

a. This policy applies to CS requirements with an acquisition value of \$1 million or more, in support of COMNAVRESFOR and subordinate commands, including those that are funded by a Request for Contractual Procurement (NAVCOMPT 2276), Military Interdepartmental Purchase Request (MIPR), Fiscal Service Form 7600A, General Terms & Conditions (GT&C), project order, or any other method for obtaining contractor support. A service contract is a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. Examples of CS services include knowledge-based, electronic, communication, equipment-related, medical, facility-related, and transportation services. CS examples also include analysis support and recurring studies.

b. Acquisitions subject to this instruction include:

(1) All advisory and assistance services.

(2) All performance based logistics support services contracts that repair or modify equipment, and/or deliver logistics, engineering, or transportation services including contracts that are categorized as a “supply”.

(3) Operations and maintenance funded maintenance, repair, and demolition of equipment and existing land and structures.

(4) Ship and aircraft maintenance, overhaul, and repair.

(5) Delivery services incidental to a supply purchase.

(6) Help desk and customer service support incidental to equipment or off-the-shelf software purchases.

(7) Manufacturer's warranties beyond the standard manufacturer's warranty.

c. The following exceptions apply:

(1) Prime Engineering, Manufacturing and Development contracts for Acquisition Category (ACAT) programs.

(2) Research and Development (R&D) services and any services related to R&D (PSC Category "A").

(3) Construction services and any services related to construction as defined in Federal Acquisition Regulation (FAR) subpart 2.101 (PSC Category "C", "Y" or "Z2").

(4) Utilities services including heat, electricity, water, gas, sewage and other utility services (PSC Category "S1").

(5) Commercial subscription services including database and information systems, periodicals, publications and educational course subscriptions.

(6) Commercial software/licensing agreements and updates available as a commercial supply.

(7) Foreign Military Sales funded services.

(8) National Defense Sealift Funds executed on a direct and reimbursable basis.

(9) Leases of property (PSC Category "W" or "X").

(10) Fleet Environmental Program will use the Environmental Program Review web process to review, validate, prioritize and approve fleet environmental requirements.

(11) Services listed in FAR 37.502, to include services obtained under contracts with a total contract value below \$1 million and services of any value incidental to supply contracts.

(12) Services in direct support of a contingency, humanitarian or peacekeeping operation as defined in FAR 2.101. This exemption will apply to the response and initial deployment phase, but will terminate as soon as practical based on conditions on the ground and a determination by the decision authority.

(13) Services that are required to respond to and recover from an emergency or disaster directly supporting an emergency declaration or a major disaster declaration by the President. This exemption will apply to the response and initial recovery phase, but will terminate as soon as practical during the sustainment phase managing reconstruction and recovery efforts based on conditions on the ground and a determination by the decision authority.

(14) Services from Department of Defense (DoD) Federally Funded Research and Development Centers, which are acquired following the management structure described in FAR 35.017 and DoD Instruction (DoDI) 5000.77 and from DoD University Affiliated Research Centers (UARCs), which are acquired following the management structure described in the DoD UARC Management Plan.

(15) Transportation services for persons and things (PSC Category “V”).

(16) Performance-Based Logistics supply contracts.

(17) Procurement of supplies/commodities (e.g., equipment, information technology hardware (including warranties)).

## 5. Policy

a. A formal review of COMNAVRESFOR funded service requirements will be undertaken each fiscal year via the SRRB. The SRRB is the process to review, validate, prioritize, and approve services requirements across and down the entire force. SRRBs must be conducted at both the echelon 2 (COMNAVRESFOR) and echelon 3 (Commander Navy Reserve Forces Command [COMNAVRESFORCOM]), and Commander Naval Air Reserve Forces Command [COMNAVAIRFOR]), and include a review of all applicable service requirements, except those identified in paragraph 4c. Ad hoc SRRBs must also be convened to review any urgent/emergent requirements not previously identified. SRRB review and approval is required for all new and existing requirements, even if previously reviewed and approved by the SRRB Panel. SRRB approval is required prior to the issuance of funds or approval of the service requirement’s acquisition strategy per reference (d). The SRRB will:

(1) Be cross-functional, with representation from the requiring activity, contracting and financial management communities as they are available, and chaired by a Flag Officer (FO). For activities that do not have a FO assigned, contractual services requirements at or above \$1 million must be approved via a SRRB chaired by the first FO in the chain of command. Chairmanship of SRRBs for contractual services requirements below \$10M may be delegated in writing to the O-6 or GS-15 level. For any such delegation, the O-6 or GS-15 must provide an annual report of SRRB results to their first FO in the chain of command no later than the end of the fiscal year (FY).

(2) Strictly follow separation of functions. A single individual performs only one of the following functions:

(a) Initiation of the requirement

(b) Placement of order

(c) Receipt, inspection, and acceptance of supplies or services



(3) Justify the requirement, assign a criticality code (enclosure [4]), and approve an acquisition strategy.

(4) Consider mission need, workforce analysis/work functions (organic labor vs. contractor support services, inherently governmental functions, etc.), and any tripwire encroachments when rendering a decision (see enclosures [5] and [6]).

(5) Focus on ensuring the requirement is adequately defined, validated by a board, assessed based on anticipated contract spend and contractor level of effort, and afforded proper levels of contract oversight to include the assignment of adequately trained CORs.

b. In-lieu-of boards may also be conducted so long as they yield similar results, capture SRRB data, and are chaired by a FO, (chairmanship can be delegated to the O-6 or GS-15 level for contractual services requirements below \$10 million). In-lieu-of boards or processes can include the Mid-Year Review (MYR) and Unfunded Review (UFR) so long as the responsibilities and requirements of the SRRB detailed in this instruction apply (e.g. approval authorities, record keeping, reporting), and must meet the intent of reference (b) and reference (d).

c. SRRB Control Number. Each service requirement will have a unique number based on the following format: 'Command Name/Acronym', '-', 'Office Code', '-', next number in Command sequence. This SRRB Sequence numbering must be used to track the requirement throughout its lifecycle. Meaning, it must be repeated each fiscal year thereafter until the requirement is no longer required. Once a number is used, it cannot be repeated or used for another requirement in the future. See examples below:

(1) Echelon 2:

(a) CNRF-N2-01

(b) CNRF-N6-01

(2) Echelon 3:

(a) CNRFC-N7-01

(b) CNAFR-N4-01

d. Classified Requirements. Classified data will not be submitted to the SRRB, but must be captured and maintained in a secure environment consistent with its classification level and available upon request by appropriately cleared officials. Classified requirements will require the same reporting as outlined herein, but will be submitted in a secure environment consistent with its classification level. Following SRRB approval, the classified requirement will be submitted in accordance with CNRFINST 4200.35 Sensitive Activity and Intelligence-Related

Contracting (SAIRC) within the Navy Reserve Force, and SECNAVINST S4200.35A, Sensitive Activity and Intelligence-Related Contracting within the Department of the Navy.

6. SRRB Roles and Responsibilities

a. Echelon 2 SRRB will:

(1) Be conducted for all echelon 2 service requirements with an acquisition value above \$1 million.

(2) Act as the final decision for the prioritization of all requirements.

(3) Include all echelon 3 service requirements with an acquisition value at or above \$10 million.

(4) Be held no later than 1 October.

(5) Echelon 2 SRRB Panel Members.

(a) Chairman. The Chairman for the echelon 2 SRRB is the CNRF Deputy and will:

1. Have overall responsibility for management and execution oversight of all COMNAVRESFOR CS requirements.

2. Be responsible for the conduct of the board and is the final decision authority for approval/disapproval of service requirements and their prioritization.

3. Specify the level of participation deemed appropriate for a review.

4. Approve bridge contracts and sole source contracts >\$750,000.

(b) Executive Director. The Executive Director will:

1. Maintain oversight of COMNAVRESFOR contracts to ensure judiciousness and oversight, including compliance with the Procurement Integrity Act, Competition in Contracting Act (CICA), applicable Federal, Department of Defense (DoD), DoN Acquisition Regulations, and Joint Ethics Regulations.

2. Designate members of the SRRB

3. Ensure all SRRB members (echelon 2 & 3, to include delegated board members) complete and submit Office of Government Ethics (OGE) form 450/278e, as appropriate, annually, per reference (d).

(c) SRRB Panel Voting Members. Voting members of the SRRB shall consist of:

1. COMNAVRESFORCOM Chief of Staff (COS)
2. COMNAVAIRRESFOR Chief of Staff (COS)
3. N8 Comptroller
4. N1 Manpower
5. Office of Government Counsel
6. Others at the discretion of the Executive Director

(d) N4. The COMNAVRESFOR CSM for the echelon 2 SRRB is COMNAVRESFOR N4. The CSM will:

1. Facilitate the SRRB review of requirements.
2. Assist the SRRB Panel members by coordinating and administering SRRB data.
3. Serve as the primary POC for SRRB data submission.
4. Schedule SRRB meetings, prepare and notify SRRB Panel members of SRRB agenda, and compile service record/requirement data.
5. Capture meeting minutes, action items, key recommendations, findings, and track savings resulted from unneeded or low priority requirements that can be reduced or eliminated.
6. Manage, oversee, and advise senior leadership on all matters related to services acquisition.
7. Develop and oversee SRRB policy and procedures for CNRF.
8. Issue SID number that will allow for traceability of the requirement through the services acquisition lifecycle and an initial services record for the requirement.
9. Support development of acquisition strategies.

10. Use enclosure (7). FYXX-FYXX SRRB Summary Reporting Template to summarize all applicable service requirements.

11. Use enclosure (6). Tripwire Reporting Template to summarize tripwire encroachments. This form will apply to the reporting of tripwire encroachments that occur during the fiscal year (not previously reported).

12. Use enclosure (9), SRRB Decision Document, to summarize SRRB Chairman's final decisions and any related comments. Enclosure (9) serves as the document of record to show all of the reviewed items and the determination for each service requirement.

13. Submit all echelon 2 and echelon 3 SRRB compiled data and meeting minutes to the Deputy Assistant Secretary of the Navy for Acquisition and Procurement (DASN AP) in accordance with reference (d) using the template provided in enclosure (7) no later than 31 October each fiscal year.

b. Echelon 3 SRRB will:

- (1) Be conducted for all echelon 3 service requirements with an acquisition value above \$1 million.
- (2) Prioritize echelon 3 requirements.
- (3) Be held no later than 15 August.
- (4) Echelon 3 SRRB Panel Members.

(a) Chairman. The Chairman for the echelon 3 SRRB is the senior civilian (Executive Director) or O6/GS-15 as delegated per reference (d) of the echelon 3 Command. The Chairman will:

1. Be responsible for the conduct of the board.
2. Be the final decision authority for the approval/disapproval of service requirements and their prioritization prior to submission to the echelon 3 SRRB if applicable.
3. Specify the level of participation deemed appropriate for a review.

(b) SRRB Panel Voting Members. Voting members of the SRRB will consist of:

1. Echelon 3 COMNAVRESFORCOM/COMNAVAIRFOR Chief of Staff (COS) and COMNAVIFOR Deputy

2. N8 Comptroller
3. N1 Manpower
4. Office of Government Counsel
5. Others at the discretion of the Executive Director

(c) N4/N43. The CSM for the echelon 3 SRRB is designated/appointed by the echelon 3 senior civilian. For CNRFC the CSM is CNRFC N4B. For CNAFR the CSM is CNAFR N43. The CSMs will:

1. Facilitate the SRRB review of requirements .
2. Assist the SRRB Panel members by coordinating and administering SRRB data.
3. Serve as the primary POC for SRRB data submission.
4. Schedule SRRB meetings, prepare and notify SRRB Panel members of SRRB agenda, and compiling service record/requirement data.
5. Submit all required SRRB data to the CNRF CSM (or designated representative) by 1 September. All required SRRB data includes applicable reporting templates and documents for final decisions made during the echelon 3 SRRB (enclosures [6], [7], and [9]) as well as echelon 3 requirements at or above \$10 million for inclusion in the echelon 2 SRRB.
6. Comply with all applicable CS and SRRB policies.
7. Perform financial management functions (coordinated and reviewed with the CNRF comptroller).
8. Capture meeting minutes, action items, key recommendations, findings, and track savings resulted from unneeded or low priority requirements that can be reduced or eliminated.
9. Track spending against SRRB approved amounts.
10. Issue SID number that will allow for traceability of the requirement through the services acquisition lifecycle and an initial services record for the requirement.
11. Respond to CS financial data calls and drills.

12. Manage, oversee, and advise senior leadership on all matters related to services acquisition.

13. Verify CS requirements and documentation.

14. Establish and oversee process for make versus buy decisions.

15. Provide services acquisition guidance, knowledge, and experience.

16. Coordinate and ensure completeness of procurement request packages.

17. Verify appropriate head of contracting activity (HCA) is executing procurement.

18. Conduct COR and command training.

19. Track COR nominations, and maintain training records.

20. Prepare and maintain copies of all government sponsor nomination letters.

21. Maintain records of all contractor common access card (CAC) and building access issuance.

22. Coordinate and compile quarterly contractor verification.

23. Support development of acquisition strategies.

24. Research strategic sourcing options.

25. Review the procurement package prior to forwarding to HCA to provide advice and guidance to the requiring office as needed to assemble a quality procurement package, to ensure all required elements are included, and to ensure the requirement is adequately described.

26. Initiate review of new or emergent requirements that have not received prior SRRB approval.

27. Document the results (e.g. services record data) of the SRRB, or in-lieu-of board conducted.



28. Use enclosure (7). FYXX-FYXX SRRB Summary Reporting Template to summarize all applicable service requirements.

29. Use enclosure (6). Tripwire Reporting Template to summarize tripwire encroachments. This form will apply to the reporting of tripwire encroachments that occur during the fiscal year (not previously reported).

30. Use enclosure (9), SRRB Decision Document, to summarize SRRB Chairman's final decisions and any related comments. Enclosure (9) serves as the document of record to show all of the reviewed items and the determination for each service requirement.

c. Requirement Owners. The requiring activity is responsible for identifying and defining requirements within the mission of the agency. Requirements owners shall:

- (1) Notify the CSM of the need for a separate SRRB to review classified requirements
- (2) Prepare and/or gather all required information to comply with the data reporting requirements contained within enclosures (6) through (8) of this instruction
- (3) Participate and/or provide Command leadership with information necessary to explain and justify the requirement to the SRRB
- (4) Obtain validation and approval of the requirement through the SRRB process
- (5) Comply with the recommendations made by the SRRB, and include evidence of SRRB approval with procurement request package when submitting to Funds Control Personnel for approval
- (6) Participate in the evaluation of proposals
- (7) Provide personnel as needed to support and oversee the procurement and execution of the service through to completion
- (8) Prepare the service requirements package (see enclosure [2])
- (9) Complete the Near-Term Obligation Template, enclosure (8), and forward to the COMNAVRESFOR CSM, for all funding documents that exceed the fiscal year approved amount, or for all purchase requests that are not an authorized requirement on the final/approved SRRB Reporting Template.
- (10) Report tripwire encroachments to the CSM as they occur, explain the reason in detail, including whether the cause is systemic, specific to a certain set of circumstances, or a one-time occurrence in accordance with the prescribed format outlined in enclosure (6).

d. N8 Fund Control Personnel. Fund Control Personnel will:

(1) Only approve funding documents for the procurement of contractual services with SRRB approval. The SRRB Control Number or SID must be annotated in the text field of the funding document (i.e., SRRB Control Number = XXXX).

(2) Validate SRRB approval, as well as, ensure the funding document does not exceed the fiscal year approved amount on the final/approved SRRB Reporting Template (published by the CNRF CSM) by more than 5 percent, prior to approving funding documents for services requirements with an acquisition value of \$1 million or more.

(3) Notify the requirements owner and the CNRF CSM to prompt the required review if the funding document amount is more than 5 percent over the requirement's fiscal year approved amount, or, if the purchase request is not an authorized requirement on the final/approved SRRB Reporting Template.

(4) Ensure the Product Service Code (PSC)/Object Class Code (OCC) used on the corresponding funding documents aligns with the requirement's PSC/OCC identified on the final SRRB reporting template.

e. Contracting Officer Representatives (COR). CORs play a critical role in the outcome of the contract administration process. CORs are nominated by the requiring office (this may be the COR's supervisor) and submitted to the Contracting Officer via the Joint Appointment Module (JAM) for appointment. CORs will:

(1) Function as the eyes and ears of the Contracting Officer.

(2) Monitor contractor's technical performance and reporting any potential or actual problems to the Contracting Officer.

(3) Be nominated from the requiring organization prior to procurement package submission.

(4) Complete all required training.

(5) Have sufficient time to devote to their COR responsibilities.

(6) Avoid conflicts of interest.

(7) Report contractor performance at least annually or at the end of the period of performance. This can be completed in the Contractor Performance Assessment Reporting System (CPARS), or via the COR Functional Review and COR Performance Report.

f. Legal and N1 Manpower Representatives will:

(1) Support determinations of functions, to include inherently governmental, or closely associated with inherently governmental.

(2) Advise panel members as required

g. All SRRB board members throughout the CNRF Enterprise, to include delegated board members, are required to complete and submit OGE Form 450 Confidential Financial Disclosure Report Executive Branch or OGE Form 278e Executive Branch Personnel Public Financial Disclosure Report, as appropriate, annually (enclosure [3])

9. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy manual 5210.1.

10. Review and Effective Date. Per OPNAVINST 5215.17A, this instruction will be reviewed annually around the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40. This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.



J. A. SCHOMMER  
Deputy Commander

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via Department of the Navy Issuances Web site, COMNAVRESFOR Web site, <http://navyreserve.navy.mil>

### **Definitions**

**Acquisition Strategy (AS)**: AS is a top-level description prepared by the Requiring Activity, in sufficient detail to allow senior leadership and the Decision Authority to assess whether the strategy makes good business sense, effectively implements laws and policies, and reflects management's priorities. Once approved by the Decision Authority, the AS provides a basis for more detailed planning. The AS is not the same as the acquisition plan (AP). An AP is prepared by the Contracting Officer and formally documents the specific actions necessary to execute the approach delineated in the approved Acquisition Strategy.

**Acquisition Value**: The total price or total estimated cost of the contract, or task orders, across a 5-year funding plan.

**Bridge Contract**: A non-competitive contract or contracting action undertaken to bridge the time between the end of one contract action and the beginning of another. Includes actions that are non-competitive to increase contract ceiling and/or for extension of the period of performance.

**Contractual Services Manager (CSM)**: A senior professional who facilitates and oversees the acquisition of services contracts in a strategic manner.

**Inherently Governmental**: A function that has been determined to be – through statute or otherwise – a function that must be performed by government personnel, either civilian or military, and may not be performed by a contractor.

**Intra-Agency Acquisition**: Acquisitions that are internal to the DoD. See DoDI 4000.19 for procedures applicable to the establishment of support agreements and use of Fiscal Service Form 7600A, General Terms & Conditions.

**Interagency Acquisition**: A procedure by which an agency needing supplies or services (the requesting agency) obtains them from another agency (the servicing agency), by an assisted acquisition or a direct acquisition. Assisted acquisition is a type of "interagency" acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order or delivery order. A direct acquisition is a type of "interagency" acquisition where a requesting agency places an order directly against a servicing agency's indefinite-delivery contract. The servicing agency manages the indefinite-delivery contract but does not participate in the placement or administration of an order. See DoDI 4000.19 for procedures applicable to the establishment and use of support agreements.

### **Object Class Codes (OCC)**:

1. Categories in a classification system that present obligations by the items or services purchased by the Federal Government. These are the major object classes:

- a. 10 - Personnel compensation and benefits

- b. 20 - Contractual services and supplies
- c. 30 - Acquisition of assets
- d. 40 - Grants and fixed charges
- e. 90 - Other

2. For OCC questions see: <https://fmbweb1.nmci.navy.mil/cfdocs/mkt/mkt.cfm>

Product Service Code (PSC):

1. Four-digit code used by all Federal Government contracting activities for identifying and classifying the services that are purchased under contract.
2. There are tools available to help with selecting the appropriate PSCs. The Defense Pricing and Contracting PSC Selection Tool (<https://psctool.us>) and the Air Force's PSC Selection Tool (<https://www.fscpsc.com>) are two of the available resources to aid in PSC selection.

Service Contract: FAR 37.101 defines a service contract as "a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply." Services can be knowledge-based services, electronic and communication services, equipment-related services, medical services, facility-related services, etc. A service contract may be either a non-personal or a personal contract. It can also cover services performed by either professional or nonprofessional personnel whether on an individual or organizational basis. Some of the areas in which service contracts are found include the following:

1. Maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment.
2. Routine recurring maintenance of real property.
3. Housekeeping and base services.
4. Advisory and assistance services.
5. Operation of government-owned equipment, real property, and systems.
6. Communications services.

SRRB Number: A unique identifier applied to a services requirement when it is initiated to enable end-to-end traceability of the requirement through the services acquisition lifecycle.

SRRB: A board responsible for the review, validation, approval and prioritization of contractual services requirements.

Simplified Acquisition Threshold (SAT): Simplified acquisition threshold “for the purposes of the SRRB process” means \$250,000.

Tripwire: Threshold metric that warrants higher-level notification to ensure proper attention and decision-making rigor are present.



### **Service Requirements Package**

Service Requirements Package. The requiring activity has responsibility for translating the requirement need into an actionable requirement for contract award that will allow proper management and measurement of outcomes throughout contract performance. The acquisition packages should provide sufficient detail to establish a validated, funded effort with adequate acquisition planning and a clear description of the requirement. The requirement package shall include:

1. Requirements Approval. The SRRB assigned SID will be the requirements approval.
2. Acquisition Strategy. The approved acquisition strategy shall be included in the package to ensure that the contracting process aligns with the approved strategy.
3. Funding Document. A procurement action should have funding before the effort is solicited to allow for efficient workload planning and to minimize work performed on an effort that does not ultimately get funded. Funding documents shall include the appropriate product service codes (PSC) and object class codes (OCC) per reference (f).
4. Contract Line Item Number (CLIN) Level PSC. PSCs identify services being procured. Requiring activities will establish PSCs for each deliverable line item and identify it in the procurement request, so that it can be linked at the point of commitment to the object class recording in the accounting system. If the CLIN structure or PSC assignment changes after the procurement request gets to contracting, the funding document will be amended as needed to correct the line(s) of accounting.
5. Performance Work Statement (PWS)/Statement of Work (SOW). Service acquisitions shall use a PWS, SOW, or statement of objectives that clearly defines the services the program seeks to receive. Requirement documents should be clear, concise, and performance based to the maximum extent practicable. The program manager should leverage the tools and checklists associated with the seven step process and the acquisition roadmap requirements tool provided at the service acquisition mall web site, <https://www.acquisition.gov>. These tools should be used to the maximum extent practical for the development of performance based requirements. PSC and OCC will be included in the PWS or the SOW.
6. Quality Assurance Surveillance Plan (QASP). The QASP is the key government-developed surveillance process document that is applied to performance-based contracting and is used to manage contractor performance assessment by ensuring that systematic quality assurance methods are utilized to validate that the contractor's quality control efforts are timely, effective, and deliver the results specified in the contract or task order. The QASP directly corresponds to the performance objectives and standards specified in the PWS and details how, when, and by whom the Government will survey, observe, test, sample, evaluate, and document contractor

performance results to determine whether the contractor has met the required standards for each objective in the PWS.

7. Independent Government Cost Estimate (IGCE). The IGCE is the Government's estimate of the resources and projected cost of the resources a contractor will incur in the performance of a contract. This includes MIPRs or work orders issued to support the acquisition that did not result in a contracting action. The IGCE provides the baseline for contracting decisions, as required by the Federal Acquisition Regulation (FAR), although largely dependent on reasonable estimates of labor hours to be expended in relevant labor categories at fully burdened rates including all indirect allocations and profit. The IGCE may also be based on data from similar acquisitions, validated estimation models, and expert analysis. The IGCE should be structured to reflect comparisons to other acquisitions, market research, or combinations of these. Program managers must apply an accurate IGCE outlining these discrete costs within the overall service requirement, effective market research, and a thorough screening of the requirement against the anticipated costs of the proposed services to ensure an effective trade-off is made between mission needs, cost, and affordability. Costs of labor skill mix and categories, service levels, frequency of performance, and dictated quality levels should be considered when developing a requirement to meet mission needs. Discrete costs of that next level of service, or next-higher labor category, must be weighed against mission needs and budget constraints to ensure that the service to be acquired represents the best value to the U.S. Government and meets mission requirements.

8. Contract Administration Plan (CAP). The CAP facilitates effective and efficient contract administration considering contract surveillance, administration terms and conditions, contractor and Government performance milestones (i.e. for providing government furnished property (GFP) or responding to contractor plans and other required submissions), contractor reporting procedures, contract quality requirements, name, position, authority of contract administration team members, and milestones for any reports required from contract administration team members. Documentation of the plan should meet the requirements of the agency, activity, and good business practice.

9. Non-Personal Services Certification. Program managers should ensure that a service contract is not written as a personal services contract, does not inadvertently become administered as a personal services contract, and complete a non-personal services certification in accordance with Defense Federal Acquisition Regulation (DFARS) 237.503 and include a copy in the contract file.

10. Inherently Governmental Functions Certification. Program managers shall provide to the contracting officer, concurrent with the transmittal of the SOW or PWS, a written determination that none of the functions to be performed are inherently governmental.

11. Procurement-Specific Requirements. The procurement package should be tailored for the specific procurement and should include artifacts as required such as:

a. Justification and Approval (J&A). The justification and approval (J&A) is a document required to justify and obtain appropriate level approvals to contract without providing for full and open competition as required by the FAR. If applicable, J&As shall be included with the procurement package.

b. Determination and Findings (D&F). D&F is defined as a special form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contracting actions. The determination is a decision that is supported by the findings. The findings are statements of fact that are essential to support the determination and must cover each requirement of the statute or regulation.

c. DD Form 254 Security Requirements. The DD 254 is a contractual specification. It is the vehicle that provides the contractor with the security classification guidance necessary for the classified information to be received and generated under the contract. If there is classified information to be received and generated under the contract, the DD 254 must accompany the procurement package. DD 254s will not be prepared for unclassified contracts.

d. Government Furnished Property (GFP) List. GFP is property in the possession of or directly acquired by the Government and subsequently furnished to the contractor for performance of a contract. GFP includes, but is not limited to, spares and property furnished for repairs, maintenance, overhaul, or modification. Any GFP that will be provided shall be identified with the procurement package to ensure traceability and management of the items. CORs, program managers, and requirements generators must ensure all mandatory GFP, FAR, and DFARS clauses are in the contract. All GFP is listed on the GFP attachment. All GFP is reported to OSD GFP repository and GFP is tracked by the contractor and the Government. A rollup list of all GFP shall be provided to the COMNAVRESFOR property manager by each COR at the completion of the fiscal year or as soon as identified via contract.

**Forms**

1. OGE Form 278e Executive Branch Personnel Public Financial Disclosure Report can be found at

[https://www.oge.gov/web/oge.nsf/OGE%20Forms/FE904FADB163B45A852585B6005A23E8/\\$FILE/OGE%20Form%20278e%20July%202020\\_accessible.pdf?open](https://www.oge.gov/web/oge.nsf/OGE%20Forms/FE904FADB163B45A852585B6005A23E8/$FILE/OGE%20Form%20278e%20July%202020_accessible.pdf?open)

2. OGE Form 450 Confidential Financial Disclosure Report Executive Branch can be found at

[https://www.oge.gov/Web/OGE.nsf/OGE%20Forms/2026049D943E0C34852585B6005A23CE/\\$FILE/OGE%20Form%20450%20Aug%202020\\_accessible.pdf?open](https://www.oge.gov/Web/OGE.nsf/OGE%20Forms/2026049D943E0C34852585B6005A23CE/$FILE/OGE%20Form%20450%20Aug%202020_accessible.pdf?open)

**Criticality Code Assignment**

Criticality Code. Prioritization of services requirements shall be done via the assignment of a criticality code. Criticality codes shall be assigned to all services requirements to assist with prioritization of requirements to reduce or eliminate lower priority requirements with savings transferred to higher priority objectives or mission requirements. Prioritization facilitates the process for identifying impacts when budget cuts are proposed and/or taken. The criticality code is comprised of four elements:

1. The category which is the broad bucket that defines the relationship of the services to mission.
2. The funding level decimator that identifies the relative costs of the services requirements within a given category.
3. The mission impact discriminator that identifies the severity of the impact if a requirement is not funded or executed.
4. A rank ordered, sequential number to discriminate requirements that have the same values for the above three. This numbering scheme provides end-to-end mechanism to sort CS by criticality code, funding level, and mission impact across CS acquisition cycle.

**EXAMPLE OF CRITICALITY CODE ASSIGNMENT:** CS categorized as warfighting, costs \$50M to acquire and, if not acquired, will result in a severe impact to the mission.

**Code: 1fC-X** (where "X" is the sequential number for rank ordering in the event that there are multiple requirements that are coded as 1fC)

**Table 1 – Category Code**

<b>CATEGORY CODE</b>	<b>CATEGORY</b>	<b>DEFINITION</b>
<b>1</b>	CONTINGENCY/WARFIGHTING	All service contracts that provide direct support to critical warfighting and overseas contingency efforts.
<b>2</b>	OPERATIONAL	All service contracts that provide direct support to warfighter operational events.
<b>3</b>	MISSION READINESS/TRAINING	All service contracts that provide direct or indirect support to the warfighter's mission readiness capabilities.
<b>4</b>	STAFF MANAGEMENT SUPPORT	All service contracts that provide staff management support.

**Table 2 – Discriminator Code**

<b>FUNDING DISCRIMINATOR CODE</b>	<b>DEFINITION</b>
a	Less than \$.5M
b	\$.5M to \$1.0M
c	Greater than \$1.0M but less than \$5M
d	\$5M to \$10M
e	Greater than \$10M but less than \$50M
f	\$50M to \$100M
g	Greater than \$100M



**Table 3 – Risk Code**

<b>RISK CODE</b>	<b>TECHNICAL/QUALITY</b>	<b>SCHEDULE/READINESS</b>	<b>OPERATIONAL READINESS FOR TASKING (RFT)</b>
<b>A Moderate</b>	Moderate technical performance or quality shortfall	Significant schedule slip to key event/milestone (1 to 2 week delay); project end date unaffected	Not ready for tasking; not operationally limiting
<b>B Critical</b>	No remaining margin; severe technical performance or quality shortfall	Major schedule slip to key event/milestone; project end date may be affected (2 weeks to 1 month delay)	Not ready for tasking; potentially operationally limiting
<b>C Severe</b>	No known workaround or severe quality problem; major impact to operational schedule	Major schedule slip; project end date will be affected (>1 month delay)	Not ready for tasking; operationally limiting

**Contractual Services Requirement Tripwires**

1. Tripwires. The purpose of this document is to provide initial policy in planning and execution of service contract requirements and to provide some tools to assist in performing leadership oversight. There are several tripwires which require senior level awareness and action. These tripwires are tools to force visibility and conscious decisions at higher management levels and to ensure the decisions are documented. Tripwires are not intended to preclude execution, but instead to require higher level concurrence or notifications to execute. These tripwires apply to all types of service contracts and have been identified herein.

2. Scope. These tripwires do not encompass all the areas of service acquisition which require oversight and risk management. However, this list is intended to raise awareness and accountability across both the requirements and acquisition communities, and initiate the vigorous implementation of actions to improve Government oversight, efficiencies and effectiveness.

3. Responsibilities. COMNAVRESFOR personnel must report tripwire encroachments as they occur to their designated CSM. When there is a tripwire encroachment, the requirement owner must explain the reason in detail, including whether the cause is systemic, specific to a certain set of circumstances, or a one-time occurrence in accordance with the prescribed format outlined in enclosure (6).

4. Sole Source Actions. All sole source actions require J&As. Sole source actions >\$750,000 will be approved by the COMNAVRESFOR Deputy.

5. Bridge Contracting Actions. Bridge contracts are defined as sole source actions entered into with the incumbent contractor to maintain support when competitive procurement cannot be processed in time to meet the required award date. Often bridges are the result of poor planning and are more costly due to a lack of competitive pricing. For bridge contracts in support of COMNAVRESFOR requirements:

a. Bridge contracts shall normally be limited to 6 months in duration, (never longer than 12 months) and must be approved by the COMNAVRESFOR Deputy. This 12-month limit shall not be waived. J&As for all bridge contracts longer than a 6 month period of performance will be forwarded to the SRRB for notification and review prior to approval by COMNAVRESFOR Deputy.

b. All bridge contracting actions, regardless of value, require Flag/SES or Commanding Officer (O-6)/Executive Director (GS-15) signature under the "requirements Cognizance" block of Request for Authorization of Bridge Contract (RABC) template; see NMCARS Annex 5 for TABC template. COMNAVRESFOR requirements owners are reminded to ensure compliance with DoDI 5000.74 and ASN (RD&A) Contractual Services Guidance when contemplating a RABC. The RABC will not be forwarded to the contracting office until the appropriate personnel have endorsed the RABC.

c. Only one bridge contract may be authorized. Subsequent bridge contracts shall not be awarded.

d. Each bridge contract shall be limited to no more than \$3 million.

e. J&As for all bridge contracts, regardless of value, will include COMNAVRESFOR N-Code or subordinate command signature under the technical cognizance section of the J&A.

f. COMNAVRESFOR Deputy signature under requirements cognizance section. In J&A paragraph 8, "Actions to Remove Barriers to Competition," the requiring activity (COMNAVRESFOR N-code or subordinate command) shall provide detailed explanation that includes a schedule for a competitively awarded follow-on contract.

#### 6. Best Value Source Selection Premiums

a. Various acquisition processes and techniques may be used to design competitive acquisition strategies suitable for the specific circumstances of an acquisition. "Best value" in negotiated acquisitions can be obtained by using any one or a combination of source selection approaches. In different types of acquisitions, the relative importance of cost or price may vary. The risk of undervaluing cost/price in best value source selections is that the government may be buying more capability than necessary to fulfill a requirement, at a higher price. Therefore, for all COMNAVRESFOR competitive acquisition strategies for actions contemplated, in which the non-price factors, when combined, will be more important than price, must be forwarded to the COMNAVRESFOR echelon 2 CSM for SRRB Chairman notification.

b. In a best value competition, the Government may be willing to pay a premium in order to obtain a higher rated level of support; however, the premium still must represent a good business decision for the Government. Often requirements offices are willing to pay any premium to get to the highest rated offer, as long as they have the budget to afford it. Being able to afford something does not necessarily mean it is in the best interest of the Government to do so.

c. Best value is a function of technical quality and cost trade-offs among competing proposals. Best value determinations are not made through mechanical calculations. As technical proposals approach equality, cost may become a more significant factor. The greater than 10 percent tripwire does not suggest there is anything impermissible with respect to paying a greater than 10 percent premium, only that additional reviews may be required. The decision to obtain further review is subject to rules regarding the protection of source selection information, as defined in FAR subpart 3.104. Therefore, for all COMNAVRESFOR-funded source selections contemplating paying a cost/price dollar premium greater than 10 percent over the lowest acceptable offeror's Total Evaluated Cost/Price, the Contracting Officer (after collaboration with the Technical Evaluation Board Chairperson/equivalent), will forward the Business Clearance Memorandum or Price Negotiation Memorandum for all service contracts and task orders to the COMNAVRESFOR echelon 2 CSM for SRRB Chairman notification

7. Other Direct Costs (ODC)

a. While a service contract is appropriate when the primary purpose is to perform an identifiable task, materials are often required to perform these services. It may be appropriate for a service contractor to procure materials under a service contract; however, there are a number of considerations that enter into developing an appropriate strategy to meet any requirement.

b. ODCs are intended to include travel and incidental miscellaneous expenses required and generally consumed in performance of the service. They are not intended to hide expensive consultants or subcontractors, or for the Government to purchase material by circumventing existing policies and procedures. Deputy Assistant Secretary of the Navy (Acquisition and Logistics Management) memorandum of 15 May 2007 emphasizes “the need to ensure that service contracts are not improperly used to acquire products or facilities not required for, or incidental to, performance of those services.”

c. Actions required:

(1) Prior to award. If ODCs are estimated greater than 10 percent of the total labor value or \$1 million (whichever is lower) for any given contract, then the rationale for the ODC requirements must be provided to the HCA and the methods for monitoring these ODC charges shall be documented in the Quality Assurance Surveillance Plan. It is expected that individual task orders under indefinite delivery, indefinite quantity services contracts may have a disproportionate (i.e., greater than 10 percent) amount of ODCs included; however, in these instances justification and rationale shall be included in the acquisition strategy. When excessive ODCs are comprised of material items, an explanation as to why these costs are not specifically defined and managed as supply items shall be provided and documented. Generally speaking, travel and conference fees associated with representing COMNAVRESFOR at professional or technical conferences is not an acceptable ODC.

(2) Post Award. The COR shall monitor monthly the use of ODCs.

8. Labor Rates. Applies to all cost-type, time and material, labor-hour and firm-fixed-price level of effort services contracts and task orders. The hourly and yearly labor rate tripwires are considered two separate and distinct events; therefore, each labor rate tripwire encroachment requires COMNAVRESFOR echelon 2 CSM notice for SRRB Chairman notification. The Contracting Officer, will forward the Business Clearance Memorandum or Price Negotiation Memorandum for all service contracts and task orders to the COMNAVRESFOR echelon 2 CSM. The COMNAVRESFOR labor rate tripwires (which include fully burdened labor rates) are as follows::

a. Administrative support and clerical occupations (Service Contract Act occupation code 01000 titles) at \$54/hr. or \$107K/yr.,

b. All other labor occupations subject to the Service Contract Act at \$89/hr. or \$176K/yr.,

- c. Logistics (PSC R706 support services) at \$120/hr. or \$238K/yr., and
- d. All other labor occupations at \$153/hr. or \$303K/yr.

9. Subcontractors. There are circumstances where government consent to a subcontractor is required (see FAR 44.201). Therefore, any proposed addition of subcontractors beyond those included and evaluated as part of the initial award must be reviewed and documented accordingly. When applicable, the proposed subcontractor addition must be reviewed by the Contracting Officer to ensure the contractor has provided the required documentation (see FAR 44.201) and the information clearly presents the business case for addition of the subcontractor(s). The Contracting Officer must engage the COR and requirement owner for assistance in validating the business case to include the additional subcontractor(s). The Contracting Officer must also notify the COMNAVRESFOR echelon 2 CSM for SRRB Chairman notification.

a. Post award due diligence is required to monitor any proposed additions of subcontractors beyond those included and evaluated as part of the initial award. The Government cannot be perceived as exerting improper influence on the prime contractor to contract with specific subcontractors. The Government does not have privilege of contracting with the subcontractor, only with the prime. It is the prime's responsibility to propose a team to accomplish the requirements, and it is the prime's responsibility to select additional subcontractors if it becomes necessary to supplement the team.

#### 10. One Bids

a. Effective competition is one of the most powerful tools the Government has to affect real efficiency and do more with less. Single offers, or "one bids", can be the result of several factors: inadequate time to prepare a proposal, poorly described defined requirements, or evaluation factors that appear to be tailored to an incumbent or target a specific contractor.

b. When a solicitation results in a single bid offer, the HCA shall either re-solicit the requirement or enter into negotiations, the result of which will be reflected in the Business Clearance Memorandum.

c. All Business Clearance Memorandums for "one bids" received under a competitive solicitation must be elevated to the Chief of the Contracting Office for approval.

d. For "one bids" received under a competitive solicitation above \$1 million, the Business Clearance Memorandum must be forwarded to the COMNAVRESFOR echelon 2 CSM for SRRB Chairman notification.

**COMNAVRESFOR Tripwire Reporting Template**

Ref: (a) COMNAVRESFORINST 4200.2D

*Instructions: This form applies to the reporting of tripwire encroachments that occur during the fiscal year (not previously reported). Tripwire encroachments that occur outside of the annual SRRB review, which require SRRB Chairman notification, must be reported through the COMNAVRESFOR CSM.*

31. Per reference (a), the encroachment of (*name of tripwire*) is being reported in support of (*Requirement Name*) under existing/proposed contract (insert contract number). (*Requirement office*) is the requirement owner and the services are being contracted for by (insert *contacting office*).

32. SRRB Control Number:

33. Description of Requirement:

*[Insert here]*

34. Tripwire Encroachment:

*Explain the reason/rationale for tripwire encroachment in detail, including whether the cause is systemic, specific to a certain set of circumstances, or a one-time occurrence.*

35. Remedy or Mitigation Plan:

*If the issue is systemic or due to a certain set of circumstances, provide explanations or solutions, such that all issues are fully understood or resolved in a timely manner.*



## FYXX-FYXX Service Requirement Review Board Reporting Template

[illegible][illegible][illegible]

## Department of the Navy Service Requirements Review Board Results Data Template

**Date:** 9 April 2020

Please provide the information below for any requirements greater than \$1M by 31 October of each fiscal year.

[illegible]

COMNAVRESFORINST 4200.2D  
7 Apr 2022

## Near-Term Obligation Template

[illegible]

SSRB Decision Document

**Name of Activity SSRB Results Reviewed:** (Insert name of Activity)

**The following SSRB control numbers are hereby approved:**

(Insert list of approved SSRB control numbers)

**The following SSRB control numbers are hereby conditionally approved, with the following actions to be completed:**

(Insert list of Conditionally Approved SSRB control numbers)

**The following SSRB control numbers are hereby disapproved:**

(Insert list of Disapproved SSRB control numbers)

**The following SSRB control numbers are hereby deferred, with the following actions to be completed:**

(Insert list of Deferred SSRB control numbers)

**Other SSRB related actions:**

(Insert text here)

**SSRB Decision Authority Signature:**

SSRB Chairman Name: \_\_\_\_\_

SSRB Chairman Signature and Date: \_\_\_\_\_