



SECRETARY OF THE ARMY
WASHINGTON

25 APR 2017

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2017-15 (Managing and Overseeing the Acquisition of Services)

1. References. A complete list of references is in enclosure 1.
2. This directive provides interim policy for the planning, approval, and execution of contracted services until the Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology) updates Army Regulation 70-13 (Management and Oversight of Services Acquisitions) to incorporate recent Department of Defense (DoD) and Army best practices for obtaining contracted services. During fiscal year 2016, the Army spent approximately \$50 billion on goods and services. Of that, about 62 percent (or \$31 billion) was for contracted services capabilities that enable or support Army missions. Spending this significant amount of taxpayer money demands that the Army executes a high level of leader oversight and disciplined management.
3. Our services acquisitions are critical to the success of many Army missions, from Soldier health and well-being, to equipment and training readiness, to installation sustainment. This directive focuses on commander, leader, and Headquarters, Department of the Army (HQDA) responsibilities in three primary areas of services acquisition to implement DoD and Army instructions to increase leader visibility and accountability in making decisions and evaluating outcomes for contracted services. These primary areas of services acquisition are planning services, defining requirements, and approving requirements.
 - a. Planning Services. Effective services planning requires supported mission analyses and forecasting. The Army needs to improve all efforts to responsibly forecast enduring and future needs for contracted services. These improvements are essential to synchronize services acquisition decisions with resource allocation decision processes within the requiring activities (RAs) and across the Army. RAs are organizations that have the services mission needs that contracts satisfy. These RAs are the accountable authorities for services acquisition requirements and funding decisions. They make near-term decisions on services mission needs as they request to sustain or modify current contracts or establish new contracts in the budget year. They rely on supporting contracting activities (CAs) to create the actual procurement contracts for their services.
 - b. Defining Requirements. Analyses of many audits and Inspector General reports over recent years show that the performance work statement for the services contract is the foundation document of the services management tools that drive outcomes.

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RAs are responsible for developing the performance work statement and nominating qualified contracting officer representatives (CORs), who oversee the contracted vendor's performance and evaluate whether the vendor is satisfying the mission need. The CORs report their assessments to the contracting officers, who enforce contract compliance in accordance with Federal, DoD, and Army contracting regulations. During 2015, the Vice Chief of Staff of the Army issued detailed guidance for appointing, training, and managing CORs (enclosure 2). All organizations must comply with that guidance. Additionally, the DoD Deputy Director for Services Acquisition offers training, tools, and assistance to services stakeholders in designing and overseeing the acquisition of contracted services at http://www.acq.osd.mil/dpap/sa/training_safipt.html.

c. Approving Requirements. DoD Instruction 5000.74 (Defense Acquisition of Services) identifies the need for Services Requirements Review Boards (SRRBs). Each RA must establish an SRRB process and document its decisions by a designated senior leader who validates and prioritizes all RA services requirements. The level of senior leader approval must be commensurate to the mission risks in satisfying the need for the service and the dollar value of the resources required. The RAs will evaluate implementation of SRRB or equivalent processes in their internal control evaluation plan required by Army Regulation 11-2 (Manager's Internal Control Program). The Assistant Secretary of the Army (Manpower and Reserve Affairs) provides a checklist for RAs to evaluate their requirements to exclude inherently governmental functions and ensure the Government oversight of contracts required by the Federal Acquisition Regulation Subpart 7.503(e) and Army Federal Acquisition Regulation Supplement Subpart 5107.503(e). You can download the checklist at <http://www.asamra.army.mil/scra/documents/ServicesContractApprovalForm.pdf>. SRRB guidelines are in enclosure 3.

4. The Army Acquisition Executive (AAE) is the senior official responsible for managing the acquisition of contract services. Commanders and leaders of RAs with the contract services missions provide the resources and daily oversight of their services contracts through their CORs. The RAs are accountable for complying with AAE acquisition instructions provided by their supporting CA. The RAs and their CORs provide planning and oversee vendor performance in accordance with guidance from their CA. The Deputy Assistant Secretary of the Army (Procurement) and Senior Services Manager in the Office of the AAE develop policy and procedures to help RAs and CAs improve all aspects of services acquisitions and assess the performance and cost-effectiveness of Armywide services acquisition. Questions and recommendations may be directed to the Deputy Assistant Secretary of the Army (Procurement) and Senior Services Manager at <https://spcs3.kc.army.mil/asaalt/procurement/Services/Home.aspx>. (A common access card is required.)

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5. The provisions of this directive are effective immediately and apply to the Active Army, Army National Guard/Army National Guard of the United States, and U.S. Army Reserve.
6. The proponent for this policy is the Assistant Secretary of the Army (Acquisition, Logistics and Technology). The Assistant Secretary will ensure that the provisions of this directive are incorporated into the next update of Army Regulation 70-13.
7. This directive is rescinded upon publication of the revised regulation.



Robert M. Speer
Acting

Encls

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Director of Business Transformation
Commander, Eighth Army

REFERENCES

- a. Department of Defense (DoD) Directive 1100.4 (Guidance for Manpower Management), February 12, 2005.
- b. DoD Instruction 1100.22 (Policy and Procedures for Determining Workforce Mix), April 12, 2010.
- c. DoD Instruction 5000.74 (Defense Acquisition of Services), January 5, 2016.
- d. DoD Instruction 7041.04 (Estimating and Comparing the Full Costs of Civilian and Active Duty Military Manpower and Contract Support), July 3, 2013.
- e. Army Regulation 11-2 (Manager's Internal Control Program), 4 January 2010, Including Rapid Action Revision Issued 26 March 2012.
- f. Army Regulation 70-13 (Management and Oversight of Services Acquisition), 30 July 2010.
- g. Army Federal Acquisition Regulation Supplement 5107.503(e).
- h. Memorandum, Director, Defense Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology and Logistics), Dec 06 2012, subject: Service Acquisition Workshop.
- i. Memorandum, Senior Services Manager, Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), Feb 08 2013, subject: Service Acquisition Workshop.
- j. Optimization of Army Services Acquisition Implementation Plan, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 1 September 2011.

REQUIRING ACTIVITY RESPONSIBILITIES FOR TRAINING, APPOINTING, AND MANAGING CONTRACTING OFFICER'S REPRESENTATIVES



DEPARTMENT OF THE ARMY
OFFICE OF THE VICE CHIEF OF STAFF
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JUN 19 2015

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Policy on Requiring Activity Responsibilities for Training, Appointment, and Management of Contracting Officer's Representatives

1. Reference, U.S. Army Audit Agency (AAA) Report (A-2015-0019-ALC), 18 December 2014, subject: Service Contract Oversight Material Weakness.
2. Contract support to the Warfighter is a proven force multiplier. Whether deployed or in garrison, contract support allows the U.S. Army to focus its military and civilian personnel on core missions. Effective oversight of contractors by Contracting Officer Representatives (CORs) is critical to the U.S. Army's mission success. The COR is the "front line scout" who oversees and evaluates vendor delivery of services to Army Commands, its Soldiers and their Families, facilities, and equipment.
3. A recent review by the U.S. AAA revealed that for 58 percent of contracts reviewed, the COR appointment process was not completed prior to contract award. Leaders and contracting officials must ensure that qualified personnel are nominated, trained, and appointed as CORs and that CORs consistently perform their oversight responsibilities. The enclosure to this memorandum describes Army policy on COR training, appointment, and management requirements.
4. Commanders and supervisors who select high quality CORs reap the benefits of substantially better contract support and protect the Army from fraud, waste, and abuse. I charge every leader and contracting official to timely nominate, appoint, and manage skilled CORs sufficient to provide effective oversight of contractors.
5. All questions and comments should be directed to the Office of the Deputy Assistant Secretary of the Army (Procurement) at usarmy.pentagon.hqda-asa-alt.mbx.office-of-the-dasa-p@mail.mil.

Encl


DANIEL B. ALLYN
General, U.S. Army

DISTRIBUTION:
(see next page)

Enclosure 2

SUBJECT: Army Policy on Requiring Activity Responsibilities for Training, Appointment, and Management of Contracting Officer's Representatives

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- U.S. Army Test and Evaluation Command
- U.S. Army Installation Management Command
- Superintendent, United States Military Academy
- Director, U.S. Army Acquisition Support Center
- Executive Director, Arlington National Cemetery
- Commander, U.S. Army Accessions Support Brigade
- Commandant, U.S. Army War College
- Commander, Second Army

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- Commander, U.S. Army Cyber Command

SERVICES REQUIREMENTS REVIEW BOARDS

1. Requiring activities (RAs) establish Services Requirements Review Boards (SRRBs) to ensure that services requirements are reviewed, validated, prioritized, and approved, and that the need for an appropriate level of services is verified. This critically important process determines minimum services needs and prioritizes services requirements while identifying opportunities for savings and efficiencies. Savings may be realized through reduction in service delivery levels, outright cancellation, and strategic sourcing through existing procurement contracts.

2. SRRBs provide a process for RA senior leaders to assess, review, and validate requirements for services. Requirements reviews should be tailored for specificity and include, but not be limited to:

a. Mission Need: How does the requirement fill the mission need and what outcomes will be achieved by acquiring services?

b. Workforce Analysis: How is/was the requirement satisfied and why is the use of military or civilian personnel not an option? Coordination with the component manpower and personnel officials should be accomplished in accordance with DoD Directive 1100.4 (Guidance for Manpower Management). The analysis should also consider guidance in DoD Instruction 1100.22 (Policy and Procedures for Determining Workforce Mix) and DoD Instruction 7041.04 (Estimating and Comparing the Full Costs of Civilian and Active Duty Military Manpower and Contract Support).

c. Strategic Alignment: How does the requirement for services support the broader organizational mission?

d. Relationship to Other Requirements: How does the requirement for services positively or negatively affect the component's other requirements? For information technology services, see DoD Instruction 5000.74 (Defense Acquisition of Services), enclosure 7, to ensure that requirements are consistent with enterprise information technology strategies.

e. Prioritization: Is the requirement for services a lower priority requirement that can be reduced or eliminated so that savings can be transferred to higher priority objectives or mission requirements?

f. Market Research: What is the nature and extent of market research conducted, including any applicable benefit analysis performed for bundling or consolidation?

3. Requirements approval should be obtained from the SRRB chair before any acquisition action is initiated unless the decision authority directs otherwise. SRRB approval will be documented in the acquisition plan.

4. The seniority of the SRRB approval authority should be based on the complexity, cost, and risks to mission performance.