

**Department of the Navy (DoN)
Management and Oversight Process
For the Acquisition of Services (Revised)
(MOPAS 2)**

PURPOSE

This document establishes the DoN process for oversight and management of the acquisition of services. MOPAS 2 will ensure that service acquisitions support DoN objectives; are, to the maximum extent practicable, based on clear, performance-based requirements; that required outcomes are identified and measurable; and are properly planned and administered to achieve the intended results.

APPLICABILITY

MOPAS 2 applies to all activities and organizations within DoN.

MOPAS 2 implements the requirements of Section 812 of the National Defense Authorization Act for Fiscal Year 2006, and Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) guidance of October 2, 2006, Acquisition of Services Policy (Attachment 1). (<http://akss.dau.mil/docs/2006-3064-ATL%20Complete.pdf>). MOPAS 2 supersedes the DoN MOPAS of March 10, 2003.

MOPAS 2 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.

DEFINITIONS:

For purposes of MOPAS 2:

“Decision Authority” means the individual delegated authority to review and approve strategies for the acquisition of services. Decision Authority delegations are summarized Table (1).

“Senior Official” means the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RDA).)

“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.

RESPONSIBILITIES:

Oversight of service acquisitions within DoN is the shared responsibility of requiring activities, contracting activities and the Senior Official (ASN(RDA)). MOPAS 2 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, shall prepare a DoN Acquisition Strategy (AS) for Decision Authority review/approval. Each AS shall be up-dated and submitted to the Decision Authority for review/approval as significant changes occur. Contracting activities shall ensure that competition and statutory socio-economic programs are given proper consideration in the AS.

ACQUISITION STRATEGY REQUIREMENTS

Each AS shall address the DoN Acquisition Strategy Requirements identified in Table 2: DoN Acquisition Strategy Content Requirements.

DECISION AUTHORITY – REVIEW/APPROVAL THRESHOLDS:

USD(AT&L) is the Decision Authority for service acquisitions and IT service acquisitions identified by USD(AT&L) as Special Interest, regardless of the purpose or total planned dollar value. Each AS for USD(AT&L) approval shall be submitted via DASN(ACQ).

ASD(NII) is the Decision Authority for Information Technology (IT) service acquisitions in excess of \$500 million and any IT service acquisition identified by ASD(NII) as being of special interest. Each IT AS for USD(AT&L) or ASD(NII) approval shall be submitted via DASN(C⁴I/SPACE).

ASN(RDA) will review service acquisitions designated as Special Interest by USD(AT&L) and IT service acquisitions requiring ASD(NII) approval. ASN(RDA) is the Decision Authority for

service acquisitions and IT service acquisitions with a total planned dollar values in excess of \$1 billion and those 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. DASN(ACQ) is the Decision Authority for non-IT service acquisitions with a total planned dollar values between \$250 million and \$1 billion.

The Deputy Assistant Secretary for C⁴I and Space (DASN(C⁴I/SPACE)) will, in coordination with DASN(ACQ), review IT service acquisitions requiring ASD(NII) approval and USD(AT&L) or ASN(RDA) IT special interest acquisitions. DASN(C⁴I/SPACE) is the Decision Authority for IT service acquisitions with a total planned dollar values between \$250 and \$500 million.

Program Executive Officers, Direct Reporting Program Managers and/or Heads of the Contracting Activity will review service acquisition strategies under their cognizance requiring higher-level approval and will review and approve service acquisitions with total planned dollar values below \$250 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 provide acquisition planning support for developing the AS for service acquisitions at all levels. The appropriate contracting office will ensure that procurement issues (competition, contract type, unique conditions, socio-economic issue, etc.) are addressed in each AS.

Each Echelon II command is responsible for developing internal procedures to implement MOPAS 2. Approval authority for service acquisitions less than \$250 million is delegable, but, for service acquisitions with a total planned value over \$100 million, delegation is limited to Flag and General Officers, members of the Senior Executive Service, or the Commander/Commanding Officer of the requiring activity.

Review/Approval thresholds/delegations are summarized in Table I: Decision Authority Delegations for DoN MOPAS 2.

REVIEW PROCEDURES

Each AS meeting the Decision Authority thresholds above should be forwarded for review/approval prior to initiating significant action to commit to such strategy (e.g., before releasing any solicitation).

Each AS requiring USD(AT&L), ASN(RDA) or DASN(ACQ) review and approval shall be submitted via DASN(ACQ).

Each IT AS requiring USD(AT&L), ASD(NII), ASN(RDA) or DASN(C⁴I/Space) approval shall be submitted via DASN(C⁴I/Space).

OSD NOTIFICATION PROCEDURES – Non IT

DASN(ACQ) shall notify the Director, Defense Procurement and Acquisition Policy (DPAP) of each AS with a total estimated value over \$1 billion. Notification shall address total estimated value of the acquisition and include a copy of the AS. If the acquisition strategy includes other than full and open competition, address the rationale for other than full and open competition. If the Justification and Approval (J&A) for other than full and open competition has been executed, provide a copy of the J&A. Within 10 working days of receipt of the notification, the Director, DPAP, will advise DASN(ACQ) if USD(AT&L) will review the acquisition. If USD(AT&L) determines to review the acquisition, the review shall be completed within thirty working days of that determination. If the Director, DPAP does not notify DASN(ACQ) within ten days of receipt of the notification that USD(AT&L) will conduct a review, the acquisition may proceed.

OSD NOTIFICATION PROCEDURES – IT

DASN(C⁴I/Space) shall notify the Director, Acquisition, OASD(NII) of each IT AS with a total estimated value over \$500 million. Notification shall address total estimated value of the acquisition and include a copy of the AS. If the acquisition strategy includes other than full and open competition, address the rationale for other than full and open competition. If the Justification and Approval (J&A) for other than full and open competition has been executed, provide a copy of the J&A. ASD(NII) shall notify USD(AT&L) of each AS with a total estimated value in excess of \$1 billion. Within 10 working days of receipt of the notification from DASN(C⁴I/Space), the Director, Acquisition, OASD(NII) shall notify DASN(C⁴I/Space) if OSD will review the acquisition. If the Director, Acquisition, does not notify DASN(C⁴I/Space) within ten working days of receipt of the notification that the acquisition will be reviewed within OSD, 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 is to ensure that the acquisition of services within DoN is strategic in nature, represents sound business practices and complies with applicable laws, regulations, directives and other requirements, (including ASN(FMC)/ASN(RDA) memo on “PROPER USE OF NON-DOD CONTRACTS” of DEC 20, 2004

(<http://acquisition.navy.mil/index.php/navyaos/content/view/full/3802>)).

METRICS

The preferred acquisition strategy is performance based. The AS 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 AS. If metrics are not submitted with the AS, 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(C³I) 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 program manager (requirements officer, class desk, etc.) responsible for initiating the AS is responsible for the collection and maintenance of data identified in Table 3: Acquisition of Services Data Collection Requirements. Data collection shall be automated. Reports/data may be requested by the appropriate Decision Authority at any time. To the extent feasible, reports should be maintained in electronic spreadsheet or data based format.

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:

**Decision Authority Delegations for
DoN MOPAS 2**

Service	Total Planned Dollar Value	Requirements Review	Acquisition Strategy Review	Decision Authority
Non-IT	AT&L Special Interest	Budget Submitting Office	ASN(RDA)	USD(AT&L)*
Non-IT	> \$1 billion or ASN(RDA) Special Interest	Budget Submitting Office	DASN(ACQ)	ASN(RDA)*
Non-IT	Between \$250 million and \$1 billion	Requiring Activity	HCA	DASN(ACQ)
Non-IT	< \$250 million	Requiring Activity	In accordance with HCA procedures	PEO/DRPM/HCA
IT	> \$1 billion	DASN (C ⁴ I/Space)	DASN(ACQ)	ASD(NII)** or ASN(RDA)
IT	> \$500 million	DASN (C ⁴ I/Space)	DASN(ACQ)	ASD(NII)** or DASN (C ⁴ I/Space)
IT	Between \$250 and \$500 million or ASN(RDA) Special Interest	DASN (C ⁴ I/Space)	DASN(ACQ)	DASN (C ⁴ I/Space) or, if Special Interest ASN(RDA),
IT	< \$250 million	Requiring Activity	In accordance with HCA procedures	PEO/DRPM/HCA

* Non-IT acquisitions over \$1 billion, notify OSD (see REVIEW PROCEDURES)

** IT acquisitions over \$500 million, notify ASD(NII) (See REVIEW PROCEDURES)

Table 2:

DoN ACQUISITION STRATEGY CONTENT REQUIREMENTS

Each AS shall address the following points:

1. Requirements Development and Management:

- a. The source of the requirement, the outcomes to be achieved and, if performance-based, the metrics to measure the outcomes.
- b. Identify as a new requirement or indicate how the requirement was previously satisfied.
- c. The nature and extent of market research conducted.
- d. If a consolidated requirement, whether it complies with Defense Federal Acquisition Regulations Supplement (DFARS) 207.
- e. For bundled requirements, address the benefit analysis as prescribed in the DoD Benefit Analysis Guidebook (www.acq.osd.mil/sadbu/news/contractconsolidation.pdf).

2. Acquisition Planning

- a. The acquisition approach including appropriate milestones.
- b. Cost/price estimate for the total planned acquisition. This includes Military Interdepartmental Procurement Requests (MIPR) or work orders issued to support the acquisition that did not result in contracting action.
- c. How the acquisition will be funded and availability of funding.
- d. Technical, business, Management and other significant considerations.
- e. Opportunities for Strategic Sourcing.
- f. Implementation of performance-based acquisition methods or rationale for not using performance-based methods. If a non-performance-based strategy is proposed, address actions to convert to performance-based for future acquisitions.
- g. Implementation of socio-economic business considerations.
- h. Top level discussion of the planned source selection process: formal or informal; proposed evaluation criteria; and basis for award.
- i. Required waivers or deviations.
- j. If other than full and open competition, address why full and open competition will not apply and cite appropriate statutory authority. Address actions to improve the competitive environment for foreseeable follow-on acquisitions.
- k. Include a Lease-Purchase analysis required by Office of Management and Budget (OMB) Circular A-94, Section 13, if proposed.
- l. Multi-year Contracts: If the acquisition strategy calls for a multi-year contract (as defined in Part 17.1 of the Federal Acquisition Regulation (FAR)), address compliance with 10 U.S.C. 2306c and OMB Circular a-11. Address the budget scorekeeping that will result from the proposed contracting strategy.

3. Solicitation and Contract Award:

- a. The proposed business arrangement(s) anticipated (*e.g.*, single/multiple contract award(s), multiple award task order contracts; task order under existing task order contract, interagency purchase request or interdepartmental work order, etc.).
- b. The timing and duration for each business arrangement including base period and option periods.
- c. Pricing arrangements for each business arrangement (*e.g.*, fixed price, cost reimbursement, labor hour, etc. based on FAR/DFARS Parts 16 and, for commercial services, Part 12).
- d. Address contract administration and oversight considerations.

4. Risk Management:

- a. An assessment of current and potential technical, cost, schedule and performance risks and plan for mitigating or retiring those risks.

5. Contract Tracking and Oversight:

- a. Existing or proposed management approach for contract administration, quality assurance surveillance plans, oversight plans and responsibilities.
- b. Tracking procedures/processes to monitor contract performance.

6. Performance Evaluation

- a. Plan for evaluating whether performance metrics or other measures identified to guide the acquisition have been achieved. Such measures shall include thresholds for cost, schedule and performance for each proposed business arrangement.
- b. Identify personnel responsible for assessing and reporting contractor performance into the Contractor Performance Assessment Reporting System (CPARS).

Table 3:

Acquisition of Services Data Collection Requirements For DoN MOPAS 2

An acquisition may be accomplished through execution of contracts, placement of task/delivery orders as well as obligations/commitments made outside of contracts. The requiring activity is responsible for collecting/recording data to address the full value of the acquisition and the amount of services required.

Requiring activities will record, by AS, the following data for each contract, task/delivery order; or contract/task or delivery order subsequently placed under a Military Interdepartmental Procurement Request (MIPR) issued to support the acquisition:

1. Types and amounts (man hours) of services acquired.
2. Total estimated value(s) (base and option periods):
 - a. Track by actual and potential obligations.
3. The type of contract vehicle (i.e., fixed price/cost-type/T&M).
4. Whether contract action was:
 - a. performance-based contract; performance-based task order or other performance-based arrangement that contains firm fixed prices for the specific tasks to be performed;
 - b. any other performance-based contract/task order/other performance-based arrangement; or
 - c. a contract/task order/other arrangement that is NOT performance-based.
5. The identity of the agency/office that placed the action.
6. The extent of competition received in placing the action (where practicable, include number of offerors).
7. Whether the contractor is:
 - a. a large business;
 - b. an educational or non-profit;
 - c. a small business (type of small business, i.e., small business, small-disadvantaged business; woman-owned business, HUB-zone, etc. [FAR 19] or
 - d. a required source of supply [FAR Part 8].

Requiring activities will record, by AS, the following data for each Military Interdepartmental Procurement Request (MIPR) or work order issued to support the acquisition that did not result in contracting actions:

1. Supporting activity
2. Types and amounts (man hours) of services provided.
3. Total estimated value(s) (base and option periods):
 - a. Track by actual and potential obligations.