The Federal Aviation Administration Acquisition Management System–Revision

This document revises the Federal Aviation Administration Acquisition Management System.

The Department of Transportation and Related Agencies Appropriations Act of 1996, Public Law 104-50 (the "1996 DOT Appropriations Act"), was enacted November 15, 1995. Section 348 of this Act directed the Administrator to develop and implement a new acquisition management system that addresses the unique needs of the agency and, at a minimum, provides for more timely and cost-effective acquisitions. The Federal Aviation Administration Acquisition Management System took effect on April 1, 1996, pursuant to this direction.

The Air Traffic Management System Performance Improvement Act of 1996 (effective November 8, 1996), being title II of the Federal Aviation Reauthorization Act of 1996, Public Law 104-264, enacted October 9, 1996, expressly grants the Administrator autonomy in carrying out the functions of the agency. Expanding the procurement reforms previously authorized by the 1996 DOT Appropriations Act, title II provides the Administrator with broad authority to enter into contracts, leases, cooperative agreements, and other transactions with public and private entities, on such terms and conditions as the Administrator considers appropriate.

This document implements title II and makes other necessary changes to, and clarifications of, the Federal Aviation Administration Acquisition Management System and takes effect on the date executed.

Barry L. Valentine June 2, 1997
Acting Administrator

Statement of the Acquisition Executive

In an era of shrinking budgets and greater demand for modernization of the national airspace system, the agency's ability to move quickly and efficiently to implement new technology will become even more critical. In the Federal Aviation Reauthorization Act of 1996, Public Law 104-264, Congress recognized that the FAA is a "unique Federal entity in that it is a participant in the daily operations of an industry," operating 24 hours a day, 365 days a year while delivering a safe and efficient *air transportation system*.

Since its establishment on April 1, 1996, the Federal Aviation Administration Acquisition Management System (AMS) has dramatically improved the agency's acquisition process by creating a framework for informed and innovative decision-making within integrated product teams. This revision builds on those achievements and places increased emphasis on fundamental lifecycle acquisition principles that will further increase the quality of services and supplies acquired by the agency, reduce acquisition time, and decrease the cost of delivering needed services to customers. Additionally, this revision underscores the importance of an improved workforce learning system and metrics and performance management in achieving an effective and efficient acquisition process. These acquisition reforms, along with anticipated budget reform, will move the agency closer to the congressional goal of providing the agency with a "new way of doing business" to meet the challenges of a dynamic and growing aviation industry while ensuring the safety of the traveling public.

George L. Donohue
Acquisition Executive

April 16, 1997

Authority for the Federal Aviation Administration Acquisition Management System – April 1, 1996

Introduction

I am inherently and expressly authorized to acquire goods, services, and property needed to carry out my aviation safety duties and powers. All of the Federal Aviation Administration's (FAA) acquisitions are in furtherance of these responsibilities. On October 31, 1995, Congress passed an act, *Making Appropriations for the Department of Transportation and Related Agencies, for the Fiscal Year Ending September 30, 1996, and for Other Purposes (*The *1996 DOT Appropriations Act)*. On November 15, 1995, the President signed this bill into law (Public Law 104-50). In Section 348 of this law, Congress directed me to develop and implement a new acquisition management system that addresses the unique needs of the agency. At a minimum, this system is to provide for more timely and cost-effective acquisitions. By signing this document, I am making effective FAA's new acquisition management system.

Statutory Exemptions

Under Section 348, I was instructed by Congress to develop and implement a new acquisition management system for FAA "notwithstanding provisions of Federal acquisition law." Congress added that the following provisions of acquisition law "shall not apply" to this new acquisition management system:

1. Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252-266);

2. Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.);

3. Federal Acquisition Streamlining Act of 1994 (Public Law 103-355);

4. Small Business Act (15 U.S.C. 631 et seq.), except that all reasonable opportunities to be awarded contracts shall be provided to small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals;

5. Competition in Contracting Act;

6. Subchapter V of Chapter 35 of Title 31, relating to the procurement protest system;

7. Brooks Automatic Data Processing Act (40 U.S.C. 759); and

8. Federal Acquisition Regulation and any laws not listed in (1) through (7) above, providing authority to promulgate regulations in the Federal Acquisition Regulation.

Although the combination of these provisions in Section 348 exempts the new acquisition management system from all acquisition laws, FAA has the discretion to adopt the substance of portions of acquisition law into its system as FAA deems appropriate. Unless stated specifically otherwise in this document or in legislation subsequently enacted, no acquisition statute or regulation shall apply to FAA acquisitions. The parties will, however, remain bound to the terms of any contract existing on this date unless the contract is modified by agreement of the parties or in accordance with existing contract terms.

Legal Effect of This Document

This document brings FAA's new acquisition system into effect and establishes the policies, guiding principles, and internal procedures for FAA's new acquisition system. Nothing in this document creates or conveys any substantive rights.

Modification of This System

FAA reserves the right to modify, add to, or delete any portion of this acquisition management system, either in whole or in part, as deemed appropriate by the Administrator or his designee. In addition to continuous improvement feedback, three years after implementation there will be an independent assessment of the acquisition management system and changes will be made, as necessary.

Pending Cases

Unless the parties agree otherwise, all acquisition litigation timely filed and pending before forums of competent jurisdiction on or before the effective date, April 1, 1996, of this new acquisition management system may remain under the jurisdiction of that tribunal in accordance with the applicable contract or solicitation provision.

David R. Hinson April 1, 1996

Table of Contents

Section 1:

Section 2:

Section 3:

Appendix A:

Appendix B:

Appendix C:

Appendix D:

Section 1:

ACQUISITION MANAGEMENT SYSTEM OVERVIEW

1.1

Purpose

This document simplifies and unifies **all** acquisition management policy

The Federal Aviation Administration (FAA) Acquisition Management System (AMS) establishes policy and guidance for all aspects of the acquisition lifecycle from the determination of mission needs to the procurement and lifecycle management of products and services that satisfy those needs. It is intended to simplify, integrate, and unify the elements of lifecycle acquisition management into an efficient and effective system that increases the quality, reduces the time, and decreases the cost of delivering needed services to its customers.

1.2

Background

The FAA developed the Acquisition Management System in response to Public Law 104-50 which was signed by the President on November 15, 1995. Section 348 of the law directed the FAA to:

> "...develop an Acquisition Management System that addresses the unique needs of the agency and, at a minimum, provides for more timely and cost-effective acquisition of equipment and materials."

Expanding the procurement reforms previously authorized by Public Law 104-50, the FAA Re-authorization Act of 1996, Public Law 104-264, October 9, 1996, provides the Administrator with autonomy in carrying out the functions of the Administrator and the Administration, and the authority to enter into such contracts, leases, cooperative agreements or other transactions with public and private entities on such terms and conditions as the Administrator may consider appropriate.

1.3

Precedence

AMS replaces **all** acquisition-related policy orders

The Acquisition Management System defines all acquisition and procurement policy within the FAA. It replaces existing policy pertaining to the elements of acquisition management, including functional disciplines such as logistics support, test and evaluation, human factors, configuration management, contracting, and transition to operational use. Policy for the functional disciplines is contained in Section 2.9, while related guidance (e.g., instructions, best practices, lessons learned, other job-related aids) are in the FAA Acquisition Management System Toolset - FAST (see Section 1.7). FAA's policy regarding legal participation is defined elsewhere.

The Acquisition Management System supersedes the Major Acquisition Policies and Procedures of the Department of Transportation, and all other acquisition and procurement statutes and regulations including the Federal Acquisition Regulation. Contracts awarded prior to April 1, 1996, remain under the Federal Acquisition Regulation until bilateral modification brings them under the Acquisition Management System. The FAA will continue to follow certain other statutes identified in the guidance section of FAST.

1.4

Applicability

AMS applies to **all** acquisition programs

The Acquisition Management System applies to the activities associated with the analysis of agency needs, determination of requirements, analysis of investment alternatives, establishment of acquisition programs, allocation and expenditure of resources, procurement and deployment of needed products and services, the in-service management of fielded capability, and eventual disposal of obsolete products. It applies to all acquisition programs of any cost and any appropriation. This includes programs managed at headquarters and those managed by the regions, centers, and other field activities.

Section 3 applies to all procurements

Acquisition programs are sponsored, fully funded efforts initiated at the investment decision by the Joint Resources Council to satisfy approved mission needs. Typically, multiple procurements and several projects may reside within the authority of a single acquisition program, and may be funded directly from it. These projects and procurements must comply with

the appropriate requirements of Section 3, Procurement Policy, but do not need separate approval from the Joint Resources Council or separate AMS documentation.

Waivers or deviations from this policy may be approved by the FAA Acquisition Executive (referred to as the Acquisition Executive throughout this document).

1.5

Key Attributes

The Acquisition Management System embodies six key attributes considered essential for achieving good acquisition management. The six attributes are:

- **Effectiveness** - the timely and cost-effective acquisition of products and services that work well for the customer.
- **Flexibility** - the ability to make good decisions based on best practices for particular circumstances rather than rigid adherence to standard procedures.
- **Efficiency** - simple processes and a competent workforce that achieve good decisions without undue oversight or waste of resources.
- **Checks and balances** - a system of program boundaries and monitoring techniques that identify and correct problems before they become unmanageable.
- **Assurance of balance** - a healthy tension between the pull of requirements and the push of technology that enables the agency to best satisfy mission needs within realistic resource constraints.
- **Public trust** - fairness and trust achieved through open and honest communications with industry, the aviation community, and the public.

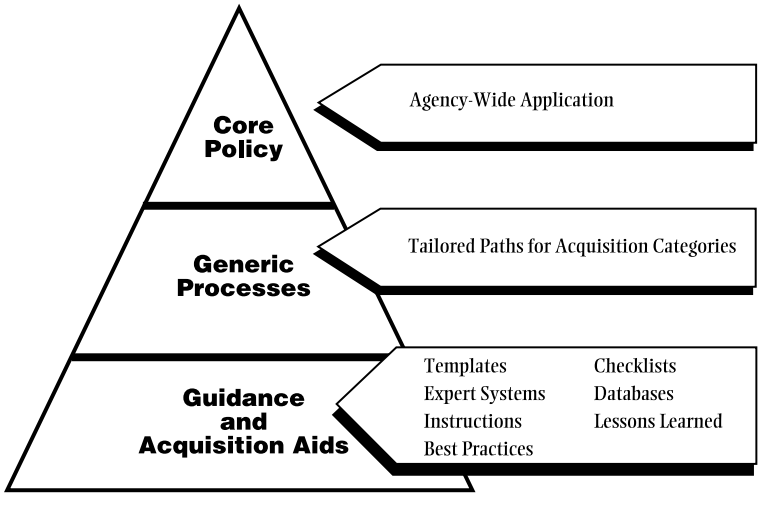
1.6

Structure of the Acquisition Management System

AMS policy is supported by processes, guidance, and job-related aids contained in FAST

The Acquisition Management System consists of core policy, generic processes, and an extensive reference set of guidance and job-related aids (see Figure 1-1). This integrated set of policy, processes, and guidance is managed through agency-wide acquisition policy configuration management, and is intended to facilitate efficient and effective acquisition management by the workforce. It is located in the FAA Acquisition System Toolset (FAST), an on-line information system available at employee workstations via the Internet (http://fast.faa.gov).

Figure 1-1 *FAA Acquisition Management System structure minimizes mandatory policy and stresses guidance and best practices*



1.6.1

Core Policy

Lean policy and reliance on an empowered workforce

This document contains the core policy of the Acquisition Management System. This policy applies universally across the FAA, and is intended to be lean and efficient so agency energy can be focused on the products and services needed by users and customers. Section 2 of this document contains all lifecycle acquisition management policy. Section 3 contains all procurement policy. Throughout, core policy stresses delegation of authority to the appropriate level, empowerment of a fully qualified workforce, the

increased use of guidelines in place of detailed policy, and enlightened management.

1.6.2

Generic Processes

A set of generic processes for each primary acquisition category (systems and software, facilities, and services) supplements this core policy. These generic processes are tailored for different types of acquisition programs within each acquisition category (e.g., simple purchases of commercial equipment, nondevelopmental item hardware with developmental software, full developmental programs, leased services, major new facilities, modification of existing facilities). They provide a standard set of activities and decisions to assist the workforce in planning and managing acquisition programs during the solution implementation and in-service management phases. There are also generic processes for conducting mission analysis and investment analysis.

Processes and guidance provide best-practices and lessons-learned

1.6.3

Guidance and Job-Related Aids

A comprehensive reference set of guidance, instructions, templates, databases, and checklists are linked directly to specific activities in the generic processes. They are intended to support the workforce in planning and executing all aspects of the Acquisition Management System. This reference set is intended to be tailored for the circumstances of each acquisition program.

1.7

FAA Acquisition System Toolset (FAST)

The FAA Acquisition System Toolset is the official record of the Acquisition Management System. FAST is an on-line information system available at employee workstations via the Internet (http://fast.faa.gov). It contains all acquisition management policy, process flowcharts, guidance, procurement clauses and prescriptions, document templates and instructions, checklists, best practices, lessons learned, and other job-related aids for use by the workforce. FAST is updated on a continuing basis under strict configuration control.

FAST is the official record of the AMS

Find it on the Internet: http://fast.faa.gov

1.8

Key Features

The following are key features of the Acquisition Management System:

LIFECYCLE ACQUISITION MANAGEMENT POLICY

- Establishes a lifecycle partnership between users and providers so final products and services are what users/customers want and need.
- Creates a seamless lifecycle acquisition management process that extends from mission analysis to product disposal.
- Explores advanced technology opportunities and non-traditional operational concepts in full partnership between providers and users/customers.
- Provides a framework for evolutionary product development so the upgrade of complex systems can be faster and cheaper.
- Stresses preference for commercial and nondevelopmental solutions to mission needs.
- Streamlines policy so effort and resources are focused on products.
- Establishes a rigorous configuration control process for improving the Acquisition Management System continuously.
- Places resource decisionmaking at the Corporate level and program decisionmaking with Integrated Product Teams to increase the pace of doing business and stabilize program execution.
- Establishes a strong capability for mission analysis that looks forward in time to identify and prioritize needs before they become operational problems.
- Establishes a strong capability for investment analysis that ensures rigorous and impartial treatment of alternative strategies for satisfying mission need, while also achieving “buy-in” from the users who must live with the solution and the providers who deliver it.
- Unifies Acquisition Management System processes with agency planning, programming, and budgeting; the NAS Architecture; and long-range strategic planning.

PROCUREMENT POLICY

- Establishes competition for products and services among two or more sources as the preferred method of source selection.
- Strives to provide small businesses with attainable and reasonable opportunities to participate as contractors and subcontractors.
- Enables tailoring of processes and guidance to meet the goals of each requirement.
- Encourages industry participation in the development of requirements and solutions throughout the lifecycle acquisition management process.
- Establishes lists of qualified vendors for products and services based on their capabilities and past performance.
- Eliminates the requirement for formal solicitation and allows screening to narrow offerors to only those likely to receive an award based on capabilities and past performance.
- Delegates source selection responsibility, authority, and accountability to the Integrated Product Team.
- Resolves protests and contract disputes at the agency level through the FAA Dispute Resolution System.

1.9

AMS Configuration Management

The Acquisition Management System contains all agency acquisition and procurement policy, as well as additional information contained in FAST.

AMS is managed as a unified system

The Acquisition Management System is configuration managed as a system to ensure:

- Every change strengthens and improves it, and makes it more useful to the workforce;
- Policy remains lean, streamlined, and effective;
- Information is consistent and compatible across all functional disciplines;
- Quality is maintained and improved; and

- The “system view” across all information is consistent and strengthened.

1.9.1
Initiating and Developing Changes

Anyone can propose AMS changes

Contact ASU-120

Anyone may propose changes to the Acquisition Management System by submitting them to the AMS Configuration Manager (ASU-100). Originators will be requested to develop the proposed change fully in conjunction with the cognizant functional organization, or in the case of a complex change, an ad hoc workgroup established to develop the change and resolve issues.

1.9.2
Evaluating and Approving Changes

A corporate cross-functional body, the Acquisition System Advisory Group, chaired by the AMS Configuration Manager, evaluates all proposed changes to ensure they improve the AMS and are consistent with agency direction. The Acquisition System Advisory Group also initiates changes, and establishes working groups to develop new policy and guidance. It ensures the full participation of all affected organizations, informs and solicits guidance from management, resolves issues, and gains consensus. Fully coordinated changes are presented to the Acquisition Executive, who recommends approval by the Administrator. The Director, Office of Acquisitions, is delegated authority to approve and issue all guidance.

1.9.3
Availability of Approved Changes

FAST is kept up-to-date with the latest changes

Approved changes are incorporated into FAST on a continuing basis. Change pages to policy and guidance may be printed from FAST at any individual workstation and inserted into the hard-copy policy document. Revised printed copies of the policy document will be issued periodically. The AMS Configuration Manager maintains FAST and the printed policy document.

1.10

Decisionmaking and the Joint Resources Council

1.10.1

Decisionmaking

Decisionmaking is a **partnership** between providers and users

The Acquisition Management System streamlines decisionmaking and accountability within FAA, and fosters partnership between users and providers throughout the acquisition management lifecycle. The Joint Resources Council makes corporate-level resource and investment decisions, and establishes acquisition programs. Integrated Product Teams implement acquisition programs established by the Joint Resources Council. They are empowered to make and are responsible for all program decisions except those explicitly retained by or assigned to another decision authority by the Joint Resources Council.

Appendix A defines the roles and responsibilities of the following key officials and organization elements:

- Joint Resources Council.
- Line of Business Associate Administrators.
- Acquisition Executive.
- Associate Administrator for Research and Acquisitions.
- Systems Engineering/Operational Analysis Team.
- Director, Office of Independent Operational Test and Evaluation.
- Mission Analysis Steering Group.
- Integrated Product Leadership Team.
- Integrated Management Team.
- Integrated Product Team.
- Integrated Product Team Leader.
- Contracting Officer.
- Source Selection Official.

Refer to Appendix A for more detail

1.10.2

Joint Resources Council

The JRC focuses on investment and budget-related decisions

The Joint Resources Council makes corporate-level decisions. The deliberations of this body focus on five investment-related decisions: (1) the mission need decision which determines what capability the agency will pursue; (2) the investment decision which determines what acquisition programs the agency will approve and fund fully; (3) Acquisition Program Baseline change decisions which alter the performance, cost, schedule, and benefit baselines established at the investment decision; (4) approval of the agency's RE&D and F&E budget submissions; and (5) approval of the NAS Architecture baseline. The Joint Resources Council also participates in development of the agency's operations budget submission.

Membership of the Joint Resources Council consists of:

- Associate Administrators representing the FAA lines of business (Air Traffic Services, Airports, Regulation and Certification, Civil Aviation Security, Administration, Commercial Space Transportation, Research and Acquisitions);
- Acquisition Executive (may be delegated to an Associate Administrator);
- Assistant Administrators for System Safety and for Policy, Planning, and International Aviation;
- Chief Financial Officer, representing fiscal fiduciary responsibilities;
- Legal Counsel

1.11

Integrated Product Development System

Teams leading teams, with all functional disciplines represented

The philosophy of the Integrated Product Development System (IPDS) is to team functional disciplines systematically, and thereby integrate and apply all relevant processes to produce an effective and efficient product or service that satisfies customer needs. This system is built on the concept of "teams leading teams," and requires a cultural and organizational focus that understands and accommodates the mechanics and dynamics of team operation. It stresses cutting across organizational "stovepipes," and emphasizes full lifecycle responsibility from program inception to disposal for products and termination for services.

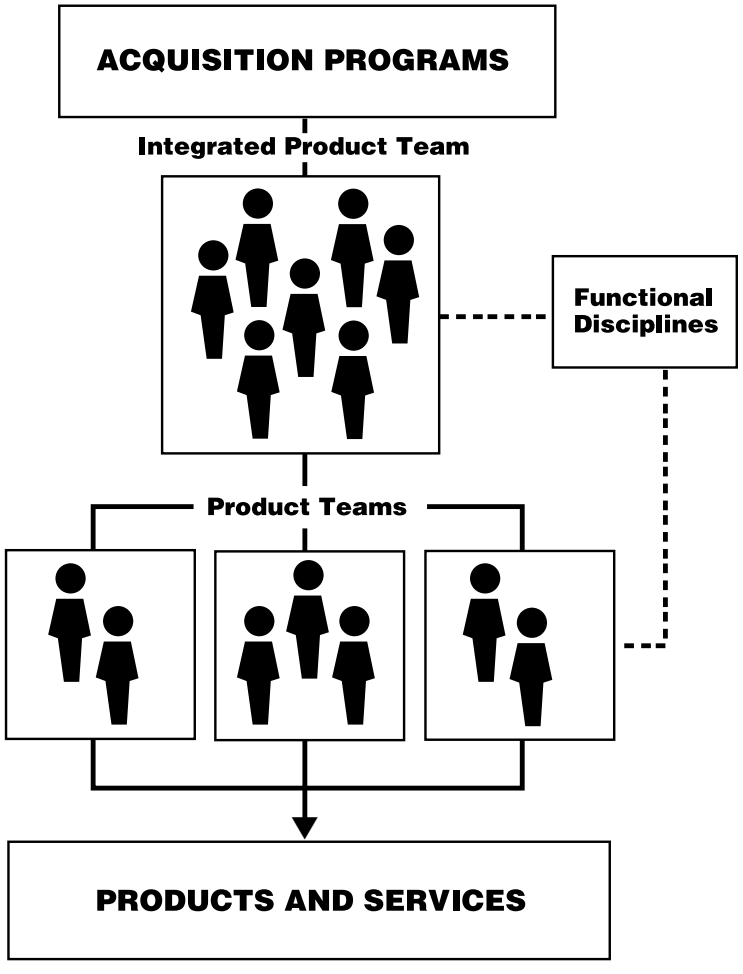
There are four levels of teams within the IPDS: the Product Team (PT), Integrated Product Team (IPT), Integrated Management Team, and the Integrated Product Leadership Team. The Integrated Product Team is a cross-functional, empowered team that is given a budget and other resources to accomplish lifecycle acquisition and management for specific products or services. An Integrated Product Team may be organized with sub-IPTs, called Product Teams, in cases where multiple products or services need to be broken into manageable elements. IPTs or PTs, as appropriate, are the primary lifecycle acquisition management teams. They are empowered at the lowest level to make binding, team-based decisions on the programs within their purview in the interests of all stakeholders, users, and customers in accomplishing their mission (see Figure 1-2).

IPDS teams–Empowered and accountable for acquisition program results

The IPDS includes Integrated Management Teams, consisting of IPT leaders and functional managers, to assist and support IPTs and PTs in each of the

IPDS team–Partnership of users and providers

Figure 1-2 *Product Teams are empowered to carry out acquisition programs*



product/service areas. The Integrated Product Leadership Team, consisting of director-level managers, oversees the entire IPDS operation and resolves high-level, cross-domain issues requiring senior management assistance and support.

Integrated Product Teams will be used for *all* acquisitions, whether at headquarters or for field activities, including those pre-existing to April 1, 1996. The size and composition of individual Integrated Product Teams will vary widely. A complex development of a NAS system may require an IPT of many people with varied capabilities. On the other hand, the procurement of low-cost products or services may involve an IPT of as few as two people, representing the provider and the user or customer.

Product Team leadership typically shifts over time as a solution transitions from development to production to implementation and then to in-service management. Leadership during development and production typically resides with an IPT member from the providing organization, while during in-service management, leadership will typically shift to an IPT member from the operating organization when the primary focus of the team changes from acquisition to operations.

AMS and IPDS principles apply throughout FAA

This document refers to lifecycle acquisition management teams as IPTs throughout as a convention, with the understanding that the lowest level of empowered teams, Product Teams or two-person field teams, will most often execute acquisition programs for their assigned products or services. *Even though all lines of business have not yet reorganized under IPDS principles, the policies of the AMS and IPDS apply and should be tailored to fit existing organizational needs.*

1.12

Acquisition Workforce Learning System

Team empowerment is linked to proficiency

The Acquisition Workforce Learning System identifies, maintains, and continuously assesses the capabilities required of the acquisition workforce. The objective is a competent, efficient workforce that can make good decisions without undue oversight or waste of resources. The acquisition workforce encompasses those individuals, supervisors, and leaders at all levels within FAA engaged in the broad range of activities defined by the Acquisition Management System, including mission analysis, investment analysis, and the implementation and in-service management of agency acquisition programs. The capabilities required of the acquisition workforce

cover the wide spectrum of competencies essential to efficient management of complex system/software, facility, and service acquisition programs, as well as thousands of small procurements. The FAA Acquisition System Toolset (FAST) contains guidance regarding workforce qualifications, leadership learning, measurement and assessment, processes, participants and their roles, and resources embodied in the Acquisition Workforce Learning System.

1.12.1

Responsibility

Ultimate responsibility for increasing the level of competence of the acquisition workforce resides with the Acquisition Executive. The Acquisition Executive holds executives, leaders, and supervisors accountable for identifying and maintaining the currency of mission-related core competencies, and for analyzing, measuring, and improving the workforce's capability to perform. An inherent responsibility of acquisition workforce leaders is to create and manage a culture where efficiency, flexibility, quality, and learning are recognized as essential elements of mission accomplishment. Overall, leaders must build individual and organizational capabilities to ensure long-term acquisition effectiveness. Every individual, supervisor, and leader is responsible for participation in continuous work-related learning. A Learning System Coordinator provides the day-to-day guidance and oversight of the learning system.

1.12.2

Resources

An initial and ongoing investment targeted only for increasing the human and intellectual capital of the acquisition workforce is required. This investment must be separately identified, prioritized, and defended in the same manner as any of the agency's most important NAS or infrastructure programs. A human and intellectual capital investment plan should be coupled with the Aviation System Capital Investment Plan, the RE&D Plan, and the Operations Plan, all of which act as integral parts of meeting the agency's mission outcomes.

Proficiency is obtained through systematic learning

1.12.3

Workforce Qualifications

The learning system maintains a profile of core competencies for the acquisition workforce based on continuous assessment of mission requirements, customer needs, and new technology, and establishes

quantitative and qualitative objectives for growth in the competence of the workforce. Standards of excellence for each competency constitute the structure for assessing the capacity and capability of the workforce, and for identifying opportunities for individual growth.

1.13

Metrics and Performance Measurement

We measure performance to optimize output and to learn

The Acquisition Management System is structured to achieve quantifiable levels of performance for the resources expended. The primary control mechanism is the Acquisition Program Baseline which quantifies the performance and benefits expected to be achieved by each acquisition program in return for the resources committed to it. Benefits are quantified as savings to the FAA in terms of more efficient and effective operations, and to the aviation community in terms of better service. As a result, acquisition program effectiveness is linked directly to the benefits experienced by the agency's users and customers.

In compliance with the Government Performance and Results Act of 1993 (GPRA), the Acquisition Management System requires performance indicators and metrics to be established at the investment decision for each acquisition program. Actual performance and benefits will be measured and reported against planned values.

The agency uses metrics to identify opportunities for improvement, and to facilitate learning by highlighting successful programs and practices that demonstrate savings in cost and time, and achieve improvements in customer satisfaction. Metrics will also be developed to assess the performance-oriented effectiveness and maturity of the Acquisition Workforce Learning System, and to obtain a comprehensive picture of individual, Integrated Product Team, and functional organization performance relative to competencies.

Section 2:

LIFECYCLE ACQUISITION MANAGEMENT POLICY

2.1

Guiding Principles

Lifecycle acquisition management policy is built around a logical sequence of activities and decisions that enable the agency to determine and prioritize its needs, make informed investment decisions, manage its resources, and execute acquisition programs efficiently and effectively. It starts with the determination of agency needs and continues through the entire lifecycle of a product or service.

Guiding principles include:

- *Full lifecycle partnership* between the acquisition and operational workforces to obtain quality products and services.
- *Evolutionary product improvement* and faster insertion of new technology.
- *Top-down, continuous, forward-looking mission analysis* and resource allocation planning.
- Early and continuous involvement of users, customers, and industry vendors in establishing and stabilizing *sound, realistic requirements*.
- *In-depth, comprehensive analysis* of viable alternative solutions to mission needs.
- *Preference for commercial items or nondevelopmental solutions*.
- Selection of the *most advantageous solution(s)* based on qualitative and quantitative data.
- *Integration of acquisition program approval and agency budgeting processes* (new acquisition programs are approved contingent on affordability and agency commitment to full lifecycle funding).

- *Stable* performance, cost, schedule, and benefit program baselines.
- *Investment decisions made at the corporate level* by representatives of all FAA lines of business.
- *Corporate approval of baseline changes* and an audit trail of changes throughout a program's lifecycle.
- *Integrated Product Teams* responsible and accountable for conducting lifecycle acquisition programs, staffed with knowledgeable and competent personnel, empowered to make program decisions.
- *Streamlined and continuously improved acquisition system processes,* resulting in cost and time savings (reductions in mandatory policy; increased use of on-line guidance, best-practices, templates, and references; significant consolidation of planning documents).
- *Advanced lifecycle supportability technologies* designed into new products and services (embedded performance support systems, fault isolation, repair and certification).
- *Corporate-level decisionmaking restructured and reformed* to focus on mission need and investment decisions and key program baseline indicators.
- *Unified agency planning, programming, and budgeting* within a long-range strategic framework and resource planning.

2.2

Lifecycle Acquisition Management Process

The acquisition lifecycle is a continuous loop of evolution and improvement

The lifecycle acquisition management process is organized into a series of phases and decision points, as depicted in Figure 2-1. The circular representation of the process conveys the idea that a mission need is defined and translated into a most advantageous solution, which goes through a continuous loop of evolution and improvement until it is retired. New products should have open architecture, modular design, standard interfaces, and portable software so they can evolve over time as additional capability is needed and when obsolete components must be replaced.

Figure 2-1 *The FAA lifecycle acquisition management process provides for continuous product evolution and improvement*

The lifecycle acquisition management process is executed by operational and acquisition specialists working in partnership throughout. Integrated Product Teams unify the diverse disciplines critical to sound acquisition management such as: operational analysis, contracting, testing, logistics, cost estimating, budgeting, planning, operations research, risk assessment, systems engineering, and software engineering. These teams blend and manage a broad range of responsibilities over the entire lifecycle of products and services that may be in existence for as little as three years for rapidly changing technologies, or more than 10 years for more stable technologies. The Integrated Product Team also unifies users and providers into one team responsible for delivering affordable products and services that both internal users and external customers want and need. Integrated Product Team membership, leadership, and focus change as a program progresses from acquisition to implementation to operations.

The acquisition lifecycle is executed by operational and acquisition specialists working in partnership

2.3

Mission Analysis

Mission analysis is a strong, forward-looking, and continuous analytical activity that evaluates the capacity of agency assets to satisfy existing and emerging demands for services. Mission analysis focuses strongly on the

Mission Analysis looks to the future

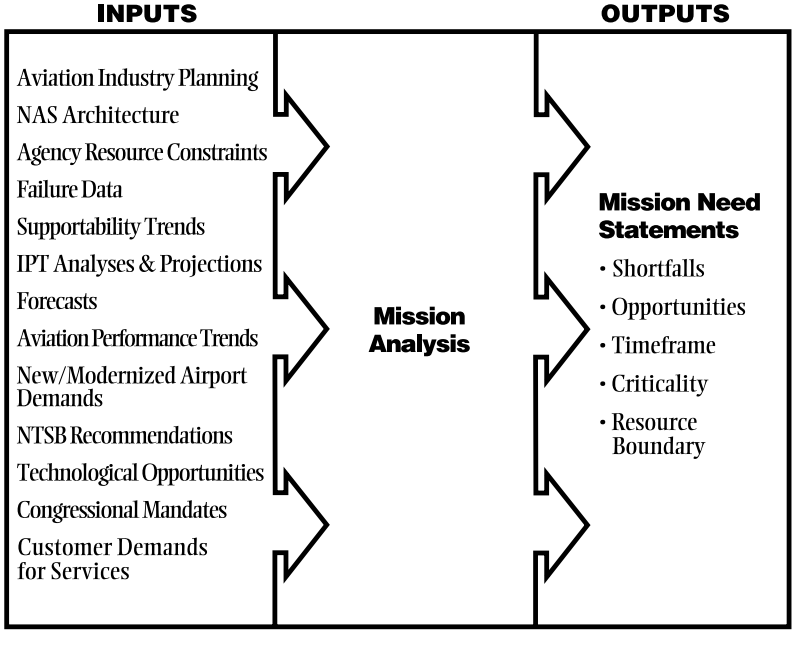
Mission analysis identifies **critical** agency needs and opportunities

National Airspace System, and also addresses all other agency mission and administrative needs. Mission analysis enables the agency to determine and prioritize its most critical capability shortfalls and best technology opportunities for improving the FAA's overall safety, security, capacity, efficiency, and effectiveness in providing services to its customers.

Mission analysis is conducted within the framework of the NAS Architecture and long-range strategic goals of the agency. In turn, mission analysis contributes strongly to the evolution of strategic planning, NAS Architecture, and Long-Range Resource Allocation Planning.

Mission analysis brings to the Joint Resources Council for approval those critical needs the agency must address. It estimates the resources the agency will likely be able to commit to each mission need in competition with all others within the constraint of a realistic projection of future agency budget authority. The resource estimate becomes a "placeholder" in the agency's Long-Range Resource Allocation Plan upon approval of mission need, and is quantified more accurately during investment analysis and baselined at the investment decision. The resource estimate is a function of the *benefit* to the agency and the aviation community, the *cost* of not addressing the need (e.g., travel delays, increased maintenance cost, lost productivity), and the likely extent of *changes* to the agency's infrastructure that would be required. Figure 2-2 depicts key inputs into and output from mission analysis.

Figure 2-2 *Mission analysis is a continuous, forward-looking process to identify future agency needs*



If mission analysis reveals a nonmaterial solution (e.g., a rulemaking change, operational procedural change, transfer of systems between sites) that can satisfy a capability shortfall *and can be achieved within approved budgets*, it can be implemented without proceeding further in the acquisition management process.

Non-material solutions may emerge during Mission Analysis

All Mission Need Statements will emerge from structured mission analysis. However, any individual or organization may propose a mission need based on a perceived capability shortfall or technological opportunity. Examples of potentially valid needs that could originate outside FAA lines of business include those related to energy conservation, the environment, system safety, or industry-developed technological opportunity. These shortfalls and opportunities should be identified to the Mission Analysis Steering Group which will determine how mission analysis should be conducted to validate, quantify, and prioritize the proposed need. The steering group consists of representation from the mission analysis staff of each FAA line of business.

The Mission Analysis Steering Group unifies Mission Analysis

An initiative to increase the effectiveness or upgrade an existing capability does not require a new Mission Need Statement; rather it involves revalidation of an existing need by the mission analysis staff of the original sponsoring line of business, and an investment analysis to determine whether the proposed initiative is the best solution and affordable.

Note: *Figure 2-1 depicts mission analysis as off the main lifecycle path to reinforce that it is a continuous, independent activity from which needs emerge, and is outside the environment of individual program execution.*

2.3.1 Activities

FAA lines of business conduct mission analysis within their domains of responsibility.

The principal activities of mission analysis are:

- *Identify and quantify projected* **demand** *for services* based on input from diverse sources such as the aviation community in the form of demand for service and capacity; NAS Architecture and long-range planners as projections of services needed in the future; operators and maintainers in the form of local site trends; and IPTs in the form of performance and supportability trends of fielded equipment.
- *Identify and quantify projected* **technological opportunities** *that will enable the FAA to perform its mission more safely, efficiently, and effectively.*

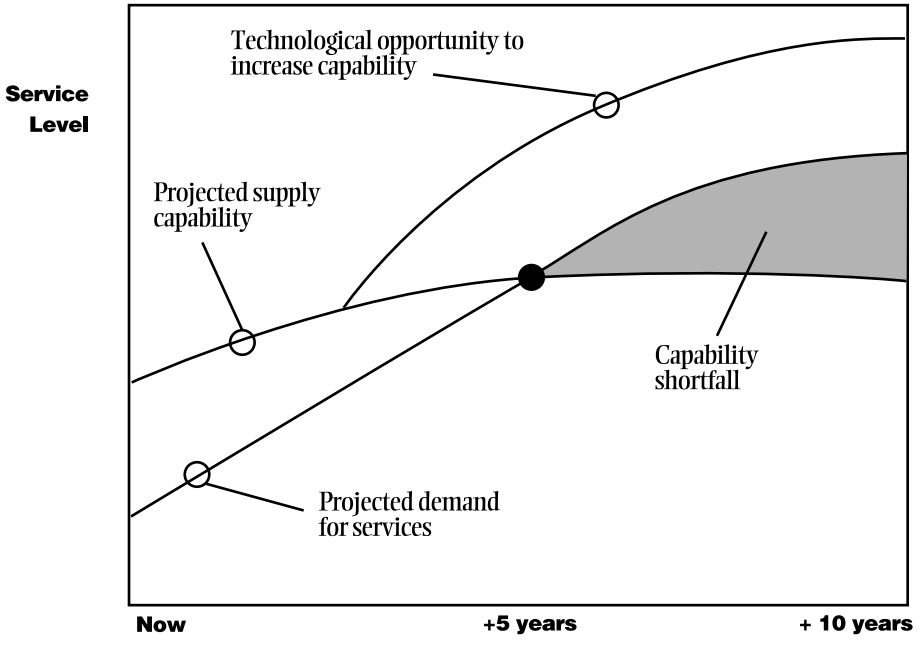
Supply of services
- Minus-
Demand for services
- Equals-
Capability shortfall

- *Identify and quantify existing and projected* **supply** *of services* based on information from field organizations that operate and maintain the National Airspace System in the form of performance and supportability data; from the aviation community in the form of assessments of FAA-provided services; and from the NAS Architecture which defines what is in place and what is approved to be implemented.
- *Identify, analyze, and quantify* **capability shortfalls** *(the difference between demand and supply) and* **technological opportunities** *to increase operational safety, efficiency, or effectiveness* (see Figure 2-3).

Refer to Appendix B for MNS details

- *Prepare* **Mission Need Statements** which summarize mission analysis and serve as the decision document for the mission need decision.

Figure 2-3 *Mission analysis identifies both critical capability shortfalls and technological opportunities*



2.3.2 Results and Products

Mission Need Statement–the product of Mission Analysis

When mission analysis identifies a capability shortfall or technological opportunity, the results are summarized in a Mission Need Statement. The Mission Need Statement must clearly describe either the capability shortfall and the impact of *not* satisfying the shortfall, or the technological opportunity and the increase in operational safety, security, efficiency, or

effectiveness that it will achieve. The Mission Need Statement also must assess the criticality and timeframe of the need, and roughly estimate the resources the agency should commit to resolving it based on its worth, criticality, and the scope of likely changes to the agency's asset base. This information forms the basis for establishing the priority of this need in competition with all other agency needs, and for determining which needs should be approved for investment analysis.

Note: *As a program proceeds through implementation, fielding, sustainment, upgrade, and eventual replacement, the Mission Need Statement is revalidated periodically. A new or modified Mission Need Statement is needed only if the need itself changes significantly.*

2.3.3
Who does it?

Each FAA line of business (Air Traffic Services, Commercial Space Transportation, Civil Aviation Security, Regulation and Certification, Airports, Administration, and Research and Acquisitions) performs mission analysis for its business area using staffs of qualified analysts. These analysts conduct mission analysis within the broad framework of NAS Architecture, Congressional mandates, and agency strategic planning. The Mission Analysis Steering Group coordinates mission analysis among the lines of business; recommends to the Joint Resources Council a priority ranking for each Mission Need Statement; and formulates action in response to mission needs arising outside the lines of business (e.g., system safety, environmental, international).

2.3.4
Who Approves?

An FAA line of business must sponsor a Mission Need Statement. The Associate Administrator of the organization(s) that will eventually be affected by the proposed need endorses the Mission Need Statement and sends it to the Joint Resources Council for approval. The Associate Administrator of the sponsoring line of business serves as the Joint Resources Council chairperson for the mission need decision. The Joint Resources Council assigns a priority rank to each approved Mission Need Statement relative to all approved mission needs. Joint Resources Council approval of the Mission Need Statement signifies that the agency agrees the need is critical enough to initiate investment analysis. If mission analysis reveals a nonmaterial solution, the Associate Administrator of the sponsoring line of business may approve the solution and identify, within the line of business, any funding offset required for implementation.

The JRC makes the Mission Need Decision

2.4

Investment Analysis

Investment analysis generates the information used by the Joint Resources Council at the investment decision to determine the best overall solution for satisfying a mission need. It is conducted as a partnership between the sponsoring and acquiring organizations to ensure the critical needs of the user and customer are satisfied by an affordable solution.

Investment Analysis is the process for determining best solutions for satisfying mission need

Investment analysis is structured to translate mission need into top-level performance and supportability requirements; conduct a thorough market analysis, alternatives analysis, and affordability assessment to determine the best solution for obtaining needed capability; and quantify the cost, schedule, performance, and benefit baselines for that solution. In doing this, investment analysis investigates viable alternative solutions to mission need thoroughly and equally. Statements in the Mission Need Statement concerning timeframe and urgency establish when a solution to a mission need must be in place which, in turn, establishes a boundary on when investment analysis must be completed.

Low-risk nondevelopmental solutions are preferred

After initial top-level performance and supportability requirements are established, a primary objective of investment analysis is to determine whether low-risk, low-cost commercial or nondevelopmental solutions are available, or whether a developmental effort is needed. This is to ensure the agency undertakes developmental programs only when necessary, and to minimize the risk and complexity of such programs.

Top-level requirements only

The intent of investment analysis is to define in *functional and performance terms* the capability the agency must have to satisfy mission need, and to determine and baseline the best overall solution(s) for achieving that capability. The intent is *not* to develop and engineer solutions. If the best solution requires development, this must be recognized and factored into the baseline of the solution(s) that will be implemented as an acquisition program once established by the Joint Resources Council. The key is to balance the timeliness of the analysis with the development of comprehensive, rigorous data needed by the Joint Resources Council to make an informed investment decision.

It is essential to determine accurately during investment analysis the resources and time needed to implement each candidate solution to mission need. These estimates form the basis for the cost and schedule boundaries in the Acquisition Program Baseline for the solution(s) selected for

implementation, and establish the resources the agency is committed to funding for each mission need in competition with all others. If these estimates are not accurate, the agency will be unable to plan realistically or achieve the goal of stable funding for approved programs.

Accurate cost and schedule estimates are critical

Affordability is a key element in the decision to approve a new program and select a solution for implementation. AMS policy requires full lifecycle funding of new acquisition programs within realistic programming and budget target levels based on likely agency spending authority. The Systems Engineering/Operational Analysis Team (SEOAT) performs an affordability assessment of all candidate solutions to a mission need, and maintains a relative priority listing of all agency programs based on standard evaluation criteria approved by the Joint Resources Council. This priority list supports the affordability assessment of new programs, reprogramming due to baseline changes on existing programs, and the annual budget process. The SEOAT is composed of representatives from each line of business and other appropriate functional disciplines, and is chaired by the Director, System Architecture and Investment Analysis.

Solutions must be affordable

Note: *As shown in Figure 2-1, investment analysis is somewhat off the main lifecycle path to denote it is conducted before an IPT-led acquisition program is established.*

2.4.1 Requirements Definition Activities

The line of business with the need establishes initial requirements with support from the investment analysis staff, NAS Architecture organization, Integrated Product Teams, and other organizations, as requested. After comprehensive market, investment, and affordability analysis, these initial requirements are refined and revised into a final Requirements Document.

Principal activities are:

- **Determine initial requirements.** The sponsoring organization translates information in the Mission Need Statement into an initial Requirements Document that addresses operational concept, cost, schedule, benefits, physical integration, functional integration, in-service support, test and evaluation, implementation, quality assurance, configuration, human factors, and in-service management requirements. This document establishes the criteria for identifying potential solutions, conducting market analyses, analyzing alternatives, and performing affordability assessments. It also details all Critical Operational Issues that potential solutions must address and resolve to ensure the operational capability

Requirements must balance with cost, schedule, risk

specified in the Mission Need Statement is fully satisfied. The initial Requirements Document must also record Congressional mandates, Executive Orders, and federal regulations that directly influence the requirement.

Refer to Appendix B for Requirements Document details

- **Finalize requirements**. After the market analysis, analysis of alternatives, and affordability assessment, the sponsoring organization finalizes and approves the Requirements Document.

2.4.2
Investment Analysis Activities

Investment Analysis Teams perform Investment Analysis

The investment analysis staff leads the effort to identify and analyze candidate solutions that satisfy mission need. After approval of each Mission Need Statement and consultation with the sponsoring organization and Integrated Product Teams with potential solutions, the investment analysis staff establishes a dedicated Investment Analysis Team to conduct the analysis. Each team, at a minimum, has operations analysts and requirements specialists from the line of business with the need; acquisition and engineering specialists from IPTs with potential solutions; investment analysis staff specialists with skills in such disciplines as risk assessment, cost and schedule estimating, and market analysis; and whatever technical support is needed. This team conducts the investment analysis and generates the information that is included in the Investment Analysis Report.

The principal activities of investment analysis are:

- **Identify alternatives and survey the market.** The initial requirements are used as a basis for identifying all potential material and nonmaterial solutions to the mission need, using market surveys as well as input from industry and FAA organizations that have potential solutions (Integrated Product Teams, System Architecture and Investment Analysis organization, regulatory offices, research organizations, etc.). The preference is to identify commercial items, nondevelopmental items, or nonmaterial solutions that are cost-effective and operationally suitable as a first priority for satisfying the mission need and requirements. Developmental alternatives should be considered *only* if other choices are not feasible. Operational or factory capability demonstration of potential solutions is encouraged.
- **Nonmaterial solutions.** If a nonmaterial solution emerges during the analysis that satisfies the need, can be achieved within approved budgets, and is concurred with by the sponsoring line of business, it may be implemented without proceeding further in the lifecycle acquisition management process. The Associate Administrator of the line of business

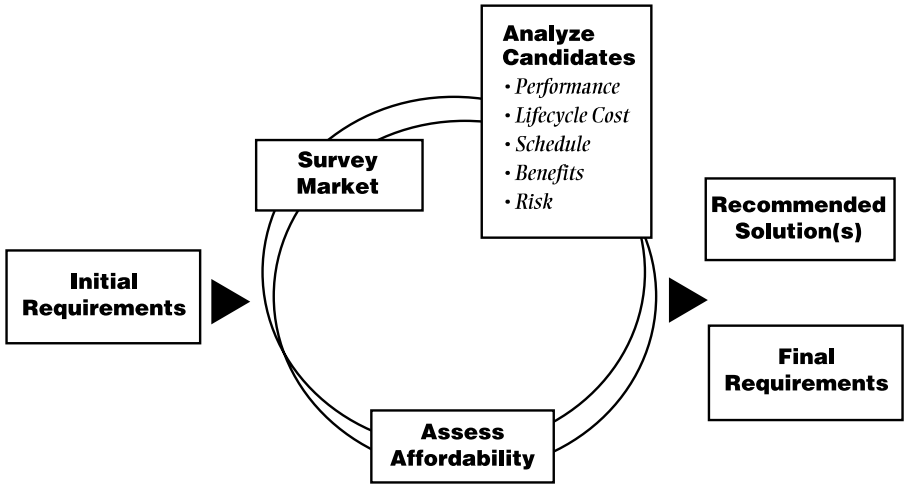
sponsoring the mission need must notify the Joint Resources Council that a nonmaterial solution has been selected so the investment analysis activity can be terminated.

- **Analyze alternatives.** Of the alternatives identified, those determined to be viable become candidates for detailed analysis. Candidate solutions are evaluated by compiling and analyzing such factors as lifecycle cost (including sustainment, supportability, and disposal), cost-benefits, risk, technical performance, schedule, human factors, space, real estate, heating and cooling, power, telecommunications, physical infrastructure, environmental impact, security, radio frequency spectrum, logistics support, compatibility with NAS Architecture, regulatory and procedural impact, operational suitability, and disposal of obsolete assets. This process involves multiple iterations back through requirements (see Figure 2-4) to determine the most advantageous and reasonable solution to a core set of top-level requirements, *not necessarily all initial requirements.* Emphasis is on using evolutionary development or pre-planned product improvements (P3I) to satisfy requirements that cannot be met or afforded today. The results of investment analysis are documented in an Investment Analysis Report which contains comprehensive, quantitative data developed equally for each candidate solution.

Each candidate solution is fully investigated

- **Affordability assessment.** As the analysis of alternatives progresses, cost and schedule data for candidate solutions are forwarded to the Systems Engineering/Operational Analysis Team. The SEOAT assesses the affordability of each candidate against all other programs in the agency's

Figure 2-4 *Investment analysis involves trade-off among factors such as cost, schedule, risk, and performance*



The SEOAT assesses affordability

financial baseline based on their relative priority. When a candidate solution cannot be funded within agency planning and budgeting baselines, the SEOAT proposes offsets from lower priority programs, both within the sponsoring line of business and all other agency programs. The SEOAT may elect to propose no offsets if there are no lower priority programs, or when the candidate solution can be accommodated within out-year funding baselines. This information is provided to the Investment Analysis Team for inclusion in the Investment Analysis Report.

Program baselines are determined for each solution

- **Develop Acquisition Program Baselines.** The Investment Analysis Team develops an Acquisition Program Baseline for each candidate solution. These baselines include the cost, schedule, performance, and benefit baselines that each candidate is intended to achieve. The cost and schedule baselines for each candidate are developed by the Integrated Product Team that will implement the particular solution if selected by the Joint Resources Council at the investment decision.

Refer to Appendix B for Investment Analysis Report details

- **Prepare Investment Analysis Report.** The results of investment analysis are contained in the Investment Analysis Report. The report defines each candidate solution to mission need, and compares the relative strengths and weaknesses of each for all evaluation factors considered during investment analysis. It also contains the affordability assessment. The Acquisition Program Baseline for each candidate solution is attached to the report.
- **Selection of the solution.** The Joint Resources Council determines whether to initiate a new acquisition program and selects the solution at the investment decision, based on information in the Investment Analysis Report.
- **Program initiation.** The selection and commitment to full funding of a solution by the Joint Resources Council initiates an acquisition program. The lifecycle process then moves into solution implementation, with resources and management responsibility assigned to the appropriate Integrated Product Team.

2.4.3 Results and Products

The products of investment analysis are:

Refer to Appendix B for document details

- revalidated Mission Need Statement (provided by the sponsoring organization);
- Investment Analysis Report;
- Requirements Document (including Critical Operational Issues);
- Acquisition Program Baseline; and

- adjusted NAS Architecture and agency planning, programming, and budget documents.

The investment decision by the Joint Resources Council:

- selects a solution;
- baselines the Requirements Document;
- establishes a program and assigns it to the appropriate Integrated Product Team;
- approves the Acquisition Program Baseline for performance (including Critical Operational Issues), cost, schedule, and benefits;
- commits the agency to full lifecycle funding of the program; and
- identifies future corporate decisions and level of delegation (refer to Section 2.5.4).

2.4.4 Who Does It?

Investment analysis is a joint enterprise by the sponsoring and providing organizations. Each specific analysis is performed by an ad hoc Investment Analysis Team established by the investment analysis staff in conjunction with the sponsoring and providing organizations. Each Investment Analysis Team consists principally of members from three organizations: the line of business with the need, the investment analysis staff, and Integrated Product Teams with candidate solutions. The line of business with the need defines agency requirements for the Requirements Document, and ensures top-level requirements are achievable by candidate solutions. The investment analysis staff leads the analytical effort, and is responsible for the quality of the Investment Analysis Report. This staff also develops and refines procedures, techniques, databases, and tools for investment analysis, and ensures a thorough, consistent, and predictable analytical approach for each analysis. Integrated Product Teams conduct technology assessments, participate in the market analysis and alternatives analysis, generate cost and schedule estimates for candidate solutions, and work with operational members of the team to determine what performance and supportability capability can be achieved within these estimates. The SEOAT conducts the affordability assessment and identifies candidate offsets.

The Investment Analysis Team consists of:

(1) Sponsor members,

(2) IPT members,

(3) IA staff members

2.4.5

Who Approves?

The JRC makes the Investment Decision

The Associate Administrator of the sponsoring line of business approves the Requirements Document. The Associate Administrator of the operating line of business may implement a nonmaterial solution to mission need that emerges during investment analysis when it can be fully funded within existing approved resources. The Joint Resources Council selects all other solutions, establishes all acquisition programs, commits the agency to full lifecycle funding, approves any necessary budget offsets, and determines any future corporate-level decisions. The Acquisition Executive and the Associate Administrator of the sponsoring line of business approve the Acquisition Program Baseline. The Joint Resources Council chairperson at the investment decision is the Acquisition Executive.

2.5

Solution Implementation

An acquisition program, led by an IPT, begins at this time

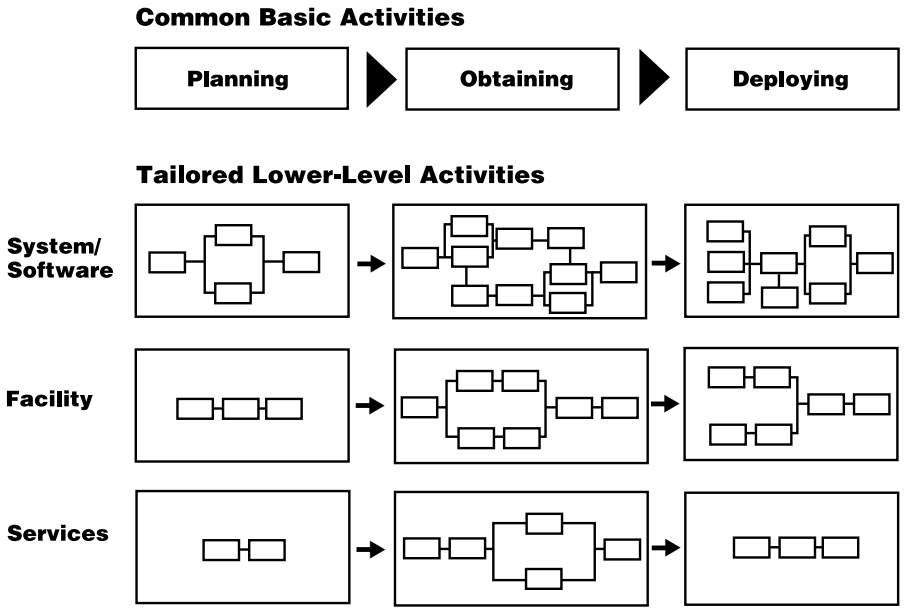
Solution implementation begins after the Joint Resources Council selects a solution and establishes an acquisition program. It ends when a new capability goes into service. The activities conducted during solution implementation vary widely depending on the nature and scope of an acquisition program. For example, the activities associated with buying and deploying a commercial product typically will be much less complex and time-consuming than those for a product requiring development. In each case, however, products must be shown to meet user requirements, be operationally suitable, and be compatible with other operational systems *before* the decision to place it in service.

Flowcharts of events for this phase are available in FAST

The FAA Acquisition Management System Toolset (available on the Internet at http://fast.faa.gov) contains tailored process flowcharts for representative types of acquisition programs. Helpful instructions, templates, best practices, good examples, and lessons learned are attached to many of the activities in each process flowchart.

Solution implementation is organized into three sets of activities which are tailored to the special requirements of systems/software, facilities, and services acquisition programs (see Figure 2-5): planning solution implementation; obtaining the solution; and deploying the solution.

Figure 2-5 *Solution implementation includes three basic activities common to all acquisition programs. Lower-level activities follow tailored paths and vary widely*



2.5.1 Planning Solution Implementation

Integrated Product Teams should plan solution implementation thoroughly *before releasing any request for offer or a proposed contract.*

The policy regarding SIRs is in Section 3.2.2.3.1.2.1

This involves the following steps:

- **Identify key planning elements.** Complex acquisition programs may require the development of systems and equipment, the modification or construction of facilities, modifications to the physical infrastructure, the acquisition of software, the purchase of real property, and the procurement of services. Additionally, they typically require the integration of activities in a large number of functional disciplines such as systems engineering, software engineering, logistics support, test and evaluation, human factors, configuration management, quality assurance, environmental factors, and security. All such program elements must be identified and planned early in solution implementation to avoid costly rework later on.

Plan the **entire** solution, not part of it

- **Expand product team membership to include all stakeholders.** The IPT or PT must ensure all implementation stakeholders are included as members of the decisionmaking team that plans and executes solution

implementation. For example, if regional offices are to upgrade or install new systems or modify facilities, this function should be represented by a member of the expanded product team during the planning and execution of solution implementation activities. Early establishment of the expanded product team enables all essential players to participate in the development of realistic acquisition strategies and program planning.

Refer to Appendix B for Acquisition Strategy Paper details

- **Develop acquisition strategy.** The *expanded* product team develops the overall strategy for implementing the program within constraints of the Acquisition Program Baseline. The scope of strategic planning should cover all elements of program implementation relevant to the specific acquisition program. The strategic plan for program implementation is recorded in the Acquisition Strategy Paper, which establishes the framework for the Integrated Program Plan.
- **Develop a detailed program action plan.** The *expanded* product team plans all actions and activities that should be accomplished for successful program implementation. These actions and activities are recorded in the initial Integrated Program Plan that is approved before releasing a request for offer or a proposed contract. Draft requests can and should be released to industry for comment before approval of the plan. The Integrated Program Plan is intended to be a living document by which the IPT or PT plans and executes the acquisition program. It will evolve over time, and become more definitive and specific as the program matures.

Refer to Appendix B for Integrated Program Plan details

- **Develop procurement and tasking packages.** Requirements in the Acquisition Program Baseline and work packages in the Integrated Program Plan are allocated to various tasking and procurement packages, as necessary to obtain the solution.

2.5.2
Obtaining the Solution

After approval of program planning documents, the Integrated Product Team executes the actions and activities that obtain the solution and accept a product or service for operational use. The activities that should be accomplished during this period vary widely depending on the complexity and scope of the acquisition program.

Flow charts of suggested activities are in FAST

The Acquisition Management System provides process flowcharts as guidance for the major categories of acquisition programs (systems/software, facilities, services). These flowcharts identify the actions and activities an Integrated Product Team may need to execute during solution implementation. Best acquisition practices, lessons learned, instructions, templates, and other guidance information are attached to many of the activities to help the workforce plan and execute acquisition programs.

For simple purchases of services or commercial items, the flowcharts are simple and straight-forward. For development of complex systems, the recommended approach is more complex, yet flexible because there are options for competitive prototyping, full development, concurrent engineering, and other best practices that might fit specific circumstances. Throughout every recommended approach, mandatory policy is minimized and enabling guidance stressed to allow flexibility while maintaining sound acquisition management. The goal is to assist Integrated Product Teams in planning the activities that make sense for each acquisition program, not to direct adherence to rigid procedures.

2.5.3
Deploying the Solution

The final set of activities in solution implementation consists of installing the product or service at each site and certifying it for operational use, as appropriate. Typically, this includes such tasks as implementation planning, installation and checkout, integration and shakedown, dual operations, and removal and disposal of obsolete equipment. The leadership of the Integrated Product Team typically shifts to members representing the implementation organization during this period.

2.5.4
Who Approves?

Integrated Product Teams make all program decisions during solution implementation except those explicitly retained by the Joint Resources Council or delegated to some other authority at the investment decision. If the Joint Resources Council retains a production decision, the Acquisition Executive will chair it. If the Joint Resources Council retains an in-service decision, the Associate Administrator of the appropriate operating organization will chair it.

The solution implementation phase is characterized by empowered IPTs making **all** program decisions–Unless the JRC retains a role as determined at the Investment Decision

For programs pre-existing April 1, 1996, the decision authority other than the Integrated Product Team for all key program events except the in-service decision is determined on a case-by-case basis by the Acquisition Executive working in conjunction with the Associate Administrator of the sponsoring line of business and the appropriate Integrated Product Team. For the in-service decision, the decision authority is determined by the Associate Administrator of the sponsoring line of business working in conjunction with the Acquisition Executive and the appropriate Integrated Product Team.

The Integrated Management Team approves the Acquisition Strategy Paper and Integrated Program Plan. When independent operational test and evaluation is designated for an acquisition program, the Director, Independent Operational Test and Evaluation co-approves the test section in the Integrated Program Plan.

2.5.5 Management Participation

A number of management processes are in place to guide implementation of acquisition programs by Integrated Product Teams, and to keep senior management informed of program status.

IPDS Reviews

The Integrated Product Leadership Team and the respective Integrated Management Team establish empowerment boundaries, prioritize resources, and resolve problems within and between Integrated Product Teams.

Even though IPTs are empowered, there are built-in management checks and balances

Acquisition Reviews

Acquisition reviews keep the Acquisition Executive and other senior managers informed of program status on a regular basis. Topics for reviews should include baseline status (cost, schedule, performance, benefits), progress, risk assessment, and disclosure of issues, especially those involving redirection of resources or those relevant to interdependencies within the IPT product line or with other product lines.

Acquisition Program Baselines

The Acquisition Program Baseline establishes the performance, cost, schedule, and benefit boundaries within which the IPT is authorized to operate. The Integrated Product Team may not take any action that would breach any of these baselines until necessary changes are approved by the Joint Resources Council.

Program Evaluation

FAA has a program evaluation capability to assess the effectiveness of acquisition reform and its associated processes, organizations, and programs. This capability also performs ad hoc evaluations as directed by the Acquisition Executive or Administrator, including assessments of workforce performance or capability.

2.6

In-Service Management

The in-service management phase begins when the new system, software, facility, or service goes into operational use, and continues for as long as the product is in use. This phase is characterized by a continuing partnership among the providing, operating, and support organizations participating on IPDS teams.

During this period, Integrated Product Teams are responsible for:

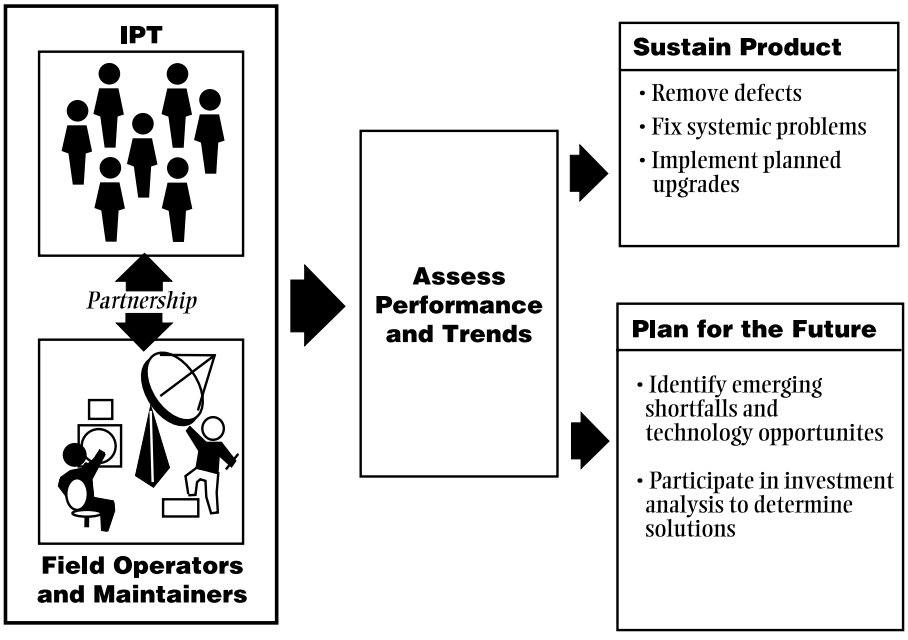
A critical role for IPTs is product responsibility throughout the In-Service Management phase

- removing latent defects;
- managing and incorporating pre-planned and approved improvements;
- managing engineering changes to fix systemic problems;
- planning, programming, and developing budget input for resources to sustain fielded products within the approved Acquisition Program Baseline;
- monitoring and assessing performance, cost of ownership, and support trends;
- planning and preparing for service-life investment decisions to correct capability shortfalls; and
- seeking technology opportunities to enhance the fielded capability or reduce ownership costs.

This phase is characterized as a partnership between the Integrated Product Team and the operating and support organizations. Strong membership and participation of operations and support functions on the Integrated Product Team is critical, and in fact, team leadership typically shifts to an operating organization member when the primary focus of the team changes from acquisition to operations. Cross-functional team members work together closely to establish a framework for evolutionary product development, and to identify operational problems early enough to upgrade or replace products *before* they become obsolete or can no longer be supported (see Figure 2-6). Operational performance is monitored and analyzed by field operators and maintainers, and provided to Integrated Product Teams as a basis for optimizing current operations and planning for future upgrades. The partnership of customers and the operating, support, and providing organizations on Integrated Product Teams jointly determine how to gather

Anticipate problems before they become unmanageable

Figure 2-6 *IPTs work in partnership with field operators and maintainers to optimize current performance and plan for the future*



and feed this information to the mission analysis organization within each line of business, as appropriate.

Evolutionary product development and rapid insertion of new technology is preferred

During in-service management, there is great flexibility for sustaining and enhancing fielded capability without the need for corporate-level approval. Pre-planned product improvements may be implemented as stipulated at the investment decision. Sustainment resources in the Acquisition Program Baseline may be used to upgrade components of fielded products (e.g., printers or processors), as needed. The objective is evolutionary product development and rapid insertion of new technology, rather than the periodic wholesale replacement of fielded products.

2.7

Investment Decision on the Service Life of Existing Capability

When the current capability is projected to be unable to satisfy demand for services or when another solution offers potential for improving safety, significantly lowering costs, or improving effectiveness, the operating

organization with the need and Integrated Product Team responsible for the current capability should initiate action to support the investment analysis process leading to a new investment decision. This involves working with the investment analysis staff to evaluate reasonable alternative solutions for attaining the needed capability. The roles and responsibilities of the line of business with the need, the Integrated Product Team, and the investment analysis staff are the same as for an investment analysis in response to a newly approved Mission Need Statement. Results are documented in an Investment Analysis Report and presented to the Joint Resources Council at a new investment decision. The key to success is looking far enough into the future so there is enough time for approval and implementation of a solution *before* an existing capability fails.

Reentering Investment Analysis: Seeking new solutions well in advance of the end of a current capability's useful life

An investment decision by the Joint Resources Council will determine whether a revalidated mission need should be satisfied by:

- upgrading or refurbishing the fielded capability;
- replacing the fielded capability with a functionally equivalent solution; or
- fielding a completely new operational or technological solution.

The Joint Resources Council may also determine that mission need is satisfied fully by other existing fielded assets, and the capability in question can be retired.

Note: *Mission need must be revalidated (and updated if the need has changed) by the mission analysis staff of the original sponsoring line of business. However, a new Mission Need Statement is not required for a service-life extension investment decision.*

2.8

Removing an Obsolete Solution

Integrated Product Teams are responsible for planning, removing, and disposing of fielded products or services when they are no longer needed. This includes such activities as restoring all sites where obsolete products or services were deployed, disposing of government property, recovery of precious metals, and leapfrog or cannibalization of surplus assets. The cost of removal and restoration is factored into the lifecycle cost of a candidate solution during investment analysis. Funding for removal of obsolete products or services must be included in the Acquisition Program Baseline of the solution selected for implementation at the investment decision.

The last step in the lifecycle of an acquisition program

2.9

Critical Functional Disciplines

The IPT must integrate and manage a broad range of functional disciplines

Sound acquisition management often requires the integration of many critical functional disciplines working to the common purpose of fielding a high-quality, trouble-free product or service. These disciplines vary, depending on the type of program, but typically include management of requirements, test and evaluation, deployment planning, logistics support, procurement planning, real property management, configuration management, systems engineering including interface management, transition management, quality assurance, reliability, maintainability, availability, human factors, software engineering, risk management, environment and energy, occupational safety and health, and security. The following specific policy requirements apply to these functional disciplines. FAST contains additional guidance for each.

2.9.1

Test and Evaluation

All acquisition programs in the categories of systems/software and facilities follow a structured, disciplined test and evaluation (T&E) process appropriate to the product or facility being tested. A typical T&E program consists of system tests, and field familiarization testing. System tests usually include development, operational, production, and site acceptance testing. As part of field familiarization testing, all systems/software products normally require site operational testing and information security testing to verify operational readiness. T&E for facility programs is usually conducted according to regional test procedures and disciplines. An appropriate T&E program must also be performed for commercial items and nondevelopmental items, tailored to account for test results already available from vendors. For instance, an operational capability demonstration may reduce system testing requirements.

A T&E program is equally important for COTS and NDI programs as for full development

Initially, T&E assesses and suggests ways to mitigate potential operational risks. T&E then verifies operational readiness, and supplies data to decisionmakers in support of the production and in-service decisions.

The overall T&E strategy for an acquisition program (including commercial items and nondevelopmental products) is defined in the Acquisition Strategy Paper. Detailed T&E activities are defined in the test and evaluation section of the Integrated Program Plan. The criteria for operational effectiveness and suitability, as expressed in Critical Operational

Issues, should be delineated in the Acquisition Program Baseline. The Acquisition Strategy Paper should disclose whether commercial test data will be used instead of agency testing for systems or components that are available commercially.

2.9.2
Independent Operational Test and Evaluation

The FAA is committed to verifying that new systems are operationally effective, supportable, and suitable before deployment. The Associate Administrator for Air Traffic Services designates acquisition programs on which to conduct independent operational test and evaluation (IOT&E). The decision to designate a program for IOT&E is based on such factors as complexity, operational criticality, lifecycle cost, interoperability, and risk.

IOT&E ensures an unbiased look at the effectiveness of new capabilities

During the early stage of solution implementation, the Office of IOT&E identifies potential operational risks and communicates them to the Integrated Product Team. Once IPT test activities are complete, the Associate Administrator for Research and Acquisitions will declare in writing to the Associate Administrator of the operating organization, via the IOT&E Readiness Declaration, the readiness of the system to enter IOT&E. IOT&E provides decisionmakers with an independent determination of operational readiness in support of the production and in-service decisions.

2.9.3
Deployment Planning

An in-service review process is required for all acquisition programs that will field equipment or systems intended for use in the National Airspace System. IPTs must ensure the in-service review process is led by a core decisionmaking member of the Integrated Product Team.

In-service review checklists must be considered during implementation planning, and relevant requirements must be addressed in the Acquisition Strategy Paper, Integrated Program Plan, production contracts, test plans, and other implementing documents, as appropriate. The in-service review checklist consists of questions relative to operational readiness and the readiness of the NAS infrastructure to accept, operate, and maintain the system or equipment. Several generic checklists are available from FAST for different types of acquisition programs. The most appropriate checklist should be tailored by the Integrated Product Team for use on their specific program.

The successful deployment of new capabilities must be planned from the beginning

Integrated Product Teams will monitor progress in achieving tailored checklist requirements throughout solution implementation. Concurrent with the conclusion of testing activities, the status of each checklist requirement must be compiled and reported at the in-service decision. The in-service decision authority must factor the impact and resolution of unmet checklist requirements into the in-service decision.

The line of business with the mission need may independently monitor all acquisition programs requiring in-service review. Through its team members, the sponsoring line of business will provide IPTs with guidance, raise concerns, or identify factors that may affect the ability to field or support the intended system or equipment. The line of business will also provide similar information to the in-service decision authority at the appropriate time.

2.9.4
Integrated Logistics Support

Integrated logistics support is a principal element of all hardware, software, equipment, facility, and services acquisition programs. High product operational availability and supportability at the lowest cost is the prime goal.

Good logistics support starts in Investment Analysis when requirements are established

The first consideration of logistics support occurs early in investment analysis. Performance requirements in the Requirements Document *must* include availability, supportability, and maintainability, in addition to top-level mission performance parameters. This provides the top-level framework for properly considering and integrating logistics support into product design and throughout solution implementation.

Program planning for solution implementation, recorded in the Acquisition Strategy Paper and Integrated Program Plan, *must* address logistics support comprehensively. Logistics support should be fully developed and integrated into the request(s) for offer for development and production.

Hardware and software designs should incorporate logistics support elements from the beginning. Each support element is dependent on and must consider the decision to support the system internally or through contract. The logistics support elements that must be considered are: maintenance planning; direct-work maintenance staffing; supply support; support equipment; technical data; training and training support; computer resources support; maintenance support facilities; packaging, handling, storage, and transportation.

2.9.5
Procurement Planning

As described in Section 3, procurement planning is required for *all* FAA procurements, including interagency agreements. The only exceptions are utilities, credit cards, SF44s, third-party drafts, and blanket purchase agreements.

Refer to Section 3.2.1 for procurement planning

Integrated Product Teams typically plan, in the Acquisition Strategy Paper and Integrated Program Plan, the procurements associated with acquisition programs approved by the Joint Resources Council. All procurement actions not addressed in these documents require some form of procurement planning. See Section 3.2.1 for details.

Note: *An Acquisition Strategy Paper is required for the overall acquisition program, and should address all individual procurements within the approved program.*

2.9.6
Real Property Acquisition, Management and Disposal

Real property is on the critical path of many acquisition programs

Acquisition programs that include real property must comply with all applicable federal requirements and FAA policy in Section 3.12. Additional guidance will be included in FAST.

2.9.7
Configuration Management

Configuration Management is critical to supportability and integration

The NAS Architecture defines the allocation of agency requirements to the appropriate systems, facilities, and programs, and defines connectivity among them. Integrated Product Teams and other designated organizations must establish program-level configuration management practices to control product configurations, and to maintain interfaces and interoperability with the other systems, facilities, and services comprising the NAS Architecture. Integrated Product Teams must establish functional and product baselines, and must control changes to those baselines through IPT-level configuration control boards.

2.9.8
Human Factors

Human factors is important to effective equipment use and maintenance

Human factors are a *critical* aspect of aviation safety and effectiveness. Integrated Product Teams must assure that planning, analysis, development, implementation, and in-service activities for equipment, software, facilities,

and services include human factors engineering to ensure performance requirements and objectives are consistent with human capabilities and limitations. Human factors engineering should be integrated with the systems engineering and development effort throughout the acquisition process, starting with investment analysis and continuing through solution implementation and in-service management.

2.9.9 Environmental, Occupational Safety and Health, and Energy Considerations

FAA acquisitions are subject to federal environmental, occupational safety and health, and energy management statutes, regulations, executive orders, and Presidential memoranda. Key considerations are pollution prevention, safety and health (including system safety), cultural and natural resource conservation, public participation, and energy and water conservation. Additional issues concerning the applicability of state and local agency requirements to federal agencies should be referred to the legal office for an evaluation of supremacy clause and sovereign immunity implications.

The following illustrate *some* of the requirements:

- **The National Environmental Policy Act** requires preparation of an environmental assessment or an environmental impact statement for all proposed federal actions that are not categorically excluded. Depending on the results, an environmental assessment can lead to an environmental impact statement or a finding of no significant impact. Following the prescribed review periods, the FAA may make a decision on the federal action.
- Various other environmental laws (e.g., **the Federal Facilities Compliance Act**) impose environmental requirements, and sanctions for noncompliance, including civil penalties.
- **The Occupational Safety and Health Administration (OSHA)** requires a safe and healthful workplace for all employees, and compliance with OSHA standards.
- **The National Energy Conservation Policy Act** requires energy and water conservation measures for federal buildings, facilities or space.

IPTs must understand the national concern and sensitivity of these issues and address them in program planning and execution

Environmental, safety and health, and energy conservation considerations apply from the beginning of the acquisition lifecycle through product disposal. The Acquisition Program Baseline shall incorporate estimates for the full cost of complying and allow sufficient time for doing so. FAST contains procedural guidance for required actions.

2.9.10
Information Technology

Information technology represents a significant financial investment for the agency, as well as a set of essential tools and services that support multiple FAA missions, functions, and activities. To develop, deploy, and manage information technology effectively, IPTs must apply sound information and engineering principles to the lifecycle planning and acquisition of information technology. Integrated Product Teams must also continuously involve users in the development, operation, and maintenance of information and application systems. IPT plans should leverage corporate information technology capabilities such as agency telecommunications, emphasize the use of open systems and shared data, implement recognized information technology standards, and take advantage of economies of scale.

Information technology can be powerful when managed effectively

2.9.11
Systems Engineering

Systems engineering is applied throughout the lifecycle acquisition management process to both the National Airspace System as a whole, and to individual acquisition programs within the purview of Integrated Product Teams. Systems engineering consists of such functional disciplines as requirements allocation; reliability, maintainability, and availability analysis; human factors; configuration management; and interface management.

At the NAS-level, systems engineering cuts across individual systems and acquisition programs to achieve an integrated, consistent, and controlled design of the National Airspace System. It is embodied in the NAS Architecture which specifies the evolutionary design of the National Airspace System from its current configuration to the future state, as well as the function and interoperability of individual systems and components. NAS-level systems engineering is represented on each Integrated Product Team to ensure program-level decisions are consistent with and contribute to the planned evolution of the National Airspace System.

Systems engineering is applied at the NAS level as well as to individual programs

At the Integrated Product Team level, systems engineering is structured to optimize the performance of individual systems and products, while managing their complexity and lifecycle cost. Systems engineering is applied throughout the solution implementation and in-service management phases by Integrated Product Teams to the products within their purview.

2.9.12
Security

Physical and information security are areas of special concern

The FAA must conform with national policy related to the physical security of the aviation infrastructure, and the security of all information associated with operation of the agency and aircraft operations. The FAA is also obligated to protect proprietary information to which it has access. Physical security is directly applicable to aviation industry operations and activities, and to supporting infrastructure such as communications, sensors, and information processing.

The Acquisition Program Baseline and subsequent planning documents of each acquisition program must include the cost of complying with national security policy, and must allow sufficient time for doing so. FAST contains guidance and information concerning national security policy.

2.10
Decisionmaking

Investment decisions are made at the corporate level

Program decisions are made at the IPT level

The Acquisition Management System assigns as much program decisionmaking authority to the IPT after the investment decision as practical, *consistent with team competence and responsibility*. Decisionmaking is tailored for each program to satisfy the unique combination of such factors as risk, cost, interdependencies with other programs, and team competence. In general, this translates to Integrated Product Teams being empowered to make more program implementation decisions, while maintaining the option for higher-level guidance or decisionmaking if needed. Table 2-1 summarizes the decisionmaking responsibilities for the various acquisition lifecycle decisions.

2.10.1
Corporate-Level Decisions

Five decisions are always made at the corporate level by the Joint Resources Council: the mission need decision, the investment decision, the decision to approve a change to an Acquisition Program Baseline, approval of the RE&D and F&E budget submissions, and approval of the NAS Architecture baseline. The selection of a solution to satisfy a mission need, the investment of resources into a fully funded program, and the possible need to cancel other programs to accommodate a new program make the investment decision the most important in the lifecycle acquisition management process.

Table 2-1 *Acquisition Lifecycle Decisionmakers*

CORPORATE DECISIONS

Decision	Decision Body	Chair for JRC Decisions
Mission Need	JRC	Associate Administrator for Sponsoring Line of Business
Investment *(including new programs and extension of current capability)*	JRC	Acquisition Executive
Baseline change	JRC	Acquisition Executive
F&E and RE&D baselines	JRC	Acquisition Executive
NAS Architecture baseline	JRC	Acquisition Executive

PROGRAM DECISIONS

Decision	Decision Body	Chair for JRC Decisions
All except production and in-service	IPT	
Production	As determined by JRC at investment decision*	If JRC retains the production decision, the chair is the Acquisition Executive
In-service	As determined by JRC at investment decision*	If JRC retains the in-service decision, the chair is the Associate Administrator for the operating organization

* For existing programs already in solution implementation, the Acquisition Executive designates the production decision authority and the Associate Administrator for the operating organization designates the in-service decision authority.

Normally, Integrated Product Teams will be empowered to make all program decisions. However, decisions can be designated to the corporate level, either at the request of the IPT or if directed by the Joint Resources Council, the Integrated Product Leadership Team, or the appropriate Integrated Management Team.

2.10.2
Integrated Product Team Decisions

After the investment decision, the Integrated Product Team (or PT, as appropriate) assumes responsibility for the acquisition program, implements the selected solution, and manages the product throughout the in-service period.

The Integrated Product Team (or PT) is empowered to make many important decisions:

- source selection and contracting;
- design;
- production;
- in-service deployment (unless retained or otherwise delegated by the Joint Resources Council);
- incorporating improvements during in-service management; and
- sustainment planning and programming.

IPT empowerment is predicated on members having necessary skills

Decisionmaking empowerment is predicated on IPT/PTs having qualified and skilled members representing all necessary functional disciplines.

2.11

Affordability and the Resource Allocation Process

Three key features in the Acquisition Management System relate to planning, programming, and budgeting for acquisition programs: sound long-range planning; unification of planning, programming, and budgeting with the Acquisition Management System; and stable Acquisition Program Baselines.

2.11.1

Sound Long-Range Planning

Long Range Planning:
1. Continuous and top-down
2. The basis for short-term planning and programming

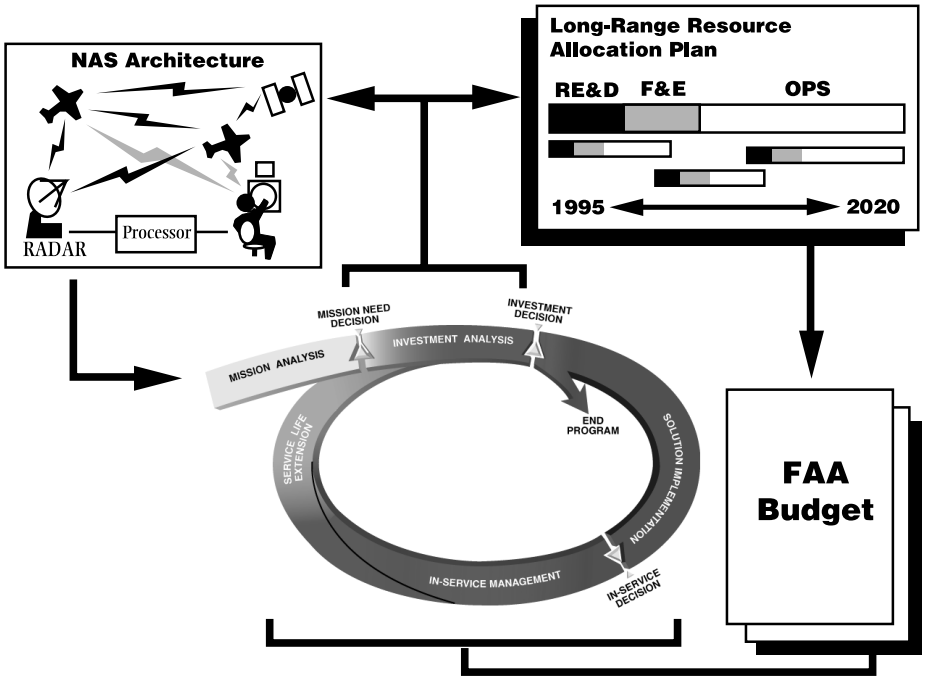
Long-range strategic planning and top-down resource allocation planning form the framework for short-term programming and budgeting for all appropriations. The funding and schedule baselines for all agency programs are integrated with the resource estimates for all approved mission needs into the Long-Range Resource Allocation Plan. The plans for each appropriation (CIP, RE&D Plan, and Operations Plan) are derived from this top-down, agency-wide investment plan. Proper coordination with the Airport Improvement Program is *mandatory* to ensure compatibility with F&E funded activities.

The relationships depicted in Figure 2-7 unify the following planning elements:

- **NAS Architecture.** This planning function is an evolutionary description of the FAA's aviation, air traffic management, and air navigation systems in terms of services, functions, and performance to be provided to users and customers. By identifying the systems, people, and procedures necessary for future aviation needs, it defines top-down needs of the National Airspace System over the next 15 - 20 years.
- **Mission Analysis.** Top-down, forward-looking mission analysis determines the capabilities needed by the agency to satisfy its mission responsibilities, and determines current and emerging shortfalls in the agency's ability to provide those services. The NAS Architecture establishes the operational and technical framework for defining solutions to mission needs and, in turn, evolves as mission needs approved by the Joint Resources Council result in new capabilities.
- **Long-Range Resource Allocation Plan**. Mission analysis and NAS Architecture combine to define a framework of needs and the approach by which the FAA intends to address those needs in future years. As such, they establish a sound basis for inserting planning horizon placeholders in the Long-Range Resource Allocation Plan.

Long Range Planning:
1. Based on Mission Analysis
2. Definitized by Investment Analysis

Figure 2-7 *The evolving NAS Architecture provides the framework for mission and investment analysis. Mission and investment analysis provide the long-range planning horizons for program cost and schedule. Long-range resource planning provides the framework for near-term programming and budgeting*



- **Investment Analysis**. Lifecycle cost estimates and planning schedules are developed for candidate solutions to a mission need during investment analysis. This provides credible definition to out-year planning horizon placeholders in the Long-Range Resource Allocation Plan, and the basis for the Capital Investment Plan, Research, Engineering & Development Plan, Operations Plan, and specific-year budget estimates.

2.11.2

Unification of Agency Planning, Programming, and Budgeting Processes within the AMS

Unified planning, programming, budgeting is essential to full funding of acquisition programs

Mission analysis, investment analysis, NAS Architecture, strategic planning, and long-range resource allocation planning are coordinated activities in the Acquisition Management System. They provide the information and planning that enable the FAA to commit to full lifecycle funding of acquisition programs when approved for implementation at investment decisions.

For this unification of processes to work, the investment decision made by the Joint Resources Council must be predicated on an affordability assessment.

Key elements of the affordability assessment are:

- prioritization of mission need;
- credible lifecycle cost estimates and schedules for *all* appropriations for candidate solutions;
- evaluation of funding requirements for candidate solutions versus the priority and cost of all programs in the agency's financial baseline (this baseline is kept current with mission need, investment, and Acquisition Program Baseline change decisions by the Joint Resources Council);
- identification of offset funds from other programs, if required.

2.11.3

There are four program baselines:
- Performance
- Cost
- Schedule
- Benefit

Stable Acquisition Program Baselines

When the Joint Resources Council establishes an acquisition program at the investment decision, it approves performance and benefit objectives that are to be achieved within strict cost and schedule boundaries, as defined in the Acquisition Program Baseline. *These baselines are the control element* in the Acquisition Management System that enable the agency to plan realistically and commit to full funding of new programs:

- In aggregate, resource estimates for approved mission needs and cost and schedule baselines for approved acquisition programs establish the agency's planning and budgeting profiles over time. *These profiles shall be in accordance with realistic estimates of current and future funding authority for the agency*. Should actual funding authority differ from the planning and budgeting profiles, the Joint Resources Council will either approve additional programs addressing highest priority requirements if more funding authority is received, or terminate the lowest-ranked approved program(s) if funding authority is reduced.

Agency planning and budgeting profiles are built from individual program baselines

- Individually, Acquisition Program Baselines define the cost, schedule, performance, and benefit boundaries for each acquisition program. IPTs and PTs have the authority and responsibility to execute programs within these boundaries, and may not take any action that would breach (exceed) an approved baseline.

Acquisition Program Baselines establish program boundaries and goals

The Acquisition Management System requires *every* acquisition to have an Acquisition Program Baseline approved by the Joint Resources Council. For new acquisition programs, the baseline is established at the investment decision. For existing programs or CIP lines without a baseline, the responsible manager must propose and obtain Joint Resources Council approval of a baseline.

All programs must have an Acquisition Program Baseline

Lifecycle cost and schedule estimates developed during investment analysis should address realistically the risk associated with such factors as the maturity of design and development, the number and complexity of software lines of code to be developed, the size and complexity of the program, the difficulty anticipated during transition from design through production to in-service operational support, and the time and cost required for environmental approvals associated with land acquisition. When estimated correctly, the cost and schedule baselines should enable the IPT or PT to manage risk and achieve program stability without breaching the Acquisition Program Baseline. This avoids the need to convene the Joint Resources Council except for those cases when implementation problems are significantly greater than anticipated.

However, acquisition programs (particularly complex developmental programs) may need to return to the Joint Resources Council for baseline changes as the program matures and more accurate estimates of cost, schedule, performance, and benefit become available. While this is a natural progression, requests for additional funding always precipitate an investment decision, and will be evaluated against the needs and priorities of competing programs and unmet mission needs.

Requests for additional funds trigger an Investment Decision

Baseline changes should be requested as soon as they are anticipated and **before** they actually occur

When an IPT or PT *anticipates* a baseline change is needed or breach will occur, it must notify the Joint Resources Council. This notification should occur well in advance of actual breaches once it is determined no reasonable management action can provide an acceptable work-around. The notification of the Joint Resources Council triggers a corporate investment decision since it involves a change in what the agency anticipates will be achieved by the acquisition program. The Integrated Product Team must conduct a "mini" investment analysis in conjunction with the investment analysis organization to determine the effect of the proposed baseline change on this and all interdependent programs. Any request for additional resources must be affordable within anticipated agency funding authority; otherwise, *offsets* will be required from existing programs.

Only the JRC can approve cost baseline changes and **critical** schedule, performance, and benefit changes

The Acquisition Program Baseline contains *all* requirements from the Requirements Document the program is intended to achieve, as well as the cost and schedule boundaries for the program. Critical elements or values in the Acquisition Program Baseline are controlled by the Joint Resources Council. Typically, these include top-level requirements that must be achieved to satisfy the mission need and support other elements of the National Airspace System, as well as the overall cost baseline and critical schedule events such as the initial operational capability date. Integrated Product Teams can manage baseline adjustments to other elements of the baseline without Joint Resources Council approval *so long as the sponsoring line of business agrees, the approved cost baseline will not be breached, and schedule slippage does not adversely impact other agency programs or the ability of the FAA to provide intended services.* The elements and values in the Acquisition Program Baseline that will be controlled by the Joint Resources Council are identified during investment analysis and approved at the investment decision.

2.12

Required Documentation

Appendix B contains more detailed information regarding required documentation

Table 2-2 identifies six *mandatory* acquisition planning and control documents that are required for all FAA acquisition programs (except as provided in Sections 1.4 and 3.2.2.5). It defines the purpose of each document, when the document is required, the responsible organization, and the approving official. Appendix B describes the purpose, description, approval, distribution, and content of each document. FAST contains complete instructions and templates.

Table 2-2 *Acquisition Planning and Control Documents*

Document	Purpose	Requirement	Responsible Organization(s)	Approving Official
Mission Need Statement	Defines a mission capability shortfall or technological opportunity the agency should address	Initial Mission Need Statement at mission need decision Revalidated Mission Need Statement at the investment decision	Line of business with the need	Associate Administrator of the sponsoring line of business (Chairperson of the JRC)
Requirements Document	Establishes the operational framework and performance baseline for satisfying mission need	Initial Requirements Document early in investment analysis Approved at the investment decision	Sponsoring organization with the need	Associate Administrator of the sponsoring line of business
Investment Analysis Report	Provides the analytical and quantitative basis for determining the best means for satisfying mission need	Prepared during investment analysis as the primary decision document at the investment decision	Investment analysis staff with assistance from the sponsoring organization and IPTs	Director, investment analysis staff
Acquisition Program Baseline	Establishes the performance, cost, schedule, and benefits boundaries for implementing a program	Approved and established at the investment decision	Sponsoring organization with the need Investment analysis Staff IPT(s)	Associate Administrator of the sponsoring organization Acquisition Executive
Acquisition Strategy Paper	Defines the overall strategy for implementing a program	Before release of a SIR or request for offer for a proposed contract Updates at any subsequent decision points including baseline changes	IPT	Co-leads, Integrated Management Team*
Integrated Program Plan	Integrates detailed planning for all program actions and activities	Before release of a request for offer for a proposed contract Continuous updating	IPT	Co-leads, Integrated Management Team (initial IPP only)* Director, IOT&E co-approves the test section of the IPP for programs designated for IOT&E Approved within IPT or PT except for major changes due to such factors as a baseline change

* For the programs not managed by a PT or IPT, the approving officials are the directors from the sponsoring and providing organizations.

Programs in the solution implementation or in-service management phases as of April 1, 1996, are *not* required to develop these six planning documents. However, when requesting an investment decision for a major upgrade, a Mission Need Statement, Requirements Document, Acquisition Program Baseline, and Investment Analysis Report must be prepared. If approved by the Joint Resources Council, the Integrated Product Team must then prepare an Acquisition Strategy Paper and Integrated Program Plan for the upgrade.

Section 3:

PROCUREMENT POLICY

3.1

Overview

3.1.1

Introduction

The goal of the Federal Aviation Administration (FAA) procurement system is to obtain high quality products, services, and real property in a timely, cost-effective manner, at prices that are fair and reasonable. The procurement system enables the FAA to be innovative and creative so that the right vendor is selected to implement a solution. The FAA procurement system is an integrated part of the acquisition process. The FAA procurement system focuses primarily on identifying sources, awarding, and administering contracts.

The FAA procurement system emphasizes competition, selects the vendor with the best value and provides a protest forum through the FAA's Dispute Resolution system. Open communications with industry from initial planning to contract award are the cornerstones of the process. Procurement documents are tailored to individual requirements and screening improves source selection by focusing efforts on those offerors most likely to receive an award. The procurement system emphasizes “common sense” decision making, flexibility, business judgment, and a team concept for managing procurements. The Integrated Product Teams (IPTs) have the proper level of authority to make decisions and are responsible and accountable for their actions.

The FAA's procurement system provides policy and guidance for executing contracts and agreements to acquire products, services, and real property. In support of the FAA's mission, the Administrator, or designee, has broad discretion to select contractors who provide products, services, and real property. Procurement officials should follow the policy and guidance contained herein but, based on prudent discretion and sound judgment, may employ any procedures that do not violate applicable statutes or regulations.

Procurement emphasis:

- Uses competition as preferred method of contracting
- Allows screening to focus on offerors most likely to receive an award
- Enables selection of contractor with the best value
- Provides attainable and reasonable opportunities for small businesses
- Promotes open communications with industry
- Provides internal protest forum
- Encourages “common sense” decision making, flexibility and business judgment

3.1.2

Applicability

The FAA procurement system applies to all procurements conducted by the FAA, as set forth herein with the exception of assistance relationships, such as grants and cooperative agreements.

3.1.3

Fundamental Principles

The FAA procurement system will:

- enable the selection of the contractor with the best value to satisfy the FAA's mission;
- focus on key discriminators between vendors and their products or services to ensure timely, cost efficient, and quality contract performance;
- promote discretion, sound business judgment, and flexibility at the lowest levels while maintaining fairness and integrity;
- encourage the procurement of commercial and nondevelopmental items;
- provide streamlined methods and initiate innovative processes to conduct timely and cost-effective procurements;
- promote open communication and access to information throughout the procurement process and encourage use of electronic methods for information exchange;
- encourage competition as the preferred method of contracting;
- permit single source contracting when necessary to fulfill the FAA's mission;
- allow the use of a range of contract types and transactions best suited to a particular procurement;
- authorize the use of credit cards and third party drafts consistent with prudent business practice;

- provide attainable and reasonable opportunities for small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals in consultation with the Department of Justice to ensure compliance with the constitutional standards established by the Supreme Court in Adarand Constructors v. Peña , as well as the President's July 19, 1995, directive to the heads of executive departments and agencies on the "Evaluation of Affirmative Action Programs";

- provide an internal process for resolving protests and disputes in a timely, cost-effective and flexible manner;

- promote high standards of conduct and professional ethics;

- require appropriate file documentation to support business decisions;

- assure adequate checks and balances; and

- ensure public trust.

3.1.4
Contracting Authority

Contracting authority is vested in the FAA Administrator and can be redelegated

Pursuant to the Federal Aviation Administration Reauthorization Act of 1996, Public Law 104-264, the Administrator is the final authority for carrying out all functions, powers, and duties of the Administration relating to the acquisition and maintenance of property and equipment of the Administration. The Administrator has broad authority "to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the functions of the Administrator and the Administration … with any Federal agency, or any instrumentality of the United States, any territory, or possession, or political subdivision thereof, any other governmental entity, or any person, firm, association, corporation, or educational institution, on such terms and conditions as the Administrator may consider appropriate."

The FAA Administrator may establish contracting activities and delegate to the FAA Acquisition Executive (FAE) broad authority to manage FAA contracting functions. The FAE is authorized to appoint Chief of the Contracting Office (COCO) and contracting officers in writing and may redelegate this authority. Contracts, agreements and other transactions may be entered into and signed on behalf of the FAA by Contracting Officers (COs) only. Information on the limits of the contracting officer's authority shall be readily available to the public and FAA personnel.

3.1.5

Conflict of Interest

Each IPT member must submit a conflict of interest statement prior to the distribution of offeror submissions for evaluation

Any IPT member or member of the Office of Dispute Resolution (ODR) who has a real or apparent conflict of interest may be unable to render impartial, technically sound, and objective assistance, advice, or decisions. An IPT or ODR member who has a real or apparent conflict of interest, and who is a Federal employee must withdraw from participation if law (18 U.S.C. 208) or regulation (5 CFR Part 2635) requires it. Considerations of equity, and the integrity of the procurement process require that non-Federal members of IPTs be held to the same standards.

Unless an IPT member receives prior authorization, an IPT member who is a government employee should not participate if the result is likely to affect the financial interests of the IPT member's household, or the IPT member knows a person with whom the IPT member has a covered relationship, as defined in 5 CFR 2635.502, or the IPT member represents a party, if a reasonable person with knowledge of the relevant facts would question the IPT member's impartiality in the matter. (The law does not require that non-government IPT members be removed when they have an apparent conflict, but the FAA's public image, as well as work force morale and considerations of equity dictate in favor of treating them exactly as our own employees are treated.)

In order to assure that no real or apparent conflict of interest exists, the Source Selection Official (SSO) shall have each IPT member submit a conflict of interest statement to the SSO (or designee) prior to the distribution of offeror submissions for evaluation. An IPT member must be excused or removed from participation in the source selection process should a conflict of interest exist unless a waiver is granted. All conflict of interest cases must be clearly documented. The IPT members shall update and resubmit any and all conflict of interest statements if an individual's financial, business, or employment relationship changes to the extent that a conflict of interest could exist.

3.1.6

Disclosure of Information

Any individual exposed to sensitive source selection information must submit a certificate of nondisclosure

Except as provided in Section 3.2.2.5, source selection information and proceedings (e.g., cost or price data, technical ratings/rankings, contractor data) shall not be discussed outside the IPT, except on a need to know basis, as determined by the SSO, and to brief/consult with functional managers/supervisors.

To assure that sensitive source selection information and proceedings are handled properly, the SSO, each IPT member, including advisors, and any other individuals exposed to sensitive source selection information, shall execute a certificate of nondisclosure before the Screening Information Request (SIR) is issued.

3.1.7
Organizational Conflicts of Interest

The FAA will resolve organizational conflict of interest issues on a case-by-case basis

The policy of the FAA is to avoid awarding contracts to contractors who have unacceptable organizational conflicts of interest. An organizational conflict of interest means that, because of activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance to the agency, or the person's objectivity in performing the contract work is or might be impaired, or the person has an unfair competitive advantage.

Contractors interested in participating in a particular FAA acquisition should review their existing and projected activities and relationships to determine if any potential organizational conflict of interest exists. Contractors should be instructed to contact the FAA at the earliest possible time after an investment decision has been made for a particular acquisition to evaluate whether any identified actual or potential conflicts of interest may be avoided or mitigated.

The FAA will resolve organizational conflict of interest issues on a case-by-case basis. When necessary to further the interests of the agency, an actual or potential conflict may be waived or mitigated at the FAA's discretion. As used herein, the term “person” includes any legal entity including a partnership, corporation, or association.

3.2
Contracting

IPT has source selection responsibility, authority and accountability

3.2.1
Procurement Planning

3.2.1.1
Applicability

Planning requirements apply to all FAA procurements, including interagency agreements, with the exception of real property, utilities, and those procurements using the commercial and simplified purchase method.

Planning should be proportionate to the complexity and dollar value

3.2.1.2

Policy

Procurement planning is an indispensable component of the total acquisition process. IPTs are expected to use procurement planning as an opportunity to evaluate/review the entire procurement process, so that sound judgments and decision making will facilitate the success of the overall program. For procurements not covered by an Acquisition Strategy Paper (ASP), procurement planning should be appropriate and proportionate to the complexity and dollar value of the requirement.

3.2.1.2.1

Market Analysis

For procurements not addressed in a program with an approved Acquisition Strategy Paper, the market analysis is to initiate industry involvement, develop and refine the procurement strategy, obtain price information, determine whether commercial items exist, determine the level of competition, identify market practices, or obtain comments on requirements. The magnitude and degree of formality of the market analysis should be proportionate to the contemplated procurement. The market analysis may be as simple as a telephone call or as formal as a market survey advertisement to learn of industry capabilities. All market analyses, formal or informal, should be appropriately documented.

3.2.1.2.2

Procurement Plan

A plan for each contemplated procurement or class of procurements should address the significant considerations of the procurement action. A procurement plan may cover more than one contract. The procurement plan represents the IPT agreement for conducting the procurement. For less complex procurements, procurement plans are not required if deemed unnecessary by the IPT.

3.2.1.3

Guidance and Principles

For procurements *not* covered in a program with an ASP, the following elements should be considered in planning for procurements.

3.2.1.3.1

Development

Preference should be given to using commercial and previously developed items whenever possible. Development of a product, and its associated costs

and risks, should be avoided unless necessary to meet FAA needs. If developmental items are required, the need should be documented in the procurement plan.

3.2.1.3.2

Scope of Procurement

The scope of a procurement in terms of complexity, period of performance, dollar value, risk, and other factors should be considered in planning a procurement. As the scope of a procurement increases, the risk of unsuccessful management of the procurement also increases. Appropriate trade-offs should consider elements such as: managing a large complex procurement versus several smaller phased procurements; the systems integration role; total systems responsibility; timing of benefits; technological obsolescence; and other factors.

3.2.1.3.3

Budget Allocation Release

Consideration should be given to releasing contract-related budget information to industry in situations where the procurement involves development or multiple-year funding and is likely to be conducted competitively. If the IPT decides to release the information, the decision should be identified in the procurement plan.

Budget data release to industry is permissible

3.2.1.3.4

Small Business and Socially and Economically Disadvantaged Business

The IPT should coordinate with representatives of the FAA Small Business Utilization staff as soon as requirements are defined to identify opportunities for small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals. FAA will work with the Department of Justice to ensure that programs designed to increase opportunities for disadvantaged businesses comply with the constitutional standards established by the Supreme Court in Adarand Constructors v. Peña, as well as the President's July 19, 1995, directive to the heads of executive departments and agencies on the “Evaluation of Affirmative Action Programs.”

3.2.1.3.5

Quality Assurance

For complex systems or hardware acquisition, the IPT should coordinate with representatives of the Quality Assurance office as soon as procurement

requirements are defined, to establish quality assurance requirements for the proposed procurement.

3.2.1.3.6

Labor Relations

When planning procurements, the IPT should comply with applicable FAA labor relations directives.

3.2.1.3.7

Maintaining Competition

Consideration should be given to methods of maintaining competition throughout the lifecycle of any procurement. Methods to be considered may include dual sourcing, obtaining reprocurement data and data rights, open system designs, and any other appropriate methods.

IPT determines whether procurement should be competitive or single source

3.2.1.3.8

Single-Source Approval

The IPT determines whether the procurement should be conducted on a competitive or single source basis. The rationale for the single source procurement should be included in the Acquisition Strategy Paper or the procurement plan. If an ASP is not required, and the IPT determines that based on the complexity of the procurement a procurement plan will be established, the procurement plan should include the justification for the single source decision. Approval of the ASP or the procurement plan constitutes approval of a single source procurement; no further approval or documentation is necessary.

Early industry involvement in draft requirements is important for communication and market analysis

3.2.1.3.9

Pre-Release of Documents

Early release of program documents can be an important part of communication with industry. Releasing draft functional requirements, draft specifications, or a draft SIR can be beneficial to industry, as well as the FAA. Early and more complete releases of the SIR and feedback from industry should be part of the market analysis strategy.

3.2.1.3.10

Procurement Planning Alternatives

The following alternatives are for procurements *not* addressed in an ASP.

Procurement Strategy Meeting

As an alternative to a formal written procurement plan and its associated approvals, a Procurement Strategy Meeting (PSM), which includes representatives of those organizations with a vested interest in the contemplated procurement, may be held. Approval of the PSM presentation constitutes approval of the procurement approach. Minutes from a PSM may be substituted for a written procurement plan. The presentation should address all of the items that would have been addressed in a procurement plan for the contemplated requirement. The IPT should consider the dollar value, complexity, organizational issues, and other factors to determine whether a higher-level official should chair the meeting and approve the PSM presentation. A presentation should *not* be substituted for a written procurement plan when the IPT determines that a procurement plan is required or a single-source procurement is appropriate.

Procurement Plan

The IPT determines whether a written procurement plan is needed for each procurement or a related group of procurements. Consideration should be given to complexity, need for organizational agreement, risk, significance of the procurement, and, to a lesser extent, dollar value and schedule requirements. The specific content of a procurement plan may be different for each procurement, depending on the complexity, organizations involved, and other factors.

3.2.1.3.11

Changes to Procurement Plans

Changes to the procurement plan should be made as changes in the needs of the procurement occur. Changes to the procurement plan are approved at the IPT level.

3.2.1.3.12

Public Announcements

All procurements over $100,000 must be publicly announced on the Internet or through other means. This requirement does not apply to emergency single source actions, purchases from an established QVL or FSS, exercise of options, or changes. For actions under $100,000, a public announcement is optional.

3.2.2
Source Selection

3.2.2.1
Applicability

Source selection policy and guidance apply to acquisitions for products and services except for real property, utilities, and agreements. There are two competitive procurement methods available for obtaining products and services through the FAA contracting process.

The first method is described under Complex and Noncommercial Source Selection and is used for complex, large dollar, developmental, noncommercial items and services. This is the method that typically would be used for Joint Resources Council (JRC)-approved acquisitions.

The second method is described under Commercial and Simplified Purchase Method and, is typically used for commercial items that are less complex, smaller in dollar value, and shorter term. Such products or services may be routine in nature and are generally purchased on a fixed price basis.

3.2.2.2
Policy

Competition is not required for procurements under $10,000

The FAA shall provide reasonable access to competition for firms interested in obtaining contracts. The FAA's policy is to procure products and services from sources that offer the best value to satisfy the FAA's mission need. In selecting sources, the preferred method is to compete requirements for products and/or services among two or more sources. However, competition is not required for procurements under $10,000.

Contracting with a single source is permitted when it is determined to be in the best interest of the FAA and there is a rational basis for the decision not to compete the requirement consistent with the policy in Section 3.2.2.4.

The IPT shall issue a public announcement informing industry of the FAA's procurement strategy before, or concurrent with, the issuance of the initial SIR.

Each SIR shall contain the specific evaluation criteria to be used to evaluate offeror submittals. Past performance shall be considered as an evaluation factor in all selection decisions for all complex and noncommercial source selections. All SSO selection or screening decisions shall be based on the

evaluation criteria established in each SIR. Cost or price considerations shall be an evaluation factor in all selection decisions. All Request For Offers (RFOs) shall include a requirement for a formal cost or price proposal. The IPT shall document the findings of the evaluation. Debriefings shall be conducted with all offerors that request them.

The guidelines provided below are intended to provide the CO and IPT with the flexibility to use any method of procurement deemed appropriate to satisfy the FAA's mission, considering the complexity, dollar value, and availability of products and services in the marketplace. The CO shall have warrant authority commensurate with the estimated value of the procurement.

Awards shall be made to responsible contractors only. To be determined responsible, a prospective contractor must:

- have adequate resources (financial, technical, etc.) to perform the contract, or the ability to obtain them;
- be able to comply with the required or proposed delivery or performance schedule, considering all existing business commitments;
- have a satisfactory performance record;
- have a satisfactory record of integrity and business ethics; and
- be otherwise qualified and eligible to receive an award under applicable laws and regulations.

The CO's signing of the contract shall constitute a determination that the prospective contractor is responsible with respect to that contract. If an offer is rejected because the prospective contractor is nonresponsible, the CO shall make a determination of nonresponsibility. The CO is given great discretion in making this determination.

3.2.2.3

Complex and Noncommerical Source Selection

This section establishes the FAA's guidance for evaluating and selecting sources for the award of complex, noncommercial competitive contracts. This process consists of up to five distinct phases, with the screening phase being the cornerstone. The five phases are:

Complex and noncommercial source selection is for the award of complex, noncommercial competitive contracts

- planning;
- screening;
- selection;

- debriefing (as requested); and
- lessons learned.

3.2.2.3.1

Selection Phases

3.2.2.3.1.1

Planning

Refer to the procurement planning section for further guidance.

3.2.2.3.1.2

Screening

SIRs should focus on key discriminators for the procurement

Screening is the process by which the FAA will determine which offeror provides the best value to the FAA. The process is flexible and allows selection and award after one screening request. This process allows the FAA to make an award considering only price and the price-related factors included in the SIR. The number of distinct screening steps for a particular procurement will vary, based on the complexity of the procurement. Provided below is guidance associated with the screening phase.

3.2.2.3.1.2.1

Screening Information Request

A SIR is a request to obtain information

The purpose of the SIR is to obtain information which will ultimately allow the FAA to identify the offeror that provides the best value, make a selection decision, and award the contract to conclude the competitive process. A SIR is a request by the FAA for documentation, information, presentations, proposals, or binding offers. Three categories of SIRs (see below) may be used according to the procurement strategy adopted by the IPT. Once the public announcement has been released, the SIR may be released to start the competitive process. The IPT will determine the type(s) of SIR(s) that are appropriate for each procurement.

For a given procurement, the FAA may make a selection decision after one SIR, or the FAA may have a series of SIRs (with a screening decision after each one) to arrive at the selection decision. This will depend on the types of products and services to be acquired and the specific source selection approach chosen by the IPT. When it is desired to make a selection decision after one SIR, that SIR should be a request for offer (see below). In general when multiple SIRs are contemplated, the initial SIR should request general information, and future SIRs should request successively more specific information.

Initial SIRs need not state firm requirements, thus allowing the FAA to convey its needs to offerors in the form of desired features, or other appropriate means. However, firm requirements ultimately will be established in all contracts.

Each SIR should contain the following information:

- the Paper Reduction Act number OMB No. 2120-0595 on the cover page,
- a statement identifying the purpose of the SIR (request for information, request for offer, establishment of a QVL and screening),
- a definition of need,
- a request for specific information (with specific page and time limitations, if applicable),
- a closing date stating when submittals must be received in order to be considered or evaluated,
- evaluation criteria (and relative importance, if applicable),
- a statement informing offerors how communications with them will be conducted during the screening, and
- an evaluation/procurement schedule (including revisions, as required).

The evaluation/procurement schedule should be realistic and should alert the offerors to the fact that the FAA plans to adhere to its schedule and that offerors interested in award will be expected to adhere to this schedule.

There are three categories of SIRs: qualification information, screening information, and request for offers. Each category of SIR is discussed in detail below.

Qualification Information

Qualification information, used to qualify vendors and establish qualified vendor lists (QVLs), should be requested only if it is intended that the resultant QVL will be used for multiple FAA procurements.

Qualification information screens for those vendors that meet the FAA's stated minimum capabilities/requirements to be qualified to provide a given product or service. All vendors that meet the FAA's qualification requirements will be listed on the appropriate QVL for the stated products or services.

Requested qualification information (including equipment/products) should be tailored to solicit the information that will allow the FAA to determine

which of the vendors meet the FAA's minimum qualification requirements for the required products or services. For products, the information required to make such a determination might be equipment/ products for FAA testing, vendor testing, testing data, product documentation, and production capability. For services, the information required to make such a determination might be a capabilities statement and performance experience. For software intensive products or services, the information required to make such a determination might include descriptions about the offeror's software development and maintenance processes, in addition to other general information suggested above for products or services.

Once qualification information is requested, received, and evaluated in accordance with the evaluation plan, a QVL will be established for the given product/service. Once such a list is established, only qualified vendors may compete for the products or services. Public announcement is not required once the QVL is established. This list can be updated at the FAA's discretion. Each list should be reviewed regularly to determine whether it should be updated.

Screening Information

Screening information allows the FAA to determine which offeror(s) are most likely to receive the award, and ultimately which offeror(s) will provide the FAA with the best value. The screening information requested in the SIR should focus on information that directly relates to the key discriminators for the procurement.

The following are examples of the types of information that may form the basis of a screening request:

- equipment/products for FAA testing,
- vendor testing,
- testing data,
- technical documentation (commercial, if available/practicable),
- capability statements,
- quality assurance information,
- performance experience,
- sample problems,
- draft/model contracts,

- technical proposals (including oral presentations, if appropriate/practicable),
- commercial pricing information,
- financial condition information,
- cost or price information, and
- cost or price proposals.

Each SIR shall include a request for some cost or pricing information appropriate to the specific SIR level of detail.

Request for Offer

A request for offer is a request for an offeror to formally commit to provide the products or services required by the acquisition under stated terms and conditions. The response to the request for offer is a *binding* offer, which is intended to become a binding contract if/when it is signed by the CO. The request for offer may take the form of a SIR, a proposed contract, or a purchase order.

3.2.2.3.1.2.2

Communications with Offerors

Communications may take place throughout the source selection process

Communications with all potential offerors should take place throughout the source selection process. During the screening, selection, and debriefing phases of source selection, communications are coordinated with the CO. Communications may start in the planning phase and continue through contract award. All SIRs should clearly inform offerors how communications will be handled during the instant screening phase.

The purpose of communications is to ensure there are mutual understandings between the FAA and the offerors about all aspects of the procurement, including the offerors' submittals/ proposals. Information disclosed as a result of oral or written communication with an offeror may be considered in the evaluation of an offeror's submittal(s).

To ensure that offerors fully understand the intent of the SIR (and the FAA's needs stated therein), the FAA may hold a pre-submittal conference and/or one-on-one meetings with individual offerors. One-on-one communications may continue throughout the process, as required, at the discretion of the IPT. Communications with one offeror do not necessitate communications with other offerors, since communications will be offeror-specific. Regardless of the varying level of communications with individual offerors, the CO should ensure that such communications do not afford any

offeror an unfair competitive advantage. During these and future communications, as applicable, the FAA should encourage offerors to provide suggestions about all aspects of the procurement.

Communications may necessitate changes in the FAA's requirements or screening information request and such changes should be processed consistent with Section 3.2.2.3.1.2.4. Where communications do not result in any changes in the FAA's requirements, the FAA is not required to request or accept offeror revisions. The use of technical transfusion is always prohibited. Technical leveling, and auctioning techniques are prohibited, except in the use of commercial competition techniques as described in Section 3.2.2.5.3.

3.2.2.3.1.2.3

Receipt/Evaluation of Submittals

An offeror must submit a timely response to the initial SIR to be considered for an award

Once offerors have submitted responses to a SIR, the IPT will evaluate the submittals in accordance with the evaluation criteria stated therein and the evaluation plan. To be considered for an award, an offeror must submit a response to the initial SIR, within the time specified in the SIR.

Evaluation Criteria

The evaluation criteria form the basis on which each offeror's submissions are to be evaluated. Once the criteria have been established and disclosed to offerors, criteria should not be modified without first notifying offerors competing at that stage of the process and allowing such offerors to revise their submissions accordingly. Each SIR shall contain the specific evaluation criteria to be used to evaluate offeror submittals for that specific SIR. Evaluation criteria should be tailored to the characteristics of a particular requirement and should be limited to only the key discriminators in the ultimate selection decision. The criteria should avoid, whenever possible, the inclusion of detailed subcriteria (or subcriteria in general). Further, efforts should be made to ensure that there are no overlapping criteria. Initial SIRs do not require cost or price proposals but should require submission of more generalized cost or price estimates. Cost or price considerations shall be an evaluation factor in all selection decision(s). For software acquisitions the criteria should include, whenever appropriate, an evaluation of the maturity of the offeror's software acquisition, development and maintenance processes which are relevant to the procurement. Such evaluations should be performed using standardized instruments such as a Capability Maturity Model-based Evaluation.

Evaluation Plan

An evaluation plan shall be prepared by the IPT and approved by the SSO for all procurements accomplished under this section. Evaluation plans should be concise and tailored to the specific needs of the procurement. The evaluation plan should include the name of the SSO and the names of the IPT members and evaluators, the evaluation criteria, the evaluation methods and processes, the schedule, and any other information related to the source selection. The evaluation plan should be completed and approved prior to the receipt of responses to any SIR requesting screening or qualification information.

Evaluation plan should be approved prior to receipt of responses

Evaluation Method

The evaluation methodology should be set up to allow for maximum flexibility in selecting the offeror(s) providing the best value. To facilitate such flexibility, the following should be considered in setting up evaluations:

Evaluation methodology should allow maximum flexibility in selecting offeror(s) providing best value

- Relative importance between criteria is not required (when relative importance is used, the relative order of importance between criteria should be disclosed).
- Each SIR may incorporate separate and/or distinct criteria that relate to the specific SIR discriminators.
- The use of either adjectival or numerical ratings is acceptable.
- Comparative evaluations between offerors' proposals/products are acceptable.
- The IPT should be selective/inventive concerning the screening requirements for document submissions (e.g., oral presentations, sample tests, plant visits, etc.).
- Communications with offerors during the evaluation may help clarify submittals, allow a fuller understanding of the offeror submittals, and provide a more comprehensive evaluation.
- Testing of products is encouraged to the maximum extent practical (“try before you buy”).
- Award based on initial offers to other than the low cost or price offer is allowed.

Evaluation Process

The evaluation will be conducted by the IPT, in accordance with the stated evaluation criteria and evaluation plan. The IPT (including any additional required evaluators and/or advisors) should be limited in size and dedicated through the completion of the acquisition. The IPT is expected to apply

IPT is expected to apply sound judgment appropriate for individual situations

sound judgment in determining appropriate variations and adaptations necessary for individual situations, provided that these do not constitute a departure from the basic concepts and intent of the evaluation plan and SIR(s). Communications may be considered in the evaluation of an offeror's submittal(s). Verifiable information from outside sources may be considered in the evaluation and should be disclosed to the offeror during the communication process. Any such findings should be noted in the evaluation report.

Evaluation Report

The IPT shall document the results of the evaluation, including recommendations, if applicable.

3.2.2.3.1.2.4

Changes in Requirements

For a requirements change after SIR release, all competing offerors should be afforded an opportunity to update submittals

If, after release of a SIR, it is determined that there has been a change in the FAA's requirement(s), all offerors competing at that stage should be advised of the change(s) and afforded an opportunity to update their submittals accordingly.

The SSO has authority to waive a requirement at any time after release of a SIR, without notifying other offerors where the SIR states that offeror specific waiver requests will be considered, and the waiver does not affect a significant requirement that changes the essential character or conditions of the procurement.

All determinations relating to changes in requirements, including waivers, will be documented in the evaluation report.

3.2.2.3.1.2.5

SSO Decision

Based on a review of the IPT's evaluation report, the SSO may either:

- make a selection decision (see the selection phase below);
- make a screening decision by screening those offerors determined to be most likely to receive award, thus continuing the screening phase;
- amend and re-open to initial offerors; or
- cancel the procurement.

To ensure the integrity of the FAA competitive source selection process, all SSO decisions should be based on the evaluation criteria established in the

SIR and have a rational basis. All offerors who are eliminated from the competition based on any screening decision should be provided with the basis for their elimination within five working days after the screening decision and should be informed that they may request a debriefing after contract award. During the screening process, the SSO may decide to eliminate an offeror from further consideration without considering the cost or pricing information that was submitted in the response to the SIR. However, the final selection decision must consider the cost or price information that was submitted as part of the proposal.

The basis for eliminating any offeror should be provided to the offeror within five working days after the screening decision

If a screening decision, rather than a selection decision, is made, the IPT should issue another SIR (and repeat the screening process stated above) in order to make a selection decision (or another screening decision) among the remaining offerors. The screening process, starting at the issuance of the SIR, may be repeated until a selection decision is made or the procurement is canceled. In some circumstances it may be appropriate to downselect to one offeror for negotiation. However, if the FAA and the selected offeror cannot come to an agreement, the FAA may select another competing offeror for communications/award without issuance of further SIRs.

3.2.2.3.1.3

Selection

The selection decision shall be based on the stated evaluation criteria including cost or price considerations to identify the best value.

Selection decisions should be based on the stated evaluation criteria

The IPT must brief the SSO on their evaluation findings. The selection of the offeror who is expected to provide the best value solution is a matter committed to the discretion of the SSO. The SSO applies sound business judgment to the evaluation of the offeror's proposed solution against the stated evaluation criteria. In each case, the SSO should provide a rational basis for the screening or selection decision. The SSO should document the selection decision in the SSO decision memorandum (in cases where the CO and the Technical Officer are the only IPT members, the evaluation report and the SSO decision memorandum may be one report). In making the selection decision, the SSO may accept or reject the IPT's recommendations provided there is a rational basis to reject the IPT's recommendation.

Based on the SSO's decision, the CO will transmit a proposed contract to the selected offeror. The selected offeror will return a properly executed contract. Upon the CO's signature, the proposed contract becomes a binding contract.

3.2.2.3.1.4

Debriefing

Debriefings after award are intended to improve the offeror's ability to successfully compete for future FAA business

Once an award has been made, all offerors who participated in the competitive process will be notified of the award and given three working days from receipt of the award notification to request a debriefing. Debriefings are intended to provide meaningful feedback to offerors on their submission. The purpose of the debriefing is to improve the offeror's ability to successfully compete for future FAA business by discussing the strengths and weaknesses of the offeror's submissions.

The debriefing should provide the offeror with the following information:

- the SSO's Selection Decision;
- the offeror's evaluated standings relative to the successful offeror(s); and
- a summary of the evaluation findings (excerpts from evaluation summary documentation relating to the specific offeror).

The CO should request detailed questions from the unsuccessful offeror so the FAA can provide meaningful information during the debriefing. Debriefings should be conducted, as soon as practicable, with all offerors that request them.

3.2.2.3.1.5

Lessons Learned

Lessons learned should highlight those issues and processes that had significant impact on the procurement

A lessons learned memorandum is a valuable tool in which the IPT can relay its procurement experiences to other FAA acquisition personnel. Once an award has been made, the IPT should communicate its learning experiences. The communication should highlight those issues/processes that had significant impact on their procurement. Further, the IPT should discuss changes that could be made to ensure a more comprehensive evaluation and/or more timely award.

3.2.2.3.2

Responsibilities

The responsibilities listed below are intended to be guidelines to ensure a successful evaluation by the IPT. The IPT must apportion these responsibilities to fit the needs of specific procurements (and IPTs).

3.2.2.3.2.1

Source Selection Official

The SSO has full responsibility and authority to select the source(s) for award. The SSO's responsibilities are to:

- approve the evaluation plan;
- ensure that the IPT is properly constituted and includes all necessary disciplines;
- make all screening decisions and selection decisions; and
- act as the IPT leader unless designated otherwise.

3.2.2.3.2.2

Integrated Product Team

The IPT is responsible for the proper and efficient conduct of the source selection process. The IPT's responsibilities and duties are to:

- draft all SIRs;
- formulate the evaluation plan for the acquisition;
- review existing lessons learned reports that provide meaningful insights into the acquisition;
- ensure an in-depth review and evaluation of each submitted screening document against the FAA requirements and the stated evaluation criteria;
- prepare the evaluation report (including recommendations, if applicable), using sound business judgments to assist the SSO in making the down selection and/or award decisions;
- conduct all debriefings;
- exercise oversight of all procedural and administrative aspects of the procurement;
- select, as required, advisors to assist the IPT in their evaluation;
- prepare the documentation, at the SSO's request, that provides the SSO's decision rationale; and
- prepare a lessons learned memorandum after the source selection has been accomplished.

3.2.2.3.2.3

Contracting Officer

The CO's responsibilities and duties are to:

- ensure, when applicable, conflict of interest documentation is obtained from all IPT members, and determine, with legal counsel review, if any conflicts or apparent conflicts of interests exist, and if so, resolve them;
- ensure that IPT members are briefed on the sensitivities of the source selection process, the prohibition against unauthorized disclosure of information (including their responsibility to safeguard proposals and any documentation related to the IPT's proceedings), and the requirements pertaining to conflicts of interest;
- coordinate communications with industry;
- participate during the screening, selection, and debriefing phases of source selection to ensure fair treatment of all offerors;
- issue, as required, letters, public announcements, SIRs, SIR amendments, and other procurement documents;
- control all written documentation issued to industry;
- ensure that the contract is signed by an official with the authority to bind the contractor;
- with guidance from legal counsel, assure that all contractual documents are in compliance with applicable laws and regulations;
- serve as the SSO if the procurement is not subject to the JRC process or is specifically delegated by the IPT lead; and
- execute, administer, and terminate contracts and make related determinations and decisions that are contractually binding.

3.2.2.3.2.4

The Integrated Product Team Leader

The IPT Leader's responsibilities and duties are to:

- serve as the SSO if the procurement is subject to the JRC process or unless otherwise delegated;
- assure that the FAA's program needs are acquired through the source selection process;
- assure that the FAA's SIRs include adequate definition of requirement(s);
- assure that the technical evaluation is performed in accordance with the stated evaluation criteria;

- assure that qualified technical evaluators, if required, are chosen to assist the IPT in the evaluation; and
- assure team competence, cohesiveness, and effectiveness.

3.2.2.3.2.5

Advisors

Advisors may be appointed by the IPT to provide specific guidance to the IPT when their essential specialized expertise is not available within the IPT.

3.2.2.3.2.6

Nongovernment Evaluators and Advisors

Nongovernment personnel may be used as evaluators and/or advisors, and shall be subject to the conflict of interest and disclosure of information policies stated herein. Notice of any nongovernment participation will be provided in the SIR.

3.2.2.4

Single Source Selection

The FAA may contract with a single source when it is in the FAA's best interest

Public announcement must be made for any action over $100,000, except for emergencies

The FAA may contract with a single source when it is determined to be in the best interest of the FAA and the rational basis is documented. This rational basis may be based on actions such as emergencies, standardization, and only source available to satisfy the requirement within the time required, which are necessary and important to support the FAA's mission. For the procurements under $10,000, there is no requirement for competition or single source justification, and requirements should not be split to meet this exception.

The decision to contract with a single source may be made as part of the overall program planning. The rational basis must either be documented and approved as a part of the Acquisition Strategy Paper, a Procurement Plan, or as a separate document. If an ASP is not required, *and the IPT determines that a Procurement Plan is unnecessary, an independent* single source justification should be *documented* and endorsed by the IPT and approved by the contracting officer.

Market analysis should be conducted to support each single source decision, except for emergencies. The method and extent of the analysis will be dependent on the requirement.

The contracting officer shall document the objective criteria supporting the rational basis for the decision in writing. Examples of the type of information that might be included are the results of market analysis,

cost/price data, unique qualifications/performance capability, and past performance. Mere conclusions without adequate objective supporting data is insufficient.

After the decision to contract with a single source has been approved, a public announcement will be made for any action over $100,000, except in emergencies. The purpose of the announcement is to inform industry of the basis of the decision to contract with the selected source.

A basic contract may be modified: to exercise an option, or to satisfy a follow-on procurement for more of the same products/services without seeking additional competition where based on market analysis, there is a rational basis not to compete the requirement and the rational basis is documented and approved as discussed in this subsection.

3.2.2.4.1

Single Source Procurement Process

The single source procurement process includes planning, communications, award, and lessons learned. The actions for an individual phase within the process may vary depending on the particular circumstances.

3.2.2.4.1.1

Emergencies

In emergency situations, the CO may give a contractor verbal authorization to proceed and the process may be completed after the fact

An emergency situation including but not limited to a threat to loss of life/property, national security, or restoration of an Air Traffic Control facility may require immediate contracting with a single source. In these instances, once the funds are committed the CO may give a contractor verbal authorization to proceed and the process phases may be consolidated or completed after the fact. As a minimum the CO should, as soon as practical:

- obtain funding certification;
- document the single source decision; and
- confirm with written notification.

3.2.2.4.1.2

Nonemergencies

For single source nonemergency procurements, planning may include:

- analyzing the market to determine potential sources;
- developing an independent FAA cost estimate;

- obtaining funding certification;
- obtaining approval of rationale for single source, except for follow-on or exercise of options; and
- issuing public announcement, if in excess of $100,000.

3.2.2.4.1.3

Lessons Learned

Communicating lessons learned is encouraged.

3.2.2.5

Commercial and Simplified Purchase Method

The FAA may acquire commercial products and services from the competitive market place by using the simplified purchase method described herein and best commercial practices. Commercial and simplified purchases are used for commercial items or for products or services which have been sold at established catalog or market prices and are generally purchased on a fixed price basis.

3.2.2.5.1

Planning

Level of planning should be dictated by the nature and complexity of the requirement

Procurement planning should be accomplished for all simplified and commercial purchases. The level of planning and announcement should be dictated by the nature and complexity of the requirement, commercial availability, dollar value, urgency of the requirement and degree of previous procurement history.

The purpose of procurement planning is to:

- determine whether commercial items meet the FAA's needs;
- identify potential commercial sources; and
- publicly announce requirements in excess of $100,000.

Market analysis should be simple and straight-forward, and may include information based on personal knowledge of the market, historical purchase information, qualified vendors list, commercial catalogs, trade journals, newspapers, other professional publications or local telephone directories.

Contracting mechanisms are at the discretion of the CO. Purchases may also be made using the following mechanisms:

- purchase card;

- third party draft;
- purchase order;
- Purchase Order-Invoice-Voucher (Standard Form 44);
- orally (only in emergency situations) with proper documents processed as soon as possible following the oral order; and
- other methods, including interagency agreements, when deemed appropriate and properly documented.

Requirements should be stated in commercial terms

3.2.2.5.2

Sourcing Determination

The CO should solicit an appropriate number of vendors to ensure quality products and services are delivered in a timely manner at a fair and reasonable price. Requirements should be stated in commercial terms generally understood and accepted in the industry.

3.2.2.5.3

Screening

The CO should determine the appropriate screening approach and format for vendor's responses (e.g., electronic, written, oral, use of standard commercial or FAA forms). The CO may also conduct communications with individual offerors, as appropriate, to address offeror understanding of the requirement, performance capability, prices, and other terms and conditions. For commercially available products, the CO is encouraged to use “commercial competition techniques” such as continuing market research throughout the process by using vendor proposals as the source of prices and commercially available capabilities and sharing that information with other vendors.

3.2.2.5.4

Selection Decision and Award

Selection decision should be based on best value

The CO's selection decision should be based on the FAA's stated evaluation criteria. The selection decision for commercial or simplified purchases should be based on the best value to the FAA including, but not limited to, factors such as price, functional specifications, delivery capability, warranty, and payment terms. This may be accomplished through establishing specific evaluation criteria with an accompanying evaluation plan as described under Complex, Noncommercial Source Selection, and making the selection based on the stated criterion. It may also be based on the most favorable solution available in the commercial market, as determined by the FAA, as described under Commercial and Simplified Purchase Method, or through a

combination of methods depending on complexity, risk, dollar value, and urgency of the requirement.

3.2.2.5.4.1

Documentation

The method of selection and rationale for awards, and a determination that the price is fair and reasonable should be documented. The extent of the documentation depends on the complexity and dollar value of the procurement action.

3.2.2.6

Unsolicited Proposals

3.2.2.6.1

Policy

The FAA may consider and/or accept unsolicited proposals when it is determined to be in the best interest of the FAA, based on the guidance provided herein.

3.2.2.6.2

Guidance

Unsolicited proposals are a valuable means for FAA to obtain innovative or unique methods or approaches to accomplishing its mission from sources outside the FAA. Advertising material, commercial item offers, contributions, or technical correspondence are not considered to be unsolicited proposals. A valid unsolicited proposal must:

Unsolicited proposals are a valuable means to obtain innovative or unique methods or approaches from outside sources

- be innovative and unique;
- be independently originated and developed by the offeror;
- be prepared without FAA supervision;
- include sufficient detail to permit a determination that the proposed work could benefit the FAA's research and development, or other mission responsibilities; and
- not be an advance proposal for a known FAA requirement that can be acquired by competitive methods.

3.2.2.6.2.1

Evaluation of Unsolicited Proposals

3.2.2.6.2.1.1

Receipt and Initial Review

Unsolicited proposals should be addressed to:

Federal Aviation Administration
Attn.: Office of Acquisitions, Acquisition Policy and Procedures Division (ASU-100)
800 Independence Avenue, SW
Washington, DC 20591

Once received, the FAA contact point determines if the unsolicited proposal:

- contains sufficient technical and cost information; and
- has been signed by a responsible official or other representative authorized to contractually obligate the offeror before initiating a comprehensive evaluation.

If the proposal meets these requirements, the contact point promptly acknowledges and processes the proposal. If it does not, the contact point provides the offeror an opportunity to submit the required data.

The FAA is not required to perform comprehensive evaluations of unsolicited proposals not related to its mission. If such proposals are received, the FAA contact point promptly replies to the offeror, states how the FAA interprets the proposal, and why it can not be evaluated.

3.2.2.6.2.1.2

Prohibitions

FAA personnel should not use any data, concept, idea, or other part of an unsolicited proposal as the basis, or part of the basis, for a SIR or in communications with any other firm unless the offeror is notified of and agrees to the intended use. However, this prohibition does not preclude using any data, concept, or idea available to the FAA from other sources without restrictions.

FAA personnel should not disclose restrictively marked information included in an unsolicited proposal. The disclosure of such information concerning trade secrets, processes, operations, style of work, apparatus, and

other matters, except as authorized by law, may result in criminal penalties under 18 U.S.C. 1905.

3.2.2.7

Contractor Qualifications

Contract awards to be made only to responsible contractors

3.2.2.7.1

Applicability

This section applies to all proposed contracts with any prospective contractor that is located in the United States, its possessions, or Puerto Rico; or elsewhere, unless application would be inconsistent with the laws or customs where the contractor is located. The guidance prescribes standards and procedures pertaining to prospective contractors' responsibility; debarment, suspension, and ineligibility; qualified products; first article testing and approval; contractor team arrangements; and conflicts of interest.

3.2.2.7.2

Policy

The CO shall ensure that contracts are awarded only to responsible contractors (see Section 3.2.2.2). No award shall be made unless the CO makes an affirmative determination of responsibility. FAA will honor suspension/debarment decisions of other agencies unless FAA has a compelling need to obtain the requirement from that contractor.

3.2.2.8

Describing FAA Needs

3.2.2.8.1

Applicability

The requirements herein apply to all FAA procurements and agreements except real property and utilities.

3.2.2.8.2

Policy

The FAA will describe its needs clearly and generally in writing, absent special or emergency circumstances. IPTs may describe needs as minimum requirements, goals, or in another form well suited to the contemplated procurement.

3.2.3
Cost and Price Methodology

3.2.3.1
Applicability

This section describes policies for evaluating proposals for initial contract prices, subcontract prices, and contract modifications, except for real property and utilities.

Price analysis is the preferred method for evaluating competitive proposals

3.2.3.2
Policy

The FAA policy is to employ any method of cost or price analysis to determine fair and reasonable prices for the procurement of products and services. Price analysis is the preferred method for evaluating competitive proposals.

3.2.3.3
Guidance and Principles

3.2.3.3.1
Cost or Pricing Data

3.2.3.3.1.1
Requirement Decision

Cost or pricing data **not** requested in all cases

Cost or pricing data shall not be required from offerors unless the CO determines price competition is not adequate to support a determination of price reasonableness. When the CO determines adequate price competition exists, cost or pricing data shall not be requested. In situations with established catalog or market prices, prices set by law or regulation, and or commercial items, price analysis is sufficient and cost or pricing data shall not be requested.

3.2.3.3.2
Cost Accounting Standards

Cost Accounting Standards (CAS) do not apply to contracts for commercial items. Full or modified CAS coverage may be applied to cost type contracts only.

3.2.4
Types of Contracts

3.2.4.1
Applicability

This section is applicable to contracts for procurement of all products and services.

3.2.4.2
Policy

Contracts may be of any type or combination of types

Contracts may be of any type or combination of types except for cost plus a percentage of cost contracts. Selecting the contract type may be a matter for communication and requires the exercise of sound judgment. Communications regarding the contract type and price are closely related and should be considered together. The objective is to choose a contract type and price (or estimated cost and fee) that will result in reasonable contractor risk and provide the contractor with the greatest incentive for efficient and economical performance. The members of the IPT shall, to the extent possible, strive to assess and discuss risks and to make clear the requirements, terms, and conditions between the parties of the contract. Contract terms and conditions shall be reasonable to both the FAA and the contractor. Performance requirements shall be realistic, manageable, and within the control of the parties to the contract. The use of fixed price contracts is strongly encouraged whenever appropriate. Development contracts may be incrementally phased fixed price contracts.

All contracts, except those issued in emergency situations, shall be in writing.

3.2.4.3
Guidance and Principles

The types of contracts that may be used for FAA procurements are included in the tool box. Types of contracts other than those specified in the tool box may be used when approval has been obtained from an official one level above the CO within the contracting organization.

Contracting officers should clearly identify the type of contract(s) at the front of each contract and in SIRs, when appropriate. Where multiple types of contracts are used in one contract, performance requirements, terms and conditions, and prices (or estimated cost and fee) for each type of contract should be clearly separated and partitioned.

The multi-year contract may be used for the acquisition of products and services in accordance with any applicable restrictions and appropriate appropriations acts.

3.2.5
Contractor Ethical Guidelines

3.2.5.1
Applicability

This policy is applicable to all contracts.

The conduct of FAA business must be above reproach

3.2.5.2
Policy

FAA business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none.

3.3
Contract Funding, Payment and Cost Principles

Payment plans and schedules should be conducive to efficient and economical contract performance

3.3.1
Contract Funding and Payment

Contract payment processes expedite the performance of essential contracts. The FAA will structure payment plans and schedules that are conducive to efficient and economical contract performance.

3.3.1.1
Applicability

This section applies to all contracts except real property and utilities.

This section includes:

- payments;
- prompt payment;
- nondelivery payments (commercial and noncommercial);
- contract funding; and

- debt collection.

3.3.1.2

Policy

3.3.1.2.1

Payment

Prudent contract payment schemes expedite the performance of essential contracts. The CO should strive to structure the contract to allow frequent partial deliveries. If partial deliveries are not possible or the interval between deliveries is long, nondelivery payments may be necessary for efficient and economical contract performance.

3.3.1.2.2

Prompt Payment

The FAA should make payments for all acceptable deliveries within 30 days after receipt of a proper invoice and receiving report. Interest will apply to any payment later than 30 days. However, interest will not apply to late payments on interim vouchers under time-and-material, labor-hour, and cost reimbursement contracts regardless of whether products or services were delivered, received, and accepted by the FAA.

3.3.1.2.3

Nondelivery Payments (Commercial and Noncommercial)

The CO may use any of the nondelivery payment methods available for use. Other types of nondelivery payments may be made as long as they are mutually agreed upon and the interest of the FAA and the U.S. taxpayer are protected (e.g., security, adequate accounting system, etc.). All nondelivery payment plans not described in this section require approval one level above the CO.

3.3.1.2.4

Contract Funding

The FAA shall comply with the Anti-Deficiency Act and other fiscal laws.

3.3.1.2.5

Debt Collection

Debt collection is the responsibility of the CO in coordination with the payment office. Interest shall be assessed on all uncollected debt in accordance with this section.

3.3.2
Contract Cost Principles

3.3.2.1
Applicability

The FAA cost principles and procedures shall be used in price negotiated supply, service, experimental, developmental, and research contracts and contract modifications with commercial organizations whenever cost analysis is performed.

In addition, the CO shall incorporate the FAA cost principles and procedures in contracts with commercial organizations as the basis for:

- determining reimbursable costs under **(i)** cost-reimbursement contracts and cost-reimbursement subcontracts under these contracts performed by commercial organizations and **(ii)** the cost-reimbursement portion of time-and-materials contracts except when material is priced on a basis other than at cost;
- negotiating indirect cost rates when FAA has division or corporate contract administration responsibilities, quick close-out procedures are used, or indirect rate caps are negotiated in the contract;
- proposing, negotiating, or determining costs under terminated contracts;
- price revision of fixed-price incentive contracts;
- price redetermination of price redetermination contracts; and
- pricing changes and other contract modifications.

When division or corporate contract administration responsibilities rest with another Government agency, the FAA may agree to cost principles of the administering agency for the determination or negotiation of indirect rates not covered by (i) or (ii) above.

3.3.2.2
Policy

FAA cost principles and procedures should be used

FAA cost principles and procedures shall be used for the pricing of contracts, subcontracts, and modifications to contracts and subcontracts whenever cost analysis is performed and the determination, negotiation, or allowance of costs when required by a contract clause.

3.4

Bonds, Insurance, and Taxes

3.4.1
Bonds and Insurance

3.4.1.1
Applicability

This section applies to construction contracts subject to the Miller Act or any other contracts that the CO determines would benefit from use of bid/bond guarantees and insurance that would protect the interest of the FAA.

3.4.1.2
Policy

The FAA will comply with the intent of the Miller Act (40 U.S.C. 270a-270f) by requiring payment and performance bonds for construction contracts over $25,000. The FAA may also invoke bid guarantees, payment bonds, performance bonds, and insurance for any contract where it is deemed necessary to protect the interest of the FAA.

The FAA may invoke bid guarantees, payment bonds, performance bonds, and insurance

3.4.2
Taxes

3.4.2.1
Applicability

This section prescribes guidance for (a) using tax clauses in contracts (including foreign contracts), (b) asserting immunity or exemption from taxes, and (c) obtaining tax refunds. It explains Federal, State, and local taxes on certain products and services acquired by executive agencies and the applicability of such taxes to the Federal Government. It is for the general information of Government personnel and does not present the full scope of the tax laws and regulations.

3.4.2.2
Policy

The FAA policy is to provide appropriate contract clauses for (a) Federal Excise Taxes levied on the sale or use of particular products or services, (b) exemption of Federal Excise Taxes, and (c) exemption of Federal purchases

and property from state and local taxes. The IPT shall use the appropriate clauses for the tax situation at hand.

3.5

Patents, Rights in Data and Copyrights

3.5.1

Applicability

The policies prescribed in this section are applicable to all contracts involving intellectual property issues.

3.5.2

Policy

Patents, copyrights, and other rights in data are valuable intellectual property. The FAA acquires patents, copyrights, and other rights in data as necessary to:

- enhance the competitive process;
- ensure the ability to use, maintain, repair, and modify products procured under FAA contracts;
- recoup development costs of, and fund improvements in, products and equipment;
- develop products for FAA and public use; and
- protect its position in the competitive marketplace.

3.6

Socio-Economic and Other Policies and Programs

3.6.1

Small Business Utilization Program

3.6.1.1

Applicability

The policies and guidance contained herein are applicable to FAA procurements for products and services and those procurements using

SF 44's, credit cards, and third party drafts, but excluding utilities, real property, and agreements.

3.6.1.2

Policy

The FAA shall implement and aggressively strive to provide small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals attainable and reasonable opportunities to participate as prime contractors and subcontractors for the products and services procured by the FAA. The FAA's Small Business Utilization staff currently has and will continue to have responsibility for:

- FAA's policy and program on the utilization of small business and small businesses owned and controlled by socially and economically disadvantaged individuals;
- establishing mechanisms for monitoring and evaluating the effectiveness of the small business program; and
- ensuring FAA-wide implementation and accomplishment of the small business program objectives.

Key features of the small business program will include:

- competitive set-asides;
- establishment of eligibility criteria and measurable prime contracting and subcontracting goals;
- vigorous outreach efforts;
- Mentor-Protégé Program; and
- small business forums.

3.6.1.3

Guidance and Principles for the Small Business Program

3.6.1.3.1

Program Goals

Prior to the end of each fiscal year, measurable annual FAA wide major procurement program goals (including subcontracting goals) will be established to provide attainable and reasonable opportunities for small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals to participate in contracts awarded by the FAA for the next fiscal year.

3.6.1.3.2

Prime Contracting with Small Businesses

When appropriate, individual procurements may be set aside for competitive award among small businesses.

3.6.1.3.3

Set-Asides to Very Small Businesses

When appropriate, individual procurements may be set aside for competitive award among very small businesses. Special attention will be given to service contracts for very small businesses.

3.6.1.3.4

Competitive Set-Asides to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals

When appropriate, individual procurements may be set-aside for competitive award among Socially and Economically Disadvantaged Businesses (SEDBs) that are certified to participate under the 8(a) program on the due date for submission of offers. Each firm claiming 8(a) status is required to provide a copy of its SBA 8(a) certification letter to the contracting officer at the time of submission of an offer as evidence of eligibility.

3.6.1.3.5

Subcontracting with Small Businesses and Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals

In procurements estimated to exceed $5,000,000 ($1,000,000 for construction), the CO should incorporate subcontracting provisions (including attainable and reasonable subcontracting goals for the participation of small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals). Subcontracting provisions are not required for commercial items or when there are no subcontracting possibilities or when the prime contractor is a small business or a small business owned and controlled by a socially and economically disadvantaged individual. Contractors should be required to periodically report data on subcontracting accomplishments in sufficient detail to determine the extent of the contractor's attainment of subcontracting goals.

3.6.1.3.6

Business Declaration

To preserve the integrity and foster the objectives of the small business program, the FAA must satisfy itself that the ownership, control, and day-to-

day management requirements of the program are fulfilled. Each business claiming eligibility as a small business or small business owned and controlled by a socially and economically disadvantaged individual must be required to provide evidence of eligibility prior to award. The FAA reserves the right to review and verify each firm's program eligibility. If the firm is not a small business as defined by the standard industrial classification (SIC) code size standards, it will not qualify as a small business.

A small business claiming eligibility must provide evidence of eligibility before contract award

For set-asides restricted to small businesses, very small businesses, and/or small businesses owned and controlled by socially and economically disadvantaged individuals, the Business Declaration Form shall be included in the SIR, and completed by each offeror.

For unrestricted procurements, the successful offeror shall complete and submit the Business Declaration Form to the contracting officer.

When subcontracting goals are established for small businesses, small businesses owned and controlled by socially and economically disadvantaged individuals, and small businesses owned and controlled by women, the prime contractor shall obtain completed Business Declaration Form for such small businesses counted toward the successful offeror's subcontracting goals.

3.6.1.3.7

Mentor - Protégé Program

The mentor-protege program provides incentives for FAA prime contractors to assist some categories of small businesses and minority educational institutions

The Mentor-Protégé Program provides incentives for FAA prime contractors to assist Women-Owned Small Businesses, Small Socially and Economically Disadvantaged Businesses, Historically Black Colleges and Universities, and Minority Educational Institutions in enhancing their capabilities to perform FAA contracts and subcontracts, foster the establishment of long-term business relationships between these entities and FAA prime contractors, and increase the overall number of these entities that receive FAA contract and subcontract awards. The “Mentor-Protégé Program Guide” may be obtained from the FAA's Small Business Utilization staff.

3.6.2 Labor Laws

3.6.2.1

Applicability

The FAA will comply with labor laws

The Davis-Bacon Act (40 U.S.C. 276a-276a-7), Convict Labor (18 U.S.C. 4082 (c)(2)), Copeland Act (18 U.S.C. 874 and 40 U.S.C. 276c), Walsh-

Healey Public Contracts Act (41 U.S.C. 35-45), Equal Employment Opportunity (Executive Order 11141 (29 FR 2477)), Service Contract Act (41 U.S.C. 351), and other labor laws and regulations will apply to acquisitions for products, services, and construction.

3.6.2.2

Policy

The FAA will comply with labor laws when acquiring products, services, and construction.

3.6.3 Environment, Conservation, Occupational Safety, and Drug-Free Workplace

3.6.3.1

Applicability

This section applies to all FAA contracts performed in the United States.

3.6.3.2

Policy

It is the policy of the FAA to contract with entities that are in compliance with applicable environmental, energy, safety, and drug-free workplace laws, orders, and regulations.

3.6.3.2.1

Pollution

To implement agency policy the FAA will not contract with entities listed by the U.S. Environmental Protection Agency (EPA) in 40 CFR Part 15 as violating facilities under the Clean Air Act (42 U.S.C. 7401 et seq.) or the Clean Water Act (33 U.S.C. 1251 et seq.). If contracting with violating activities is required to meet agency requirements the reasons should be documented in the contract file and communications initiated with appropriate enforcement agencies.

3.6.3.2.1.1

Conservation

3.6.3.2.1.1.1

Energy Conservation

The FAA will apply energy conservation and efficiency factors in acquisitions when their use would be meaningful, practical, and consistent

with meeting agency requirements. These factors, if used, will be identified in the planning and SIR documents.

Energy Policy and Conservation Act (42 U.S.C. 6361 (a)(1)) and Executive Orders 11912, 12038 and 12148.

3.6.3.2.1.1.2

Recovered/Recycled Materials

In describing requirements for products and services the FAA will encourage the use of recovered or recycled materials consistent with meeting agency requirements and good business practice. The FAA will not exclude the use of recovered or recycled materials without a sound engineering or operational basis.

Resource Conservation and Recovery Act (42 U.S.C. 6901).

3.6.3.2.1.2

Drug-Free Workplace

The FAA will not award a contract to any entity unless it has certified that it is a drug free workplace or the entity will be deemed unqualified and ineligible for award. After contract award, if there is adequate evidence to suspect that the contractor submitted a false certification or failed to comply with the certification, the FAA may suspend payments, terminate the contract for default, debar or suspend the contractor, or take other appropriate action to obtain quality performance by a lawfully operating contractor.

3.6.3.2.1.3

Hazardous and Radioactive Materials

3.6.3.2.1.3.1

Hazardous Material Identification and Material Safety Data

The FAA intends to comply with Occupational Safety and Health Administration (OSHA) regulations on hazardous materials, conditions and precautions. In order to comply with these regulations the FAA must obtain information from contractors when hazardous materials are provided to the FAA. Contractors will be required to identify any hazardous materials, as defined in Federal Standard 313, delivered under a contract and provide Material Safety Data Sheets for hazardous materials.

3.6.3.2.1.3.2

Notice of Radioactive Materials

The contractor will be required to notify the FAA prior to delivery of radioactive material that requires specific licensing under the Atomic Energy Act of 1954 or material with a specific activity of greater than .002 microcuries per gram or a specific activity per Rem of greater than .01 microcuries.

3.6.4

Foreign Acquisition

The FAA will follow the Buy-American Act (41 U.S.C. 10).

3.7

Protection of Privacy and Freedom of Information

Protection of privacy and freedom of information apply to all procurements, agreements, real property, utilities, credit cards, and commercial and simplified purchases

3.7.1

Applicability

Protection of privacy and freedom of information are applicable to all FAA procurements, agreements, real property, utilities, credit cards, commercial and simplified purchase method.

3.7.2

Policy

When the FAA contracts for the design, development, or operation of a system of records on individuals, the FAA shall apply the requirements of the Privacy Act to the contractor and its employees working on the contract.

The FAA shall comply with the Freedom of Information Act

The FAA shall comply with the Freedom of Information Act which requires that the FAA provide information to the public by (i) publication in the Federal Register; (ii) providing an opportunity to read and copy records; or (iii) upon a reasonable request. Certain information may be exempted from disclosure; such as, classified information, trade secrets, and confidential commercial or financial information, interagency or intra-agency memoranda, or to personal and medical information pertaining to an individual.

3.8

Special Categories of Contracting

3.8.1
Agreements

3.8.1.1
Applicability

This section applies to products, services and real property to the extent authorized by law.

3.8.1.2
Policy

It is the policy of the FAA to use various agreements, other than procurement contracts, to obtain or provide services and supplies when necessary to accomplish the mission of the FAA. These agreements may be made with another Federal agency or instrumentality of the Federal government, a modal administration within the Department of Transportation, a state, local government, municipality, or other public entity, and private entities. (See 49 U.S.C. 106(l)). The following is a list of the more commonly used agreements (other than procurement contracts):

- interagency agreements;
- intra-agency agreements;
- agreements with other public entities; and
- agreements to provide services to a private entity on an individualized basis.

3.8.1.3
Guidance and Principles for Agreements

All agreements shall be in writing and should contain a clear statement of requirements, applicable terms and conditions, the legal authority for the agreement, termination and dispute resolution provisions, and where appropriate, a fund citation and payment provision.

All agreements shall be in writing

Agreements with other Federal Agencies (as defined in section 551(1) of title 5) are appropriate where FAA provides services or supplies or facilities to another Federal agency, or where FAA is the requesting agency to receive services, or supplies, or facilities from another Federal agency or that

agency's contractor. Where the FAA and the Department of Defense are engaged in joint actions to improve or replenish the national air traffic system, the AMS policies governing FAA acquisitions are applicable. In those instances where the FAA acquires goods or services through the Department of Defense or other agencies, the FAA is bound by the acquisition laws governing those agencies.

Agreements may be entered into without public notice whenever it is in the best interest of the FAA. Each agreement should be supported by a written statement describing the technical, program, or business reasons justifying the agreement. Where appropriate, the documentation should include planning considerations described in Section 3.2.1 Procurement Planning. The Contracting Officer and IPT shall approve the written rationale and shall have warrant authority commensurate with the estimated dollar value of the requirement.

Agreements with private entities and public authorities, other than Federal agencies, may take the form of a memorandum of understanding or memorandum of agreement. A memorandum of understanding is not legally binding on the Government, while a memorandum of agreement creates a legally binding commitment.

3.8.2 Service Contracting

3.8.2.1 Applicability

This section applies to advisory and assistance contracts and other services, including personal services such as employees support service as provided for in FAA's Personnel Management System. This section does not apply to FAA employees, temporary, part-time or permanent appointed or hired in accordance with the other applicable portions of the FAA Personnel Management System.

3.8.2.2 Policy

In no event may a services contract be awarded for the performance of an inherently governmental function

The FAA shall generally rely on the private sector for commercial services (see OMB Circular No. A-76, Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government). In no event may a contract be awarded for the performance of an inherently governmental function. Advisory and assistance contracts shall comply with

all applicable laws concerning post-employment and other conflict of interest and ethics laws and policies.

3.8.2.3
Personal Services Contracts

3.8.2.3.1
Definition

A personal service contract is a contract that, by its express terms, *or as administered*, establishes what is tantamount to an employer-employee relationship between the Government and the contractor's personnel. Such a relationship is created when a Government employee exercises relatively continuous supervision and control over one or more contractor employees. Supervision includes directing or assigning work to specific contractor employees; directing that a contractor employee be hired, fired, promoted, rewarded, transferred or granted leave; or exercising control over how specific contractor employees perform their job. Any one of these elements might create an employer-employee relationship and therefore a personal services contract. In addition, if the nature of the work or ability of the contractor employee(s) is such that they do not require or receive much supervision, but a Government employee provides what supervision the contractor employee receives, then the contract is for personal services.

Possible warning signs of when supervision might be present include: performance of the work in Government furnished offices or property; principal tools and equipment are furnished by the Government; the services are applied directly to the integral efforts of the FAA or an organizational subpart in furtherance of that organization's assigned function or the FAA mission; comparable services are performed in FAA or other agencies using Government employees; and the need for the service provided can reasonably be expected to last beyond one year. The presence (or absence) of one or even all of these factors in a particular contract does not necessarily determine whether a contract is for, or being administered as, a personal services contract. Instead the presence of these factors indicate that the contract as written or administered, must be particularly carefully scrutinized to assure that Government employees are not supervising contractor employees, and thus creating a personal services contract.

Simple monitoring of a contractor's performance, providing technical direction, issuing task orders, or providing comments on the contractors' work, in accordance with the contract's terms, do not in themselves create a

personal services contract. Performing any of these functions in a manner not provided for by the contract, however, could create a personal services contract as well as expose the Government to additional liability.

3.8.2.3.2

Determination

The FAA may award personal services contracts when the head of a line of business determines that a personal service contract is in the best interest of the agency after thorough evaluation which includes, but is not limited to the following factors:

- worker's compensation payments and other tax implications;
- the Government's potential liability for services performed;
- the availability of temporary hires to perform the desired services;
- demonstration of tangible benefits to the agency;
- a detailed cost comparison demonstrating a financial advantage to the Government from such contract;
- potential post-employment restrictions applicable to former employees;
- a legal determination that the work to be performed is not inherently governmental; and
- potential post employment restrictions pursuant to Federal Workforce Restructuring Act of 1994 Public Law 103-226.

Although personal service contracts are permitted, they should be used only when there is a clear demonstrated financial and program benefit to the FAA. The determination required herein is non-delegable and shall be reviewed for legal sufficiency by the Office of the Chief Counsel.

3.8.2.3.3

Buyout Employees

The Federal Workforce Restructuring Act of 1994, Public Law 103-226 conditions the employment of former Government employees who received a voluntary separation incentive (buyout) payment. If these former employees perform under a personal services contract in support of (or are employed directly by) the Government within 5 years after the date of separation from Government employment they must repay the entire amount of the buyout. In addition, for all contract actions intended to obtain services previously provided by an FAA employee who took the buyout, Public Law 103-226 requires the FAA to conduct a cost comparison similar

to those described in OMB Circular A-76 to demonstrate that such a contract results in a financial advantage to the Government, prior to contracting for these services.

In all contract actions which involve support services and a buyout employee the requiring office shall provide a written determination for concurrence of the head of the line of business for the requiring office. The head of the line of business must concur in the determination prior to the start of contract performance by the former employee. The written determination shall identify the former employee, provide a detailed statement of work to be performed by the former employee, a cost comparison as may be required, and a certification that the proposed employment meets all criteria under Public Law 103-226, specifically that the former employee will not be engaged in personal services under the contract.

The determination required herein is non-delegable and shall be reviewed for legal sufficiency by the Office of the Chief Counsel.

3.8.2.3.4

SIR and Contract Clauses

Each SIR and contract shall contain appropriate clauses requiring contractors to identify all Federal Government employees who received buyouts pursuant to Public Law 103-226 and who will be performing support services under the contract.

3.8.2.4

Performance Based Service Contracts

Service contracts should incorporate performance based contracting methods to encourage contractor innovation and efficiency, and to help ensure contractors provide timely, cost-effective, and quality performance.

3.8.3
Federal Supply Schedule Contracts

3.8.3.1

Applicability

This section is applicable when FAA awards Federal Supply Schedule delivery orders for recurring products and services. Additionally, this section addresses requirements to utilize Federal Supply Schedules awarded by GSA, when the FAA is identified in the schedule as a mandatory/non-mandatory user of any supply/service on the schedule.

Delivery orders may be placed against Federal Supply Schedules for recurring products and services

3.8.3.2

Policy

The FAA may consider awarding Federal Supply Schedule contracts, or placing orders against Federal Supply Schedules awarded by GSA, for recurring products and services when it is determined to be in the best interest of the FAA. However, orders placed against a GSA FSS need not be publicly announced (See Section 3.2.1.3.12).

3.8.4 Required Sources of Products/Services and Use of Government Sources

3.8.4.1

Applicability

The policy and guidance are applicable to acquisition for all products or services except for real property, utilities, and construction. The policy and guidance also covers contractor use of Government supply sources.

3.8.4.2

Policy

The FAA's goal is to obtain products and services from firms that offer the best value to satisfy the mission need. To the extent they offer the best value, COs may use available Government supply sources. The FAA will continue to acquire products and services through the Randolph-Sheppard Vending Facilities Program (20 U.S.C. 107), Javitts-Wagner-O'Day (41 U.S.C. 46), and the Federal Prison Industries, Inc. (18 U.S.C. 4121).

The COs may allow contractors to use Government sources for products or services under cost-reimbursement contracts if it is determined to be in the FAA's interest and the products are available. Contractors with fixed-price FAA contracts that require protection of classified information may acquire security equipment through GSA sources after contracting officer approval.

3.9

Resolution of Protests and Contract Disputes

3.9.1
Applicability

Protest and contract disputes guidance and principles outlined herein apply to all FAA Screening Information Requests (SIRs), contract awards, and contracts.

3.9.2
Policy

The FAA Dispute Resolution System applies to all agency level protests and contract disputes

Protests concerning FAA SIRs or awards of contracts, and contract disputes arising under or related to FAA contracts, shall be resolved at the agency level through the FAA Dispute Resolution System. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. The decision of the FAA shall be considered a final agency decision only after an offeror or contractor has exhausted its administrative remedies for a protest or a contract dispute under the FAA Dispute Resolution System.

3.9.3
Guidance and Principles

3.9.3.1
Resolution of Protests and Contract Disputes by the Contracting Officer

3.9.3.1.1
SIRs and Contract Awards

Offerors should first seek informal resolution of any issues concerning potential protests with the Contracting Officer. COs should make reasonable efforts to promptly and completely resolve concerns or controversies, where possible.

3.9.3.1.2
Contract Disputes

Contractors who have contract disputes with the FAA related to or arising under a contract should attempt to resolve the matter at the CO level. With the advice of Legal Counsel, the CO has full discretion to settle contract disputes, except when the matter involves fraud.

3.9.3.1.2.1

Properly Submitted Contract Disputes

Contract disputes are to be written and, at a minimum, include a statement of facts, adequate supporting data, and a request for relief. Contract disputes must also be signed by a duly authorized representative of the contractor.

3.9.3.1.3

Coordination and Consultation

COs will coordinate their dispute resolution efforts with the FAA Procurement Legal Division or their regional or center Assistant Chief Counsel's office.

3.9.3.1.4

Confidentiality

Settlement discussions and documentation provided to facilitate settlement of the issues will be protected and confidential, to the extent provided by law.

3.9.3.1.5

No Extension of Time Limitations

Attempts to resolve a potential protest or contract dispute with the CO do not extend the time for filing with the Office of Dispute Resolution for Acquisition (ODR) under Sections 3.9.3.2.1.2 and 3.9.3.2.2.2.

3.9.3.2

Administrative Resolution of Protests and Contract Disputes

3.9.3.2.1

Protests

3.9.3.2.1.1

Filing Protests

If resolution at the CO level is not desired or successful, offerors may file a protest with the Office of Dispute Resolution for Acquisition, for assignment to a Dispute Resolution Officer.

3.9.3.2.1.2

Protest Procedures and Time Limitation of Protests

Protests are to be filed by certified mail, or other verifiable means of common carrier delivery, or in person at the following address:

Office of Dispute Resolution for Acquisition
Office of the Chief Counsel, AGC-70
Federal Aviation Administration
800 Independence Avenue, SW
Room 900 East
Washington, DC 20591

Protests must be filed (*see Section* 3.9.3.4) with the Office of Dispute Resolution for Acquisition on the later of the two dates: (1) Not later than 7 business days after the date of the agency action or inaction which forms the basis of the protest (*for example, the date of contract award*); or (2) if the protester was entitled to and requested a post award debriefing from the FAA, then any protest must be filed not later than 5 business days after the date which the FAA makes available for that debriefing. A copy of the protest must also be served upon the Contracting Officer on the same day as it is served on the Office of Dispute Resolution for Acquisition. Service upon the Contracting Officer may be accomplished via facsimile transmission.

Protests based upon alleged improprieties in a solicitation, or Screening Information Request (SIR), which are apparent prior to bid opening or the time set for the receipt of initial proposals shall be filed prior to bid opening or the time set for the receipt of initial proposals. In procurements where proposals are requested, alleged improprieties which do not exist in the initial solicitation but which are subsequently incorporated into the solicitation must be protested not later than the next closing time for receipt of proposals following the incorporation.

The Office of Dispute Resolution for Acquisition may promulgate additional protest procedures and time limitations for the resolution of protests, which will be published in the Federal Register and referenced or included in FAA SIRs.

3.9.3.2.1.3

Who May Protest

Only interested parties may file a protest relating to a SIR or contract award. An *Interested Party* is one who:

(1) Prior to the closing date for responding to a SIR, is an actual or prospective participant in the procurement, excluding prospective subcontractors; or

(2) After the closing date for responding to a SIR, is an actual participant who would be next in line for award under the SIR's selection criteria if the protest is successful. An actual participant who is not in line for award under the SIR's selection criteria is ineligible to protest unless that party's complaint alleges specific improper actions or inactions by the agency that caused the party to be other than in line for award. Proposed subcontractors are not eligible to protest.

Where a contract has been awarded prior to the filing of a protest, the awardee may be considered an interested party for purposes of participating in the protest proceedings.

3.9.3.2.1.4

Nonprotestable Matters

The following matters are not protestable:

- FAA purchases from or through federal, state, and local governments and public authorities;
- grants;
- cooperative agreements; and
- other transactions which do not fall into the category of procurement contracts, grants, or cooperative agreements.

3.9.3.2.1.5

Form of Protest

Protests are to be in writing and should contain:

- protester's name, address, telephone, and fax number;
- the SIR or contract number and the name of the contracting officer;
- a detailed statement of the legal and factual basis of the protests, including copies of relevant documents;
- all information establishing that the protester is an *interested party* for the purposes of filing the protest;
- all information establishing that the protest is timely;
- a request for remedy; and
- the signature of a duly authorized representative of the protester.

Unless precluded by law, the ODR will not withhold material submitted by a protester from any party outside the government. If a protester believes that their protest, or documentation filed in support thereof, contains any

information which should be withheld, the protester must file a statement advising the ODR of this fact at the time of the filing of the protest, and must identify the protected information wherever it appears in the protest or supporting documentation. Within one business day after the date on which the original protest is filed, the protester must file a redacted copy of the protest with the ODR that omits the protected information.

3.9.3.2.1.6

Suspension of Activities Pending Resolution of a Protest

The FAA will continue procurement activities and, where applicable, will permit contractor performance (after award) pending resolution of a protest, unless the FAA determines there is a compelling reason to suspend or delay all or part of the procurement activities. For protests after award, the ODR may recommend suspension of contract performance. A decision to suspend or delay activities will be made in writing by the Administrator or his designee.

3.9.3.2.2

Contract Disputes

3.9.3.2.2.1

Referring Contract Disputes to the Office of Dispute Resolution for Acquisition

If a contract dispute cannot be resolved at the CO level, the matter may be referred, by either party, to the Office of Dispute Resolution for administrative resolution and final agency disposition.

3.9.3.2.2.2

Contract Disputes Procedures and Time Limitations

Contract Disputes are to be in writing and should contain:

- contractor's name, address, telephone, and fax number;
- the contract number and the name of the contracting officer;
- a detailed statement of the legal and factual basis of the contract dispute, including copies of relevant documents;
- all information establishing that the contract dispute is timely;
- a request for a specific remedy; and
- the signature of a duly authorized representative of the contractor.

Contract Disputes are to be filed by certified mail, or other verifiable means of common carrier delivery, or in person at the following address:

Office of Dispute Resolution for Acquisition
Office of the Chief Counsel, AGC-70
Federal Aviation Administration
800 Independence Avenue, SW
Room 900 East
Washington, DC 20591

A contract dispute against the Government shall be filed (*see Section* 3.9.3.4) with the Office of Dispute Resolution for Acquisition within 6 months after the accrual of the contract dispute; a contract dispute by the Government against a contractor (excluding contract disputes alleging fraud) shall be filed within one year after the accrual of the contract dispute. A copy of the protest must also be served upon the Contracting Officer on the same day as it is served on the Office of Dispute Resolution for Acquisition. Service upon the Contracting Officer may be accomplished via facsimile transmission.

The accrual of a contract dispute occurs on the date when all events, which fix the alleged liability of either the government or the contractor and permit assertion of the contract dispute, were known or should have been known. For liability to be fixed, some injury must have occurred. However, monetary damages need not have been incurred.

Contract Dispute, as used herein, means a written request seeking as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under a contract unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. The term does not include a request for payment of an invoice, voucher, or similar routine payments expressly authorized under the terms of the contract, which have not been rejected by the contracting officer. The term includes a termination for convenience settlement proposal and request for equitable adjustment, but does not include cost proposals seeking definitization of a letter contract or other undefinitized contract action.

The Office of Dispute Resolution for Acquisition may promulgate additional procedures and time limitations concerning contract disputes, which will be published in the Federal Register and referenced or included in FAA SIRs or contracts.

3.9.3.2.2.3

Obligation to Continue Performance

The FAA will require continued performance with respect to contract disputes arising under or related to a contract, in accordance with the provisions of the contract, pending resolution of the contract dispute.

3.9.3.2.3

Final Disposition of Protests and Contract Disputes

When a protest or contract dispute is filed with the FAA Office of Dispute Resolution for Acquisition, a Dispute Resolution Officer will be assigned to the matter.

The parties may be required to participate in one or more status conferences for the purposes of reviewing procedures, discovering and developing issues related to summary dismissal and suspension recommendations, handling issues related to protected information, determining if the parties are amenable to using alternative dispute resolution (ADR), and for other reasons as deemed appropriate by the ODR.

3.9.3.2.3.1

Alternative Dispute Resolution Process

Upon request, the Office of Dispute Resolution for Acquisition will make available FAA Dispute Resolution Officers (DROs) or appropriately qualified persons from outside the FAA to serve as neutrals in ADR proceedings involving protests and contract disputes. The parties may also employ a neutral of their own choosing. The parties will share the cost of any outside neutral.

The DRO or neutral should consider the use of any ADR technique proposed by the parties that is deemed to be fair, reasonable, and in the best interest of the parties, including, but not limited to, informal communication, mediation, fact-finding, and binding or nonbinding arbitration. Binding arbitration may be employed only if the protester or contractor and the FAA agree to use this method to resolve the merits of the protest or contract dispute.

If binding arbitration is agreed to, the decision of the DRO or neutral arbiter will become a final agency decision, unless the FAA Administrator indicates nonconcurrence with the decision, in writing, within seven business days after the date that the decision is issued. If the FAA Administrator nonconcurs with the decision and issues a contrary determination, then that

determination becomes the final agency decision concerning the merits of the protest or contract dispute.

If the parties have not agreed to binding arbitration and are unable to reach an agreement on the merits of the protest or contract dispute through ADR, then ODR will employ the Administrative Dispute Resolution (*Default*) procedure to resolve the protest or contract dispute.

3.9.3.2.3.2

Administrative Dispute Resolution Process (Default Process)

If the parties are not interested in pursuing ADR, or cannot agree on a method or the selection of a neutral, then the FAA will use its *default* procedure, an administrative dispute resolution process. The Director of the Office of Dispute Resolution for Acquisition will select (at his/her discretion) a FAA DRO or a qualified legal professional (Special Master) from outside of the agency to provide a recommended decision concerning the matter in controversy.

The DRO or Special Master may permit discovery in the interest of the efficient, effective, and fair resolution of the protest or contract dispute. The DRO or Special Master has broad authority to manage the discovery process, including limiting its length and availability. The DRO or Special Master also has broad discretion in establishing related schedules and deadlines. Extensive discovery and filings are discouraged, and the parties should focus on the issues that are directly relevant to the proof of their respective cases.

The DRO or Special Master may permit or request oral presentations, if the DRO or Special Master determines that this will facilitate the efficient, effective, and fair resolution of the matter. The DRO or Special Master may limit the presentations to specific witnesses and/or issues.

During the pendency of any matter, the ODR may review its status with the DRO or the Special Master on an as-needed basis.

The DRO or Special Master will submit a written report to ODR, which shall contain findings of fact, conclusions of law, and a recommendation for decision and future agency action. In making a recommendation, the DRO or Special Master will apply the principles of the FAA's Acquisition Management System (AMS).

The standard of review is whether the decision of the FAA has a rational basis, and is neither arbitrary and capricious nor an abuse of discretion. The

findings of fact must be supported by substantial evidence, in accordance with 49 U.S.C. 46110.

The ODR will review the recommendation for legal sufficiency. With the advice of the ODR, the FAA Administrator will make a final agency decision concerning the merits of the protest or contract dispute.

3.9.3.2.3.3

Summary Dismissals

When a Dispute Resolution Officer or Special Master determines that a protest or contract dispute is frivolous or has no basis in fact or law, a summary decision may be issued as the recommendation to the FAA Administrator. The FAA Administrator will then issue a final agency decision concerning the merits of the protest or contract dispute.

3.9.3.2.3.4

Remedies

The Dispute Resolution Officer or Special Master, where applicable, has broad discretion to recommend a remedy for a successful protest or contract dispute, that is consistent with the FAA's Acquisition Management System and applicable statutes. The Administrator has final authority to impose a remedy.

3.9.3.2.3.5

Additional Procedures for Protests

When a protest has been received, the FAA Contracting Officer will inform other *interested parties* of the protest within 2 business days after the date on which the protest is filed. *Interested parties* will have 4 business days after the date on which they are notified of the protest to request *interested party status* from the Office of Dispute Resolution for Acquisition. At the discretion of the Dispute Resolution Officer, other *interested parties* may participate in the proceedings.

On the twelfth business day following the receipt of a protest, the responsible FAA Assistant Chief Counsel’s office will file either an initial agency response to the protest, or a joint statement that the parties have decided to pursue ADR to resolve the protest.

These deadlines may be extended by the ODR for good cause.

3.9.3.3

Appeal of Final Decisions

To the extent that a final agency decision is subject to judicial review, such review will be pursuant to 49 U.S.C. 46110. If the parties have agreed to binding arbitration, the decision of the Dispute Resolution Officer (unless overruled by the FAA Administrator) will be final. A final agency decision which is the result of binding arbitration (not overruled by the Administrator) will not be subject to judicial review absent fraud, corruption, misconduct, or manifest disregard for the law.

3.9.3.4

Mailing and Facsimile Filing Procedures for Protests and Contract Disputes

The filing of a protest or contract dispute occurs when it is received by the ODR. Where delivery is accomplished by U.S. mail (including U.S. Express Mail), a protest or contract dispute will be considered timely if it is postmarked within the time period prescribed for filing. Postmarks from postal meters are not considered acceptable proof of receipt by the U.S. postal service. Receipt of filing by the ODR shall be noted by a date/time stamp. Facsimile filings of protests or contract disputes are not permitted and will be considered informational only.

Submissions to the ODR after the initial filing of the protest or contract dispute, may be accomplished via facsimile transmission, unless otherwise directed by ODR. The facsimile number for the Office of Dispute Resolution for Acquisition is (202) 267-8950. The voice number for the ODR is (202) 267-3824. Facsimile transmissions received by the ODR after 4:45 PM eastern time will be considered to have been received on the next business day. The ODR will not be responsible for delays due to busy signals.

Electronic filings are not permitted for any purpose without the express permission of the ODR.

3.9.4
FAA Office of Dispute Resolution for Acquisition

3.9.4.1

Organization

The FAA Office of Dispute Resolution for Acquisition is established as an organization that is independent of agency organizations responsible for procurement actions and reports to the FAA Chief Counsel. In addition to a

Director, the office staff will include other Dispute Resolution Officers as warranted, all of whom will be designated by the FAA Chief Counsel.

The office is located at FAA Headquarters. On a case-by-case basis, the ODR staff may be augmented by Dispute Resolution Officers in the FAA's regional offices and centers, or by third party neutrals and Special Masters, as deemed necessary by the FAA Chief Counsel.

3.9.4.1.1

FAA Dispute Resolution Officers

Dispute Resolution Officers are licensed legal professionals

Dispute Resolution Officers will be licensed legal professionals, and should be familiar with procurement law and FAA procurement policies. Dispute Resolution Officers will report to the FAA Office of Dispute Resolution for Acquisition.

3.9.4.2

Scope of Authority and Jurisdiction

Office of Dispute Resolution has broad discretion to resolve protests and contract disputes

The Office of Dispute Resolution for Acquisition will:

- promulgate rules of procedure;
- have broad discretion to resolve protests and contract disputes;
- utilize alternative dispute resolution techniques to attempt to settle protests and contract disputes; and
- provide fair and impartial decisions or recommendations, supported by the case record and law.

The Office of Dispute Resolution for Acquisition may also:

- recommend changes to the FAA acquisition system based on matters brought before the office.

3.9.4.3

Conflicts of Interest

In addition to complying with the general Conflict of Interest provisions contained in Section 3.1.5 of this document, members of the Office of Dispute Resolution for Acquisition will not participate in proceedings involving a protest or contract dispute if that member has participated in any manner in the screening or award of the contract being protested or disputed at the Office of Dispute Resolution for Acquisition.

3.9.4.4

Confidentiality of Proceedings

Proceedings of the Office of Dispute Resolution for Acquisition will be protected and confidential to the extent provided by law.

3.10

Contract Administration

3.10.1

Applicability

The types of activities included in the contract administration phase are:

- issuing contract modifications;
- monitoring contract deliverables;
- assuring that subcontracting policies and requirements are followed; and
- reviewing the contractor's invoices for payment.

The terms and conditions of the contract are used as the guidance in performing these tasks.

3.10.2

Subcontracting Policies

3.10.2.1

Applicability

This applies to contracts with the exception of real property and utilities, where a prime contractor may need to subcontract a portion of the work.

3.10.2.2

Policy

The CO shall consider requiring “Consent to Subcontracts” when the subcontract work is complex, the dollar value is substantial, or the Government's interest is not adequately protected by competition and the type of prime contract or subcontract.

The CO shall consider conducting a Contractor Purchasing System Review for each contractor whose sales to the Government, using other than

simplified purchases procedures, are expected to exceed $10 million during the next 12 months.

To the maximum extent practicable, the contractor shall incorporate, and require its subcontractors at all tiers to incorporate commercial items or nondevelopmental items as components of items to be supplied under contract.

3.10.3
Government Property

3.10.3.1
Applicability

Government property administration guidance and procedures applies to all contracts awarded by the FAA with requirements for providing Government property to contractors, contractors' use and management of Government property, reporting, redistributing, and disposing of contractor inventory. It does not apply to providing property under any statutory leasing authority.

3.10.3.2
Policy

When contractors possess Government property, the FAA shall:

- delegate property administration authority to the property administrator;
- eliminate, to the maximum practical extent, any competitive advantage that might arise from using such property;
- require contractors to use Government property, to the maximum practical extent, in performing Government contracts;
- permit the property to be used only when authorized;
- charge appropriate rentals when the property is authorized for use on other than a rent-free basis;
- require contractors to review and provide justification for retaining Government property not currently in use;
- ensure maximum practical utilization of contractor inventory with the Government;
- require contractors to be responsible and accountable for Government property in their possession and control; and
- require the contractor to keep official Government property records.

Contractor records are the Government's official Government property records in the absence of a delegated property administration. However, when the CO retains property administration by delegating a property administrator, the property office records are the official Government records.

3.10.4
Quality Assurance

3.10.4.1
Applicability

Quality Assurance policy and guidelines are applicable to all National Airspace System (NAS), and other identified acquisitions for systems, equipment, material, and services. Acquisitions are accomplished by different organizational elements such as FAA headquarters, regions, and centers. The inclusion of quality assurance provisions in acquisitions initiated by these organizational elements is, for the most part, independently determined by each procuring office.

All NAS system acquisitions should provide for a quality assurance program

3.10.4.2
Policy

It is the policy of the FAA that a quality assurance program shall be provided for and included in the documentation of NAS acquisitions of all systems, equipment, material, and services.

3.10.5
Product Improvement/Technology Enhancement

3.10.5.1
Applicability

Product Improvement/Technology Enhancement guidance and procedures apply to all FAA procurements, agreements, real property, utilities, and commercial and simplified purchase method.

3.10.5.2
Policy

The FAA encourages contractors to submit Product Improvement/ Technology Enhancement proposals for review at any time during the performance of a contract. The ability to continuously exchange, upgrade, modify, or add new features to equipment and software in response to increased air traffic activity and/or new advancements in technology and

methodology is essential. Contractor proposals which are particularly innovative and address savings for the FAA may be given appropriate consideration in the negotiation.

3.10.6
Termination of Contracts

3.10.6.1
Applicability

This section applies to all FAA contracts, with the exception of real property and utilities.

3.10.6.2
Policy

The termination clauses or other contract clauses authorize contracting officers to terminate contracts for convenience, or for default, and to enter into settlement agreements.

The CO shall terminate contracts, whether for default or convenience, when it is in the FAA's interest. The CO may effect a no-cost settlement instead of issuing a termination when (1) it is known that the contractor will accept one, (2) Government property was not furnished, and (3) there are no outstanding payments, debts due the Government, or other contractor obligations.

When the price of the undelivered balance is less than the cost of effecting a termination, the contract should not normally be terminated for convenience but should be permitted to run to completion.

3.10.7
Extraordinary Contractual Actions

3.10.7.1
Applicability

This section is applicable when the FAA intends to enter into, amend, or modify contracts in order to facilitate the national defense under the extraordinary emergency authority granted by Public Law 85-804 (referred to in this section as the “Act”) as amended, and Executive Order 10789 (referred to in this section as the “Executive Order”).

3.10.7.2

Policy

The FAA may authorize extraordinary contract relief pursuant to Public Law 85-804. Authority to provide such relief is retained by the DOT Secretary for indemnification requests, and by the FAA Administrator or designee for all other requests.

3.10.8
Single Process Initiative/Block Change Process

3.10.8.1

Applicability

The Single Process Initiative (SPI)/Block Change Process is applicable to FAA contracts for which a single process concept paper has been submitted by a contractor and approved in accordance with the established procedures. The objective of the SPI/Block Change process initiated by the Department of Defense (DOD) and National Aeronautics and Space Administration (NASA) is to enable contractors to propose single processes that will meet the needs of multiple Government customers. This will reduce duplicative contractor systems and processes imposed by individual Government agency customer requirements. The initiative is expected to reduce contractor costs, improve efficiency, reduce product costs, and improve product quality. By participating in the SPI the FAA's goal is to eliminate unique processes or systems required by the material and acquisition organizations of the agency. Provisions of 14 CFR Code of Federal Regulations and other FAA regulatory responsibilities regarding the design, production, airworthiness certification and continued airworthiness of aircraft, products, and parts thereof are not in any way part of or affected by the SPI.

The Defense Contract Management Command (DCMC) is the DOD focal point for this initiative at contractor facilities and works with contractor and Government representatives to identify single processes with potential benefits.

3.10.8.2

Policy

The FAA intends to cooperate with the DCMC for the development and acceptance of beneficial single processes in facilities that produce products under contract for the FAA, DOD, and NASA. For each contract the cognizant FAA integrated product teams (IPT) will participate in the management council as appropriate and review proposed single process changes. Any changes beneficial to the FAA will be implemented by IPTs in

the appropriate contracts. Participation in the single process initiative does not imply any transfer of responsibility or authority for FAA contracts. The FAA will maintain independent plant cognizance and presence. Within the FAA, Office of Communications, Navigation and Surveillance Systems will be the focal point for this initiative.

3.11

Transportation

3.11.1

Applicability

Transportation guidance and procedures are applicable to all contracts in applying contract transportation and traffic management considerations in the acquisition of products, acquisition of transportation and transportation-related services, and transportation assistance with traffic management. The making and administration of contracts under which payments are made from Government funds for (1) the transportation of products, (2) transportation-related services, (3) transportation of contractor personnel and their personal belongings, and (4) acquiring transportation or transportation-related services by contract methods other than bills of lading, transportation requests, transportation warrants, and similar transportation forms.

3.11.2

Policy

The CO shall ensure that instructions to contractors result in the most efficient and economical use of carrier services and equipment through transportation and traffic management administration. The contract office shall obtain traffic management advice and assistance in the consideration of transportation factors required for:

- SIRs and awards;
- contract administration, modification, and termination;
- transportation of property by the Government to and from the contractor; and
- plants.

3.12

Real Property

3.12.1
Applicability

This policy applies to the procurement of real property interests by lease, purchase, condemnation, and otherwise, as well as services related to their procurement, other related services, and utilities. This policy is the authority in real property procurements within this document.

3.12.2
Policy

The procurement process is to be conducted following the best commercial business practices, in a fair and equitable manner. Real property interests, related services, and utilities will be acquired by the competitive method whenever practical and reasonable.

3.12.3
Guiding Principles

The process of acquiring real property interests is unique from other types of procurements. The FAA's need for a specific site, location, or other special requirements further complicates the procurement process. The goal is to find the optimum solution to acquire necessary interests to meet FAA mission requirements while fulfilling all mandated requirements. The procurement process requires sound business judgment, and a competent and professional staff having the highest integrity, with authority delegated to the lowest responsible level. To assist, separate guidance is provided that adheres to both FAA and legally mandated requirements.

Acquiring real property interests and utilities is a time consuming process; and involvement of the real estate office at the earliest opportunity will expedite the procurement. Such early involvement will allow for needed planning and coordination, and will ensure that all applicable regulations are met and requirements are satisfied in sufficient time to meet the FAA's needs.

3.12.3.1

Request

The procurement process may start with an informal request; however, prior to issuance of a SIR or contract, a signed request from the customer must be received. If costs are involved in the procurement, a certification of funding must be received prior to obligation of any funds for any purpose or award of a contract. One document may serve as both the request and the funding certification.

3.12.3.2

Requirements

The requirements should be reviewed to clarify needs; to ensure that special requirements, appropriate delineated area, and availability are considered; and to ensure that FAA mandated requirements are met. Assistance should be provided including alternatives that may fulfill the FAA's needs at a lower cost or in a more efficient manner. The real estate CO is authorized to use the option of firm-term leases within established restrictions.

For succeeding contracts, the FAA should ensure that the space, land, or service still meets the requiring office's needs. Alterations, upgrading, and expansion/reductions should be considered and included, as appropriate, in the subsequent contract.

Modification to existing contracts for expansion of land, space, services, alterations, or utilities should result in the best value for the FAA.

The real estate CO makes the determination of the appropriate method of procurement to be used to satisfy the requirement–either competitive or single source. A preliminary assessment of potential available sources may be needed to assist in the determination of the procurement method.

3.12.3.3

Procurement Method

Competition is the preferred method of procurement

Competition is the preferred method of procurement and should be utilized whenever practical and reasonable. Competition is obtained by providing two or more sources an opportunity to express an interest in satisfying the requirements. Competition is appropriate when the requirement is not site or location specific, and reasonable possibility exists that there is more than one provider that can meet the FAA's needs. Advertising is not required. Interest may be expressed either orally or in writing.

The single source method of procurement is appropriate when technical requirements, business practices, or programmatic needs have determined that a specific location, site, or unique need is required to meet the FAA's mission, or when it has been determined that only one source is reasonably available that can meet the requirement.

A market survey should be performed

3.12.3.4

Market Survey/Advertisement

When utilizing the competitive method of procurement, the FAA should conduct a survey to obtain market information and identify potential sources within the delineated area or market. When appropriate, the survey should include on-site visits with the customer to determine if suitable properties are available, or if properties offered in response to an advertisement meet the customer's needs.

Prior to conducting the market survey, the FAA may have developed a draft SIR, lease, or contract defining the specific requirements. The draft SIR, lease, or contract can be reviewed with the owner(s) or provider(s) to provide a full understanding of FAA's requirements.

The requirement need not be publicly advertised when the FAA determines that it is not warranted, or reasonable competitive access has been achieved without advertising. Data from a market survey may be used to determine the need for advertising, and to pre-qualify the suitability of real property. If the FAA determines that advertising is required, the publicizing method most likely to result in receipt of offers appropriate to satisfying the specific requirement should be used.

It is not required to solicit offers from all sources within the delineated area. It is only necessary that offers be solicited from a sufficient number of sources to promote reasonable competitive access to the extent practical and reasonable. Data obtained during the market survey or advertisement can also be used to determine a competitive range. A competitive range consists of offers that are likely to qualify for an award and grouped together by common attributes or specified criteria.

For a single source procurement, a market survey should be conducted to determine or verify the reasonableness of the offer. A sufficient number of data sources should be queried to ensure the validity of the data.

3.12.3.5

Evaluation of Offer(s)

Any valid new offer received up to the point of award may be accepted and considered

Final selection should result in the best value to the FAA

The offer(s) should be reviewed to determine which offer(s) best meets the requirements as indicated in the SIR, proposed lease, proposed contract, and/or identified as selection factors. Any valid new offer received up to the point of award may be accepted and considered at the discretion of the real estate CO.

For those procurements involving costs, price need not be the primary consideration used for final selection; however, it should be addressed in the evaluation process. As appropriate, the evaluation should include a full analysis of the total cost to the FAA and the total cost of any alternatives considered. The reasonableness of specific costs should be evaluated against data from sources such as market surveys, appraisals, or estimated by the Government. The cost to the FAA should be based on the fair market value of the procurement, and not include any value created by the FAA's enhancements, or intended use. The final selection should result in the best value to the FAA.

3.12.3.6

Communication

All items may be communicated and discussed with offerors with the goal of clarifying the FAA's needs and providing a basis for the final contract to assure that all costs involved are fair and reasonable. Communications may continue up to the point of award and may be terminated at any time by the FAA.

During final communications, an offeror can be asked to lower the proposed price/rental to a stated rate.

At any time during the real property procurement process, if a competitive range has been determined, any offer falling within this range may be selected at the discretion of the real estate CO for direct communication and/or award without further consideration of the evaluation criteria and without having to consider any other offer(s).

3.12.3.7

Award

Legal review is recommended

Any necessary changes or additions should be made to the proposed contract based upon the communication and offer. Legal review of lease contracts is recommended where deviation from standard clauses is made. Legal review is required on purchases. The Department of Justice rules on

condemnation and title requirements must be followed. An appropriate number of proposed contracts should be sent to the property owner or provider for signature and returned for final execution by the FAA.

3.12.3.8

Alterations and Improvements

All alterations and/or improvements should be based upon technical requirements, business practices, or programmatic needs as determined by FAA mission. Initial alterations, improvements, related items, and services associated with real property will be considered to have been competitive when included within the scope of the original procurement.

Alterations and improvements to an existing facility can be considered within the scope of the lease and may be communicated with the lessor. In a leased facility, to minimize potential liabilities and restoration costs as well as other claims, the lessor should be considered as the first choice for the accomplishment of alterations. If the FAA accomplishes the alterations, the lessor should be requested to waive any claims for restoration. An FAA estimate may be needed to determine the reasonableness of the owner's offer for accomplishment of alterations and improvements.

3.12.3.9

Inspection and Acceptance

The real estate CO, or designated representative, should arrange to inspect the real property or service sufficiently in advance of the date needed to ensure that it is acceptable and ready for use. Deficiencies should be corrected before acceptance of the real property, related service, or utility service.

The real estate CO may apply late payment interest to payments made within the scope of Section 3.12, Real Property.

3.12.3.10

Documentation

Sufficient documentation should be developed to explain and justify the procurement action taken and business decisions made. These documents should be retained in the applicable procurement file.

3.12.3.11

Conflict of Interest

For information on Conflict of Interest, see Section 3.1.5, Conflict of Interest.

3.12.4

Short Term Conference and Meeting Space

Where appropriate, the CO should consider existing Government owned or controlled space when contracting for privately owned meeting rooms.

3.13

Other Administrative Matters

3.13.1

Applicability

This section is applicable to all screening information requests and contracts.

3.13.2

Policy

3.13.2.1

FAA Contract Clauses and Provisions

FAA clauses and provisions should be used when applicable in screening information requests and contracts and should be consistent with the procurement guidance and prescriptions in the FAST Procurement Toolbox.

3.13.2.2

Classified Information

The CO should ensure screening information requests and contracts contain appropriate provisions and clauses if access to classified information is required, in accordance with Executive Order 10865, “Safeguarding Classified Information within Industry,” as amended by Executive Order 10909.

3.13.2.3

Printing and Double Sided Copying

The CO should ensure contractors are made aware of Executive Order 12873, sections 402(d) and 504, relating to the submission of paper

documents to the Government which are printed/copied double-sided on recycled paper, if possible.

3.13.2.4

Contract Data Reporting

The FAA will comply with the uniform reporting requirements of the Federal Procurement Data System.

3.13.2.5

Congressional Notification of Contract Awards

Through the Department of Transportation's Assistant Secretary for Governmental Affairs, the FAA will notify Congress of contract awards and contract modifications.

Appendix A:

ROLES AND RESPONSIBILITIES

Joint Resources Council (JRC)

- Makes the mission need decision at the conclusion of mission analysis. Approves the Mission Need Statement and agrees that the need is critical enough to initiate investment analysis. Assigns a priority ranking relative to all agency approved mission needs.
- Makes the investment decision at the conclusion of investment analysis. Selects a solution from the investment analysis report. Establishes an acquisition program and assigns it to an IPT. Baselines the Requirements Document. Approves the Acquisition Program Baseline. Commits the agency to full lifecycle funding of the program. Identifies any future corporate decisions and levels of empowerment for the IPT during solution implementation and in-service management.
- Makes Acquisition Program Baseline change decisions which alter program performance, cost, schedule, and benefits baselines during solution implementation or in-service management phases of the lifecycle acquisition management process.
- Approves agency budget submissions for RE&D and F&E appropriations.
- Participates in development of agency budget submissions for the operations appropriation.
- Approves the NAS Architecture baseline.
- Resolves issues not resolved within the Integrated Product Development System structure.

(Refer to Section 1.10.2 for the membership of the Joint Resources Council.)

Line of Business Associate Administrators

- Member of the Joint Resources Council.
- Conducts mission analysis within the line of business for the designated business area.
- Serves as the chairperson of the Joint Resources Council for the mission need decision if sponsoring a Mission Need Statement. Endorses the Mission Need Statement before it comes to the mission need decision.
- Approves the Requirements Document for programs within their line of business.
- Provides staff support to the investment analysis staff during investment analysis of mission needs from their line of business.
- Jointly approves the Acquisition Program Baseline with the FAA Acquisition Executive for programs within their line of business.

- Implements a non-material solution to a mission need that emerges any time during mission analysis or investment analysis.
- Revalidates Mission Need Statements as required during various stages of the lifecycle acquisition management process.
- Overall responsibility for acquisition program execution by IPTs or equivalent program management offices within their line of business organization.

FAA Acquisition Executive (FAE)

- Manages acquisition management system (AMS) policy within the FAA.
- Member of the Joint Resources Council.
- Jointly approves the Acquisition Program Baseline with the Associate Administrator of the sponsoring line of business.
- Chairs the Joint Resources Council at the investment decision, and at Acquisition Program Baseline change decisions.
- Chairs acquisition reviews.

Associate Administrator for Research and Acquisitions

- Serves as the FAE when delegated responsibility by the Administrator.
- Responsible for execution of acquisition programs managed within the Research and Acquisitions line of business.
- Conducts mission analysis within the Research and Acquisitions line of business.
- Member of the Joint Resources Council.
- Establishes and promulgates the schedule for acquisition reviews in support of the FAA Acquisition Executive.
- Sponsors agency-wide technology initiatives.

Systems Engineering/Operational Analysis Team (SEOAT)

The SEOAT is composed of representatives from each line of business and other appropriate functional disciplines. It is chaired by the Director, System Architecture and Investment Analysis.

- Performs affordability assessments and recommends funding offsets if necessary for acquisition program candidate solutions being considered during investment analysis.

- Prepares a summary of results of the affordability assessment for inclusion in the Investment Analysis Report.
- Performs affordability assessments of cost growth for existing acquisition programs in consideration of baseline changes.
- Establishes and maintains a year-round up-to-date prioritization of all ongoing acquisition programs for use in affordability assessments and determination of offsets.
- Prepares annual budget submissions for approval by the JRC
- Prepares reprogramming recommendations for approval by the JRC due to APB changes, or marks and passbacks from OST, OMB, and Congress.

Director, Office of Independent Operational Test and Evaluation (IOT&E)

- Conducts independent operational test and evaluation for programs as directed by the Associate Administrator for Air Traffic Services.
- Co-approves the test section of the Integrated Program Plan for programs designated for IOT&E.

Mission Analysis Steering Group

The Mission Analysis Steering Group is composed of representatives from each line of business. It is chaired by the Director, Air Traffic Systems Requirements Service.

- Recommends to the Joint Resources Council a priority ranking for all Mission Need Statements.
- Coordinates mission analysis activity among the FAA lines of business.

Integrated Product Leadership Team (IPLT)

- Senior management, cross-functional team that integrates and oversees issues, policies, and processes across acquisition system/software, facility or service programs.
- Prioritizes and allocates human resources horizontally across all FAA Integrated Product Teams (IPTs).
- Resolves issues/problems raised by, or that are outside the empowerment boundaries of the intermediate level Integrated Management Teams.
- Approves Product Team and Integrated Product Team Plans, focusing on empowerment boundaries and team operations concepts.
- Participates in establishment and maintenance of IPDS infrastructure.

Integrated Management Team (IMT)

Refer to IPDS guidance for IMT membership.

- Intermediate level cross-functional team that integrates activity and resolves lifecycle acquisition issues across IPTs within each product/service area.
- Guides IPT program activity to ensure compatibility with NAS-level systems engineering.
- Guides, coaches, and supports its product/service area IPTs.
- Monitors approved team empowerment boundaries and ensures teams handle issues appropriately.
- Resolves cross-functional issues that cannot be decided within IPTs or are not within IPT empowerment boundaries.
- Prioritizes and allocates human resources among IPTs across its product/service area.
- Approves the Acquisition Strategy Paper (IMT Co-leaders).
- Approves the Integrated Program Plan (IMT Co-leaders).

Integrated Product Team (IPT)

- May operate as an entity or be organized into sub-IPTs or Product Teams to develop, procure, and deliver products or services for users or customers.
- Manages each program's Acquisition Program Baseline and predicts and reports potential breaches to management.
- Develops and obtains team member endorsement of the Acquisition Strategy Paper.
- Develops and obtains team member endorsement of the Integrated Program Plan.
- Assists in development of the Requirements Document.
- Develops cost and schedule baselines for candidate solutions during Investment Analysis.
- Responsible for acquisition of new or improved capability for services and products throughout their lifecycle.

Integrated Product Team Leader

- Serves as Source Selection Official unless otherwise delegated by the Joint Resources Council.
- Serves as spokesperson for the team.
- Guides, encourages, and coaches team members.

- Leads and facilitates team efforts without dominating the process.
- Keeps the team focused on consensus decisionmaking and ensures process is not dominated by individual team members.
- Ensures all program stakeholders are members of the team and that they participate in team decisionmaking.

Contracting Officer

- Ensures, as applicable, conflict of interest documentation is obtained from all IPT members, and determines, with legal counsel review, if any conflicts of interest exist.
- Ensures that IPT members are briefed on the sensitivities of the source selection process, the prohibition against unauthorized disclosure of information (including their responsibility to safeguard proposals and any documentation related to the IPT's proceedings), and the requirements pertaining to conflicts of interest.
- Coordinates communications with industry.
- Participates during the screening, selection, and debriefing phases of source selection to ensure fair treatment of all offerors.
- Issues, as required, solicitation amendments and letters, screening information requests (SIRs), and SIR amendments to industry.
- Controls all written documentation issued to industry related to the source selection and contracting process.
- Ensures the contract is signed by an official with the authority to bind the company.
- With guidance from legal counsel, assures that all contractual documents are in compliance with applicable laws and regulations.
- Serves as the Source Selection Official when delegated responsibility by the IPT leader.
- Executes, administers, and terminates contracts, and makes related determinations and decisions that are contractually binding.

Source Selection Official

- Assumes full responsibility and authority to select the source(s) for contract award.
- Approves the source selection evaluation plan, if required.
- Ensures the disciplines needed to prepare contract documents, solicit and select sources, award contracts, and administer contracts are properly represented on the IPT.
- Makes all screening decisions and selection decisions.

Appendix B:

ACQUISITION PLANNING AND CONTROL DOCUMENTS

This appendix contains the purpose, description, approval authority, distribution, and content for the six mandatory acquisition planning and control documents in the Lifecycle Acquisition Management System. Complete document templates are available in FAST via the Internet (http://fast.faa.gov).

The documents are:

1. Mission Need Statement;
2. Requirements Document;
3. Investment Analysis Report;
4. Acquisition Program Baseline;
5. Acquisition Strategy Paper; and
6. Integrated Program Plan.

These six documents are designed and structured as an integrated set with clear progression and traceability from mission need to sponsor requirements to program baseline requirements to acquisition strategy to actions and work activities. The instructions are comprehensive in scope to be applicable to complex acquisition programs. They are intended to be tailored to be appropriate for each specific program.

Mission Need Statement

Purpose

The Mission Need Statement is the approval document at the mission need decision. It summarizes the decision factors relevant to a capability shortfall the agency should address or technological opportunity for satisfying mission responsibility more efficiently or effectively. Approval by the Joint Resources Council authorizes entry into investment analysis to determine the best overall solution to mission need.

Description

The Mission Need Statement must *justify* in rigorous analytical terms the need for agency action to resolve a shortfall in the agency's ability to provide the services required by its

users and customers or to explore a technological opportunity for performing agency missions more efficiently or effectively. The line of business with the need or opportunity prepares the Mission Need Statement for submission to the Joint Resources Council at the mission need decision. The Mission Need Statement must be derived from rigorous mission analysis (i.e., continuous analysis of current and forecasted mission capabilities in relationship to projected demand for services) and must contain sufficient quantitative information to establish and justify the need. It should be "need-oriented," and should not seek to justify a specific solution or acquisition program. The Mission Need Statement must be updated when there is significant change to the mission, and it must be revalidated at subsequent decision points.

Note: *The Mission Need Statement is a summary document that describes the operational problem and presents the major decision factors that the Joint Resources Council should evaluate in considering the need. Detailed quantitative and analytical information should be included as attachments.*

Approval

The Joint Resources Council approves the Mission Need Statement. The signature authority is the Associate Administrator of the line of business with the need.

Distribution

Distribute copies of the approved Mission Need Statement to all headquarters, regional, and other personnel associated with the program. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The Mission Need Statement should contain the following information:

Signature Page. Title of the Mission Need Statement; Mission Need Statement number; originator name, organization, phone and fax numbers; sponsor organization, focal point, phone and fax numbers; signature of approving official and date.

Mission Area. Describe briefly the mission area (e.g., advisory, flight assistance and monitoring, capacity and demand management) with the need or opportunity for technological improvement.

Needed Capability. Identify the operational or functional capability that is needed to resolve a capability shortfall or what can be achieved through a technological opportunity.

Describe capability in terms of functions to be performed or services to be provided. *Never describe capability in terms of a system or solution.*

Cite any Congressional, Administrator, or other high-level direction, such as international agreements, to support the mission need. Cite any statutory or regulatory authority for the need.

Current Capability. Describe *quantitatively* the capability of current systems, facilities, equipment, or other assets now deployed to meet the mission need.

Capability Shortfall. Describe and *quantify* the capability shortfall, as derived from operational and performance analyzes, or describe the technological opportunity in terms of improved productivity, operational effectiveness, or efficiency. Provide validated growth projections based on operational analysis, as appropriate. Summarize the limitations of current facilities, equipment, or services to meet projected service needs. Provide specific operational and performance analyzes, quantitative projections, supporting data, or other analyzes as attachments.

Impact. Describe the impact on the aviation community and to the FAA's ability to perform mission responsibilities if the capability shortfall is not resolved. Or describe the impact of a lost technological opportunity in terms of costs to the FAA or the aviation industry. Categories of impact include safety, capacity, operations, maintenance, cost, and other factors as appropriate.

Benefits. Quantify to the degree practical in then-year dollars the annual benefits to the FAA and aviation industry that will accrue if this mission need is satisfied. Benefits may accrue from more efficient operations, increased safety, lower operational costs. or other savings.

Timeframe. Identify when the capability shortfall will seriously affect the agency's ability to perform its mission if no action is taken. Establish when the agency must have completed action to avoid the adverse impact on services.

Criticality. Define the priority of this mission need relative to all other agency needs. Characterize the criticality of this mission need from the perspective of both the FAA and the aviation community.

LRRAP Resource Estimate. Estimate the resources the agency will likely be able to commit to this mission need in competition with all others within the constraint of a realistic projection of future agency budget authority. The resource estimate becomes a "placeholder" in the agency's Long-Range Resource Allocation Plan upon approval of mission need, and is quantified more accurately during investment analysis and baselined at the investment decision. The resource estimate is derived from the *benefit* to the agency and the aviation community if the need is satisfied, the *cost* of not addressing it (e.g., travel

delays, increased maintenance cost, lost productivity), and the *scope* of changes to the agency's asset base likely to be required.

Investment Analysis Report

Purpose

The Investment Analysis Report is the primary decision document at the investment decision. It contains the information used by the Joint Resources Council to make a sound and informed selection of the best overall solution to the capability shortfall or technological opportunity identified in the Mission Need Statement.

Description

The investment analysis staff prepares the investment analysis report. An Investment Analysis Team conducts investment analyses and generates the information summarized in the report. The Investment Analysis Team consists of representatives from the line of business with the need, Integrated Product Teams with candidate solutions, and specialists from the investment analysis staff. The Systems Engineering, Operational Analysis Team (SEOAT) conducts the affordability assessment of candidate solutions for inclusion in the report. A preferred solution may be recommended, but the intent of the report is to quantify and display the relative strengths and weakness, advantages and disadvantages of each candidate solution so the JRC can make an informed selection. Evaluation criteria will vary according to the nature of the need and potential solutions, but typically should include such factors as time to field a candidate solution, acquisition and lifecycle costs, schedule, risk, supportability, affordability, and human operability. The Acquisition Program Baseline for each candidate solution evaluated during investment analysis is attached to the Investment Analysis Report.

Approval

The Director of the Investment Analysis Staff submits the Investment Analysis Report to the Joint Resources Council after obtaining concurrence signatures from the sponsoring line of business and the IPT leads(s) that represent each candidate solution. If agreement cannot be reached on the content and recommendations within the report, applicable dissenters may submit their written concerns and alternative recommendation in conjunction with the report, and may make a verbal presentation at the investment decision.

Distribution

Distribute copies of the Investment Analysis Report to all members of the Joint Resources Council and each member of the Investment Analysis Team at least one week before the investment decision. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The Investment Analysis Report should be submitted as an Executive Summary with supporting analysis and data as attachments. The following is the content of the Executive Summary.

Signature Page. Include the title "Investment Analysis Report," name of the mission need, signature of the Director of the investment analysis staff, and signatures from Investment Analysis Team members representing the sponsoring line of business and the Integrated Product Team(s) with candidate solutions.

Mission Need and Requirement. Summarize briefly the mission need and critical performance and supportability requirements addressed by the investment analysis. These needs and requirements are expressed fully in the Mission Need Statement and Requirements Document. They are the basis for assessing the feasibility and attractiveness of each candidate solution, and for analyzing the relationships and weighting among evaluation factors.

Assumptions, Constraints, and Conditions. Identify and describe briefly all important assumptions, constraints, and conditions having major influence on the analysis and its conclusions. The following must be included as a minimum: the assumed remaining service life of currently fielded capability, the required operational date for any new capability, the assumed service life of any new capability, and the operational framework within which any new capability must function.

Evaluation Matrix. Provide a value or ranking of each evaluation factor for each candidate solution. The evaluation matrix should typically include, at a minimum, the acquisition cost, lifecycle cost, time to field an initial operational capability, benefits, risk, ability to upgrade (e.g., open architecture, modular design), affordability, and performance ranking for each candidate solution. Explain the content of this matrix to the degree necessary for the Joint Resources Council to understand the relative rankings and make an informed selection.

Recommendation. Identify the recommended alternative, if applicable, and explain the rationale for the recommendation.

Candidate Solutions Analyzed. List and describe briefly all material and nonmaterial candidate solutions that were analyzed. These alternatives will vary widely according to the need, but it is imperative that nonmaterial and nondevelopmental solutions be investigated as a *first* priority in all cases. A developmental alternative should be pursued only when nondevelopmental and nonmaterial solutions are determined to be infeasible or when a technological opportunity offers great potential for improvements in efficiency and effectiveness.

Evaluation Criteria. Identify the evaluation criteria and their relative weighting used in evaluating the relative attractiveness of each candidate solution. Lifecycle cost to the FAA and the aviation industry *must* be used as an evaluation factor in every investment analysis.

NDI Feasibility. Discuss why the mission need can or cannot be satisfied by a nondevelopmental or market-available solution. If NDI is not considered feasible, explain the shortfalls between the required capability and the NDI capability together with an impact statement for not achieving the required capability.

Affordability. Identify the funding source for any new program. If funding is not available in the Long Range Resource Allocation Plan (LRRAP) and other agency plans and budgets, identify funding offsets in approved lower priority programs sufficient to make up the shortfall. State the priority of the recommended program relative to programs identified for offsets from programs within the same line of business and from all approved agency programs.

Mandatory Attachments

Analytical Summary. For each candidate solution, explain the score or ranking given to each evaluation factor. Rankings should be based in large part on the level of capability that is provided as well as the net present value, cost-benefit ratio, period to pay back investment, affordability, and other economic criteria.

Acquisition Program Baseline. Provide the performance, cost, schedule, and benefit baseline for each candidate solution evaluated during investment analysis.

Requirements Document

Purpose

The Requirements Document establishes the operational framework and the cost, schedule, performance, and benefit baselines required by the line of business with the mission need. It translates the "need" in the Mission Need Statement into top-level performance, supportability, and benefit requirements that should be satisfied. It also establishes the cost and schedule boundaries for resolution of these requirements. As is the case for the Mission Need Statement, the Requirements Document may engender more than one acquisition program. In such situations, requirements in the Requirements Document are partitioned into the Acquisition Program Baselines of each approved program, as appropriate. and should not describe a specific solution, and should not preclude leasing, commercial, or nondevelopmental items as potential solutions.

Description

The Requirements Document is the primary force driving the search for a realistic and affordable solution(s) to mission need. The initial Requirements Document is developed early in investment analysis by the sponsoring organization. It is derived from the Mission Need Statement and contains initial requirements addressing operational concept, cost, schedule, performance, benefits, physical integration, functional in-service support, test and evaluation, implementation, quality assurance, configuration, human factors, and in-service management. Care must be taken so that leasing, commercial, or nondevelopmental items are not precluded as potential solutions. During investment analysis, these initial requirements are evaluated against the costs, benefits, schedules, and risks of various candidate solutions, and brought into balance with an affordable solution, whenever possible.

At the investment decision, the Requirements Document is more definitive, but still contains only *essential* customer needs. Typically, an acquisition program will be established at the investment decision to satisfy these requirements fully. When this occurs, the operational and performance values in the Requirements Document become the basis for evaluating the readiness of products and services from the acquisition program to become operational. When an acquisition program will satisfy a subset of the Requirements Document, this subset is recorded in the Acquisition Program Baseline, and becomes the basis for evaluating the readiness of products and services to be deployed. Unsatisfied requirements remain recorded in the Requirements Document for resolution by future upgrades or some other means.

Note: *The Requirements Document is NOT a design specification; it contains top-level functional and performance requirements.*

Approval

The Associate Administrator of the line of business with the need approves the Requirements Document and all changes to it.

Distribution

Distribute copies of the approved Requirements Document to all headquarters, regional, and other personnel associated with the program. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The following summarizes the content of the Requirements Document. A complete document template is available in FAST via the Internet (http://fast.faa.gov).

Signature Page. Include the title "Requirements Document," name of the Mission Need Statement, signature of the Associate Administrator of the line of business with the mission need, and date.

Background. Identify whether this is the initial Requirements Document established at the beginning of investment analysis, the baselined Requirements Document established at the investment decision, or a change to the baseline.

Overview. Briefly describe the operational environment for the required capability. Include how it will be used in the operational environment, and how it will affect major users (e.g., controllers, pilots, flow control). Define the intended life of the new capability and describe in-service supportability requirements.

Cost. The cost requirement in the initial Requirements Document is the LRRAP resource estimate in the Mission Need Statement. The cost requirement in the final Requirements Document is the funding the line of business (LOB) with the need will commit to achieving this required capability in competition with all other LOB needs.

Schedule. The initial schedule requirement at the beginning of investment analysis is the timeframe in the Mission Need Statement when the new capability must be operational to satisfy mission responsibilities. The schedule requirement at the investment decision is the time needed to deploy the solution selected for implementation by the JRC, plus the schedule requirement for resolution of any deferred requirements.

Performance. Initial performance requirements at the beginning of investment analysis are the required capabilities in the Mission Need Statement. Final performance requirements at the investment decision are the performance and supportability requirements for the

acquisition program(s) approved by the Joint Resources Council to satisfy this mission need, plus any residual requirements to be satisfied by future upgrades or other means.

Benefits. Benefit requirements at the beginning of investment analysis are the benefits in the Mission Need Statement. Benefit requirements at the investment decision come directly from cost-benefit results determined during investment analysis for the candidate solution approved for implementation by the JRC.

Physical Integration. Briefly identify the requirements associated with integrating the solution selected by the Joint Resources Council for implementation into the physical environment (e.g., real property, physical plant, space, environmental, safety, security, grounding, bonding, shielding, disposal, or special considerations).

Functional Integration. Briefly define interface requirements associated with integrating the new capability into the National Airspace System.

In-Service Support. Define supportability requirements for the following, as appropriate: maintenance, staffing, supply support, support equipment, technical data, training and training support, computer resources support, first and second level repair, packaging, handling, shipping, and transportation.

Test and Evaluation. Define any test and evaluation requirements for this capability including any requirement for independent operational test and evaluation.

Implementation. Define any requirements (such as dual operations) related to transition from the current capability to the new capability so as to not disrupt on-going NAS operations.

Quality Assurance. Define any quality assurance requirements or standards (e.g., metrics, independent verification and validation). Use commercial standards whenever practical.

Configuration. Define any configuration management requirements for hardware, software, and physical structures.

Human Factors. Define any requirements or standards to ensure products and services are optimized for the human workforce.

In-Service Management. Define requirements for the in-service management phase of the acquisition lifecycle related to the measurement, evaluation, sustainment, and upgrade of deployed products and services.

Acquisition Program Baseline

Purpose

The Acquisition Program Baseline is the contract between the providing and user organizations concerning what the acquisition program will provide, how much it will cost, and when it will deliver products and services. It defines the performance, supportability, and benefit requirements the program must achieve, and sets the cost and schedule boundaries within which the program is authorized to proceed. It also establishes the performance metrics for assessing program success and for advancing it through the acquisition lifecycle.

Description

The Acquisition Program Baseline is established at the investment decision and reflects the solution selected by the Joint Resources Council for implementation. It contains those requirements from the Requirements Document that are intended to be satisfied by the acquisition program. It also contains those benefits that were quantified during investment analysis for the candidate solution selected for implementation. The cost and schedule baselines are developed during investment analysis for each candidate solution by the Integrated Product Team that will be responsible for program implementation and in-service management of the solution if selected by the Joint Resources Council. *No funding may be committed or obligated that would exceed the cost baseline in the Acquisition Program Baseline approved by the JRC.*

Note: *The Acquisition Program Baseline contains only top-level requirements; it is NOT a design specification.*

Approval

The Acquisition Program Baseline is approved by the Acquisition Executive and the Associate Administrator of the line of business with the need after selection of a solution for implementation by the Joint Resources Council. Signature by the Associate Administrator signifies acceptance of the performance and benefits baseline. Signature by the Acquisition Executive signifies acceptance that performance and benefit requirements can be achieved within cost and schedule baselines. The Joint Resources Council approves all changes to the Acquisition Program Baseline. The Associate Administrator of the line of business with the need and the Acquisition Executive are the signature authorities for all approved baseline changes.

The Integrated Product Team must submit a change request to the Joint Resources Council whenever an element of the baseline is anticipated to be breached. Potential

breaches can occur because of Congressional mandates, changes in requirements, or unanticipated development problems which impact performance, schedule, or cost. The appropriate financial change notice, schedule change notice, and NAS change proposal must be submitted with the change request. The JRC will act on a baseline change request within 30 days. Only the JRC can approve breach-related change requests, and only when associated costs are affordable and reflected in agency plans and budgets.

Distribution

Distribute copies of the approved Acquisition Program Baseline to all headquarters, regional, and other personnel associated with the program. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The following summarizes the content of the Acquisition Program Baseline. A complete document template is available in FAST via the Internet (http://fast.faa.gov).

Signature Page. Include the title "Acquisition Program Baseline," name of acquisition program, signature of the Associate Administrator of the line of business with the need and the Acquisition Executive.

Background. Identify whether this is the Acquisition Program Baseline established at the investment decision, or a change to the approved baseline. Briefly describe the product or service the program is intended to provide.

Overview. Briefly describe the operational concept for the required capability. Describe how it will be used in the operational environment, and how it will affect major users (e.g., controllers, pilots, flow control). Also describe the intended life of the new capability from initial deployment through its disposition, including planned product improvements or evolutionary upgrades.

Cost. Define the cost baseline within which the Integrated Product Team is authorized to proceed.

Schedule. Define the time boundary within which the program must be implemented, and identify key program events and when they will be completed.

Performance. Describe the performance and supportability requirements this acquisition program is intended to achieve. This baseline constitutes the basis for evaluating operational readiness.

Benefits. Define the benefits baseline this program is intended to achieve. These benefits come directly from cost-benefit results determined during investment analysis for the candidate solution selected for implementation by the Joint Resources Council.

Physical Integration. Briefly identify the requirements associated with integrating the products of this acquisition program into the physical environment (e.g., real property, physical plant, space, environmental, safety, security, grounding, bonding, shielding, disposal, or special considerations).

Functional Integration. Briefly define interface requirements associated with integrating the products of this acquisition program into the National Airspace System.

In-Service Support. Define supportability requirements for the following, as appropriate: maintenance, staffing, supply support, support equipment, technical data, training and training support, computer resources support, first and second level repair, packaging, handling, shipping, and transportation.

Test and Evaluation. Define test and evaluation requirements for this program including any requirement for independent operational test and evaluation.

Implementation. Define requirements related to transition from the current capability to the new capability (such as dual operations) so as to not disrupt on-going NAS operations.

Quality Assurance. Define quality assurance requirements or standards for this program (e.g., metrics, independent verification and validation). Use commercial standards whenever practical.

Configuration Management. Define configuration management requirements for hardware, software, and physical structures.

Human Factors. Define requirements to ensure the products of this acquisition program are well-designed and appropriate for the human workforce that will operate and maintain it.

In-Service Management Requirements. Define requirements for the acquisition program for the in-service management phase of the acquisition lifecycle related to the measurement, evaluation, sustainment, and upgrade of deployed products and services.

Acquisition Strategy Paper

Purpose

The Acquisition Strategy Paper defines the business and technical approach the Integrated Product Team will execute to achieve program requirements within constraints of the Acquisition Program Baseline. It is the agreement between the Integrated Product Team and the providing and operating organizations on how the acquisition program will be implemented.

Description

Development of the Acquisition Strategy Paper is the principal initial task of the Integrated Product Team after program initiation. The Acquisition Strategy Paper establishes the framework by which the program will be carried out during solution implementation, and is the basis for defining the detailed actions and work activities that are recorded in the Integrated Program Plan. It defines management roles and responsibilities of key participants, and addresses the *entire* job of acquiring, fielding, and integrating the required capability into the existing operational infrastructure. For many programs, this includes the acquisition of systems and equipment, the modification or construction of facilities, improvements to the physical infrastructure, the acquisition of real estate, the functional integration of complex hardware and software, and the procurement of specialized services. The Acquisition Strategy Paper also integrates planning for all functional disciplines associated with program implementation such as systems engineering, test and evaluation, functional integration, quality assurance, human factors, and configuration management, as appropriate. The Acquisition Strategy Paper should be approved *before* development of the final Integrated Program Plan or execution of any significant program implementation activity. It must be updated for any subsequent *corporate* decisions, or when a significant change occurs such as a change to the Acquisition Program Baseline.

Approval

The co-leaders of the Integrated Management Team approve the Acquisition Strategy Paper, and any update or revision. For those programs not managed by a PT or IPT, the Directors from the sponsoring and providing organizations approve the Acquisition Strategy Paper.

Note: *The Aquisition Strategy Paper must be approved before release of a screening information request, request for offer, or proposed contract, transfer of funds, or commitment to any interagency agreement for program implementation. Draft SIRs may be released to industry for comment before approval.*

Distribution

Distribute copies of the approved Acquisition Strategy Paper to all headquarters, regional, and other personnel associated with the program. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The following summarizes the content of the Acquisition Strategy Paper. A complete document template is available in FAST via the Internet (http://fast.faa.gov).

Signature Page. Include the title "Acquisition Strategy Paper," name of the acquisition program, version number, signature of the co-leaders of the Integrated Management Team, approval date, and points of contact for the sponsoring organization and the Integrated Product Team.

Background. Briefly summarize the mission need and any other high-level agency documents supporting this acquisition program. Briefly summarize the status of this program.

Overview. Describe the overall acquisition strategy for achieving the required capability and explain why it is appropriate for associated risk and any special conditions or constraints. Identify all key elements of this acquisition program including, as appropriate, system/equipment acquisition, facility construction or modification, physical infrastructure modifications, functional integration with existing capabilities, and procurement of services. Identify the key products of the acquisition program.

Funding. Use table format to display RE&D, F&E, and OPS funding by fiscal year in thenyear dollars for the funding breakout of the acquisition program. Be consistent with the cost requirement in the Acquisition Program Baseline.

Schedule. Provide the schedule for primary program events and milestones by fiscal year. Be consistent with the schedule baseline in the Acquisition Program Baseline.

Performance. Describe the overall strategy for achieving the capability specified in the Acquisition Program Baseline, and define the specific strategy for each key program element. Define management strategy for the program including: the roles and responsibilities of all supporting organizations and individuals; how the program will be controlled (i.e., how progress will be measured, reported, evaluated, and acted on); how contractors supporting the program will be managed; and how requirements and risk will be managed. Describe the contracting strategy for each procurement and explain how or whether competition will be achieved.

Benefits. Describe how benefits in the Acquisition Program Baseline will be tracked and verified during in-service management of the products and services of this acquisition program.

Physical Integration. Explain how physical integration requirements in the Acquisition Program Baseline will be satisfied for the following, as appropriate: real estate, space, environmental, safety and health, security, energy conservation, heating, ventilation, air-conditioning, grounding, bonding, shielding, power systems and commercial power, telecommunications, cables, disposal and disposition, and other special considerations.

Functional Integration. Explain the strategy for integrating the products of this program with other NAS systems, software, human operators and maintainers, spectrum management, and other special considerations, as appropriate.

In-Service Support. Explain the strategy for achieving support for the products of this acquisition program throughout their lifecycle for the following, as appropriate: maintenance concept, staffing, supply support, support equipment, technical data, training and training support, computer resources support, first and second level repair, packaging, handling, shipping, and transportation.

Test and Evaluation. Define the test and evaluation strategy for this acquisition program including test conditions, environment, resources, schedule, and scope.

Implementation. Define how the new capability will be fielded and brought into operational use. Explain how disruptions to current service will be avoided.

Quality Assurance. Define the strategy for achieving quality assurance requirements in the Acquisition Program Baseline.

Configuration Management. Define how hardware, software, and physical structure configurations of this acquisition program will be managed throughout their lifecycle, as appropriate.

Human Factors. Define the strategy to ensure the product(s) of this acquisition program will be appropriate for the human workforce that will operate and maintain it.

In-Service Management. Describe how the product or service will be monitored and evaluated during the in-service management phase to provide the basis for sustaining and improving operations, and for planning major upgrades that will be needed to satisfy future demand for services.

Purpose

The Integrated Program Plan is the single document within the Acquisition Management System for planning the detailed **actions and activities** the IPT must accomplish to execute the program within approved cost, schedule, performance, and benefit baselines. The Integrated Program Plan consolidates planning that, prior to implementation of the AMS, was recorded in separate documents such as the Acquisition Plan, Program Management Plan, Program Implementation Plan, Risk Management Plan, Human Factors Plan, Test and Evaluation Master Plan, Integrated Logistics Support Plan, and Work Breakdown Structure. The Integrated Program Plan is extremely important because lessons from past programs have shown that inadequate planning prior to program implementation is a primary cause of cost-growth and failure to meet requirements.

Description

The Integrated Program Plan translates strategies in the Acquisition Strategy Paper into a detailed set of management, contracting, and technical **actions and work activities** that are necessary for successful program implementation. The Integrated Program Plan must encompass **all** elements of program implementation which may include the acquisition of systems and equipment, the construction or modification of facilities and the supporting physical infrastructure, the functional integration of planned capabilities within the existing infrastructure, and the procurement of services. It must also include and weave together work activity in all related functional disciplines such as systems engineering, logistics support, test and evaluation, implementation, configuration management, and human factors, as appropriate to achieve successful program implementation.

Approval

The Integrated Product Team develops, reviews, and endorses the Integrated Program Plan. Team members are responsible for sound program planning within their functional discipline, and for coordinating with other team members and their functional organization. The co-leaders of the Integrated Management Team approve the Integrated Program Plan, as well as *major* changes caused by top-level management redirection, changes to the Acquisition Program Baseline, Congressional mandates, or other significant events. For those programs not managed by a PT or IPT, the Directors from the sponsoring and providing organizations approve the Integrated Program Plan. The day-to-day evolution of the Integrated Program Plan is managed entirely within the IPT structure. Submission of the Integrated Program Plan to the Integrated Management Team for approval should signify agreement among IPT members. Issues that remain among team members will be resolved by the Integrated Management Team or higher levels within the

IPDS structure, as necessary. The Director, Independent Operational Test and Evaluation, co-approves the test section of the Integrated Program Plan for those programs designated for IOT&E.

Note: *The Integrated Program Plan must be approved before release of any formal request for offer, transfer of funds, or commitment to any interagency agreement for program implementation. Draft solicitations may be released for industry review and comment before approval.*

Distribution

Distribute copies of the approved Integrated Program Plan to all headquarters, regional, and other personnel associated with the program. Send a copy to ASD-200, Program Evaluation Office, which maintains a central repository of approved acquisition documents for the Joint Resources Council.

Content

The following summarizes the content of the Integrated Program Plan. A complete document template is available in FAST via the Internet (http://fast.faa.gov).

Signature Page. Include the title "Integrated Program Plan," name of the acquisition program, version number, signatures of the co-leaders of the Integrated Management Team, the approval date, and points of contact for the sponsoring organization and the Integrated Product Team.

Background. Briefly summarize mission need and status of this acquisition program.

Overview. Briefly define the scope of the program and identify the primary deliverables.

Integrated Program Funding. Show program funding distribution by fiscal year in then-year dollars for the following cost categories as appropriate: real property, physical plant and infrastructure, systems/equipment, lifecycle support infrastructure, test and evaluation, fielding (including removal and disposal of replaced assets), in-service sustainment, operations and maintenance, and program support. Be consistent with and do not exceed the cost baseline in the Acquisition Program Baseline.

Integrated Program Schedule. Portray an integrated program schedule as a logical networking of the work activities that will be executed to achieve successful program implementation. Briefly define each work activity in the appropriate sections of the Integrated Program Plan, and identify who is responsible, when the activity will be completed, any output of the activity, and who approves.

Performance. Identify and define the work activities that will be executed to acquire the capability specified in the Acquisition Program Baseline. Identify and define the work activities (both government and contractor) that will be executed to manage this acquisition program according to strategy in the Acquisition Strategy Paper, including program management, program control, contract management, requirements management, and risk management. Identify and define the work activities to execute each procurement planned for this acquisition program.

Benefits. Identify and define the work activities that will be executed to verify benefits in the Acquisition Program Baseline are achieved during the in-service operation of this acquisition program.

Physical Integration. Identify and define the work activities that will be executed to achieve infrastructure requirements in the Acquisition Program Baseline for the following, as appropriate: real estate, space, environmental, safety and health, security, energy conservation, heating, ventilation, air-conditioning, grounding, bonding, shielding, power systems and commercial power, telecommunications, cables, disposal and disposition, and other special considerations.

Functional Integration. Identify and define the work activities that will be executed to achieve successful integration with other NAS systems, software, human operators and maintainers, spectrum management, and other special considerations, as appropriate.

In-Service Support. Identify and define the work activities that will be executed to support the products of this acquisition program throughout their lifecycle for the following, as appropriate: maintenance concept, staffing, supply support, support equipment, technical data, training and training support, computer resources support, first and second level repair, packaging, handling, shipping, and transportation.

Test and Evaluation. Identify and define the work activities that will be executed to achieve the test requirements in the Acquisition Program Baseline and execute the test and evaluation strategy in the Acquisition Strategy Paper.

Implementation. Identify and define the work activities that will be executed to field the products of this acquisition program and put them into operational use.

Quality Assurance. Identify and define the work activities that will be executed to implement and monitor quality assurance controls as specified in the Acquisition Program Baseline.

Configuration Management. Identify and define the work activities that will be executed to achieve configuration management for hardware, software, and physical plant as specified in the Acquisition Program Baseline.

Human Factors. Identify and define the work activities that will be planned to ensure the products of this acquisition program are well-designed and appropriate for the human workforce that will operate and maintain it.

In-Service Management. Identify and define the work activities that will be executed during in-service management to monitor and evaluate the status of fielded products and services so performance can be sustained and optimized, and to gather the information needed to determine when fielded capability must be upgraded or modernized.

Appendix C:

DEFINITIONS

Acquisition planning is the process by which all acquisition-related disciplines of an acquisition program are developed, coordinated, and integrated into a comprehensive plan for executing the program and meeting the stated requirements within the cost and schedule boundaries. Acquisition planning is normally associated with the initiation of the program at the beginning of Solution Implementation, but is also important at other times of the lifecycle acquisition process.

Acquisition program. A sponsored, fully funded effort initiated at the investment decision of the lifecycle acquisition management process by the Joint Resources Council. An acquisition program is created in response to an approved Mission Need Statement. The goal of an acquisition program is to field a new capability that satisfies requirements, cost, schedule, and benefits stated in an Acquisition Program Baseline. Typically an acquisition program is a separate budgeted line item and may have multiple procurements and several projects, all managed within the single program.

Acquisition Program Baseline (APB). Establishes the performance, supportability and benefits requirements to be achieved by the acquisition program, as well as the cost and schedule boundaries within which the program is authorized to perform. The APB is a formal document approved by the Joint Resources Council at the investment decision, and in effect, is a contract between the user organization that requires the program product, and the provider of the product, the Integrated Product Team.

Acquisition strategy. The overall concept and approach of an acquisition program for acquiring a capability to meet the requirements and perform within the boundaries set forth in the Acquisition Program Baseline. The strategy considers all aspects of a program such as acquisition approach, contracting, logistics, testing, systems engineering, risk management, program management, impact on facilities, human factors, schedules, and cost. The results are documented in the program's Acquisition Strategy Paper (ASP) during the early stage of Solution Implementation.

Acquisition Strategy Paper. A required document that defines the overall approach by which an acquisition program will be executed during the Solution Implementation phase. It is a high-level, strategic overview of the technical, management, and procurement approach. It is approved by the Co-leaders of the appropriate Integrated Management Team (IMT).

Acquisition workforce. All individuals who play a role in the lifecycle acquisition management process. Integrated Product Teams are a major part of the acquisition workforce. Also included are those persons associated with strategic planning, mission analysis, investment analysis, users of acquisition program capabilities and products, and various other functional discipline support organizations.

Affiliate business is a business that controls or has the power to control another business, or a third party that controls or has the power to control another business (contractual relationships must be considered).

Affordability assessment. The process of assessing the affordability of each candidate solution developed in the Investment Analysis phase against all existing programs in the agency's financial baseline for the same years. Standard criteria is used to determine the priority of the candidate program in relation to all others. If the amount of funding available for the years in question is insufficient, offsets from lower priority programs are identified. Affordability assessment is also performed when considering acquisition program baseline changes for existing programs that involve an increase in the cost baseline and the need to reallocate resources.

Agreement with a state government, local government, and/or public authority is a written agreement between the Federal Aviation Administration (FAA) and a state or local government or public authority where the FAA agrees to receive from, or exchange supplies or services with, the other party.

Agreements with private parties are written documents executed by the parties which call for the exchange of services, equipment, personnel, or facilities, or require the payment of funds to the FAA, or confirm mutual aid and assistance and outline the specific responsibilities of each party. The term includes agreements under which the FAA provides services, equipment, personnel, or facilities and obtains reimbursement on a negotiated basis from the other party. The term excludes procurement contracts for real estate, supplies and services.

Agreements with public entities other than Federal agencies are written documents executed by the parties which call for the exchange of services, equipment, personnel, or facilities, or require the payment of funds to the FAA, or confirm mutual aid and assistance and outline the specific responsibilities of each party. The term includes agreements under which the FAA provides services, equipment, personnel, or facilities and obtains reimbursement on a negotiated basis from the other party.

Alternative Dispute Resolution (ADR). Any procedure or combination of procedures voluntarily used to resolve issues in controversy without the need to resort to litigation. These procedures may include, but are not limited to, assisted settlement negotiations, conciliation, facilitation, mediation, fact-finding, mini-trials, and arbitration. These procedures may involve the use of neutrals.

Architect-engineer services are: (1) professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person licensed, registered, or certified to provide such services; (2) professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and (3) such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably

perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services.

Auctioning techniques, a method of screening vendors using commercial competition techniques, and includes such techniques as indicating to an offeror a cost or price that it must meet to obtain further considerations; advising an offeror of its price standing relative to another offeror; and otherwise furnishing information about other offerors' prices. This may only be used for commercially available products.

Best value. A term used during procurement source selection to describe the solution that is the most advantageous to the FAA, based on the evaluation of price and other factors specified by the FAA. This approach provides the opportunity for trade-offs between price and other specified factors, and does not require that an award be made to either the offeror submitting the highest rated technical solution, or to the offeror submitting the lowest cost/price, although the ultimate award decision may be to either of these offerors.

Cancellation is the termination of the total requirements of all remaining program years of a multi-year contract. Cancellation results when the Contracting Officer (CO) notifies the contractor of nonavailability of funds for contract performance for any subsequent program year, or fails to notify the contractor that funds are available for performance of the succeeding program year requirement.

Cancellation ceiling is the maximum amount that the FAA will pay the contractor which the contractor would have recovered as a part of the unit price, had the contract been completed. The amount which is actually paid to the contractor upon settlement for unrecovered costs (which can only be equal to or less than the ceiling) is referred to as the cancellation charge. This ceiling generally includes only nonrecurring costs.

Capability Maturity Model (CMM). A descriptive model of the stages through which organizations progress as they define, implement, evolve, and improve their processes. This model serves as a guide for selecting process improvement strategies by facilitating the determination of the current process capabilities and the identification of issues most critical to quality and process improvement within a particular domain, such as software engineering (SW-CMM), software acquisition (SA-CMM), or systems engineering (SE-CMM).

Capability Maturity Model-based Evaluation. An appraisal made by a trained team of professionals, using an established method to (1) identify contractors qualified to perform certain tasks, or (2) monitor the state of the processes used on an existing effort.

Capability shortfalls, within the context of mission analysis, refers to the difference between the projected demand for services and ability to meet that demand with the current capability.

Claim, as used herein, means a contract dispute.

Commercial item can mean any of the following:

(A) Any item, other than real property, that is of a type customarily used by the general public or by nongovernmental entities for purposes other than governmental purposes and that has been sold, leased, licensed to the general public; or has been offered for sale, lease, or license to the general public.

(B) Any item that evolved from an item described in paragraph (A) through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a Government solicitation.

(C) Any item that would satisfy a criterion expressed in paragraphs (A) (B) of this definition, but for-(i) modifications of a type customarily available in the commercial marketplace; or (ii) modifications of a type not customarily available in the commercial marketplace made to meet Federal Government requirements.

"Minor" modifications means modifications that do not significantly alter the non-governmental function or essential physical characteristics of an item or component or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and comparative value and size of the final product. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

(D) Any combination of items meeting the requirements of paragraphs (A), (B), (C), or (E) of this definition that are of a type customarily combined and sold in combination to the general public.

(E) Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraph (A), (B), (C), or (D) of this definition, and if the source of such services--(i) offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions; and (ii) offers to use the same work force for providing the Federal Government with such services as the source uses for providing such services to the general public.

(F) Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standards commercial terms and conditions. This does not include services that are sold based on hourly rates without an established catalog or market price for specific service performed.

(G) Any item, combination of items, or service referred to in paragraphs (A) through (F), notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a contract; or

(H) A nondevelopmental item, if the procuring agency determines the item was developed exclusively at private expense and sold in substantial quantities, on a competitive basis, to multiple state and local governments.

The term nondevelopmental item means:

(A) Any previously developed item of supply used exclusively for government purposes by a Federal agency, a state or local government with which the United States has a mutual defense cooperation agreement;

(B) Any item described in paragraph (A) of this definition that requires only minor modification or modifications of a type customarily available in the commercial marketplace in order to meet the requirements of the procuring department or agency; or

(C) Any item of supply being produced that does not meet the requirements of paragraph (A) or (B) solely because the item is not yet in use.

The term component means any item supplied to the Federal Government as part of an end item or of another component.

The term commercial component means any component that is a commercial item.

Commercial-off-the-shelf (COTS) is a product or service that has been developed for sale, lease or license to the general public and is currently available at a fair market value. This is distinct from a commercial product in that it may not have already been sold at established catalog or market prices.

Commercially available refers to products, commodities, equipment, material, or services available in existing commercial markets in which sources compete primarily on the basis of established catalog/market prices or for which specific costs/prices established within the industry have been determined to be fair and reasonable. See **Commercial Item**.

Commonality refers to the use of identical parts, components, subsystems or systems to achieve economies in development and manufacture.

Communications, when referring to contracting, means any oral or written communication between the FAA and an offeror that involves information essential for understanding and evaluating an offeror's submittal(s), and/or determining the acceptability of an offeror's submittal(s).

Computer resources support is an element of integrated logistics support. It represents the facilities, hardware, system support software, software/hardware development and support tools, documentation, and personnel needed to operate and support embedded computer systems.

Contract is a legal instrument used to acquire products and services for the direct benefit or use by the FAA.

Contract Dispute, as used herein, means a written request seeking as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under a contract unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the

claimant. The term does not include a request for payment of an invoice, voucher, or similar routine payments expressly authorized under the terms of the contract, which have not been rejected by the contracting officer. The term includes a termination for convenience settlement proposal and request for equitable adjustment, but does not include cost proposals seeking definitization of a letter contract or other undefinitized contract action.

Contractor. The party(ies) receiving a direct procurement contract from the FAA and who is responsible for performance of the contract requirements.

Controversy or concern. A material disagreement between the FAA and an offeror that could result in a protest.

Core policy refers to the official governing policy of the FAA Acquisition Management System. It consists of all of Sections 1, 2, and 3, and Appendixes A-E of this document. All other acquisition information not contained within this policy document is in the form of guidance, processes, references, and other acquisition aids, used by the acquisition workforce with discretion and in a manner that makes sense for individual programs. All of this information, including core policy, is considered to be the entire FAA Acquisition Management System. This information may be found within the FAA Acquisition System Toolset on the Internet.

Cost is the contractor's expenses of contract performance, either estimated or actual.

Cost and pricing data refers to all facts that, at the time of the price agreement, the seller and buyer would reasonably expect to affect price negotiations. Cost or pricing data require certification. Cost or pricing data are factual, not judgmental data, and are therefore verifiable. While these data do not indicate the accuracy of the prospective contractor's judgment about estimated future costs or projections, they do include the data utilized to form the basis for that judgment. Cost or pricing data are more than historical accounting data; they are all the facts that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred.

Critical Operational Issue. A key operational effectiveness or suitability issue that must be examined in operational test and evaluation to determine a product's capability to perform its mission.

Customer. External users of FAA products or services, such as airlines and the flying public. See **User**.

Demand, as used in the context of mission analysis, is the current or projected demand for FAA products, services, and capacity, based on input from diverse sources such as the aviation community, NAS Architecture, long-range planners, and operators and maintainers of the NAS and other FAA support systems.

Design to cost is a concept that establishes cost elements as management goals to best balance between lifecycle cost, acceptable performance, and schedule. Under this concept, cost is a design constraint during the design, development, and production phases, and a management discipline throughout the system lifecycle.

Direct-work maintenance staffing is an element of integrated logistics support. It represents the direct person hours required to operate, support and maintain a subsystem/equipment over its life cycle.

Discriminating criteria/key discriminators, used in procurement context, are those factors expected to be especially important, significant, and critical in the ultimate source selection decision.

Dispute as used herein, means a *Contract Dispute or Claim*.

Dispute resolution officer is a licensed legal practitioner who is a member of the Office of Dispute Resolution, and who has authority to conduct proceedings which, if agreed to by the parties and concurred in by the FAA Administrator, result in binding decisions on the parties.

Dominant business is a controlling or major influence in a market in which a number of businesses are primarily engaged. Factors such as business volume; number of employees; financial resources; competitiveness; ownership or control of materials, processes, patents, and license agreements; facilities; sales territory; and nature of the business must be considered.

Economically disadvantaged individuals means disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not disadvantaged.

Evolutionary product development is the process of establishing a product designed to evolve over time, as opposed to the need for wholesale replacement, to satisfy requirements. The objective is to accommodate rapid insertion of new technology and upgrades, rather than invest in entirely new products.

FAA disputes resolution system is a process established within the FAA for resolving protests of FAA Screening Information Requests (SIRs) and contract awards, as well as contract disputes.

FAA Office of Dispute Resolution is an independent organization within the FAA, reporting to the FAA Chief Counsel, which is staffed with an appropriate number of dispute resolution officers.

Fee is compensation paid to a consultant for professional services rendered.

Firm, as defined for architect-engineering services, is any individual, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

Functional baseline is the initially approved documentation describing a system's or item's functional, interoperability, and interface characteristics, and the verification required to demonstrate the achievement of those characteristics.

Generic processes. Flowcharts and supporting information, including descriptions, approving officials, references, templates, and other aids that describe each event of the Solution Implementation phase of the acquisition process. Generic processes are provided to IPTs for guidance to assist in the complex planning, product development, procurement, production, testing, delivery, and implementation activities of this important phase of the lifecycle acquisition process. Generic processes are an integral part of the FAA Acquisition Systems Toolset (FAST).

Historically Black Colleges and Universities. Institutions determined by the U.S. Secretary of Education to meet the requirements of 34 CFR 608.2 and listed therein.

Human factors in FAA acquisitions is a multi-disciplinary effort to generate and apply human performance information to acquire safe, efficient, and effective operational systems.

In-service decision is the decision to accept a product or service for operational use during the Solution Implementation phase of the lifecycle acquisition management process. This decision allows deployment activities, such as installing products at each site and certifying them for operational use, to start.

In-service management phase of the lifecycle acquisition system process, is that period of time after a product or service begins operational use, and continues for as long as the product is in use.

Information other than cost or pricing data is any type of information that is not required to be certified, that is necessary to determine price reasonableness or cost realism. This includes pricing, sales, or cost information, and cost or pricing data for which certification is determined inapplicable after submission.

Integrated Logistics Support (ILS) is the functional discipline that deals with the relationship of supportability requirements to the operational requirements, and their consideration in the design of products. It consists of the following elements: maintenance planning, maintenance support facilities, maintenance staffing, supply support, support equipment, training, technical data, and packaging, handling, storage, and transportation.

Integrated Management Team (IMT). A cross-functional intermediate-level management team comprised of the IPT leaders and their counterparts from the stakeholder functional organizations which provides guidance, support, and coaching to PTs and IPTs within its domain. Each IMT (1) oversees implementation of IPDS within its domain, (2) resolves problems regarding IPDS implementation and operation, and programmatic issues which are domain-specific, (3) raises issues/problems cross-cutting all IPT organizations to the IPLT, and (4) approves the Integrated Program Plan and Acquisition Strategy Paper.

Integrated Product Development System (IPDS) is the implementing arm of the Lifecycle Acquisition Management System, using cross-functional collaborative, empowered, and mutually accountable teams-leading-teams.

Integrated Product Leadership Team (IPLT). A cross-functional director-level management team which oversees the entire IPDS operation. The IPLT (1) resolves high-level, cross-domain IPDS and programmatic issues requiring senior management assistance and support, (2) leads the establishment and maintenance of IPDS infrastucture, policy and guidance, and (3) approves Product Team and Integrated Product Team Plans focusing on empowerment boundaries and team operations concepts.

Integrated Product Team (IPT) is a cross-functional, empowered team with a mission, budget and other resources for delivering a product or service that meets

the needs of its customer or user. The IPT makes binding, team based decisions and ensures the interests of all stakeholders, customers, users, and vendors are represented.

Integrated Program Plan is the detailed planning document for all aspects of program implementation. It integrates the planning requirements of several previous FAA planning documents including the program master plan, the integrated logistics support plan, the test and evaluation master plan, the program implementation plan, the human factors plan, and the procurement plan.

Interagency agreement is a written agreement between the FAA and another Federal agency where the FAA agrees to receive from, or exchange supplies or services with, the other agency, and FAA funds are obligated.

Interested Party. An interested party is one who:

(1) Prior to the close of a solicitation, is an actual or prospective participant in the procurement, excluding prospective subcontractors; or

(2) After the close of a solicitation, is an actual participant who would be next in line for award under the solicitations scheme if the protest is successful. An actual participant who is not in line for award under the solicitations scheme is ineligible to protest unless that party's complaint alleges specific improper actions or inactions by the agency that caused the party to be other than in line for award. Proposed subcontractors are not eligible to protest.

Where a contract has been awarded prior to the filing of a protest, the awardee may be considered an interested party for purposes of participating in the protest proceedings.

Intra-agency agreement is a written agreement between the FAA and Office of the Secretary of Transportation or another Department of Transportation operating administration where the requesting organization agrees to provide or exchange supplies or services with the FAA, and FAA funds are obligated.

Investment Analysis of the lifecycle acquisition management process is conducted to determine the most advantageous solution to an approved mission need. It involves(1) development of operational requirements, (2) a market search to determine industry capability, (3) analysis of various alternative approaches for satisfying requirements, and (4) and affordability assessment to determine what the agency can afford.

Investment Analysis Report summarizes the analytical and quantitative information developed during investment analysis in the search for the best means for satisfying mission need. It is the primary information document supporting the investment decision.

Joint Resources Council (JRC) is the FAA's body responsible for making corporate level decisions. Membership consists of the Associate Administrators representing all lines of business investment areas of the agency (Air Traffic Services, Regulation and Certification, Airports, Administration, Research and Acquisitions, Commercial Space Transportation, and Civil Aviation

Security), the FAA Acquisition Executive, the Director of the Office of Financial Services, and Legal Counsel.

Learning system is the same as lifecycle acquisition workforce learning system (see below).

Lifecycle acquisition management process. A depiction of the series of phases and decision points that comprise the lifecycle of products and services.

Lifecycle acquisition management system is a fully coordinated set of policies, processes, and computer-based acquisition tools that guide the acquisition workforce through the lifecycle acquisition management process from the determination of mission needs to the procurement and lifecycle management of products and services that satisfy those needs.

Lifecycle acquisition workforce learning system is a learning based methodology aimed at increasing the effectiveness and productivity of the acquisition workforce. It has three major characteristics: mission driven, competency based, and goal oriented.

Lifecycle cost is the total cost to the FAA of acquiring, operating, maintaining, supporting, and disposal of systems or services over its useful life. Life-cycle cost includes total acquisition costs, development costs, and operational costs and includes all appropriations, RE&D, F&E, and OPS.

Line of business. An informal term used to characterize the seven major organizations of the FAA, headed by Associate Administrators, having major roles and responsibilities in the Lifecycle Acquisition Management System. They are: Air Traffic Services, Regulation and Certification, Airports, Commercial Space Transportation, Administration, Research and Acquisitions, and Civil Aviation Security. See Appendix A for Line of Business roles and responsibilities.

Maintenance planning is an element of integrated logistics support. It is the process conducted to determine, evolve, and establish maintenance concepts and requirements for the lifecycle of a product, including both hardware and software.

Maintenance support facility is an element of integrated logistics support. It represents the permanent or semi-permanent real property assets required to support the system. Maintenance support facility management includes conducting studies to define types of facilities or facility improvements, locations, space needs, environmental requirements, real estate requirements and equipment.

Market survey is used in two different contexts in AMS. In terms of the procurement and contracting process, it refers to any method used to survey industry to obtain information and comments and to determine competition, capabilities, and estimate costs. In terms of the lifecycle acquisition management process, market surveys are an integral part of Investment Analysis. After initial requirements are established, market surveys are used as a basis for identifying all potential material and nonmaterial solutions to mission need.

Memorandum of Agreement (MOA) is a written document executed by the parties which creates a legally binding commitment and may require the obligation of funds. However, when the FAA will *acquire* services, equipment,

personnel, or facilities from a contractor *for the direct benefit or use of the FAA*, a procurement contract should be used.

Memorandum of Understanding (MOU) is a written document executed by the parties which establishes policies or procedures of mutual concern. It does not require either party to obligate funds and does not create a legally binding commitment.

Metrics are measurements taken over time that monitor, assess, and communicate vital information about the results of a program or activity. Metrics are generally quantitative, but can be qualitative.

Minority Educational Institutions. Institutions verified by the U.S. Secretary of Education to meet the criteria set forth in 34 CFR 637.4. Also includes Hispanic-serving institutions as defined by 20 U.S.C. 1059c(b)(1).

Mission analysis is that part of the lifecycle acquisition management process during which strong, forward-looking, and continuous analytical activity is performed to evaluate the capacity of agency assets to satisfy existing and emerging demands for services. It is conducted within the seven lines of business organizations of the agency.

Mission Need Statement is a formal planning document that defines a mission capability shortfall or technological opportunity the agency should address. Approval of the mission need statement by the Joint Resources Council at the mission need decision initiates investment analysis to determine the best means for satisfying mission need.

Multi-year contracts are contracts covering more than one year but not in excess of five years of requirements. Total contract quantities and annual quantities are planned for a particular level and type of funding as displayed in a current five year development plan. Each program year is annually budgeted and funded and, at the time of award, funds need only to have been appropriated for the first year. The contractor is protected against loss resulting from cancellation by contract provisions, which allows reimbursement of costs included in the cancellation ceiling.

Multi-year funding refers to Congressional authorization and appropriation covering more than one fiscal year. The term should not be confused with two-year or three-year funds which cover only one fiscal year's requirement but permit the Executive Branch more than one year to obligate the funds.

Neutral means an impartial third party, who serves as a mediator, fact finder, or arbitrator, or otherwise functions to assist the parties to resolve the issues in controversy. A neutral person may be a permanent or temporary officer or employee of the Federal Government or any other individual who is acceptable to the parties. A neutral person shall have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless such interest is fully disclosed in writing to all parties and all parties agree that the neutral person may serve.

No-year funding refers to Congressional funding that does not require obligation in any specific year or years.

Nondevelopmental item (NDI) is an item that has been previously developed for use by federal, state, local, or a foreign government and no further development is required.

Nonmaterial solution represents a solution to an agency capability shortfall which can be (1) implemented without proceeding further in the acquisition management process (Usually identified during Mission Analysis or Investment Analysis) and (2) can be achieved within approved baselines and budgets. Nonmaterial solutions typically are such things as rulemaking changes, operational procedural changes, or transfers of systems between sites.

Nonrecurring costs are those production costs which are generally incurred on a one time basis and include such costs as plant or equipment relocation, plant rearrangement, special tooling and special test equipment, preproduction engineering, initial spoilage and rework, and specialized workforce training.

Operational readiness, refers to the state of a fielded new system in the NAS. This state is achieved after the system is tested by the FAA at a field test site where it is demonstrated that local site personnel have the ability to fully operate and maintain the new system.

Operational suitability. The capability of a system to be satisfactorily integrated and employed for field use, considering such factors as compatibility, reliability, human performance factors, maintenance and logistics support, safety, and training. The term also refers to the actual degree to which the system satisfies these parameters.

Other transaction. Transactions, as referenced in Public Law 104-26, October 9, 1996, which do not fall into the category of procurement contracts, grants, or cooperative agreements.

Packaging, handling, storage and transportation is an element of integrated logistics support. It represents the resources, processes, procedures, design considerations, and methods to ensure that all subsystem, equipment, and support items are preserved, packaged, handled, and transported properly. This includes environmental considerations and equipment preservation requirements for short and long term storage and transportability.

Performance parameters are those mission-critical performance and lifecycle supportability criteria contained in the Requirements Document. They represent the sponsoring organization's translation of the capability shortfall in the Mission Need Statement into critical factors the selected solution must contain in its eventual operational state to satisfy the user's needs.

Price equals cost plus any fee or profit involved in the procurement of a product or service.

Primary engineer or principal consultant is a firm which is held responsible for the overall performance of the services, including that which is accomplished by others under separate or special service contracts.

Procurement strategy meeting is a meeting of organizations with vested interests in the contemplated procurement. The purpose of this meeting is to reach a consensus on

the planned course of the acquisition and to obtain the necessary approvals to proceed.

Product baseline is the initially approved documentation describing all of the necessary functional and physical characteristics of the configuration item and the selected functional and physical characteristics designated for production acceptance testing and tests necessary for support of the configuration item. In addition to this documentation, the product baseline of a configuration item may consist of the actual equipment and software.

Product Team (PT). A sub-IPT, with a mission, resources, leader, and a complete cross-functional team to execute a sub-element of an IPT's mission.

Program Decisionmaking. In general, resource decisionmaking in the lifecycle acquisition management process is at the Corporate level and program decisionmaking is within IPDS. Five decisions are always made at the Corporate level by the Joint Resources Council: the mission need decision, the investment decision, the decision to approve a baseline change, approval of the RE&D and F&E budget submissions, and approval of the NAS Architecture baseline.

Protest is a written, timely objection submitted by a protester to an FAA Screening Information Request (SIR) or contract award.

Protester is a prospective offeror whose direct economic interest would be affected by the award or failure to award an FAA contract, or an actual offeror with a reasonable chance to receive award of an FAA contract.

Real Property includes the following categories: land or rights over or under the land, or things that are affixed or attached to the land as improvements to make it more productive or to make it serve a more beneficial end than the land itself. For purposes of the FAA, real property is classified into categories of property, land, buildings, and other structures and facilities.

Record drawings are drawings submitted by a contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract.

Recurring costs are production costs that vary with the quantity being produced, such as labor and materials.

Requirements Document is a formal planning document approved by the Associate Administrator of the Sponsoring Organization. It establishes the operational framework and the cost, schedule, performance, and benefits baselines required by the line of business with a mission need. It translates the mission need into top-level performance, supportability, and benefit requirements that should be satisfied in the final fielded capability. It is prepared in the Investment Analysis phase of the lifecycle acquisition management process.

Revalidated Mission Need Statement. The original Mission Need Statement is approved at the Mission Need Decision. Anytime thereafter in the lifecycle acquisition management process, there are occasions when the mission need should be revalidated to ensure the program should continue in the same form. This means that the sponsoring organization reexamines the need and determines that the

capability shortfall, impact, benefits, timeframe, criticality and estimate of resources described in the Mission Need Statement are essentially unchanged. If the parameters are unchanged, the sponsor validates that the program should continue. If there are significant parameter changes, the sponsor needs to recommend changes to, or cancellation of, the program in its present form.

Screening is the process of evaluating offeror submittals to determine either which offerors/products are qualified to meet a specific type of supply or service, which offerors are most likely to receive award, or which offerors provide the best value to the FAA.

Screening decision is the narrowing of the number of offerors participating in the source selection process to only those offerors most likely to receive award.

Screening information request (SIR) is any request made by the FAA for documentation, information, or offer for the purpose of screening to determine which offeror provides the best value solution for a particular procurement.

Selection decision is the determination to make an award, by the Source Selection Official (SSO), to the offeror providing the best value to the FAA.

Simplified purchases are those products or services of any nature that are smaller in dollar value, less complex, shorter term, routine, or are commercially available and are generally purchased on a fixed price basis.

Single-source contracting is to award a contract, without competition, to a single supplier of products or services.

Small business is a business, including its affiliates, that is independently owned and operated and not dominant in producing the products or performing the services being purchased, and one that qualifies as a small business under the Federal Government's criteria and standard industrial classification size standards.

Small business set-aside is the reservation of an acquisition exclusively for participation by small businesses.

Small Socially & Economically Disadvantaged Business means a small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such individuals.

Socially disadvantaged individuals means individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals.

Solution implementation phase is the phase of the lifecycle acquisition process that begins after the Joint Resources Council selects a solution and establishes an acquisition program. It ends when the new capability goes into service. This phase is normally characterized into three sets of activities, (1) planning solution implementation, (2) obtaining the solution, and (3) deploying the solution. This phase is led by the Integrated Product Team assigned by the JRC at the investment decision.

Standardization is the practice of acquiring parts, components, subsystems, or systems with common design or functional characteristics to obtain economies in ownership costs.

Supply, as used in the context of mission analysis, is the existing or projected supply of services to its customers, based on information from field organizations that operate and maintain the NAS, from the aviation community, and from NAS architecture.

Supply support is an element of integrated logistics support. It represents all management actions, procedures, and techniques used to determine requirements to acquire, catalog, receive, store, transfer, issue, and dispose of items of supply. This includes provisioning for initial support as well as replenishment supply support.

Supportability. The degree to which product design and planned logistics resources meet product use requirements.

Support equipment is an element of integrated logistics support. It represents all equipment (mobile or fixed) required to support maintenance of a system. This includes associated multi-use end items, ground-handling and maintenance equipment, tools, metrology and calibration equipment and test and automatic test equipment. It includes the acquisition of logistics support for the support and test equipment itself.

Systems Engineering/Operational Analysis Team (SEOAT). A team of senior level managers representing the agency's lines of business, systems engineering, and other appropriate acquisition functional disciplines responsible for supporting the Joint Resources Council in establishing and maintaining year round prioritization of all ongoing acquisition programs, performing affordability assessments for new proposed acquisition programs, preparing annual budget submissions, and preparing reprogramming of fund recommendations.

Sustainment. Those activities associated with keeping fielded products operational and maintained. Also applies to the planning, programming and budgeting for fielded products, referred to as sustainment funding.

Technical data is an element of integrated logistics support. It is recorded information regardless of form or character (such as manuals, drawings and operational test procedures) of a scientific or technical nature required to operate and maintain a subsystem/equipment over its life cycle. Computer programs and related software are not technical data; documentation of computer programs and related software are. Also excluded are financial data or other information related to contract administration.

Technical leveling is the act of helping an offeror to bring its proposal/offer up to the level of other proposals/offers through successive rounds of communication, such as by pointing out weaknesses resulting from the offeror's lack of diligence, competence, or inventiveness in preparing his proposal.

Technical transfusion is the FAA's disclosure of technical information from one submittal that results in the improvement of another submittal.

Termination for convenience is the procedure which may apply to any FAA contract, including multi-year contracts. As

contrasted with cancellation, termination can be effected at any time during the life of the contract (cancellation is effected between fiscal years) and can be for the total quantity or a partial quantity (whereas cancellation must be for all subsequent fiscal year quantities).

Termination liability is the maximum cost the FAA would incur if a contract is terminated. In the case of a multi-year contract terminated before completion of the current fiscal year's deliveries, termination liability would include an amount for both current year termination charges and out year cancellation charges.

Termination liability funding refers to obligating contract funds to cover contractor expenditures plus termination liability, but not the total cost of the completed end items.

Training and training support is an element of integrated logistics support. It represents the analysis, design, development, implementation, and evaluation of training requirements to operate and support the subsystem/equipment. This includes conducting needs analyzes; job and task analyzes; delivering individual and team training; resident and nonresident training; on-the-job training; job aids; and logistic support planning for training aids and training installations.

Unauthorized commitment is an agreement entered into by a representative of the FAA who does not have the authority to obligate the agency to spend appropriated funds.

User. Internal FAA user of a product or service, such as Air Traffic Controllers or maintenance technicians.

Very small business is a business that has been in operation for less than five years and whose size is no greater than 50 percent of the numerical size standard applicable to the standard industrial classification code assigned to a contracting opportunity.

Appendix D:

ACRONYMS

ADR. . . . Alternative Dispute Resolution

AIP . . . . Airport Improvement Program

AMS . . . Acquisition Management System

APB . . . . Acquisition Program Baseline

ASP . . . . Acquisition Strategy Paper

CAS . . . . Cost Accounting Standards

CIP . . . . Capital Investment Plan

CO . . . . . Contracting Officer

COCO . . Chief of the Contracting Office

COI . . . . Critical Operational Issue

COTS. . . Commercial Off The Shelf

DOT. . . . Department of Transportation

DRO . . . Dispute Resolution Officer

EA . . . . . Environmental Assessment

EIS. . . . . Environmental Impact Statement

F&E. . . . Facilities and Equipment

FAA . . . . Federal Aviation Administration

FAE . . . . FAA Acquisition Executive

FAST . . . FAA Acquisition System Toolset

FONSI . . Finding of No Significant Interest

FSS. . . . . Federal Supply Schedule

GFI . . . . Government Furnished Information

GFP . . . . Government Furnished Property

GSA . . . . General Services Administration

IAR . . . . Investment Analysis Report

IMT . . . . Integrated Management Team

IOT&E . Independent Operational Test and Evaluation

IPDS . . . Integrated Product Development System

IPLT. . . . Integrated Product Leadership Team

IPP. . . . . Integrated Program Plan

IPT. . . . . Integrated Product Team

JRC . . . . Joint Resources Council

LRRAP . Long Range Resource Allocation Plan

MNS . . . Mission Need Statement

NAS . . . . National Airspace System

NDI . . . . Non-developmental Item

ODR . . . Office of Dispute Resolution

OMB . . . Office of Management and Budget

OPS . . . . Operations

OST . . . . Office of the Secretary of Transportation

P3I. . . . . Preplanned Product Improvement

PSM. . . . Procurement Strategy Meeting

PT . . . . . Product Team

QVL . . . . Qualified Vendor List

RD . . . . . Requirements Document

RE&D . . Research, Engineering, and Development

RFO . . . . Request For Offer

SEDB. . . Socially and Economically Disadvantaged Businesses

SEOAT. . Systems Engineering/Operational Analysis Team

SIC. . . . . Standard Industrial Classification

SIR. . . . . Screening Information Request

SSO . . . . Source Selection Official

T&E. . . . Test and Evaluation

U.S.C. . . United States Code